



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

July 27, 2017

EA-17-022

Mr. Michael A. Balduzzi
Senior Vice President and
Chief Nuclear Officer
Tennessee Valley Authority
1101 Market Street, LP 3D-C
Chattanooga, TN 37402-2801

**SUBJECT: CONFIRMATORY ORDER (NUCLEAR REGULATORY COMMISSION
INSPECTION REPORT 05000390/2016013, 05000391/2016013)**

Dear Mr. Balduzzi:

The enclosed Confirmatory Order (CO) is being issued to Tennessee Valley Authority (TVA), as a result of a successful alternative dispute resolution (ADR) session. The commitments described in the CO were made by TVA as part of the settlement agreement reached during the ADR session, held on June 9, 2017.

On December 1, 2016, the U.S. Nuclear Regulatory Commission (NRC) completed a Problem Identification and Resolution inspection at TVA's Watts Bar Nuclear Plant (WBN), Units 1 and 2 (Inspection Report 05000390/2016013, 05000391/2016013, ML17069A133). The results of the inspection were transmitted to TVA by letter dated March 10, 2017, and included the identification of one Apparent Violation (AV) of a previously issued CO, (EA-09-009,203, dated December 22, 2009, ML093510993). The AV involved TVA's failure to implement a process to review proposed licensee adverse employment actions at WBN, to determine whether the proposed action comports with employee protection regulations, and whether the proposed actions could negatively impact the Safety Conscious Work Environment (SCWE) at TVA nuclear facilities.

The NRC's inspection report of March 10, 2017, offered TVA a choice to: (1) attend a Predecisional Enforcement Conference; (2) provide a written response; or (3) request ADR with the NRC in an attempt to resolve any disagreement regarding whether violations occurred, the appropriate enforcement action, and the appropriate corrective actions.

In response, TVA requested ADR to resolve the enforcement aspects and to discuss corrective actions. An ADR mediation session was held on June 9, 2017, and a preliminary settlement agreement was reached. The elements of the preliminary agreement were formulated and agreed upon during the mediation session, and are contained within the enclosed CO.

During the ADR, the NRC concluded that the corrective actions and enhancements discussed by TVA, both completed and planned, were prompt and comprehensive. In consideration of the commitments delineated in the enclosed CO, the NRC agreed to refrain from proposing a civil

penalty or issuing a Notice of Violation for the AV identified in NRC Inspection Report 05000390/2016013, 05000391/2016013 (EA-17-022). We have enclosed the CO to confirm the commitments made as part of the settlement agreement. As evidenced by your signed "Consent and Hearing Waiver Form" (copy enclosed) dated July 21, 2017, TVA agrees to issuance of this CO.

Pursuant to Section 223 of the Atomic Energy Act of 1954, as amended, any person who willfully violates, attempts to violate, or conspires to violate any provision of this CO shall be subject to criminal prosecution as set forth in that Section. Violation of this CO may also subject the person to civil monetary penalties.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be made available electronically for public inspection in the NRC Public Document Room, or from the NRC's document system, Agencywide Documents Access and Management System (ADAMS), which is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. The NRC will also include this letter, and the attached Confirmatory Order, on its Web site at www.nrc.gov; the letter can be found on this Web site by selecting the "Public Meetings and Involvement" link and then the "Enforcement" link. Your response, if you choose to provide one, will also be made available electronically for public inspection in the NRC Public Document Room, or from the NRC's document system (ADAMS). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. The NRC also includes significant enforcement actions on its Web site at (<http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>).

If you have any questions or comments concerning this letter, please contact Mr. Joel T. Munday, Director, Division of Reactor Projects, at 404-997-4500.

Sincerely,

/RA/

Leonard D. Wert
Deputy Regional Administrator for Operations

Docket Nos. 50-390, 50-391, 50-259,
50-260, 50-296, 50-327 and 50-328
License Nos. NPF-90, NPF-96, DPR-33
DPR-52, DPR-68, DPR-77 and DPR-79

Enclosures:

1. Confirmatory Order
2. Consent and Hearing Waiver Form

cc: See page 3

cc Distribution via ListServ

M. Balduzzi

3

cc w/enclosures:

Mr. Joseph W. Shea
Vice President, Nuclear Regulatory Affairs
and Support Services
Tennessee Valley Authority
1101 Market Street, LP 3R-C
Chattanooga, TN 37402-2801

Mr. Anthony L. Williams, IV
Site Vice President
Sequoyah Nuclear Plant
Tennessee Valley Authority
1101 Market Street, LP 5A-C
Chattanooga, TN 37384-2000

Mr. Steven M. Bono
Site Vice President
Browns Ferry Nuclear Plant
Tennessee Valley Authority
P.O. Box 2000, NAB 2A-BFN
Decatur, AL 25609

Mr. Paul R. Simmons
Site Vice President, Watts Bar
Nuclear Plant
Tennessee Valley Authority
P.O. Box 2000
ADM 1V-WBN
Spring City, TN 37381

SUBJECT: CONFIRMATORY ORDER (NUCLEAR REGULATORY COMMISSION
INSPECTION REPORT 05000390/2016013, 05000391/2016013) July 27, 2017

DISTRIBUTION:

V. McCree, OEDO	C. Haney, RII
F. Brown, OEDO	L. Wert, RII
M. Johnson, OEDO	J. Munday, RII
W. Dean, NRR	A. Blamey, RII
RII Coordinator, OEDO	J. Nadel, RII
M. Lemoncelli, OGC	R. Hannah, RII
R. Carpenter, OGC	J. Ledford, RII
E. Julian, SECY	J. Pelchat, RII
D. Decker, OCA	E. Lea, RII
H. Harrington, OPA	S. Price, RII
K. Fowler, OI	M. Kowal, RII
H. Bell, OIG	S. Sparks, RII
P. Holahan, OE	K. Sloan, RII
J. Peralta, OE	B. Bickett, RI
D. Jones, OE	M. Hay, RIV
N. Coleman, OE	R. Skokowski, RIII
S. Morrow, NRR	RidsOEMailCenter Resource
L. Casey, NRR	PUBLIC

ADAMS Accession No. ML17208A596

OFFICE	RII:DRP	RII:DRP	RII:EICS	RII:ORA	OE	OGC NLO
NAME	ABlamey	JMunday	MKowal	SPrice	DJones	RCarpenter
DATE	6/16/2017	6/23/2017	6/15/2017	6/21/2017	7/19/2017	7/19/2017
OFFICE	NRR	RII:ORA				
NAME	LCasey	LWert				
DATE	7/19/2017	7/27/2017				

OFFICIAL RECORD COPY