



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

March 15, 2019

EA-18-027

Mr. Charles Arnone
Vice President, Operations
Entergy Nuclear Operations, Inc.
Palisades Nuclear Plant
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: PALISADES NUCLEAR PLANT—NRC INSPECTION REPORT 05000255/2018416
AND INVESTIGATION REPORT (3-2016-010)

Dear Mr. Arnone:

This letter refers to the Nuclear Regulatory Commission (NRC) inspection and investigation conducted from July 28, 2016, to March 20, 2018, at the Palisades Nuclear Plant. The results of this inspection were discussed with you on March 15, 2019. The enclosed report presents the results of this inspection and investigation.

The NRC's investigation and inspection of activities at the Palisades Nuclear Plant were initiated to determine if your staff's failures to complete and to accurately document security patrols and fire tour activities constituted willful violations of NRC requirements. The NRC's conclusions in this matter were complicated by the overall programmatic weaknesses in your performance in this area, including apparent underlying deficiencies in training, procedures, and supervisory/management oversight. Notwithstanding, the NRC did not determine that willful violations occurred.

Based on the results of this inspection and investigation, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. The NRC is treating this violation as a Non-Cited Violation (NCV) consistent with Section 2.3.2.a of the Enforcement Policy.

Additionally, NRC inspectors documented a finding of very low security significance (Green) in this report. The finding involved a violation of NRC requirements. The NRC is treating this violation as a NCV consistent with Section 2.3.2.a of the Enforcement Policy.

Enclosures I contains Sensitive Unclassified Non-Safeguards Information. When separated from enclosure, this transmittal document is decontrolled.

C. Arnone

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For the Green NCV, a cross-cutting aspect was assigned in the area of Human Performance-Field Presence. Specifically, the licensee failed to ensure leaders are commonly in the work areas of the plant observing, coaching, and reinforcing standards and expectations. Deviations from standards and expectations were not corrected promptly. Senior managers failed to ensure supervisory and management oversight of work activities, including contractors and supplemental personnel [H.2].

If you contest the violations or significance of these NCVs, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001; with copies to the Regional Administrator, Region III; the Director, Office of Enforcement; the Director, Office of Nuclear Security and Incident Response; and the NRC resident inspector at the Palisades Nuclear Plant.

If you disagree with the cross-cutting aspect assignment in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your disagreement, to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001; with copies to the Regional Administrator, Region III, and the NRC Resident Inspector at Palisades Nuclear Plant.

This letter will be made available for public inspection and copying at <http://www.nrc.gov/reading-rm/adams.html> and at the NRC Public Document Room in accordance with Title 10 of the *Code of Federal Regulations* (CFR), Part 2.390, "Public Inspections, Exemptions, Requests for Withholding."

However, Enclosure I of this report contains Security-Related Information, so Enclosure I will not be made publically available in accordance with 10 CFR 2.390(d)(1). If you choose to provide a response that contains Security-Related Information, please mark your entire response "Security-Related Information—Withhold from public disclosure under 10 CFR 2.390" in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). The NRC is waiving the affidavit requirements for your response in accordance with 10 CFR 2.390(b)(1)(ii).

You should note that final NRC documents, including the final Office of Investigations report, may be made available to the public under the Freedom of Information Act (FOIA) subject to redaction of information pursuant to the FOIA. Requests under the FOIA should be made in accordance with 10 CFR 9.23, Request for Records. The instructions for making a request for information under the FOIA are accessible at <http://www.nrc.gov/reading-rm/foia/foia-request.html>.

C. Arnone

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Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

/RA Nathan Sanfilippo Acting for/

Kenneth G. O'Brien, Director
Division of Reactor Safety

Docket No. 50-255
License No. DPR-20

Nonpublic Enclosure:

1. DRS IR 05000255/2018416

Public Enclosure:

2. DRP IR 05000255/2018416

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cc w/encl 1 and 2: D. Asselin, State Liaison
Officer, State of
Michigan

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C. Arnone

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Letter to Charles Arnone from Kenneth G. O'Brien dated March 15, 2019.

SUBJECT: PALISADES NUCLEAR PLANT—NRC INSPECTION REPORT 05000255/2018416
AND INVESTIGATION REPORT (3-2016-010)

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U.S. NUCLEAR REGULATORY COMMISSION

REGION III

Docket No: 50-255
License No: DPR-20

Report No: 05000255/2018416

Enterprise Identifier: I-2018-416-0000

Licensee: Entergy Nuclear Operations, Inc.

Facility: Palisades Nuclear Plant

Location: Covert, MI

Dates: July 28, 2016, through March 20, 2018

Inspectors: N. Egan, Senior Security Inspector
A. Nguyen, Senior Resident Inspector, Dresden
J. Boettcher, Resident Inspector

Approved by: S. Orth, Chief
Plant Support Branch
Division of Reactor Safety

D. Szwarc, Acting Chief
Branch 2
Division of Reactor Projects

Enclosure 2

SUMMARY

The U.S. Nuclear Regulatory Commission (NRC) continued monitoring licensee’s performance by conducting an inspection at the Palisades Nuclear Plant in accordance with the Reactor Oversight Process. The Reactor Oversight Process is the NRC’s program for overseeing the safe operation of commercial nuclear power reactors. Refer to <https://www.nrc.gov/reactors/operating/oversight.html> for more information. The NRC and self-revealed findings, violations, and additional items are summarized in the table below. There were no Licensee-identified violations.

