



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

February 20, 2018

EA-17-166

Mr. Darin Myers
Vice President
Southern Nuclear Operating Company, Inc.
7821 River Road
Waynesboro, GA 30830

SUBJECT: VOGTLE ELECTRIC GENERATING PLANT, UNITS 1 AND 2, PREDECISIONAL ENFORCEMENT CONFERENCE SUMMARY

Dear Mr. Myers:

On February 12, 2018, the U.S. Nuclear Regulatory Commission (NRC) staff held a Predecisional Enforcement Conference (PEC) with you and members of your staff at the NRC Region II Office in Atlanta, GA. The PEC was requested by Southern Nuclear Operating Company, Inc. (SNC) following the issuance of NRC Inspection Report Number 05000424/2017012 and 05000425/2017012 related to the failure of SNC system operators to conduct operator rounds as required by procedure and deliberate falsification of information material to the NRC at Vogtle Electric Generating Plant, Units 1 and 2. That inspection report was dated December 21, 2017, and is available from the NRC's website, www.nrc.gov, under the Agencywide Documents Access and Management System Accession No. ML17355A481. A brief summary of the PEC proceedings is enclosed.

No response to this letter is required. Please contact Alan Blamey of my staff at 404-997-4415 if you have any questions regarding this matter.

Sincerely,

/RA/

Joel T. Munday, Director
Division of Reactor Projects

Docket Nos. 50-424 and 50-425

Enclosure:
PEC Summary

Distribution via ListServ

D. Myers

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SUBJECT: VOGTLE ELECTRIC GENERATING PLANT, UNITS 1 AND 2, PREDECISIONAL ENFORCEMENT CONFERENCE SUMMARY February 20, 2018

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DATE	2/14/2018	2/14/2018	2/14/2018		

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PREDECISIONAL ENFORCEMENT CONFERENCE SUMMARY

Licensee: Southern Nuclear Operating Company, Inc.

Facility: Vogtle Electric Generating Plant, Units 1 and 2

License Nos.: NPF-68 and NPF-81

Docket Nos.: 05000424 and 05000425

EA-17-166

On February 12, 2018, representatives of Southern Nuclear Company (SNC) met with NRC personnel in the Region II office located in Atlanta, GA, to discuss the apparent violations identified in NRC Inspection Report Number 05000424/2017012 and 05000425/2017012 related to the failure of SNC system operators to conduct operator rounds as required by procedure and deliberate falsification of information material to the NRC at Vogtle Electric Generating Plant, Units 1 and 2. The conference was held at the request of SNC, following the issuance of this inspection report.

SNC presented a summary of the causes for the apparent violations and their corrective actions. SNC agreed with the apparent violations identified in NRC Inspection Report Number 05000424/2017012 and 05000425/2017012, as written.

The attendance list and the licensee's presentation are attached to this summary.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this summary and its enclosures will be made available to the Public.

Attachments:

1. Attendance List
2. Licensee Presentation

Enclosure

Attachment 1

PEC Attendance List – 2/12/2018

Southern Nuclear Operating Company, Inc.:

Darin Myers	Vice President, Vogtle 1&2
Daniel Komm	Plant Manager, Vogtle 1&2
Dom Sutton	Regulatory Affairs Manager, Vogtle 1 &2
Jesse Key	Operations SRO, Vogtle 1&2
Keith Tabor	VP, Fleet Operations
Mike Meier	VP, Regulatory Affairs
Jamie Coleman	Assistant to the VP of Regulatory Affairs
JJ Hutto	Fleet Regulatory Affairs Director
Justin Wheat	Licensing Manager, Nuclear Licensing
Terry Reis	Project Manager, Nuclear Licensing
Tom Poindexter	Morgan Lewis, External Counsel

Nuclear Regulatory Commission:

