

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)

CAROLINA POWER AND LIGHT COMPANY)

(Shearon Harris Nuclear Power)
Plant, Units 1, 2, 3, and 4))

Docket No.(s) 50-400
50-401
50-402
50-403

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document(s) upon each person designated on the official service list compiled by the Office of the Secretary of the Commission in this proceeding in accordance with the requirements of Section 2.712 of 10 CFR Part 2 - Rules of Practice, of the Nuclear Regulatory Commission's Rules and Regulations.

Dated at Washington, D.C. this

21st day of Nov 1978.

Peggy T. Downing
Office of the Secretary of the Commission

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
CAROLINA POWER AND LIGHT COMPANY)	Docket No.(s) 50-400
)	50-401
(Shearon-Harris Nuclear Power)	50-402
Plants, Units 1-4))	50-403
)	

SERVICE LIST

Ivan W. Smith, Esq., Chairman
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Richard E. Jones, Esq.
Carolina Power and Light Company
P.O. Box 1551
Raleigh, North Carolina 27602

Mr. Glenn O. Bright
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

George F. Trowbridge, Esq.
Ernest L. Blake, Jr., Esq.
Shaw, Pittman, Potts & Trowbridge
1800 "M" Street, N.W.
Washington, D.C. 20006

Dr. J.V. Leeds, Jr.
Rice University
P.O. Box 1892
Houston, Texas 77001

Thomas S. Erwin, Esq.
P.O. Box 928
Raleigh, North Carolina 27602

Counsel for NRC Staff
Office of the Executive Legal Director
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Jesse C. Brake, Esq.
Robert P. Bruber, Esq.
Attorney General's Office
P.O. Box 629
Raleigh, North Carolina 27602

Alan S. Rosenthal, Esq., Chairman
Atomic Safety and Licensing Appeal
Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dr. John H. Buck
Atomic Safety and Licensing Appeal
Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Michael C. Farrar, Esq.
Atomic Safety and Licensing Appeal
Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

INQUIRY INTO THE ALLEGED OMISSION OF A LINE INSPECTOR'S
VIEWS FROM THE SHEARON HARRIS CONSTRUCTION PERMIT HEARING

VOLUME III

<u>NAME</u>	<u>PAGE</u>
Norman C. Moseley	1
Robert C. Paulus	3
Howard A. Wilber	25
Kermit Whitt	83
James P. O'Reilly	84
Frank J. Long	85
Charles E. Murphy	88
Hugh C. Dance	90
Virgil F. Brownlee	96
Floyd C. Cantrell	98
Richard C. Lewis	108
Charles R. McFarland	110
Jack C. Bryant	111
Richard H. Wessman	112
Darrell G. Hinckley	117
Charles A. Barth	118
Ivan W. Smith	131
Dr. J. Venn Leeds	132
Alan S. Rosenthal	133
Joseph M. Varela	136

REPORT OF INTERVIEW

On September 11, 1978, Norman Moseley, Director, Division of Operating Reactor Inspections, Office of Inspection and Enforcement (IE), was interviewed by Roger A. Fortuna and William Foster, Office of Inspector and Auditor. Mr. Moseley was advised of the nature of the inquiry and that the results of the inquiry would be made public.

Moseley stated that prior to his present position he served as Director of IE's Region II office until about August 1977. Moseley said that Region II inspectors testifying at licensing proceedings during the period he was Director were to present Region II's position. He elaborated by explaining such a position was to be based on and drawn from the input of all cognizant Region II personnel. Moseley advised that this practice was followed because generally, many Region II personnel would provide information for hearing testimony.

Moseley could not recall any inspector having a dissenting opinion regarding proposed hearing testimony during his tenure as Region II Director. He added that the responsible official for preparing testimony would work out any differing opinions with the inspectors before a final draft was prepared.

Moseley was asked to comment on Hugh Dance's response to Dr. J. Venn Leed's question during the Shearon Harris Construction Permit (CP) proceeding. Moseley stated he was "not surprised he (Dance) said it," based on the Region II (and NRC) informal policy in presenting differing staff views. He added that it was his opinion that Dance's answer, if made today, would be improper because of the agency position on dissent.

Moseley said that the Region II procedures for internal review of proposed hearing testimony was informal. Generally, the cognizant Branch Chief, after discussions with the staff attorney, would assign a senior inspector to coordinate input from all involved regional personnel. Unless a problem existed, testimony was normally not reviewed above the Branch Chief level.

Moseley stated he had reviewed Floyd Cantrell's notes and the Shearon Harris testimony. Based on this review, Moseley did not see any significant difference between the two. He added that with respect to item #1 in the April 18, 1978 letter to the Atomic Safety and Licensing Board (ASLB), IE based determinations with respect to FSAR and technical specification qualifications on stated criteria not implications.

Moseley advised that considering Cantrell was on vacation when the testimony was being prepared, it was Dance's prerogative to present Cantrell's conclusions as he (Dance) saw fit, as well as determining if such information should be passed on to his (Dance's) Branch Chief.

Moseley said that a strained relationship possibly existed between some of the Region II line inspectors and Carolina Power and Light (CP&L) management and personnel. For example, Moseley advised that it irritated CP&L when Cantrell would frequently cite them for having doors open. On the other hand, it aggravated Cantrell when he would constantly be patted down on plant inspections and the accompanying CP&L official would not be. He added, however, such pat downs were within CP&L's rights. Moseley stated that overall, Region II's relationship with CP&L was not significantly different from the Region's relationship with any other utility. Moseley did state that Region II personnel did have a problem with Buz Bessak, former CP&L Manager for Operations. Moseley said that Bessak, an abrasive individual, believed Region II was arbitrarily and capriciously enforcing NRC regulations.

Moseley said that the ASLB's question with respect to CP&L's past operating experience had been asked before at CP hearings, but added that such a question had little relevance since a plant did not generally begin operations for another eight years.

REPORT OF INTERVIEW

On September 11, 1978, Robert C. Paulus, Senior Program Specialist, Executive Office for Operations Support, Office of Inspection and Enforcement, (IE), was interviewed by Roger A. Fortuna and William Foster, Office of Inspector and Auditor.

Mr. Paulus advised that on January 18, 1978, Congressman Dingell wrote Chairman Hendrie requesting applicable Nuclear Regulatory Commission (NRC), rules and regulations concerning procedures for presenting differing staff opinions (see Attachment I). IE, in a memorandum from Ernst Volgenau, former IE Director, to Edson Case, Acting Director, Office of Nuclear Reactor Regulation (NRR), responded to Dingell's request on January 31, 1978 (see Attachment II). Paulus states NRR and specifically Harold R. Denton, coordinated the NRC response. NRC responded to Dingell on February 15, 1978 (see Attachment III). According to Paulus, Dingell was not satisfied with the NRC response and by letter to Chairman Hendrie dated February 27, 1978 (see Attachment IV) requested that NRC rereview its policies with respect to staff disclosure of relevant information to appropriate Commission bodies.

Paulus stated that by memorandum dated March 13, 1978 (see Attachment V), Lee V. Gossick directed IE (and other NRC offices) on how to solicit staff input to answer Dingell's second request. Edward L. Jordan, Executive Director for Operations Support, IE, directed IE Regional Directors to supply such information by memorandum dated March 14, 1978 (see Attachment VI). Paulus stated that Volgenau responded to Case by memorandum dated March 24, 1978 (see Attachment VII). He added this memorandum contained a summary of the Shearon Harris Construction Permit (CP) hearing matter.

Paulus stated Dance was fully justified in not presenting Cantrell's views to the ASLB when Dr. J. Venn Leed's question was asked. He added Cantrell's views were only based on his experience at Brunswick, while Dance had a better overall knowledge of CP&L's capabilities, based on his own background and the input from other cognizant Region II inspectors. Paulus was unaware of any IE procedures requiring the presentation of dissenting views at licensing proceedings. He added that the testifying inspector states the Regional position during such proceedings. Paulus advised that inspectors' testimony is generally only reviewed through the Branch Chief level. He added, that in the Shearon Harris case, the testimony may have gone to a higher level had Cantrell been in the office and forced the issue.

Paulus advised that CP&L management had a "hard line" attitude when it came to the operations of their plants and felt it was their prerogative

Robert C. Paulus

-2-

to determine how things were to be done. Consequently, according to Paulus, CP&L often gave the line inspectors a "hard time."

Paulus advised that given today's environment, Dance would probably have presented his conclusion to the ASLB and then advised the Board of Cantrell's differing views. He added, however, that he had been told by Jordan that nothing in Chairman Hendrie's latest policy on dissent would have required Dance to do so.

Attachments:

As stated

JOSEPH M. HENDRIE, CHAIRMAN
CLARENCE J. BROWN, CHAIRMAN
CARLOS J. MONTANA, CHAIRMAN
JAMES M. COLLINS, CHAIRMAN
W. RICHARD WELLS, CHAIRMAN
DAVE EITZMAN, CHAIRMAN
EDWARD P. HADZIAN, CHAIRMAN
SAMUEL L. DENNIS, CHAIRMAN
(EX OFFICIO)
WILLIAM J. BROWN, CHAIRMAN
CARLOS J. MONTANA, CHAIRMAN
JAMES M. COLLINS, CHAIRMAN
W. RICHARD WELLS, CHAIRMAN
DAVE EITZMAN, CHAIRMAN
EDWARD P. HADZIAN, CHAIRMAN
SAMUEL L. DENNIS, CHAIRMAN
(EX OFFICIO)

CONGRESS OF THE UNITED STATES

HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON ENERGY AND POWER

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

WASHINGTON, D.C. - 20545

January 18, 1978

To: Ed Co
Phil
P-404

From: OCA

URG

The Honorable Joseph M. Hendrie
Chairman
Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Mr. Chairman:

In the past, the Nuclear Regulatory Commission has received some adverse publicity because of the failure of the staff to promptly and effectively notify the Commission of the existence of relevant information which could affect the outcome of issues under consideration. The most notable instance of this problem to date has been the situation involving the timing of the disclosure of information relating to the existence of a fault at the North Anna nuclear plant.

Because of the potentially serious and costly consequences which could result from the staff's failure to effectively, promptly and fully notify the Commission, the Licensing Board and the Advisory Committee on Reactor Safety of all relevant information and especially any studies or data which might disagree or challenge the staff's recommendations, I request that you advise me of all actions the Commission has taken to insure that the type of problems which arose in the past are not and could not be repeated. I am particularly interested in the existence of any rules or regulations which impose an affirmative obligation on the individual members of the staff to disclose the existence of any information or studies which may disagree with the staff's position or recommendation. I would also like to be advised of the procedures by which such information is promptly disseminated to the members of the relevant bodies, together with a list of the sanctions which could be imposed against any employee who withholds such information.

I ask that you review the presently operating rules and procedures to evaluate their effectiveness and identify any instances where this system has failed to promptly and effectively disclose the existence of information or studies which disagreed with the staff's recommendations, even though such disclosure may not

1/24 - LO EDO prepare reply for signature of Chm. Date due Comm: Jan 25. Cys. to: Chm, Chrs, RE, OCA, PA, OCC. Copy of ltr. refiled:

78-0167

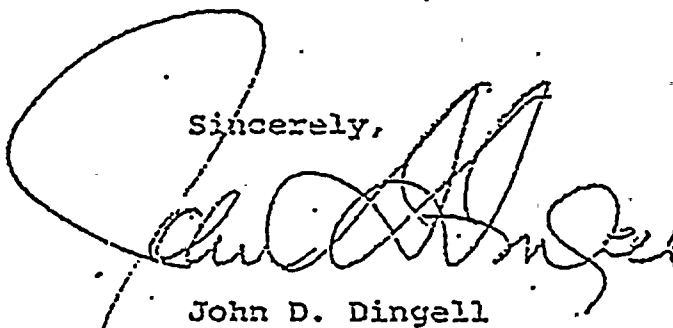
The Honorable Joseph M. Hendrie
Page 2
January 17, 1978

have altered the final decision. I am, of course, not simply interested in those situations where the information or studies were effectively suppressed. But also those where there were attempts to withhold such information or studies so that I can thereby determine if the revelation was merely by accident or the result of the effective operation of the system. I would also like to be advised of the actions which have been taken against those who have failed to freely disclose to the relevant bodies the existence of such information or studies.

Because of the significance of this problem, I know you will give this matter your immediate attention. I shall, therefore, look forward to receiving your reply by Friday, February 3, 1977.

