



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BOULEVARD
ARLINGTON, TEXAS 76011-4511

May 18, 2021

EA-20-114

Mr. John Ferrick, Site Vice President
Entergy Operations, Inc.
17265 River Road
Killona, LA 70057-0751

SUBJECT: WATERFORD STEAM ELECTRIC STATION, UNIT 3 – NOTICE OF VIOLATION;
NRC INSPECTION REPORT 05000382/2021090 AND NRC INVESTIGATION
REPORT 4-2017-033

Dear Mr. Ferrick:

This letter refers to the investigation completed on September 23, 2020, by the U.S. Nuclear Regulatory Commission (NRC) Office of Investigations at the Waterford Steam Electric Station, Unit 3 (Waterford). The investigation was conducted, in part, to determine if a contract superintendent assigned to Entergy Operations, Inc. (licensee) working at Waterford, willfully directed employees to disengage an equipment protective device and continue drilling into a safety-related concrete structure containing embedded items without first obtaining required engineering evaluation, approval, and documentation, in violation of a quality-related licensee procedure. A final exit briefing was conducted telephonically with you and your staff representatives on February 9, 2021, and the results of the investigation and details regarding the apparent violation were provided to you in NRC Inspection Report 05000382/2021013, dated March 5, 2021, Agencywide Documents Access and Management System (ADAMS) Accession No. ML21063A502.

In the letter transmitting the inspection report, we provided you with the opportunity to address the apparent violation described in the report by attending a predecisional enforcement conference or by providing a written response before we made our final enforcement decision. In a letter dated April 2, 2021 (ADAMS Accession No. ML21092A173), you provided a written response to the apparent violation.

Your April 2, 2021, written response indicated that you concur that a violation of procedure PMC-002-003, "Concrete Cutting," occurred when contract employees working on a fuel oil storage tank project disengaged an electronic protection device and inappropriately drilled into a piece of structural rebar without required engineering evaluation, approval, and documentation. However, you indicated that you do not consider this to be the result of deliberate misconduct, but rather a result of a misunderstanding between contract personnel. Based on the information obtained during the investigation, the NRC found sufficient evidence to conclude that a contract superintendent deliberately violated a licensee quality-related procedure by failing to obtain an engineering evaluation and approval when contract workers reported that they encountered a metallic obstruction, and by directing the workers to drill through structural rebar.

Based on the information developed during the investigation and the information that you provided in your April 2, 2021, response to our inspection report, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are discussed in detail in the March 5, 2021, inspection report. The NRC has determined that this violation involved a deliberate failure to follow your procedure as required by Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50 Appendix B Criterion V "Instructions, Procedures, and Drawings."

In determining the significance of a violation involving willfulness, the NRC considers such factors as the position, training, experience level, and responsibilities of the person involved in the violation, and the significance of any underlying violation. The individual who engaged in deliberate misconduct was a contract superintendent and supervisor of the crew involved in the fuel oil storage tank project. The superintendent is considered a licensee official, according to Section 7.0 of the NRC Enforcement Policy, and a violation involving a licensee official deliberately failing to follow a procedure is considered significant and may be assigned a higher severity level. Therefore, this violation has been categorized in accordance with the NRC Enforcement Policy at Severity Level III. The NRC Enforcement Policy is available on the NRC's website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>.

In accordance with the NRC Enforcement Policy, a base civil penalty in the amount of \$150,000 is considered for a Severity Level III violation.

Because your facility is the subject of a willful escalated enforcement action, the NRC considered whether credit was warranted for *Identification* and *Corrective Action* in accordance with the civil penalty assessment process in Section 2.3.4 of the NRC Enforcement Policy. Even though your staff's evaluation of inappropriate cutting of the structural rebar did not identify the willful aspect of the procedure violation, the NRC has determined that *Identification* credit is warranted because your staff identified the procedure violation and entered it into the corrective action program. The NRC has also determined that *Corrective Action* credit is warranted for your prompt and comprehensive corrective actions that included: (1) placing the issue into the corrective action program; (2) performing a stand-down of all related work activities; (3) evaluating the structural wall for operability; (4) developing a log that accounted for each hole being drilled, and requiring a sign-out and sign-in log sheet for the issuance of the "rebar eater" drill bit; and (5) conducting a human performance evaluation for the issue to determine the cause of the incident.

Therefore, to encourage identification and prompt and comprehensive correction of the violation, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case. However, significant violations in the future could result in a civil penalty.

The NRC has concluded that information regarding: (1) the reason for the violation; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance was achieved is already adequately addressed on the docket in the March 5, 2021, inspection report and in your letter dated April 2, 2021. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter, its enclosure, and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room or in the NRC's ADAMS, accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy or proprietary information so that it can be made available to the public without redaction. The NRC also includes significant enforcement actions on its website at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions>.