Laura Dudes	Deputy Regional Administrator
Joel Munday	Director, Division of Reactor Projects
Alan Blamey	Chief, Projects Branch 2
Sarah Price	Regional Counsel
Scott Sparks	Senior Enforcement Specialist
Paul Peduzzi	Deputy Director, Office of Enforcement
David Jones	Enforcement Specialist, Office of Enforcement
Rob Carpenter	Attorney, Material Litigation and Enforcement
Scott Luina	Senior Special Agent, Office of Investigations
Mike King	Deputy Director, Division of Inspection and Regional Support
Lauren Casey	Enforcement Coordinator, Division of Inspection and Regional Support
Patrick Heher	Inspector, Projects Branch 2



Southern
Nuclear

Vogtle Electric Generating Plant

Pre-Decisional Enforcement Conference

Vogtle Operator Rounds

EA-17-166

NRC Region II – February 12, 2018

Vogtle and Corporate SNC Speakers

- Darin Myers Plant Vogtle Site Vice President
- Daniel Komm Plant Vogtle Site Plant Manager
- Dom Sutton Plant Vogtle Regulatory Affairs Manager
- Jesse Key Plant Vogtle Operations / SRO
- Keith Taber SNC Vice President Fleet Operations
- Jamie Coleman Assistant to Regulatory Affairs Vice President

Agenda

- Opening Remarks
Darin Myers
- Event Overview
Daniel Komm
- Vogtle Actions
– Event Overview
– Root Cause
– Corrective Actions
Daniel Komm / Jesse Key
- Fleet Actions
Jamie Coleman
- Escalated Enforcement Assessment Process
Dom Sutton
- Closing Remarks
– Fleet
– Vogtle
Keith Taber
Darin Myers

Opening Remarks

- NRC letter dated December 21, 2017(ML17355A481) provided SNC the opportunity to:
 - Present our perspective on the two apparent violations presented in the letter
 - Provide the information the NRC needs to make a final enforcement decision
- Contrary to Criterion V of Appendix B, on multiple instances during August thru mid-October, 2016, at least 13 SOs failed to complete their rounds, an activity affecting quality, as prescribed by documented instructions and procedures. Specifically, at least 13 SOs entered data related to equipment status, general area inspections, and housekeeping conditions of the areas listed above on multiple occasions without actually entering those areas as required by Operations Procedure 11882-1/2, “Outside Area Rounds,” versions 97/82.
- Contrary to 10 CFR 50.9, on multiple instances from August thru mid-October, 2016, information required by the Commission’s regulations to be maintained by the licensee was not complete and accurate in all material respects. Specifically, at least 13 SOs failed to comply with the procedural requirements of Operations Procedure 11882-1/2, “Outside Area Rounds,” versions 97/82, in that the SOs recorded data for areas that they never actually entered on multiple occasions.

Southern Company Values

Our Values

For more than a century, Southern Company has been building the future of energy. We deliver the energy resources and solutions our customers and communities need to drive growth and prosperity.

How we do our work is just as important as what we do. Our uncompromising values are key to our sustained success. They guide our behavior and ensure we put the needs of those we serve at the center of all we do.

At Southern Company, Our Values will guide us to make every decision, every day, in the right way.



Safety First

We believe the safety of our employees and customers is paramount. We will perform and maintain every job, every day, safely.

Unquestionable Trust

Honesty, respect, fairness and integrity drive our behavior. We keep our promises, and ethical behavior is our standard.

Superior Performance

We are dedicated to superior performance throughout our business. We will continue our strong focus on innovative solutions, improving how we run our business and our commitment to environmental stewardship.

Total Commitment

We are committed to the success of our employees, our customers, our shareholders and our communities. We fully embrace, respect, and value our differences and diversity.