With every good wish,

Sincerely,

A large, stylized handwritten signature in dark ink, appearing to read "John D. Dingell". The signature is written over the word "Sincerely," and extends across the line for the name.

John D. Dingell
Chairman

JDD:Jrm

100 0 1 1977

MEMORANDUM FOR: Edson G. Case, Acting Director
Office of Nuclear Reactor Regulation

FROM: Ernst Volgenau, Director
Office of Inspection and Enforcement

SUBJECT: LETTER FROM CONGRESSMAN DINGELL - JANUARY 18, 1978

In response to the subject letter which requests information concerning failure of the staff since adoption of the "presently operating rules" (October 25, 1977) to promptly and effectively notify the Commission, the Licensing Board and the ACRS of all relevant information and of any dissention of individual staff members from the position taken by the staff, the IE Headquarters Divisions and the Regional Offices have been canvassed for any information that may be pertinent to Congressman Dingell's request.

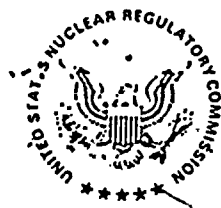
Prior to the issuance of the "presently operating rules" (Informing Licensing Boards of New Information, dated October 25, 1977 - NUREG-0370), the enclosed memoranda delineates actions taken by IE, emphasizing feedback and protection of the public and also responses from the Regional Offices and the Headquarters Divisions concerning dissenting staff views.

Responses from the Headquarters Division Directors and the Regional Directors for any instances where information, studies, data or individual staff members disagree with staff positions, indicate that there have been no situations falling in these categories since the existence of the "presently operating rules" which were circulated to the IE staff by memorandum dated November 3, 1977.

Ernst Volgenau
Director
Office of Inspection
and Enforcement

Enclosures:
As stated

XOOS	XOOS	IE:DD	IE:DIR	
TWBrockett:kbj	ELJordan	7 JGDavis	EVolgenau	
1/31/78	1/ /78	1/ /78	1/ /78	Attachment II



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

M. Groff

OFFICE OF THE
CHAIRMAN

FEB 15 1978

31st
1
3222

The Honorable John Dingell, Chairman
Subcommittee on Energy and Power
Committee on Interstate and Foreign Commerce
United States House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

I am pleased to respond to your January 18 and January 24, 1978 letters regarding NRC staff notification of the Commission, the Licensing Boards and Appeal Boards and of the ACRS of information which could affect the outcome of issues under consideration in the Commission's licensing proceedings. I can assure you that this subject has received considerable attention by the Commission, the Licensing Board Panel, the Appeal Panel, the ACRS, and the staff itself over the last several months, particularly since the October 13, 1977 hearing before the Senate Subcommittee on Nuclear Regulation on the North Anna fault.

On October 19, 1977, the Commission received a detailed briefing by the Office of Nuclear Reactor Regulation on its current practice relating to Board notification (informally in use since late 1973, and formally established by written procedure in late 1976), along with a proposal then under staff consideration for a revised and more comprehensive procedure. The NRR staff suggested at the briefing, and the Commission agreed, that a staff study should be undertaken of the current NRR practice and the proposed revisions. Explicit in that direction was identification and correction of any existing problems with the present practice, and the development of the resultant policy as an agency-wide practice. In the interim, NRR was instructed to continue the current practice.

Pending development and approval of new procedures, NRC's Executive Director for Operations, on October 25, 1977, sent instructions to the NRC Office Directors, which included my testimony and that of the Executive Director at the October 13 hearing, on the staff responsibility to inform Licensing Boards about relevant and material information that becomes available during the course of the staff licensing reviews. The Office Directors, in turn, reminded their respective staffs of this responsibility.

The Acting Director of the Office of Nuclear Reactor Regulation (NRR), in addition to outlining current NRC policy and staff responsibility in this matter and providing copies of the October 13 testimony, requested the NRR staff to "search their memory and files to recall any other instance where there might be an appearance of withholding or proposing to withhold information from the boards." This request was contained in NUREG-0370 (See Enclosure 1) referred to in your January 24 letter. Although some NRR supervisors requested all staff members under their supervision to provide signed replies to the request, staff members were not advised that disciplinary actions would or would not result from their response because no disciplinary action was ever contemplated against any staff member based on his or her responsiveness to the NUREG-0370 request.

Enclosure 1 also contains all of the responses to NUREG-0370 provided by NRR Division Directors to the Acting Director of NRR. After an initial review by the Acting Director NRR and the Chief Hearing Counsel, Office of the Executive Legal Director (ELD), that indicated, in their judgment, that none of the NRR staff responses included significant matters that had not been reported to existing Boards, a small group of senior staff from each of these offices was appointed to review the responses in more detail. Although that group has not yet completed its review, they have reached a preliminary conclusion that only three of the matters identified are of the kind that are potentially reportable to existing Boards under current practice. These matters are (1) the effect of rod bow on departure from nucleate boiling; (2) reactor vessel upper plenum pressure gradient (See Rosztoczy to Ross memorandum of November 4, 1977, included in Enclosure 1); and (3) accident meteorology for coastal sites (See discussion of Jamesport in the enclosure to the Hulman to Denton memorandum of November 8, 1977, also included in Enclosure 1).

The Executive Director's October 25 memorandum is the most recent direction to the staff in this matter. It supplements the directions given to the staff by the Appeal Board in its decisions in McGuire (September 6, 1973) and Vogtle (September 24, 1975), and by the Commission in North Anna (November 12, 1976). Currently, there are no rules or regulations on this subject; however, when new agency-wide procedures have been developed, consideration will be given to codifying them into the regulations.

On January 24, 1978, the Commission, in public session, reviewed the staff proposal for establishing an agency-wide policy on Board notification, developed in response to the earlier briefing. The proposed policy would involve all NRC offices, and appropriate notification would be to the Licensing Boards, the Appeal Board, and the Commission itself during the periods of their respective reviews. Based on this briefing it is

evident to me and to my fellow Commissioners that the staff, the ACRS Office, the Licensing Board Panel Chairman, and the Appeal Panel Chairman have all given considerable thought to this matter.

We also believe it to be important that the revised agency-wide practice for Board notification be one that is responsive to the Boards' overall needs and responsibilities. To this end, we requested the Board Panel Chairmen, along with the staff, to reconsider the proposed policy and procedures to assure that information appropriate for Board notification is defined therein as precisely as possible, especially from the Boards' viewpoint. When this reconsideration is complete, the Commission will consider the matter further and the resulting policy and procedures will be put into effect.

I would like to add my clear impression from the January 24 meeting that the Licensing Boards and the Appeal Board, as well as the staff, believe that the present NRR practice, over the last few years, has been working reasonably well, particularly for externally-generated information. I also believe that recent events have served to heighten the sensitivity of NRC staff members to their responsibility for Board notifications. It is apparent to me that the present staff practice is evolving to the point where more and more routine information available to the agency is being evaluated with a view to making appropriate Board notification decisions. Thus, I am reasonably confident that Boards are now being and will continue to be advised of new information generated external to NRC that is relevant and material to their proceedings in as prompt a manner as possible. However, I am not as confident at this time that all appropriate information generated within NRC, that could be considered as relevant and material, is being promptly provided to the Boards. I make this distinction because, while it is relatively simple to identify and disclose externally-generated information promptly by providing it to the Boards with a staff evaluation to follow, it is not so straightforward to do so for internally-generated information. Some staff evaluation of information in this latter category must be undertaken to determine whether such information is relevant and material and, therefore, should be provided to the Boards. For this reason, there may be problems in implementation for internally-generated information because of the difficulty of developing specific decision criteria that can be applied to such a determination. In part, it seems to me, that this problem applies to the question of notifying Boards of information or studies which disagree with the staff's recommendations, in which your January 18 letter indicated you are particularly interested.

For these reasons and in response to the specific request of your letter of January 18, a survey was carried out within NRR to identify any information or studies which disagreed with the staff's recommendations and that

had not been provided to Licensing Boards, Appeal Boards, Commission or ACRS subsequent to the issuance of NUREG-0370. The survey request from the Acting Director, NRR, of January 26, 1978, the responses to the request and a categorization of the responses are contained in Enclosure 2.

Although the survey request suggested that the material identified by NRR staff members be grouped into three categories, it was subsequently decided that it would be more responsive to your request to subdivide category 2 of the Acting Director's request into two subcategories, and also to subdivide category 3 of the request into two subcategories. Thus, the responses have been grouped into five categories as follows: (1) appropriate bodies have already been notified; (2) appropriate bodies have not yet been notified, but are in the process of being notified or probably will be notified under the staff's evolving procedures; (3) appropriate bodies have not been notified, and Boards probably would not be notified under the staff's evolving procedures; (4) appropriate bodies have been notified or are in the process of being notified, but some level of management in NRR or ELD recommended against such notification; and (5) appropriate bodies have not been notified and a final NRR/ELD decision has been reached that information is not material and relevant despite recommendation by one or more staff members or levels of management that it is.

The staff's preliminary review of these responses indicates that there is no significant information or study of the type referred to in your January 18 letter that has not been provided to the Boards, Appeal Boards, the Commission or the ACRS since October 25, 1977. The staff is currently considering which of those items brought to our attention by this survey, particularly those in categories two and three, should be provided to the appropriate bodies. In addition, the results of the survey will be considered in developing our revised agency-wide procedures for Board notification. Since there were no items in the fourth or fifth categories, no actions are being considered or have been taken against those involved in implementing our current Board notification procedures.

The transmittal of information to the Advisory Committee on Reactor Safeguards deserves special mention. Over many years the NRC licensing staff and the ACRS staff have developed a practice whereby essentially all safety information is routinely transmitted to the Committee. The ACRS receives this information, either for its review or for information, on individual docket applications. In addition, NRC contract research reports, NRC Research Information Letters, draft and final Regulatory Guides, Topical Reports, and proposed regulations or rule changes are

all provided to the Committee. In my opinion, the routine transmittal aspect of information flow to the ACRS assures that both internally- and externally-generated relevant information is currently being provided to the Committee.

You asked to be advised of the sanctions which could be imposed against an employee who withholds such information. This agency's regulations pertaining to disciplinary and adverse actions which will be taken when an employee fails to meet the standards of job performance or the standards of conduct are contained in NRC Manual Chapter 4171. As appropriate in the circumstances of the particular case, those actions generally cover admonitions and reprimands, suspensions without pay, and the most severe action which is the decision to remove the employee from the agency. Since there have been no indications to date that any staff members have willfully withheld information from the Boards that should have been supplied to them, no such personnel actions have been taken.

If you wish further information on these matters, please let me know.

Sincerely,

Joseph M. Hendrie
Chairman

Enclosures:

1. NUREG-0370 and Responses
2. Acting Dir. NRR Request of
1/26/78, Responses and
Categorization of Responses

DISTRIBUTION:

Central Files	ARosenthal
NRR Rdg.	JYore
RSBoyd Rdg.	SECY 73-0167 & 78-0201(2)
LGossick	EDO 3180 & 3222(2)
WDircks	CA
TRehm	ACRS
ECase	EHughes
RMinogue	MGroff
CSmith	
SLevine	
HShapar	
EVolgenau	

SEE PREVIOUS YELLOW FOR CONCURRENCES

OFFICE➤	PM:D	NRR ACT DIR	OCM	OCA		
SURNAME➤	RSBoyd:lm	EGCase	JMHendrie			
DATE➤	2/ /78	2/ /78	2/ /78	12		

STEWART L. OTTINGER, N.Y.
ROBERT (BOB) KRUFER, TEX.
PHILIP R. SHARP, IND.
ANTHONY TERRY MOFFETT, CONN.
BUD GAMMAGE, TEX.
JOHN M. MURPHY, N.Y.
DAVID E. BATTERFIELD III, VA.
TIMOTHY E. WIRTH, COLO.
ANDREW MAGUIRE, N.J.
MARTY RUSKO, ILL.
EDWARD J. MARKEY, MASS.
DOUG WALGREN, PA.
ALBERT GORE, JR., TENN.
MARLEY D. STAGGERS, W. VA.
(EX OFFICIO)

CLARENCE J. BROWN, OHIO
CARLOS J. MOOREHEAD, CALIF.
JAMES M. COLLINS, TEX.
W. HENSON MOORE, LA.
DAVE STEGEMAN, MICH.
EDWARD R. MADIGAN, ILL.
SAMUEL L. DEVINE, OHIO
(EX OFFICIO)

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON ENERGY AND POWER
OF THE

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

WASHINGTON, D.C. 20515

February 27, 1978

The Honorable Joseph M. Hendrie
Chairman
Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Mr. Chairman:

I appreciate your response to my January 18 and January 24, 1978 letters regarding NRC staff notification to the Commission, the Licensing Boards and Appeal Boards and the ACRS of information which could affect the outcome of issues under consideration in the Commission's licensing proceedings. The Subcommittee staff is presently reviewing the material you supplied with your response and I expect there will be additional communications on this subject.