If you have any questions concerning this matter, please contact Mr. John Dixon of my staff at 817-200-1574.

Sincerely,

Scott A. Morris
Regional Administrator

Docket No. 05000382
License No. NPF-38

Enclosure: Notice of Violation

WATERFORD STEAM ELECTRIC STATION, UNIT 3 – NOTICE OF VIOLATION; NRC
INSPECTION REPORT 05000382/2021090 AND NRC INVESTIGATION
REPORT 4-2017-033 – DATED MAY 18, 2021

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Document Name: [https://usnrc.sharepoint.com/teams/Region-IV-ACES/ACES S Drive/ENFORCEMENT/_EA CASES - OPEN/W3 EA 20-114 Concrete Cutting/Final Action/NOV_EA 20-114_Waterford_concrete.docx](https://usnrc.sharepoint.com/teams/Region-IV-ACES/ACES%20S%20Drive/ENFORCEMENT/_EA%20CASES%20OPEN/W3%20EA%2020-114%20Concrete%20Cutting/Final%20Action/NOV_EA%2020-114_Waterford_concrete.docx)

ADAMS ACCESSION NUMBER: ML21138A858

SUNSI Review: ADAMS: Non-Publicly Available Non-Sensitive Keyword: RGN4
By: JGK Yes No Publicly Available Sensitive EA-20-114

OFFICE	SES:ACES	C:DRP/D	TL:ACES	RC	NRR	OE
NAME	JKramer	JDixon	DDodson	DCylkowski	CCauffman	PSnyder
SIGNATURE	/RA/ E	/RA/ E	/RA/ E	/RA/ E	/RA/ E	/RA/ E
DATE	04/26/21	04/27/21	04/28/21	04/27/21	05/06/21	05/12/21
OFFICE	OGC	D:DRP	RA			
NAME	LBaer	RLantz	SMorris			
SIGNATURE	/NLO/ E	/RA/E	/RA/			
DATE	05/13/21	05/12/21	05/18/21			

OFFICIAL RECORD COPY

NOTICE OF VIOLATION

Entergy Operations, Inc.
Waterford Steam Electric Station, Unit 3

Docket No. 05000382
License No. NFP-38
EA-20-114

Based on the results of an NRC investigation completed on September 23, 2020, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR Part 50, Appendix B, Criterion V, requires, in part, that activities affecting quality shall be prescribed by documented procedures of a type appropriate to the circumstances and shall be accomplished in accordance with these procedures.

Step 10.2.4 of Entergy procedure PMC-002-003, "Concrete Cutting," Revision 3, a safety-related procedure, requires, in part, that drills be connected to an equipment protective device (EPD) prior to cutting, drilling, or core drilling of concrete. The EPD may be eliminated at the direction of an engineering document that allows the cutting of grounded embedded items and completion of a Job Safety Hazard Analysis, in accordance with EN-IS-124, "Industrial Safety Planning & Job Safety Hazards Analysis," Revision 4. Manual EN-IS-124, Revision 4, which is incorporated by reference to Procedure PMC-002-003, requires, in part, that if the EPD trips, engineering shall be engaged in the identification of the object that was contacted. Drilling without the use of the EPD, until the interference is cleared, may continue after written approval is obtained from engineering.

Contrary to the above, on November 9 and 10, 2016, licensee contract employees performed concrete drilling, an activity affecting quality, and failed to connect the drill to an EPD and did not have an engineering document that allowed the cutting of grounded embedded items with the EPD disconnected. Specifically, a contract supervisor directed subordinate employees to perform concrete drilling in the safety-related B1 fuel oil storage tank vault cubicle concrete walls without first obtaining engineering evaluation, approval, and documentation, as required by a quality-related procedure. This resulted in the cutting of structural rebar without engineering evaluation and approval, in violation of a quality-related licensee procedure.

This is a Severity Level III violation (NRC Enforcement Policy, Section 2.2.1.d).

The NRC has concluded that information regarding: (1) the reason for the violation; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance was achieved is already adequately addressed on the docket in the March 5, 2021, inspection report and in your letter dated April 2, 2021. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation; EA-20-114" and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region IV, 1600 E. Lamar Blvd., Arlington, TX 76011-4511, and to the NRC Resident Inspector at the Waterford Steam Electric Station, Unit 3, and email it to R4Enforcement@nrc.gov within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

Enclosure

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the U.S. Nuclear Regulatory Commission, Director, Office of Enforcement, Washington, DC 20555-0001. A response contesting this enforcement action must be submitted to the NRC within 30 days of the date of the letter transmitting this Notice.

If you choose to respond, your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>. Therefore, to the extent possible, the response should not include any personal privacy or proprietary information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such information, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information).

Dated this 18th day of May 2021