List of Findings and Violations

<i>Security-Related Information</i>			
Cornerstone	Significance	Cross-Cutting Aspect	Report Section
Not Applicable	Severity Level IV NCV 05000255/2018416-01 Open/Closed EA 18-027	Not Applicable	Enclosure 1
<i>Security-Related Information</i>			

<i>Security-Related Information</i>			
Cornerstone	Significance	Cross-Cutting Aspect	Report Section
Security	Green NCV 05000255/2018416-02 Opened/Closed EA 18-027	H.2 – Human Performance, Field Presence	Enclosure 1
<i>Security-Related Information</i>			

Additional Tracking Items

Type	Issue Number	Title	Report Section	Status
URI	05000255/2016404-02	<i>Security-Related Information</i>	Enclosure 1	Closed

Type	Issue Number	Title	Report Section	Status
URI	05000255/2016003-02	Hourly Fire Tour Discrepancies	71152	Closed

INSPECTION SCOPES

Inspections were conducted using the appropriate portions of the inspection procedures (IPs) in effect at the beginning of the inspection unless otherwise noted. Currently, approved IPs with their attached revision histories are located on the public website at <http://www.nrc.gov/reading-rm/doc-collections/insp-manual/inspection-procedure/index.html>. Samples were declared complete when the IP requirements most appropriate to the inspection activity were met consistent with Inspection Manual Chapter 2515, "Light-Water Reactor Inspection Program-Operations Phase." The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel to assess licensee performance and compliance with Commission rules and regulations, license conditions, site procedures, and standards.

REACTOR SAFETY

71152—Problem Identification and Resolution (0 Samples)

Annual Follow-Up of Selected Issues

The inspectors reviewed the licensee's implementation of its Corrective Action Program and the licensee's actions related to the following issues:

- (1) CR-PLP-2016-02650, A Review of Fire Tours Reported As Completed by Security Personnel Found Discrepancies in What was Reported; and
- (2) Unresolved Item (URI) 05000255/2016003-02, Hourly Fire Tour Discrepancies.

No inspection samples were completed

INSPECTION RESULTS

71152—Problem Identification and Resolution

URI (Closed)	Hourly Fire Tour Discrepancies 0500255 /2016003-02	IP 71152
<p><u>Description:</u> The inspectors documented an URI in IR 2016003 when they identified discrepancies in the licensee's fire tour log sheets. The inspectors identified numerous areas on the fire tour log sheets that were annotated as complete, yet there were no corresponding badge records for these areas.</p> <p>On April 6, 2016, the NRC issued a Confirmatory Order EA-15-100 to the Waterford Steam Electric Station, Unit 3 (ML16096A474) associated with deliberate violations related to fire watches that occurred between July 2013 and April 2014. The Confirmatory Order discussed actions required for Waterford and all other Entergy Nuclear Fleet sites, including Palisades. Palisades was working to complete these actions at the time this issue was identified. However, the licensee's root cause evaluation identified programmatic, training, and organizational gaps with this issue that were specific to Palisades. These gaps resulted in site-specific corrective actions to prevent recurrence in addition to the actions required for the Confirmatory Order. The licensee's root cause evaluation also identified that a contributing cause of this event was that Palisades' Security management's response to operating</p>		

experience from Waterford in 2014 did not validate that the vulnerability from the operating experience existed at Palisades, which allowed the aforementioned performance gaps to go unrecognized.

Corrective Action Reference: CR-PLP-2016-02650

Closure Basis: The concerns identified by the inspectors were consistent with the issues identified in Confirmatory Order EA-15-100. The order was open at the time that the issues at Palisades were identified. Therefore, the inspectors' issues of concern are being closed to Confirmatory Order EA-15-100.

Observation	71152
<p>As discussed in NRC Inspection Report (IR) 05000255/2017001 and IR 05000255/2017004, the licensee completed a root cause evaluation for this issue and identified corrective actions to prevent recurrence. Additionally, the licensee determined contributing causes and associated corrective actions.</p>	
<p>The licensee also conducted effectiveness reviews to ensure that the corrective actions for the root causes and contributing causes adequately addressed the gaps identified in the root cause evaluation. These effectiveness reviews included: (1) a review of changes to the fleet and station procedures associated with the conduct of fire tours to ensure that all elements of the corrective actions to prevent recurrence were included and interviews of responsible individuals to affirm their knowledge of their responsibilities within the procedures; and (2) conduct of fire tour observations to assess performance of fire tours. The inspectors reviewed the results of these effectiveness review and did not identify any gaps associated with the implementation of corrective actions.</p>	

EXIT MEETING AND DEBRIEFS

The inspectors confirmed that proprietary information was controlled to protect from public disclosure.

- On March 15, 2019, the inspectors presented the inspection and investigation results to Mr. Charles Arnone and other members of the licensee staff.

DOCUMENTS REVIEWED

71152—Problem Identification and Resolution

- CR-PLP-2016-02650; Discrepancies Found During Review of Completed Fire Tours; 06/08/2016
- EN-OP-139; Fire Watch Program; Revision 1
- FPIP-4; Fire Protection Systems and Fire Protection Equipment; Revision 36
- LO-PLPLO-2016-00037; Effectiveness Reviews for Root Cause Evaluation, CR-PLP-2016-02650; 06/16/2016