The purpose of this letter, however, is to address certain issues which have been raised as a consequence of my January 18 letter. According to information obtained by the Subcommittee staff, various offices and divisions within the Commission asked their staffs if anyone had withheld any information or if they knew of any such incident. In some of these cases, a copy of my letter was attached, while in others it was not, nor was it mentioned. In other instances, Mr. Gossick's February 13 memorandum entitled "Staff Communications with Congress" was attached. In still other instances, the staff was merely asked about the existence or adequacy of procedures relating to an affirmative obligation to disclose relevant information. Because various offices treated my inquiry differently, the consistency of the responses varied, and thus raised questions as to the completeness of the replies.

Second, certain division directors circulated their response to the question of the adequacy of the procedures among their staff, with a "routing slip" for each member to initial. Apparently, there is some confusion among the staffs as to the significance of their initialing. Some staff members interpreted their initialing as merely a sign that they had seen the response while others interpreted their initialing as an indication that they concurred with the division chief's response. If the latter is the case, the

ENCLOSURE 3

February 27, 1978

Subcommittee staff has been advised that certain Commission employees would not have initialed the routing slip. The Subcommittee staff has also been advised that, in such a case, some still would have signed even though they disagreed because dissent has not been favorably looked on in the past.

The information the Subcommittee staff has received from multiple sources on this matter raises two fundamental issues. First, if there was no commonly perceived understanding among your staff as to the purpose of my inquiry and Mr. Gossick's February 13 memorandum, and the consistency of the responses did vary, the validity of your reply is questionable. It would seem that a common understanding of the issue would be essential to insure the accuracy of the conclusions.

Second, it appears that your stated objective of promoting openness and allowing dissent has not yet penetrated to the appropriate staff level for it to be effective. I am particularly concerned by the genuine fear expressed by many individuals who contacted the Subcommittee about the consequences they believe would result if their communications were disclosed or if they refused to endorse their superior's responses, even though they did not agree with them. While some people who contacted the Subcommittee staff about this matter refused to give their name, those who did insisted their name not be disclosed. While it is unclear how representative these communications are, it is clear that there is a serious problem. Moreover, some people were particularly concerned about an apparently recent requirement that the staff report all communications with congressional committees to your Office of Congressional Affairs. These individuals look upon such a requirement as an attempt to intimidate them and impede such communications. I, too, interpret it as an attempt to impede communication and inconsistent with our mutual objective of promoting candor between the Commission and the Congress. If such a requirement or recommendation does exist, I am confident you will recognize that it is incompatible with your stated policy of openness and rescind it immediately. In anticipation of this action, I have instructed my staff to advise Commission employees to disregard this requirement. While I am aware that this may place a burden upon my staff, I am sure you will agree that it is essential to execute this Subcommittee's responsibilities. Indeed, I would appreciate any efforts you can make to communicate to your employees that their concerns should be addressed to Michael Ward, the Subcommittee

The Honorable Joseph M. Hendrie

Page 3

February 27, 1978

counsel, at 3204 House Annex No. 2, Washington, D. C. 20515,
(202) 225-1030.

Because of the questions which have been raised about the accuracy and completeness of the information upon which you based your reply to my January 18 and 24 letter, I again ask that you review your policies about the disclosure of relevant information to the appropriate Commission bodies. I also ask that you advise me of the actions you intend to take to more effectively communicate your objective of encouraging the free expression of opinion and dissent within the Commission. I would expect that such actions would include methods to dispel what I perceive to be a genuine fear among Commission employees about expressing dissenting views.

Due to the seriousness of this problem and its implications as to the effectiveness of the Commission, I know you and the other Commissioners will give this matter your immediate attention. I shall therefore look forward to receiving your prompt response.

With every good wish,

Sincerely,



John D. Dingell
Chairman

JDD:Jrm



March 13, 1978

MEMORANDUM FOR: Daniel J. Donoghue, Director, Office of Administration
Howard K. Shapar, Executive Legal Director
Learned W. Barry, Controller
Edward E. Tucker, Director, Office of Equal Employment
Opportunity
Harold S. Bassett, Acting Director, Office of Planning
and Analysis
James R. Shea, Director, Office of International Programs
Robert G. Ryan, Director, Office of State Programs
Richard A. Hartfield, Acting Director, Office of
Management Information and Program
Control
Robert B. Minogue, Director, Office of Standards
Development
Clifford V. Smith, Director, Office of Nuclear Material
Safety and Safeguards
Edson G. Case, Acting Director, Office of Nuclear
Reactor Regulation
Saul Levine, Director, Office of Nuclear Regulatory
Research
Ernst Volgenau, Director, Office of Inspection and
Enforcement

FROM: Lee V. Gossick
Executive Director for Operations

SUBJECT: RESPONSE TO REPRESENTATIVE JOHN D. DINGELL LETTER
OF FEBRUARY 27, 1978

We have received a letter dated February 27, 1978 from Representative Dingell concerning (1) the consistency and adequacy of our response to a prior request on January 18, and (2) NRC policies about the encouragement and disclosure of dissenting staff opinions. Copies of all related correspondence are enclosed.

A key part of responding to the January 18 request was to identify studies, staff views or other information regarding issues under consideration in the licensing proceedings that were not promptly and

March 13, 1978

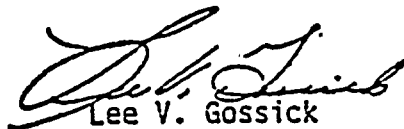
effectively supplied to the ASLB, ASLAB, ACRS and the Commission. Detailed responses from the four NRR divisions were attached to our response. Information from other offices has not yet been forwarded to the subcommittee.

Mr. Dingell's major concern is that our response was uneven and possibly invalid because there was a misunderstanding of what he wanted.

In order to give a complete response to Representative Dingell based on a consistent approach by all NRC offices, the following information is required:

1. A description of how staff was canvased in response to Representative Dingell's January 18 letter. Your description must specifically mention any initialing or sign off by staff, the meaning of such initialing and any directions given to staff about consequences of signing or not signing.
2. Your assurance at this time that either you have no items as defined in Enclosure 1 or that you will or have forwarded all such material to NRR. If your initial survey satisfies you, simply reaffirm in writing.
3. Written or oral directives issued by your office since the establishment of NRC concerning staff communications with members of Congress or their staffs. This will form part of our response to Representative Dingell's concern that NRC policies impede communications and require undue clearance with OCA.

Please provide your response to Items 1 and 3 to the Office of Planning and Analysis by noon, Thursday, March 16, 1978 (contact: Larry Vandenberg, x-27721). Your response to Item 2 should be sent to the Director, NRR by c.o.b., Friday, March 17.



Lee V. Gossick

Executive Director for Operations

Enclosures:
See attached sheet

March 13, 1978

Enclosures to memorandum to Directors, from Lee V. Gossick dated March 13, 1978.

Enclosures:

1. Material to be reported
2. Pending proceedings before NRC
Adjudication Bodies
3. cc Ltr Rep. Dingell to Chairman Hendrie,
2/27/78
4. ~~cc Ltr Rep. Dingell to Chairman Hendrie,
1/18/78~~
5. ~~cc Ltr Rep. Dingell to Chairman Hendrie,
1/24/78 (addendum to 1/18/78 ltr)~~
6. ~~cc Ltr Chairman Hendrie to Rep. Dingell,
2/15/78~~

MATERIAL TO BE REPORTED

Any instance where staff has actual knowledge of information with the following characteristics:

1. Originated by NRC staff or by NRC contractors.
2. Relevant to an issue considered by a Commission body in the licensing process. Commission bodies mean the Commission, ACRS, or ASLB or ASLAB Boards in existence on or after October 25, 1977. (Enclosure 2 contains a complete list of such issues. Information forwarded to NRR should be grouped by the relevant licensing issue.)
3. Supported a more conservative approach than that contained in the staff recommendation forwarded to the Commission body.

This will permit the identification of information that has already been forwarded to Commission bodies as well as information that has not been forwarded. As an additional requirement, any instance should be noted where information as defined above was withheld or attempts were made to apparently withhold the information from Commission bodies.

All such items identified will be categorized by NRR into the following groups:

- a. The appropriate bodies have already been notified;
- b. The appropriate bodies have not yet been notified, but are in the process of being notified or probably will be notified under the staff's evolving procedures;
- c. The appropriate bodies have not been notified, and Boards probably would not be notified under the staff's evolving procedures;
- d. The appropriate bodies have been notified or are in the process of being notified, but some level of management in NRR or ELD recommended against such notification;
- e. The appropriate bodies have not been notified and a final NRR/ELD decision has been reached that the information is not material and relevant despite recommendation by one or more staff members or levels of management that it is.

ENCLOSURE 1

Paulus



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

March 14, 1978

MEMORANDUM FOR: Regional Directors
Division Directors
XOMA

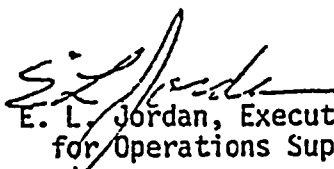
FROM: E. L. Jordan, X00S

SUBJECT: LETTER FROM CONGRESSMAN DINGELL - FEBRUARY 27, 1978

Reference my memorandum dated January 30, 1978 regarding a letter dated January 18, 1978 from Congressman Dingell. Pursuant to a letter dated February 27, 1978 from Congressman Dingell and a memorandum dated March 13, 1978 from L. V. Gossick, EDO, we are requested to update our previous reply. In this regard, please provide a facsimile note by 9:00 a.m. March 17, 1978 containing information to respond to Item 2 of Mr. Gossick's memorandum. This note should be followed up with a memorandum.

In developing your response, please survey all professional employees available in your office utilizing Enclosures 1 and 2 to Mr. Gossick's memorandum. In your reply, indicate how many professionals, including supervisors and management, were surveyed and how many were not. Please note that an identified instance must meet all three characteristics which includes only those instances on or after October 25, 1977.

Please call R. C. Paulus (492-7246) for clarification of any questions.


E. L. Jordan, Executive Officer
for Operations Support, IE

Enclosure:
Memo LVGossick to Multiple
Addressees dtd 3/13/78
w/encls
Memo JDDingell to JMHendrie
dtd 2/27/78

MAR 24 1978

MEMORANDUM FOR: Edson G. Case, Acting Director
Office of Nuclear Reactor Regulation

FROM: Ernst Volgenau, Director
Office of Inspection and Enforcement

SUBJECT: LETTER FROM REPRESENTATIVE DINGELL - FEBRUARY 27, 1978

In response to the memoranda dated March 14, 1978, from L. V. Gossick and March 17, 1978 from T. Rehm, the staff of the Office of Inspection and Enforcement has been canvassed to determine whether there have been any instances that meet the criteria specified in the referenced memoranda. A total of 348 professional staff members were canvassed; 79 were not canvassed due to unavailability (out of the office on inspections, training or leave). We have identified one case which may meet the criteria. This case is described in the enclosure. In addition, we have identified three other cases involving possible dissent. These latter cases, however, do not meet the criteria inasmuch as they are not included in the list of Proceedings Before Commission Bodies (1/75 to Date). The cases are as follows:

1. Zion 1 and 2 - Issuance of 100% power license (April 1976)
An inspector questioned the advisability of allowing the licensee to increase power from 85% to 100% because of insufficient management attention to the radiation protection program and problems in effluent control. The position adopted by the Regional Office recognized the problem areas but held that these problems were not germane to the issue of whether the Operating License authorized 85% power or 100% power.
2. Palisades - Full Term License
The Regional Office has recommended against issuance of the full term license on the basis of the licensee's past performance. This matter is under review and no staff position has been formulated.
3. Dresden 2 - Full Term License
The Regional Office has recommended against issuance of the full term license on the basis of the licensee's past performance. This matter is under review and no staff position has been formulated.

Edson G. Case

-2-

MAR 24 1978

Items 1 and 3 of Mr. Gossick's March 13, 1978 memorandum were answered in a memorandum dated March 16, 1978 from E. L. Jordan, IE, to L. R. Vandenberg, PLA.

My memorandum of January 31, 1978 to you regarding Representative Dingell's January 18, 1978 letter contained additional information regarding dissenting staff views.