Opening Remarks

- Watershed Event for Vogtle and Southern Nuclear
- SNC agrees with the apparent violations as written
- History of potential integrity and procedure use and adherence events across fleet
- These issues have led to dealing with the issue holistically across the fleet including an SNC initiative, *“Upholding Our Values: A New Program for Guiding Behaviors for Personal and Professional Success”*
- Our actions are focused on our culture
 - While we cannot preclude individuals from deliberately violating requirements, we can decrease their ability to **rationalize** their behavior, narrow the distance between their wrongdoing and **consequence**, decrease the **opportunities** for wrongdoing, and provide **ethical reminders** to prevent poor decision making, and also shape the culture and values of the organization.
- SNC retained independent assistance throughout the discovery, root cause analysis, and recovery for this event and a similar event at Farley

Event Overview

- October 25, 2016
 - NRC Region II contacts Corporate
 - Residents have information that operator rounds were falsified
 - 3 SOs did not enter the TDAFW room between September 4 and September 24 during rounds but logs showed data readings were taken
- October 26, 2016
 - Details are provided to site management
 - SNC Investigation begins and confirms that NRC data appeared correct
 - SNC keeps NRC Region II informed of daily results
- October 27, 2016
 - Corporate staff meets with consultants brought in to assure independence in investigation
 - Operations expands data range to August 1 – October 27* for TDAFW
 - More SOs are identified as potentially falsifying data
 - Investigators begin SO interviews
 - Badges are pulled and employees are sent home while information is being verified – compliance restored
 - Operations Manager conducts face to face briefing with each shift crew

* For some individuals, to get an appropriate sample size, the investigation went back earlier than August 1, 2016

Event Overview (Continued)

- October 28 – November 3, 2016
 - Extent of condition expands over time to all 19 outside rooms
 - All 64 SOs and 28 SROs interviewed; 22 potential SO falsifications identified
 - Root cause team formed with independent consultants serving as team leader and team members
- November 2, 2016
 - Shift Managers begin receiving card reader data associated with operator rounds for accountability verification
- November 4, 2016
 - Investigation complete at Vogtle 1 and 2
 - Site VP message to all employees titled “the meaning of your signature”
- November 8, 2016
 - Root cause team kicks off review
 - Outside rounds flow path in handheld software is aligned with physical flow path
 - Parallel investigation initiated at Farley with independent consultants serving as team leader and team members

Event Overview (Continued)

- November 9 – 10, 2016
 - Review Board is convened to make recommendation to management
 - Board consisted of HR, Operations, Legal, Employee Relations, and Access Control personnel with outside independence
 - Board concluded evidence indicates a substantial number of individuals falsified information; varying levels of discipline are administered up to and including termination for SOs and supervisors
- November 14, 2016
 - Parallel investigation initiated at Hatch
- November 17 – 28, 2016
 - Shift Briefing issued on performance of electronic rounds
 - Shift Briefing on handheld tutorial to include the value of electronic signature
- Post January 1, 2017, based on new information received, some workers initially dismissed have been brought back; however, SNC has retained its right to make the final determination of who is Trustworthy and Reliable.

Corrective Actions

- As discussed in the following slides, SNC aggressively took prompt and comprehensive corrective actions to both restore compliance and preclude recurrence.
- Additionally SNC took a holistic approach to address our integrity issues through an initiative to positively influence our culture and reinforce our values.
 - *“Upholding Our Values: A New Program for Guiding Behaviors for Personal and Professional Success”*

Immediate Corrective Actions

- **Leadership**
 - Site VP sent a message to all employees titled, “The meaning and value of your signature”
 - Operations Manager conducted a face to face briefing with each shift crew
- **Process**
 - At each shift end, Shift Managers received card reader data associated with operator rounds for accountability (Interim Measure)
 - Shift Briefing issued on NMP-OS-007-007, “Rounds and Log keeping,” performance of electronic rounds
 - Shift Briefing issued including tutorial on use of handheld data entry devices and the significance of an electronic signature
 - Operator handheld user guide made available on Operations webpage - Standing Order SB 2016-30 Rounds Handheld Communication generated
 - Outside rounds flow path in handheld software aligned with physical flow path
 - Performed Training Needs Analysis for Handheld PDA