Ernst Volgenau
Director
Office of Inspection
and Enforcement

Enclosure:
Description of Case

cc: w/enclosure
J. G. Davis
T. Rehn, EDO
Regional Directors
H. D. Thornburg
H. C. Moseley
H. M. Haller
L. B. Higginbotham
L. I. Cobb
E. L. Jordan
R. C. Paulus
L. R. Vandenberg, PLA

XOOS	XOOS:EO	IE:DD	IE:D
RCPAULUS:cko	ELJORDAN	JGDAVIS 22	EVOLGENAU
3/23/78	3/ /78	3/ /78	3/ /78

ENCLOSURE

Description of Case..

Shearon Harris Nuclear Power Plant

In late September 1977, the CP hearing on the Shearon Harris plant was resumed after a long delay because of deferral of the company's construction schedules. The hearing board decision was not rendered until January 23, 1978. As part of the evidentiary hearing, Region II staff members appeared as witnesses on the subject of the qualifications of the applicant to engage in construction activities at the Harris site, while continuing operation of its H. B. Robinson and Brunswick plants.

During preparation of testimony for this hearing, an inspector assigned to one of the operating plants expressed concern about the extent of licensee management's commitment and its capability to engage in the large nuclear program involved by the addition of the Harris project. This inspector provided examples of problems he felt were indicative of his concerns.

The testimony sponsored in the hearing by this inspector's immediate supervisor included citation of the problems identified by the concerned inspector. However, the supervisor's conclusion, which was based on other evidence in addition to the identified concerns, was that although the company had had some problems, it was competent to engage in construction activities at Harris.

The inspector involved continues to question the overall competence, or attitude, of the company, its commitment of manpower and its financial capability to engage in the extensive program on which it has embarked.

October 26, 1978

MEMORANDUM FOR: File

FROM: William H. Foster, Inspector/Auditor
Office of Inspector and Auditor

SUBJECT: SHEARON HARRIS MATTER

On October 25, 1978, I was contacted telephonically by Robert C. Paulus, Senior Program Specialist, Executive Office for Operations Support, Office of Inspection and Enforcement (IE). Paulus was returning a call I had placed to John Davis, Director, IE.

Paulus advised that the only existing written policy for preparing testimony for licensing hearings was IE Manual Chapter 94010-B developed in 1975. Paulus stated this chapter was only a general outline and the detailed instruction on testimony preparation was left up to the individual region. Paulus said testimony preparation varied from region to region and depended on the number of hearings each region had participated in. Paulus said Region II personnel had generally "just shown up" for hearings on the day they were to testify, adding Region II had only been asked to prepare written testimony on two or three occasions. Paulus said the region generally develops its testimony based on the advice of the cognizant counsel and/or NRR Project Manager.

Paulus stated he "was not aware" that the Dance/Brownlee testimony was sent to IE Headquarters, adding Headquarters generally is not sent a copy of hearing testimony in advance unless there are policy considerations involved. Paulus suggested I talk with Hugh Dance of the dissemination of the Shearon Harris testimony. Paulus stated there is no IE requirement that hearing testimony be sent to IE Headquarters.

REPORT OF INTERVIEW

On October 5, 1978, Howard A. Wilber, Senior Reactor Inspection Specialist, Division of Reactor Operations and Inspections, Office of Inspection and Enforcement (IE) was interviewed by William Foster and David Gamble, Office of Inspector and Auditor (OIA). Mr. Wilber was advised of the nature of the inquiry and that the results of the inquiry would be made public. He was also advised of the applicable provisions of the Privacy Act.

Wilber advised that in about June 1974, he joined IE, Region II's Startup and Test Branch, headed by William Seidle. Wilber stated that in about November 1975, Region II reorganized and he was assigned to Frank Long's Reactor Operations and Nuclear Support Branch. He added about May, 1975 when he became the principal startup and test inspector for Carolina Power and Light's (CP&L) Brunswick 1 unit. Wilber said he retained this responsibility until about June or July 1977 when he was rotated to Browns Ferry. Wilber stated about mid-1976 he also assumed startup and test responsibility for Hatch 2. Wilber advised that in about September 1976, Floyd Cantrell joined him at Brunswick 1 as the principal operations inspector.

Wilber advised that in addition to his exposure to CP&L at Brunswick 1, he also made a number of inspections at Brunswick 2 as a backup inspector (e.g., "in office" work and observation of initial criticality) between January 1975 and June 1977. He added he also participated in 3 or 4 inspections at H. B. Robinson in a support role (e.g., in connection with a refueling outage and special inspection of the safety injection system).

Wilber advised that he had a number of problems with CP&L during his tenure at Region II. He stated that in August or September 1976, he commented in an inspection report that a review of the records at Brunswick 1 showed plant QA only observing "two or three" of the numerous preoperational tests. Wilber said he discussed this problem with plant management and CP&L agreed to observe more tests, but added the point was academic because the preoperational testing stage at Brunswick 1 was virtually complete. Wilbur added he could not cite CP&L for this event because the pertinent requirements were too "nebulous": they did not specify when or how CP&L site QA should observe preoperational tests.

Wilber advised he commented on a similar problem in an inspection report he wrote in about January 1977. Wilber explained that when Brunswick 1 was in "test condition III" of the startup program, he reviewed the plant's records and could not find any indication CP&L site QA had observed any tests during this phase of startup. After discussing this finding with plant management, Wilber advised a large number of the site QA staff observed a test that same night. Wilber said he did not know if CP&L continued this responsiveness because it was not long after this occurrence that he rotated to Browns Ferry.

Wilber advised that in about January 1977, he and Cantrell met with Hugh Dance, their Section Chief, and expressed concerns pertaining to the high turnover of plant personnel at Brunswick. Wilber advised that the Test and Startup Superintendent, who was very knowledgeable in the operations of Brunswick, had recently left CP&L. He added the new plant manager's experience was with pressurized water reactors, but Brunswick was a boiling water reactor. Wilber said that he told Dance his concern was whether plant personnel could handle an incident similar to Browns Ferry, based on their limited experience. Wilber added Cantrell shared his concerns, perhaps to a greater degree.

Wilber stated, based on the above discussion, Dance directed Richard Wessman of his Section to conduct a special inspection at Brunswick. Wilber felt the inspection was a responsive action to take based on his concerns, but added he was unable to determine whether CP&L implemented the inspection findings, because he had been rotated to Browns Ferry.

Wilber advised he participated in the inspection of the cause of an off-gas explosion at Brunswick 1 or 2 sometime in the winter of 1976/1977. He stated he found five different conditions which could have led to this occurrence. Wilber said it could be concluded from this CP&L was "sloppy" with respect to their QA/QC procedures.

Wilber advised that sometime in late August - early September 1977, Dance approached him to solicit his comments of CP&L's QA program in conjunction with the scheduled Shearon Harris Construction Permit (CP) hearing. Wilber added that he assumed Dance was to testify with respect to CP&L's QA program. Wilber advised that the information he remembered giving orally to Dance was to summarize the results of the two above-mentioned inspection reports. Wilber said he may have offered his informal opinion to Dance that there were weaknesses in CP&L's Brunswick site QA program. Wilber stated he had no other involvement whatsoever with the testimony preparation.

Wilber stated he shared an office with Cantrell, and believed he read Cantrell's input for the testimony. Wilber observed that Cantrell was more concerned with the problems at Brunswick than he was, adding this was justified because Cantrell was the operations inspector. In response to a direct question, Wilber stated he "probably did not disagree" with the general content of Cantrell's notes. Specifically, Wilber said Cantrell was concerned with CP&L unresponsiveness to rectify problems (e.g., HPIC doors continuously found open), adding he shared this concern/opinion of Cantrell's. He added, however, he may not have shared this concern to the same degree because he had a higher threshold of reaction than Cantrell. Wilber stated he also agreed with Cantrell's position on the personnel turnover problem at Brunswick, adding he and Cantrell had discussed this situation on a number of occasions.

Wilber did not agree with Cantrell's conclusion that conditions should be placed in the Shearon Harris CP with respect to personnel requirements because such requirements are spelled out in the Technical Specifications and must be adhered to by the licensee (CP&L). Wilber added any additional requirements added to the technical specifications should be recommended by Licensing.

Wilber stated he had not seen Dance's written testimony. Wilber, at the request of OIA, agreed to review Dance's written testimony and offer his opinion as to whether the testimony adequately represented his and Cantrell's input provided to Dance.

Wilber was reinterviewed by Foster and Gamble on October 16, 1978. Wilber furnished OIA with his comments based on his review of Dance and Brownlee's written testimony and Cantrell's handwritten note. The question and response numbers cited by Wilber refer to the written testimony. Wilber also furnished copies of the material Cantrell and he cited to Dance.

Attachments:

Comments on Testimony

Ltr fm Long to CP&L dtd 2/18/76 w/Insp

Rpt 50-324/76-3 (Details I only)

Ltrs fm CP&L to Moseley dtd 3/17/76 &

5/3/76 in response to Insp Rpt 50-324/76-3

Ltr fm Long to CP&L dtd 9/30/76 w/Insp Rpt

50-325/76-14 (Details I only)

Ltr fm Long to CP&L dtd 3/11/77 w/Insp Rpts

50-324/77-4 & 50-325/77-4 (Details III only)

Insp Rpt 50-324/77-3 & 50-325/77-3 (Details
III only)

Safety Eval Rpt (pp. 130-132 of Supplmt 1 &
p. 12 of Supplmt 3)

IE Manual Chapter 2513 (Encls 1 & 4)

Comments on Testimony

Question 2

Response 2.b.(2)

There is no mention of the documented weaknesses in the implementation of the QA program at Brunswick No 1 & 2.

Examples:

Report IE 50-324/76-3 - Two items of non-compliance to the QA program with multiple examples to one of the items. The licensee response committed to increased surveillance during Unit 1 preop and startup testing.

IE 50-325/76-14 Inspection finding that documentation supported the fact that performance of only two preop tests had been observed by QA at the time of the review by the inspector.

IE 50-325/77-4 Inspection finding that there was no documentation to support the fact that QA personnel had observed any startup tests at the time of the review by the inspector.

IE 50-324/77-3 Identified areas where QA activities were not meeting established time tables.

Report 50-324/77-3 is mentioned in F. Cantrell's notes.

I recall that reports 50-325/76-14 and 77-4 were brought to H. Dancy's attention when he asked for my impressions of the Brunswick QA program. Both Mr. Dancy's request and my response were on an informal basis.

I feel this information of the Site QA performance should have been included in the testimony.

Question 3

I could not answer this question other than refer to the conclusion reached in the SFR Section 12.1. The quantity and quality of staff for operation is usually evaluated by I&E a few months before O.L. date (3-18 months).

(See Enclosure 1 of Manual Chapter 2513 of I & E Manual)



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
230 PEACHTREE STREET, N. W. SUITE 818
ATLANTA, GEORGIA 30303

FEB 18 1976

In Reply Refer To:
IE:II:FSC
50-324/76-03

Carolina Power and Light Company
Attn: Mr. J. A. Jones
Executive Vice President
Engineering, Construction
and Operations
336 Fayetteville Street
Raleigh, North Carolina 27602

Gentlemen:

This refers to the inspection conducted by Messrs. H. A. Wilber and G. R. Jenkins of this office on January 20-21, 1976, of activities authorized by NRC Operating License No. DPR-62 for the Brunswick 2 facility, and to the discussion of our findings held with Mr. E. G. Hollowell at the conclusion of the inspection.

Areas examined during the inspection and our findings are discussed in the enclosed inspection report. Within these areas, the inspection consisted of selective examination of procedures and representative records, interviews with personnel, and observations by the inspector.

During the inspection, it was found that certain activities under your license appear to be in noncompliance with NRC requirements. These items and references to pertinent requirements are listed in Section I of the summary of the enclosed report.

This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office, within 20 days of your receipt of this notice, a written statement or explanation in reply including: (1) corrective steps which have been taken by you, and the results achieved; (2) corrective steps which will be taken to avoid further noncompliance; and (3) the date when full compliance will be achieved.

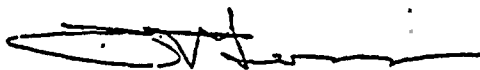
Carolina Power and Light Company -2-

Another item of noncompliance identified through your internal audit program is shown in the details of the enclosed inspection report. The appropriate report was made and corrective action initiated or completed and verified by our inspector and no additional information is needed for this item at this time.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you believe to be proprietary, it is necessary that you submit a written application to this office requesting that such information be withheld from public disclosure. If no proprietary information is identified, a written statement to that effect should be submitted. If an application is submitted, it must fully identify the bases for which information is claimed to be proprietary. The application should be prepared so that information sought to be withheld is incorporated in a separate paper and referenced in the application since the application will be placed in the Public Document Room. Your application, or written statement, should be submitted to us within 20 days. If we are not contacted as specified, the enclosed report and this letter may then be placed in the Public Document Room.

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

Very truly yours,



F. J. Long, Chief
Reactor Operations and
Nuclear Support Branch

Enclosure:
IE Inspection Report No.
50-324/76-3

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
230 PEACHTREE STREET, N. W. SUITE 818
ATLANTA, GEORGIA 30303

IE Inspection Report No. 50-324/76-3

Licensee: Carolina Power and Light Company
336 Fayetteville Street
Raleigh, North Carolina 27602

Facility Name: Brunswick 2
Docket No.: 50-324
License No.: DPR-62 (Issued December 27, 1974)
Category: B-2

Location: Southport, North Carolina

Type of License: 2436 MWT, BWR, GE

Type of Inspection: Special, Unannounced

Dates of Inspection: January 20-21, 1976

Dates of Previous Inspection: January 13-16, 1976

Performing Inspectors: G. R. Jenkins, Radiation Specialist
Radiation Support Section
Fuel Facilities and Materials
Support Branch

H. A. Wilber, Reactor Inspector
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch

Other Accompanying Personnel: None

Principal Inspector: F. S. Cantrell
F. S. Cantrell, Reactor Inspector
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch

2/9/76
Date

Reviewed by: W. C. Seidler
W. C. Seidler, Section Leader
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch

2/11/76
Date



/ SUMMARY OF FINDINGS

I. Enforcement ItemsInfractions

- a. Contrary to Criterion III of Appendix B to 10 CFR 50 as implemented by the commitments in Section C of Table D-2, Appendix D of the FSAR, an inadequate design review was performed on the off-gas system. Two examples are given. A 0-10 psid gage was installed to monitor the filter pressure drop when the manufacturer recommended a 0-10" water column instrument. A 20.5" water column setting was selected for the loop seal isolation valves, the loop seals are 20" water column devices. (Details I, paragraph 8)
- b. Contrary to Criterion X of Appendix B to 10 CFR 50 as implemented by the commitments in Section J of Table D-2, Appendix D of the FSAR, an inadequate inspection was performed on portions of the off-gas system. Three examples are given. The stack house sump vent line was taped over. The stack house sump inspection plate was not in place. The moisture separator in the base of the filter unit was not properly positioned. (Details I, paragraph 8)
- c. Contrary to 10 CFR 20.201(b), the licensee did not make an adequate survey to verify compliance with 10 CFR 20.103 prior to entry into the stack house on January 19, 1976. (Details II, paragraph 2)

II. Licensee Action on Previously Identified Enforcement Matters

Not inspected.

III. New Unresolved Items

None

IV. Status of Previously Reported Unresolved Items

None

V. Unusual Occurrences

None

VI. Other Significant Findings

Plant Status

Repairs to the off-gas system were completed and a reactor startup was in progress on January 20, 1976.

VII. Management Interview

A management interview was held on January 21, 1976, with E. G. Hollowell, Plant Manager, and others of his staff. The stack house explosion incident of January 19, 1976, was discussed, including corrective action taken. The items of noncompliance were discussed by telephone with the Plant Manager on February 12, 1976.

DETAILS I

Prepared by: Howard O Wilber
H. A. Wilber, Reactor Inspector
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch

2/19/76
Date

Dates of Inspection: January 20-21, 1976

Reviewed by: W. C. Seidle
W. C. Seidle, Section Leader
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch

2/11/76
Date

1. Persons Contacted

Carolina Power and Light (CP&L)

E. Hollowell - Plant Manager
J. Holder - Plant Superintendent
C. Hinnant - Maintenance Supervisor
M. Jones - Operations Supervisor
J. Griffin - Engineering Supervisor
C. Casanova - Engineering Technician

2. Incident

At 11 a.m. on January 19, 1976, the licensee informed the inspector by telephone that an explosion had occurred in the stack house at 7:58 a.m. and a fire alarm was sounded at 8 a.m. on January 19, 1976. Two inspectors from Region II of OIE were dispatched to the site and arrived on site approximately 8 a.m. on January 20, 1976.

3. Sequence of Events

The following sequence of events was developed from discussions with plant personnel and reviews of the Shift Foreman's and Control Operator's logbooks:

Date Time

1/19/76 0030

Reactor at about 84% (700 Mwe). Auxiliary operator completed inspection of the stack house and determined that the loop seals were filled by confirming that fill water was flowing and that there were no characteristic sounds that accompany a blown seal.

0100 An area high radiation monitor initiated a radiation alarm from the stack house. The shift foreman requested the operator to verify stack gas sample flow to the monitors and assess the radiation alarm on the local meter. The two stack monitors increased from 20 cps to 200 cps and 150 cps to 350 cps over approximately a 45 minute period and then remained constant. The shift foreman ordered the power increase halted at 84%.

The auxiliary operator was sent to the stack house to evaluate the cause of the area radiation monitor alarm. The operator descended about 10 feet into the stack house when he noted the local area radiation alarm was on and he immediately left and informed the shift foreman. While the operator was in the stack house, he did not observe anything unusual.

0130 The shift foreman entered the filter house and noted that the area radiation monitor had increased to 6 mr/hr; he remained in the area approximately 30 seconds. A Radiation, Control and Test (RC&T) technician was at the access hatch with a "teletector" monitor.

When the shift foreman left the stack house, it was discovered that both he and the RC&T Technician had surface contamination on their clothing and skin and the Auxiliary Operator who entered the stack house at 0100 also had clothing and skin contamination.

0300 Decontamination of personnel was accomplished by showering and clothing change.

0315 Shift foreman observed that the offgas monitor had not responded to the power increase in the same manner as the stack monitors.

0325 The off gas monitor sample line valves were found to be improperly aligned. The valves were then properly aligned for 2B Steam Jet Air Ejector (SJAE) operation. (See Details I, paragraph 8)

0400 The auxiliary operator, wearing Anti-C clothing and a Scott Air Pak, entered the stack house to fill the loop seals. He could not determine if the loop seals had been blown but he filled all the loop seals with ". . . large amounts of water . . .". Radiation surveys were made and an exclusion area of approximately 200 feet in diameter was established around the stack.

At the same time that the loop seals were filled, an increase of approximately 5000 scfm was observed in the stack flow.

0757 Received SJAE trip with 2 alarms; "Off Gas Discharge Header Trip SJAE"; and "Process Sump Off Gas Vent Pipe Flow Hi/Lo". These were reset immediately by the operator.

0758 Explosion reported in stack house.

0800 Fire reported in stack house based on observance of a "whitish smoke" coming from the access hatch. The operator then reduced power to the lower limit of recirculation flow by recirculation flow reduction.

0808 Initiated a Select Rod Insert.

0810 Initiated a manual reactor trip from 28% power.

0828 Emergency coordinator announced that there was no longer a danger of fire.

4. Immediate Action

The reactor was placed in hot standby by 9:05 a.m.

A CP&L task force was assembled to assess the damage and determine the cause of the explosion.

5. Subsequent Action

The findings of the CP&L task force were as follows:

Damage from Explosion

The damage in the stack shack was limited to a broken glass cover on a differential pressure gage for Unit 1 filter, three broken relay covers on relays associated with the SJAE isolation system and one broken light bulb. The pattern of damage of one of these relay covers indicated that the force was developed inside the relay. The access hatch was blown open.

Cause of Explosion

The task force determined that the variation in stack flow was caused by the status of the Rad Waste Building Ventilation System and had no bearing on the incident.

The licensee found that the vent line from the loop drain sump was taped over in the stack base. This would have negated any ventilating action that might have been provided by this vent line. (See Details I, paragraph 8)

The licensee disassembled the filter unit and found that the moisture separator in the base was cocked at approximately a 45° angle. This would have permitted the moisture in the off-gas to reach the filter. The inspector observed a quantity of condensation forming inside the plastic bags that contained the filter and the moisture separator after they were removed from the filter unit. (See Details I, paragraph 8)

The shield plugs had been removed from the filter cells. This permitted the ambient air (about 19°F) to enter the area of the filter units and would have accelerated the condensation of moisture in the filter.

The inspection plate on the drain sump was not in place. This would have permitted any gases flowing through a blown loop seal to enter the stack house area. (See Details I, paragraph 8)

The licensee found that the loop seal solenoid operated isolation valves were set to operate at 20.5 in. H₂O and the loop design is 20 in. H₂O. This combination could result in the loop seals being blown dry before the isolation valves functioned. (See Details I, paragraph 8)

The licensee found that the differential pressure across the filter would not initiate an alarm until 4 psid was attained. The licensee stated that the filter manufacturer recommended a 0-10" water column range for the differential measurement; the actual gage installed had a 0-10 psid range. (See Details I, paragraph 8)

6. Licensee Evaluation of the Cause

The findings of the task force were presented to the Plant Nuclear Safety Committee (PNSC).

The PNSC evaluation of the explosion was that a quantity of hydrogen gas accumulated in the stack house through one or more blown loop seals. The hydrogen was ignited when a SJAE isolation relay operated.

The inspector has no questions on this evaluation.

7. Licensee Corrective Measures

The PNSC recommended to the Plant Manager that:

- a. Shield plugs will be replaced on the operating filter cell.
- b. Hydrogen content of stack house atmosphere will be monitored once per shift and on each entry to the stack house.
- c. The solenoid operated isolation valves on the loop seals will be set to operate at 16 in. H₂O.
- d. The damage to the relays, gage, and light will be repaired.
- e. The tape will be removed from the stack shack sump vent line.
- f. There will be increased surveillance of the stack gas monitor and the area radiation monitor in the stack house. If these rise in an unexplained manner, the reactor power will be reduced and the reactor placed in hot standby. These instructions will remain in effect until full power is reached and no anomalies are encountered.
- g. The stack house will be posted as a "No Smoking" area.
- h. The inspection plate on the drain sump will be replaced.
- i. All loop seals will be filled.
- j. A differential pressure indicator (manometer) will be installed to measure any changes in the pressure drop across the filter unit.
- k. Annunciator response procedure for the area radiation monitor in the stack house will be revised to reflect the possibility of a hydrogen buildup.

1. An evaluation will be made to determine a more sensitive means of annunciating the pressure differential across the filter. This will require replacing the present 0-10 psid instrument with a more sensitive instrument.

The inspector observed that the inspection plate was in place on the sump, the shield plug was in place, the glass had been replaced in the differential gage and the inspector reviewed a completed work authorization on the replacement of the damaged relays. The licensee stated that the annunciator response procedure will be revised by February 4, 1976, and the hatch cover will be repaired by February 4, 1976.

8. Off-Gas System

The inspector requested that the licensee determine the cause of the incorrect valve lineup on the off-gas monitor sample line. On January 22, 1976, the licensee informed the inspector by telephone that an item of noncompliance had been identified. Contrary to the requirements of Appendix B to the Facility Operating License DPR-62, Section 2.5.2.e, the reactor had operated in excess of 24 hours with no off-gas monitor in operation. The licensee will comply with the reporting requirements of Section 5.4.2 of this same Appendix B.

The inspector identified two items of noncompliance:

- a. Contrary to Criterion III of Appendix B to 10 CFR 50 as implemented by the commitment in Section C of Table D-2, Appendix D of the FSAR, an inadequate design review was performed on the off-gas system. Two examples are given. A 0-10 psid gage was installed to monitor the filter pressure drop when the manufacturer recommended a 0-10" water column instrument. A 20.5" water column setting was selected for the loop seal isolation valves, the loop seals are 20" water column devices.
- b. Contrary to Criterion X of Appendix B to 10 CFR 50 as implemented by the commitment in Section J of Table D-2, Appendix D of the FSAR, an inadequate inspection was performed on portions of the off-gas system. Three examples are given. The stack house sump vent line was taped over. The stack house sump inspection plate was not in place. The moisture separator in the base of the filter unit was not properly positioned.