Root Cause Analysis

- Direct Root Cause
 - System Operators Willfully Falsified Rounds
- Contributing Causes
 - Less than Adequate (LTA) Station Leadership Recognition of Integrity Issue
 - LTA Supervisory Oversight of Operator Rounds
 - LTA Recognition and Follow-up of Internal and External Events Related to Integrity
- Root Cause Analyses at both Vogtle and Farley were performed with substantial assistance from independent consultants
- Root Cause analyses incorporated factors influencing dishonest behavior
 - Ability to **rationalize** behavior
 - Distance between action and **consequence**
 - **Opportunities** for wrongdoing
 - Frequency of **ethical reminders**

Root Cause Corrective Actions

- Root Cause 1
 - Systems Operators Willfully Falsified Operator Rounds
- Corrective Actions to Preclude Recurrence (CAPR)
 - CAPR1 - Termination of employment for those who willfully falsified operator rounds
 - CAPR2 - Created a procedure for random verification of records by performing periodic audits of Operator, Security and Fire Watch rounds logs to determine whether the personnel assigned actually entered the rooms required for the logs and the times spent in the rooms were adequate to perform the assigned duties

Root Cause Corrective Actions

Other actions to address causes are:

- **Leadership**

- Have CRs evaluated for potential integrity issues through NMP-GM-002-001 Corrective Action Program Instruction
- Evaluate potential integrity issues using culpability matrix INPO-07-006 and NMP-GM-002-GL03, Cause Analysis and Corrective Action Guidelines
- Case study of root cause presented to staff during SOER 10-02 training

- **Process**

- Revise NMP-OS-007-007, Rounds and Log keeping to require face to face debriefs with shift supervisor
- Revise NMP-OS-007 Conduct of Operations to reinforce the chain of command for SOs for a single supervisor authority
- Revise NOS procedure NOS-112-001, Comprehensive Performance Assessment to require the assessment to review the functional area's ability to screen and evaluate potential integrity gaps during the CAP process

Root Cause Corrective Actions

Other actions to address causes are (cont'd):

- **Process**
 - Perform a Training Needs Analysis on delivering a communication to all badged workers on:
 - Importance of signature
 - Handwritten and electronic signature have equal weight
 - Revise External OE Screening Procedure, NMP-GM-008 Operating Experience Program to require screening for potential integrity issues
 - Develop and implement a user guide for use of handheld devices

Root Cause Corrective Actions

- Because of the compromise of integrity without staff or supervisory detection, a broad set of comprehensive corrective actions were developed to address the organizational behavior changes necessary to address the above Root and Contributing Causes.
- Long Term Corrective Action 1 - Conduct an independent assessment focusing on personal integrity issues
- Long Term Corrective Action 2 - Provide training to Station Leadership to look for and recognize integrity issues/problems (recurring)

Fleet Analysis

Significance of event led SNC to consider this event in concert with other past events where actions were willful in nature.

Analysis showed that 14 of the 16 events had similar drivers

Two common types of issues and events

- Inadequate verification
 - Work tasks related to EP, RP and Security
- Personal integrity issues
 - Willful/careless disregard
 - Deliberate acts

Research into Dishonest Behavior

- The root cause and common cause analyses incorporated current research into wrongdoing.
- Duke University Professor Dan Ariely has written extensively on the subject and is the author of “The (Honest) Truth About Dishonesty”
- Our summary of his work leads us to the understanding of four significant factors that lead people to dishonest behavior
 - Ability to **rationalize** the cheating
 - Distance between action and **consequence**
 - Number of **opportunities** presented and how easy it is to cheat
 - The lack of **ethical reminders** reinforcing that such behavior has no place in our workforce