May 3, 1976

File: NG-3513 (B)

Serial: NG-76-625

Mr. Norman C. Moseley, Director
U. S. Nuclear Regulatory Commission
Region II, Suite 818
230 Peachtree Street, N.W.
Atlanta, Georgia 30303

Dear Mr. Moseley:

BRUNSWICK STEAM ELECTRIC PLANT, UNIT NO. 2
DOCKET 50-324
LICENSE NO. DPR-62.
SUPPLEMENTAL RESPONSE TO AN INFRACTION OF NRC REQUIREMENTS

In your letter of February 18, 1976, you forwarded a copy of IE Inspection Report 50-324/76-3 for the Brunswick Steam Electric Plant, Unit No. 2. We reviewed the report and submitted our response on March 17, 1976.

Following the submission of our reply, we were informed in discussions with members of your staff that our response to Infraction I.b. was not considered to be complete, therefore, the following additional information is supplied concerning Infraction I.b. of Report 50-324/76-3.

It is requested that this letter be attached to our letter of March 17, 1976.

CP&L Supplemental Response to Infraction I.b.
(IE Report 50-324/76-3)

In our initial response of March 17, 1976, we stated that our Construction QC records indicated that at the time of final Construction QC inspection the deficient items cited in this infraction apparently did not exist and that the CP&L commitments as stated in Appendix D of the FSAR had been adequately satisfied. It is, however, possible that these deficiencies occurred and were not found during preoperational phase system checkout, preoperational testing or even later during the operating phase.

Since the exact time when these problems may have been caused or who is responsible cannot be specifically established, we have reviewed our established QA Programs for both preoperational phase and operations phase activities, and, although we consider both the program established

May 3, 1976

under the plant Startup Manual and the Operation & Maintenance QA Program to be adequate, we have taken the following action to reduce the probability of similar occurrences taking place in both Units No. 1 and No. 2 in the future:

1. Startup Group personnel have been cautioned concerning the need to be ever-vigilant in their efforts to find discrepant items of this type and they have been specifically reminded to ensure that proper follow-up action is initiated which will assure that such items are corrected as soon as practicable. In addition, the details of this particular incident have been reviewed by each Startup Engineer.
2. At present, we are planning to add another engineer to the plant QA Group so increased QA surveillance may be conducted - both during the preoperational testing phase of Unit No. 1 and the operations phase of both Units No. 1 and No. 2. This should be accomplished within the next three months.

In addition, it should be noted that throughout both the pre-operational phase and operations phase of Unit No. 2 other deficiencies of a similar nature have been found and corrected. We have remained on the alert to make improvements in our management system and we are taking our learning experience on Unit No. 2 into account and factoring this learning into the preoperational phase activities taking place in Unit No. 1. Therefore, based on the experience we have gained during the startup and operation of Unit No. 2, coupled with the corrective action outlined above, we are confident that the probability of recurrence of incidents such as those noted in the citation will be greatly reduced in the future.

Very truly yours,



H. R. Banks

Manager

Nuclear Generation

CSB:jwk

cc: Messrs. W. G. McDonald
E. Volgenan

3.20.14
Carolina Power & Light Company

March 17, 1976

File: NG-3513 (B)

Serial: NG-76-423

Mr. Norman C. Moseley, Director
U.S. Nuclear Regulatory Commission
Region II, Suite 818
230 Peachtree Street, N.W.
Atlanta, Georgia 30303

Dear Mr. Moseley:

BRUNSWICK STEAM ELECTRIC PLANT, UNIT NO. 2
DOCKET 50-324
LICENSE NO. DPR-62
RESPONSE TO INFRACTIONS OF NRC REQUIREMENTS

In your letter of February 18, 1976, you forwarded a copy of IE Inspection Report 50-324/76-3 for the Brunswick Steam Electric Plant, Unit No. 2. We have reviewed the report and find that it does not contain any information of a proprietary nature.

As noted in your letter, the report identifies three items that appear to be infractions of NRC requirements. The items, and Carolina Power & Light Company's responses to them, are addressed in the following text:

Infraction I.a.

Contrary to Criterion III of Appendix B to 10 CFR 50, as implemented by the commitments in Section C of Table D-2, Appendix D of the FSAR, an inadequate design review was performed on the off-gas system. Two examples are given. A 0-10 psid gage was installed to monitor the filter pressure drop when the manufacturer recommended a 0-10" water column instrument. A 20.5" water column setting was selected for the loop seal isolation valve; the loop seals are 20" water column devices.

CP&L Response

An oversight occurred in the design review process that allowed installation of a 0-10 psid gage to monitor the filter pressure drop rather than a 0-10 inch water column instrument as recommended by the manufacturer. A review of the off-gas System has been performed and no other usage of incorrect gages was found. A field engineering change package has been written to correct this deficiency, but at this time no completion date has been established.

The problem cited in the infractions concerning installation of loop seals which were indicated as being 20 inch water column devices was not in any way associated with inadequate design review since all design

44

March 17, 1976

documents specify loop seals of 24 inches which is consistent with the 20.5 inch set point of the loop seal solenoid operated isolation valves. Measurements of the loop seals drain lengths were made on February 27, 1976, by CP&L and Brown & Root QA and Engineering personnel, and it was recorded that two of the loop seal drains do not meet the design requirements of 24" minimum. One loop seal was measured to be 22 1/2" and the other was measured to be 23 3/4". Brown and Root personnel indicated that this discrepancy could have been a mistake on the part of the fitter who cut the pipe. Our Quality Control procedures did not contain a requirement to dimensionally check this measurement unless there had been a particular concern or a reason to doubt compliance on the part of the constructor. The Quality Control program has no requirement to physically measure the length of all pipe runs, although the inspectors do check and document such things as pipe diameters, fittings, valves, welds, material used mill cuts, welder qualification and weld procedures used as well as performing required NDE tests. The documentation on this system attests to adequate Quality Control coverage. As a result, Carolina Power & Light Company does not agree that the discrepancy in the loop seal installation is indicative of a failure of the CP&L Quality Assurance Program, either from the standpoint of the design review process or the construction and installation process. Although we consider the error in the type of gage used to be an isolated case which does not necessarily indicate inadequate design review, our Nuclear Engineering Section has discussed this design error with the Architect-Engineer, reemphasizing the necessity for checking even the smallest details of a design document. Thus, oversights of this nature should not reoccur in the future.

The set points of the loop seal solenoid operated isolation valves have been reduced to correspond to the installed loop seal lengths. Analysis by our Nuclear Engineering Section shows that with this set point change the loop seals are acceptable as installed.

Infraction I.b.

Contrary to Criterion X of Appendix B to 10 CFR 50 as implemented by the commitments in Section J of Table D-2, Appendix D of the FSAR, an inadequate inspection was performed on portions of the off-gas system. Three examples are given. The stack house sump vent line was taped over. The stack house sump inspection plate was not in place. The moisture separator in the base of the filter unit was not properly positioned.

CP&L Response

Our review of Construction Quality Control records concerning the examples given in the infraction do not support the allegation that inspections performed on the off-gas system were inadequate or did not meet the commitments contained in the FSAR. Our records indicate instead that inspections of this Class II system were performed adequately and in accordance with specifications.

March 17, 1976

With respect to the taped vent line, records show that the end of the vent which protrudes into the stack has a stainless steel screen welded in place, with the welding operation having been signed off by an inspector. No reference is made to any deviations from drawing requirements, such as tape being present over the end of the vent. It can only be assumed that the tape was affixed at a time following final QC inspection and sign off of this part of the system, thereby placing it out of the control of the Construction QA Section.

With respect to the stack house sump inspection plate, Quality Control records indicate that at the time of turnover of this portion of the system to the plant operating staff, the inspection plate was in place and all required welding, etc. had been performed. It can only be concluded that the inspection plate had been removed and not reinstalled at a later time than during the construction of the plant, although this time cannot be firmly established.

With respect to the moisture separator in the base of the filter unit being malpositioned, Quality Control records indicate that the filter unit was inspected at time of receipt and at installation, but since no damage or other abnormalities were noticed a disassembly of the unit was not performed, nor was it required. Inspections of this type are normally performed at a vendor's plant prior to shipping, and so malpositioning of the separator probably occurred during the manufacturing process.

In conclusion, Carolina Power & Light Company believes that there is no basis for the citation, and that we have adequately met our commitments as stated in Appendix D of the FSAR.

Infraction I.c.

Contrary to 10 CFR 20.201(b), the licensee did not make an adequate survey to verify compliance with 10 CFR 20.103 prior to entry into the stack house on January 19, 1976.

BSEP Response

At the time of this incident neither the Shift Foreman, Auxiliary Operator, nor the Radiation Control and Test (RC&T) Technician correlated the Area Radiation Monitor readings with the possibility of airborne radioactive material or hydrogen buildup until they realized they were contaminated. As a result of this incident, the following corrective actions have been carried out:

1. This incident has been reviewed in detail with all plant operators.
2. The details of this incident have been discussed with the RC&T Group personnel.

Norman C. Moseley

- 4 -

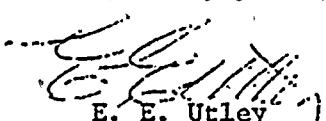
March 17, 1976

3. Discussion of this incident has been factored into the Operator Retraining Program to ensure that periodic review of the incident will be conducted in the future.

We believe these corrective actions along with those identified in Report No. 76-13 will preclude recurrence of this incident in the future.

Although we have stated that several of the citations as specified cannot be supported by the available documentation, we recognize the underlying concern of the Commission that all plant equipment be capable of performing its intended function as designed, and that the installed equipment meet the design specifications. To that end, we intend to investigate our Quality Assurance Program to see if there are changes that can be made to strengthen it and thereby avoid recurrence of the types of deficiencies brought out by our investigations of this incident.

Very truly yours,


E. E. Utley
Vice President
Bulk Power Supply

DBW:jwk



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
230 PEACHTREE STREET, N.W. SUITE 818
ATLANTA, GEORGIA 30303
SEP 30 1976

IE FILE COPY

In Reply Refer To:
IE:II:HAW
50-325/76-14

Carolina Power and Light Company
ATTN: Mr. J. A. Jones
Executive Vice President
Engineering, Construction and
Operation
336 Fayetteville Street
Raleigh, North Carolina 27602

Gentlemen:

This refers to the inspections conducted by Messrs. H. A. Wilber, J. E. Ouzts and B. A. Byrne of this office on August 18-20, 24-27, 30-31, September 1-3, and 7-9, 1976, of activities authorized by NRC Construction Permit No. CPFR-68 for the Brunswick No. 1 facility, and to the discussion of our findings held with Mr. B. J. Furr at the conclusion of the inspection.

Areas examined during the inspection and our findings are discussed in the enclosed inspection report. Within these areas, the inspection consisted of selective examination of procedures and representative records, interviews with personnel, and observations by the inspector.

Within the scope of this inspection, no items of noncompliance were disclosed.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you believe to be proprietary, it is necessary that you submit a written application to this office requesting that such information be withheld from public disclosure. If no proprietary information is identified, a written statement to that effect should be submitted. If an application is submitted, it must fully identify the bases for which information is claimed to be proprietary. The application should be prepared so that information sought to be withheld is incorporated in a separate paper and referenced in the application since the application will be placed in the Public Document Room. Your application, or written statement, should be submitted to us within 20 days. If we are not contacted as specified, the enclosed report and this letter may then be placed in the Public Document Room.

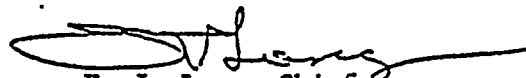
SEP 30 1973

Power and Light
Company

-2-

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

Very truly yours,



F. J. Long, Chief
Reactor Operations and Nuclear
Support Branch

Enclosure:
IE Inspection Report No.
50-325/76-14

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
230 PEACHTREE STREET, N.W. SUITE 818
ATLANTA, GEORGIA 30303

Inspection Report No. 50-325/76-14

Licensee: Carolina Power and Light Company
336 Fayetteville Street
Raleigh, North Carolina 27602

Facility Name: Brunswick No. 1
Docket No.: 50-325
License No.: CPPR-68
Category: B-1

Location: Southport, North Carolina

Type of License: 2436 Mwt, BWR, GE

Type of Inspection: Routine, Announced

Dates of Inspection: August 18-20, 24-27, 30-31, and
September 1-3, 7-9, 1976

Dates of Previous Inspection: August 3-4, 1976

Principal Inspector: H. A. Wilber, Reactor Inspector

Accompanying Inspectors: J. E. Ouzts, Reactor Inspector
B. A. Byrne, Reactor Inspector
W. E. Cline, Radiation Specialist

Other Accompanying Personnel: H. C. Dance, Chief (August 25-27, 1976)

Other Participating Inspector: J. D. Martin, Reactor Inspector

Principal Inspection: H. A. Wilber 9/29/76
H. A. Wilber, Reactor Inspector
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch
Date

Reviewed by: H. C. Dance 9/29/76
H. C. Dance, Chief
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch
Date

REPORT OF FINDINGS

Enforcement Items

None

Licensee Action on Previously Identified Enforcement Matters

None

New Unresolved Items

None

Status of Previously Reported Unresolved Items

None

Unusual Occurrences

None

Other Significant Findings

A one-percent maximum power level operating license No. DPR-71 was issued on September 8, 1976. This license has a 300 megawatt day limit.

Management Interview

Management interviews were held on August 20, 27, September 3 and 9, 1976, with B. J. Furr, Plant Manager, and members of the plant staff to discuss the scope and results of the inspection documented in Details I through IV.

Prepared by: H. A. Wilber
H. A. Wilber, Reactor Inspector
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch

9/29/76
Date

Dates of Inspection: August 30 - September 9, 1976

Reviewed by: H. C. Dance
H. C. Dance, Chief
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch

9/27/76
Date

Persons Contacted

Carolina Power & Light (CP&L)

J. Holder - Superintendent, Startup and Test
D. Allen - QA Supervisor
M. Jones - Operations Supervisor
G. Milligan - Maintenance Supervisor
W. Triplett - Startup Supervisor
W. Tucker - Startup Supervisor
C. Mittag - Senior Engineer, Nuclear Generation Services
J. Thompson - Regulatory Coordinator
S. Thorndyke - Nuclear Generation Specialist
M. Giddens - QA Technician

General Electric (GE)

K. Nicholas - Test Engineer

United Engineers and Constructors (UE&C)

T. Dalpiaz - Test Engineer
D. Prevatte - Test Engineer

2. Licensee Evaluation of Preoperational Test Results

The inspector verified that the licensee had evaluated and accepted the results of completed preoperational tests as required by the commitments in Sections 13.8.1.1 and 13.8.2.1 of the FSAR. The exceptions to the tests had been identified by the test engineers so that an evaluation could be made by plant management. The inspector reviewed 71 completed tests.

The inspector reviewed the reports of the Corporate Quality Assurance Audit Section (CQAA) and the Corporate Nuclear Safety (CNS) Section. Two tests had been witnessed by these sections and the results of eight completed tests had been reviewed. The inspector could find records of only two tests that had been witnessed by the onsite QA group.

The inspector verified that the completed periodic tests that had been performed were documented and the systems had been accepted by the Operations Supervisor as required in the Cold Functional Procedure.

3. Evaluation of Preoperational Test Results

The inspector reviewed the results of three preoperational tests to verify that the requirements of the proposed Technical Specifications were met in the performance of the systems and that the systems performed as described in the FSAR.

The Reactor Building Leak Rate Test (P060) results were within the limits given in Section 4.7.C.1.a of the proposed Technical Specifications.

The trips, interlocks, scoop tubes, and auxiliary systems for the Recirculation System (P05) performed as described in Section 4.3.6. of the FSAR.

The performance of the Standby Liquid Control System (P010) satisfied the requirements of Sections 3.4.3 and 4.4.A.2 of the proposed Technical Specifications.

The three tests that were reviewed had been performed with the proper revisions to the procedures; all revisions were identified in the procedures. All test exceptions were identified and either corrected in addenda to the tests or evaluated as having no effect on the performance of the system under test.

A QA review of these three tests had not been performed at the time of the inspector's review since the management approval to the test results was given on the day of the inspector's review. A program of review is underway by both the onsite QA group and the Company Nuclear Safety Section. The inspector will verify the conduct of these reviews during a future inspection.

4. Fuel Receipt, Inspection and Storage

The inspector observed the inspection of several fuel assemblies to verify that the inspection was performed as required by procedure FH-9.

The inspector reviewed the records for 80 assemblies and verified that the 24 assemblies that did not pass the first inspection had all anomalies corrected and were accepted on a subsequent inspection. The licensee has accepted the 560 assemblies for the initial core loading. The inspector had no questions on the fuel inspection program.

5. Personnel Qualifications

The inspector reviewed the training file for the Maintenance Supervisor to verify that training and familiarization had been completed in the area of Nondestructive Testing (NDT). This training fulfills the commitments made by the licensee as documented in IE Report 50-325/76-8, Details I, Paragraph 3b.

6. Maintenance Procedures

The inspector reviewed Revision 3 of PMI 2 "ITE 480V Switchgear Checkout" to verify that reassembly of the breaker was included in the procedure and that post-maintenance test operation of the breaker was required. This revision conforms to the findings documented in IE Report 50-325/76-8, Details I, Paragraph 2c.

7. Overall Startup Program

Scope of Program

The inspector reviewed the form and scope of 33 Startup Test Procedures for conformance to the commitment in Section 13.8.3 of the FSAR and the recommendations of R.G. 1.68.

Within the areas inspected, no discrepancies were identified, pending decisions of NRR on proposed changes to the test program described in the FSAR.

Test Organization

The inspector reviewed Section 12.1 of the Startup Manual - (SUM) to determine that control of the test activities had been assigned and the interfaces between group had been defined. Section 12.1 of the SUM was evaluated for conformance to the commitments in Sections 13.8.1, 13.9.1, and 13.9.2 of the FSAR. Within the areas inspected, no discrepancies were identified.

Test Program Administration

The inspector reviewed Sections 2.1, 12.1, 12.6, 12.8, 12.9, 12.10 and 12.12 of the SUM to determine that administrative controls had

been established for the scheduling and conduct of tests and for the evaluation of the test results. These Sections were reviewed for conformance to Section 6.8 of the proposed Technical Specifications and commitments in Sections 13.8.1 and 13.9.3 of the FSAR. Within the areas inspected, no discrepancies were identified.

Startup Test Document Control

The inspector reviewed Section 2.1, 12.5 and 12.6 and Forms SU 12.3 and 12.4 of the SUM to determine that control had been established for the review and approval of test procedures and revisions to approved test procedures. These Sections and Forms were reviewed for conformance to Section 6.8 of the proposed Technical Specifications and commitments in Sections 13.8.1.1 and 13.9.3 of the FSAR. Section 15.1 of the SUM defines the requirement that only approved operating procedures will be used. This Section was reviewed for conformance with Section 6.8 of the proposed Technical Specifications. Within the areas inspected, no discrepancies were identified.

8. Plant Tour

The inspector observed approximately 20 examples of the cable penetrations and cable tray flame proofing in the Diesel Generator Building, Reactor Building, Cable Spreading Room, and the Control Room. All installations observed appeared to be in compliance with the requirements of Specification No. 9527-01-48-1 "Installation of the Raceway System".

The inspector observed several Unit No. 1 control cabinets open with no apparent work in progress. The licensee implemented Plant Notice No. 6 to control access and work by personnel other than CP&L employees. This notice went into effect on September 9, 1976.

The inspector verified that temporary security lighting had been installed in the area of the water treatment facilities.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
230 PEACHTREE STREET, N.W. SUITE 818
ATLANTA, GEORGIA 30303

MAR 11 1977

In Reply Refer To:
IE:II:FSC
50-324/77-4
50-325/77-4

Carolina Power and Light Company
ATTN: Mr. J. A. Jones
Executive Vice President
Engineering, Construction
and Operation
336 Fayetteville Street
Raleigh, North Carolina 27602

-Gentlemen:

This refers to the inspection conducted by Mr. J. E. Ouzts on January 31-February 4, 1977, and Messrs. F. S. Cantrell and H. A. Wilber on February 14-18, 1977, of activities authorized by NRC Operating Licence Nos. DPR-71 and DPR-62 for the Brunswick 1 and 2 facilities, and to the discussion of our findings held with Mr. A. C. Tollison on February 4, 1977, and Mr. J. M. Brown on February 18, 1977, at the conclusion of the inspection.

Areas examined during the inspection and our findings are discussed in the enclosed inspection report. Within these areas, the inspection consisted of selective examination of procedures and representative records, interviews with personnel, and observations by the inspector.

We have examined actions you have taken with regard to previously reported unresolved items. These are identified in Section IV of the summary of the enclosed report.

During the inspection, it was found that certain activities under your license appear to be in noncompliance with NRC requirements. These items and references to pertinent requirements are listed in Section I of the summary of the enclosed report.

This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office, within 20 days of your receipt of this notice, a written statement or explanation in reply including: (1) corrective steps which have been taken by you, and the results achieved; (2) corrective steps which will be taken to avoid further noncompliance; and (3) the date when full compliance will be achieved.

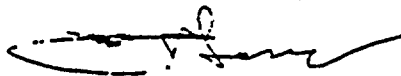
Carolina Power and Light
Company

-2-

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you believe to be proprietary, it is necessary that you submit a written application to this office requesting that such information be withheld from public disclosure. If no proprietary information is identified, a written statement to that effect should be submitted. If an application is submitted, it must fully identify the bases for which information is claimed to be proprietary. The application should be prepared so that information sought to be withheld is incorporated in a separate paper and referenced in the application since the application will be placed in the Public Document Room. Your application, or written statement, should be submitted to us within 20 days. If we are not contacted as specified, the enclosed report and this letter may then be placed in the Public Document Room.

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

Very truly yours,



F. J. Long, Chief
Reactor Operations and
Nuclear Support Branch

Enclosure:

IE Inspection Report Nos.
50-324/77-4 and 50-325/77-4

DETAILS III

Prepared by:

Howard A. Wilber
H. A. Wilber, Reactor Inspector
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch

3/4/77
Date

Dates of Inspection: February 14-18, 1977

Reviewed by:

H. C. Dance
H. C. Dance, Chief
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch

3/1/77
Date

1. Persons Contacted

Carolina Power and Light Co. (CP&L)

J. Brown - Superintendent, Technical and Administrative
R. Starkey - Superintendent, Operations and Maintenance
W. Tucker - Startup Supervisor
D. Allen - QA Supervisor
S. Thorndyke - Operations Supervisor
K. Enzo - Administrative Supervisor
J. Pearson - Startup Engineer
M. Shields - Startup Engineer
L. McLaughlin - Operating Engineer
G. Peeler - Operating Engineer
J. Cribbs - QC Engineer
E. Norwood - Training Coordinator
W. Atkinson - Engineering Technician
R. Wyhlidko - Engineering Technician
W. Allen - Stores Foreman
T. Howell - Shift Foreman
W. Johnson - Shift Foreman
M. Clark - Control Operator
R. Tart - Control Operator

NOTE: All findings and inspections relate to Unit No. 1 in these details.

2. Fire Protection

The inspector reviewed the corrective action that had been taken as part of the commitment to the item of noncompliance identified in IE Inspection Report 50-325/77-1. The refresher course in the implementation of FP5 "Welding and Burning Control" had been presented to 18 of the 20 designated fire inspectors. The Quality Assurance Supervisor stated that the plant QA personnel were instructed to verify adherence to FP5 whenever welding or burning is observed in the field. The Plant Mechanical Maintenance personnel are receiving training in their responsibilities as defined in FP-5; to date, approximately 85% of the group have received training. The remaining commitments will be completed by March 1, 1977. The inspector has no questions on the completed or proposed corrective actions.

3. Loss of Offsite Power Test (SU 31)

The inspector reviewed the documentation of the corrective action and retest of equipment that was done to satisfy the Level 1 acceptance criterion of SU 31. Two Diesel Generators failed to continue to run during the performance of SU 31. The trouble was corrected and the emergency power system was retested successfully by using the same initiating signal. The inspector had no questions on the documentation of the retest.

4. Startup Program Audits and Surveillance

The inspector reviewed the Corporate Nuclear Safety (CNS) Section trip reports dated December 2, 1976, January 18, 1977, and January 14, 1977. These trip reports document CNS Section reviews of startup test procedures and startup test results. No items of concern were identified in the reports. There was no documentation that any startup test performance had been observed by the CNS Section.

The inspector reviewed memorandum QA/151-6 (December 2, 1976), prepared by the Corporate Quality Assurance Audit (CQAA) Section, to verify that audits of the startup test program were being performed in accordance with procedures. The findings identified in memorandum QA/151-6 have been addressed in a proposed revision to the Startup Manual (SUM). A second audit was performed by the CQAA Section on February 1-4, 1977; however the evaluation memorandum was not available for review at the time of the inspection.