Additional Actions Across Fleet/Recovery Actions

- **Process**
 - Procedurally require periodic verification of work in various organizations (NMP-AD-051)
 - Procedurally require CFAM and NOS oversight of new process changes
 - Require actions to screen for integrity issues in CAP, OE and HU
 - Document common process for event investigation and resolution
 - Institute an independent assessment focusing on personal integrity issues
- **Human Resources**
 - Discipline policies are under review with possible changes
 - Assess compliance programs for preventing and detecting fraud and other integrity issues
 - Discuss, during performance reviews, Southern Company “Our Values” with emphasis on personal integrity, procedure use and adherence, and falsification
- **Training**
 - Conduct fleet-wide training to recognize behavior factors that impact integrity
 - Implement first-line supervisor “Perform Oversight” training with personal integrity emphasis
- **Communications**
 - Discuss integrity OE at Leadership Alignment Meetings
 - Conduct face-to-face communications on signature, integrity OE, and complying with regulatory requirements
 - Provide communications to all employees annually and during site-wide meetings

Upholding Our Values

HONESTY

EVERYBODY'S DOING IT
CONFLICTS OF INTEREST
I'M NOT HURTING ANYONE
LYING FOR OTHERS
CREATIVITY
LACK OF SUPERVISION
SOCIAL NORMS
FATIGUE
DISTANCE FROM THE TASK
SELF DECEPTION

DISHONESTY

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Escalated Enforcement Assessment Process

- SNC understands the factors that contribute to the escalated enforcement assessment process.
- First SNC accepts the apparent violations as written.
- Contrary to Criterion V of Appendix B, on multiple instances during August thru mid-October, 2016, at least 13 SOs failed to complete their rounds, an activity affecting quality, as prescribed by documented instructions and procedures. Specifically, at least 13 SOs entered data related to equipment status, general area inspections, and housekeeping conditions of the areas listed above on multiple occasions without actually entering those areas as required by Operations Procedure 11882-1/2, "Outside Area Rounds," versions 97/82.
- Contrary to 10 CFR 50.9, on multiple instances from August thru mid-October, 2016, information required by the Commission's regulations to be maintained by the licensee was not complete and accurate in all material respects. Specifically, at least 13 SOs failed to comply with the procedural requirements of Operations Procedure 11882-1/2, "Outside Area Rounds," versions 97/82, in that the SOs recorded data for areas that they never actually entered on multiple occasions.

Escalated Enforcement Assessment Process

- SNC acknowledges the apparent violations were willful in nature.
- SNC acknowledges the Policy, Section 2.2.1(d) provides that a willful violation may be considered for a significance level greater than the underlying noncompliance.
- Compliance was restored on October 27, 2016 when badges of potential offenders were pulled.
- SNC considers that the underlying violations would be categorized as Severity Level IV
 - No actual consequences
 - Potential consequences of very low safety significance
 - Similar to Severity Level IV's listed in Section 6 of the Policy

Escalated Enforcement Assessment Process

- SNC acknowledges the extent of condition is significant.
- Commission Policy does not provide for aggregation of violations.
- Commission chose not to take escalated enforcement for the examples contained in Information Notice 92-15 and Generic Letter 93-03
 - Stated that future violations of this nature would be considered for escalated enforcement
 - As such, current violations should not be considered greater than Severity Level III

Escalated Enforcement Assessment Process

- Identification
 - The issue was initially brought to Vogtle's attention by the NRC.
 - SNC had multiple prior opportunities for identification.
 - SNC did perform a comprehensive extent of condition assessment at Vogtle and across the fleet.

Escalated Enforcement Assessment Process

- **Corrective Action**
 - SNC took prompt and comprehensive corrective actions to both restore compliance and preclude recurrence.
 - Additionally, SNC took actions across the fleet to positively influence the culture of our organization and reinforce our values.
 - Consideration should be given to exercising discretion and refraining from issuing a civil penalty.

Closing Remarks

- SNC is accountable for these violations.
- Event not consistent with Our Values
 - Safety First
 - Unquestionable Trust
 - Superior Performance
 - Total Commitment
- SNC has taken corrective actions not only to restore compliance and preclude recurrence, but to refocus the values and influence the culture of the organization.
- SNC has taken and is taking actions that will ensure Sustainability.