The inspector reviewed seven surveillance reports prepared by the Plant Quality Assurance staff. The reports did not identify any required corrective action in the startup program. At the time of the review, February 15, 1977, the inspector could find no documentation to support the surveillance of test performance at Test Condition 3 of the startup program; the Quality Assurance Supervisor stated that additional effort would be made to increase surveillance of test performance during the conduct of testing at Test Condition No. 6:

The inspector had no questions on the documentation of surveys and audits nor on the proposed increased performance surveys.

5. Corrective Actions During Startup Testing

The inspector reviewed the documentation of the identification and resolution of Exception No. 3 to SU 15 "High Pressure Coolant Injection" (HPCI) test. The value of the HPCI discharge pressure was identified by the licensee to be slightly higher than the defined values of the procedure (1050 psig instead of 1048 psig). The evaluation of the exception was made and documented as required by Section 12.8 of the Startup Manual.

The inspector reviewed the documentation of the identification and resolution of Exception No. 2 to SU 17 "System Expansion" test. The test engineer identified that certain pipe hangers did not meet the Level 2 acceptance criterion stated in paragraph 3.2.3 of SU 17. The corrective action included reset of some hangers, re-inspection of the hangers and a request for an engineering evaluation by the architect engineer. The engineering evaluation was performed and the hanger settings were accepted as recorded in the test.

The inspector had no questions on the areas reviewed.

6. Control Room Logs, Master Check Lists, and Records

The inspector reviewed the Master Check List for fuel loading to verify that the licensee had documented that all necessary procedures were approved as required by Technical Specification 6.8.2. The Master Check List, also, documented the completion of the cold functional tests and was approved by the Shift Foreman and the Operations Supervisor.

The Shift Foreman's logs documented that the reactor water quality met the requirements of Technical Specification 3.6.B as a routine, periodic entry.

The complete forms for Section B.4.5.1 through Section B.4.5.17 of GP-1 "General Operating Procedure" were reviewed for initial heatup of Unit 1 to verify that normal routines were followed and required system checks were made during the heatup. The rod worth minimizer was checked to verify that it had been initialized; this was documented by completed Section 4.4.3 of GP-1.

7. Administrative Control of Startup Testing

The inspector reviewed the Plant Nuclear Safety Committee (PNSC) minutes for meetings conducted during January, 1977 to verify that revisions to Startup Test procedures were reviewed in accordance with Technical Specification 6.5.1.7.

The inspector reviewed the Test Summary Sheets and Plateau Review and Approval forms for test conditions 1 and 2 to verify that the licensee was evaluating startup test performance in accordance with Section 6.0 of SU 0 "Startup Sequencing and Control."

The inspector reviewed the licensee's evaluation and completed procedure forms for four startup tests to verify that acceptance criteria were met or exceptions were noted. The tests reviewed were:

- SU 8 "RHR System" (Steam Condensing Mode)
- SU 17 "System Expansion" (Sections 8.1 and 8.3)
- SU 23 "Feedwater System" (Section 8.1)
- SU 22 "Pressure Regulator" (Sections 8.1 and 8.2)

The inspector had no questions on the areas reviewed.

8. Startup Manual (SUM)

The inspector reviewed a proposed change to the SUM that resolved a discrepancy between the Section 12.6 of the SUM and Section 4.5 of the QA program. The SUM now requires that the Shift Foreman document temporary revisions to Startup Test procedures in his logbook. This had been identified by the inspector as Unresolved Item No. 76-17/1; this item is closed.

9. Plant Tour

The inspector toured the Unit 1 reactor building and the plant warehouse area. The inspector noted that an area radiation monitor was malfunctioning on the refueling floor. A trouble ticket (No. I-E-495) had been issued 5 days prior to the inspector's observation and the licensee stated that periodic surveys were being made to verify the radiation levels in the area.

The inspector observed that "Acceptance" and "Hold" tags were properly filled out and attached to equipment. The inspector, also, observed that the squib valve charges were properly identified for the specific Standby Liquid Control System.

10. SU 15 "High Pressure Coolant Injection System"

The inspector witnessed the performance of Section 8.2 of SU 15 (Vessel Injection) on February 17, 1977. The staffing requirements of Technical Specification 6.2.2 and Section 12 of the SUM were met and Site QA personnel were, also, observing the test. All prerequisites were signed off. One Level 1 criterion was not met since the HPCI turbine tripped during the "quick start" sequence; the turbine immediately restarted and all subsequent data appeared to meet the acceptance criteria. The licensee is evaluating the turbine trip.

DETAILS III

Prepared by:

R. H. Wessman, Reactor Inspector
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch

Date

Dates of Inspection: January 17-21, 1977

H. C. Dance, Chief
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch

Date

Dates of Inspection: January 18-21, 1977

Reviewed by:

F. J. Long, Chief
Reactor Operations and Nuclear
Support Branch

2/16/77
Date

1. Persons Contacted

CP&L

E. H. Norwood - Training Supervisor
D. N. Allen - QA Supervisor
J. Wigginton - Health Physicist
J. P. Thompson - Regulatory Coordinator
M. Giddens - QA Technician
E. Enzor - Administrative Supervisor
J. A. Padgett - Environmental and Radiation Control Supervisor
R. B. Starkey - Operations-Maintenance Superintendent
A. C. Tollison - Plant Manager
J. M. Brown - Superintendent, Technical and Administrative
G. Milligan - Maintenance Supervisor
W. E. Atkinson - Engineering Technician
S. Flowers - Maintenance Representative, Nuclear Generation
S. Hoffman - Reactor Operator
A. Hegler - Reactor Operator
K. L. McLauchlin, Operating Engineer

2. Training and Qualification

The inspector reviewed selected training and personnel records to determine the licensee's conformance to Technical Specifications 6.2 (Organization) and 6.3 (Facility Staff Qualifications). Additional criteria included the licensee's commitments contained in FSAR Sections 13.1 (Organizational Structure), 13.2 (Training Program), and 13.4.3 (Continuing Quality Assurance). Records reviewed included those of key supervisory personnel and several mechanics, instrument technicians, and licensed operators.

All staff records inspected indicated that personnel met minimum qualification requirements of ANSI N18.1-1971, Selection and Training of Nuclear Power Plant Personnel, as required by Technical Specification 6.3. Plant organization meets the requirements of Technical Specification 6.2, and the NRC is cognizant of recent personnel changes.

During the course of the inspection of training and qualification activities, several observations were made by the inspector:

- a. Figure 6.2-3, Plant Staff Organization, identifies nine key supervisory positions as "SRO license desirable." Of the individuals currently occupying these positions, only one had a SRO license.
- b. Key supervisory personnel training records lack entries for training received in the 36-hour Supervisors Training Course (November-December 1976) and Emergency Plan Training (September 30, 1976). Several training records for mechanics and I&C Technicians lacked entries for training received concerning the security plan, radiological controls, and emergency plan. Several licensed personnel training records lacked entries relating to the Operator Monthly Experience Report.
- c. QA Program indoctrination and training, as required by Section 13.4.3.D.7 of the FSAR had not been conducted for various mechanics and I&C technicians. This training was "in-progress" at the time of the inspection for mechanics, and was to be scheduled for I&C technicians prior to the end of February.

- d. QA Program indoctrination and training for several supervisory personnel had not been completed. The licensee stated that this training would be completed by March 31, 1977.
- e. The licensee's site QA Surveillance organization inspected training program activities and reported discrepancies on Surveillance Report 231, The Retraining Program for BSEP Licensed Personnel, dated November 12, 1976. The site training organization reported in a Corrective Action Report dated November 28, 1976, that these discrepancies were rectified. A reaudit by the site surveillance group January 10, 1977 indicated that a number of these discrepancies were not rectified.

The licensee's activities relating to training will be reviewed by the inspector on a future inspection.

3. Surveillance Activities

The inspector reviewed the licensee's program of surveillance activities for conformance with Section 13.4.3 of the FSAR and the requirements of Volume XI of the Plant Operating Manual (Quality Assurance Program) - Section 10 Plant Surveillance, and QAP-2 (On-site QA Surveillance).

- a. The inspector identified several surveillance reports which failed to indicate the acceptance criteria employed by the QC inspector in conducting his surveillance activity. These reports were:

No. 243, Receiving Inspection, dated December 7, 1976

No. 248, Receiving Inspection, dated December 21, 1976

No. 252, Calibration Tools, dated December 30, 1976

No. 256, RC&T Documentation of Instrument Calibration, dated January 7, 1977

The licensee stated that future surveillance reports would include appropriate acceptance criteria.

- b. The inspector identified one surveillance activity which had not been completed in accordance with QAP-2. Surveillance Report 256, RC&T Documentation of Instrument Calibration, dated January 7, 1977 was issued identifying several discrepancies in calibration of RC&T equipment. The surveilled organization was not required to take corrective action. The 10-day written response from the surveilled organization (required by QAP-2) had not been generated. The licensee stated that Surveillance Report 256 would be processed in accordance with QAP-2.
- c. The licensee has established a program to highlight, on a monthly basis, outstanding items identified in surveillance or audit activities. These reports, issued by the QA Supervisor to the Plant Manager and other key supervisors, are entitled: Plant Surveillance Action Items, Operations QA Action Items, and Corporate QA Action Items. The inspector noted that several Surveillance Reports (Nos. 160, 237, 251, and 247 which were conducted between August and December 1976) were identified on the Plant Surveillance Action Report dated January 17, 1977 as still "awaiting written reply". This reply is required by QAP-2 within ten days of the surveillance activity.

The inspector will review items b. and c. during a future inspection.

4. Corporate QA Audits

The inspector reviewed the licensee's program of corporate QA Audits for conformance with Section 13.4.3.T of the FSAR and the requirements of Technical Specification 6.5.3. The inspector reviewed the audit reports and related documents for the following audits:

- QAA/151-6, Preoperational and Startup Activity, November 16-18, 1976
- QAA/21-3, Operations, June 1-4, 1976
- QAA/21-5, SNM Control, November 2-4, 1976

An inspection was made of one discrepancy relating to Warehouse H Storage, identified in QAA/21-3. The controlled area for Q-equipment did not assure control and segregation for these items. This discrepancy was rectified prior to the inspector's departure from the site.

Within the areas inspected no other discrepancies were identified.

5. Emergency Plan

The inspector reviewed the status of emergency plan training and drills. The licensee's program was reviewed for conformance to Section 13.3 (Emergency Planning) of the FSAR. Revision 5, dated September 30, 1976, of the Brunswick Emergency Plan was reviewed by the inspector. The licensee's plan for a future Emergency Plan drill was reviewed.

The inspector reviewed the data and critique sheets from the most recent Emergency Plan activation drill, conducted December 17, 1975. Most discrepancies identified as a result of that drill had been rectified. One discrepancy remains outstanding. The emergency plan drill revealed that plant alarms are not audible to personnel at various locations in the plant. The licensee stated that a program for a survey of alarm audibility is in progress. The results of this survey will be reviewed by the inspector.

The licensee's emergency plan calls for drills to be conducted on an annual basis. The licensee plans the next drill prior to February 28, 1977.

6. Plant Nuclear Safety Committee (PNSC)

The activities of the PNSC were reviewed to confirm that the requirements of Technical Specification 6.5.1. were satisfied. The minutes of twenty-eight of the thirty-one meetings conducted between November 1, 1976 and January 11, 1977 were reviewed.

One unresolved item was identified during this review. The PNSC apparently does not have a mechanism to assure that each noncompliance identified by the NRC is specifically reviewed. Such reviews are required by Technical Specification 6.5.2.4.d. The licensee stated that violations discovered by the site personnel or that resulted in an event report were routinely reviewed by the PNSC but not those reported by the NRC.

The inspector also reviewed plant procedures AI-9 (Rev. 3), AI-9.1 (Rev. 0), AI-32 (June 12, 1975), and ENP-4 (Rev. 1) associated with activities of the PNSC. ENP-4 had effectively replaced AI-32 which had not been deleted. Prior to leaving the site the inspector was informed that AI-32 was in process of being deleted. No other problems were identified.

7. Operations

The following documents were reviewed and observations made by the inspector:

Unit 1 Shift Foreman Log January 1-17, 1977

Unit 1 Control Operator Log January 1-19, 1977

Unit 2 Control Operator Log January 16-19, 1977

Units 1 and 2 Control Room observations and discussions, January 19-20

The inspector identified the following:

- a. During the review period, Unit 1 HPCI was isolated once on high delta temperature and Unit 2 isolated three times. This is a continuing problem and the need for early resolution was discussed with plant management. A proposed design change had previously been submitted to NRR.
- b. LCO conditions were found to be identified and a system to establish required surveillance is in force.
- c. Control room annunciators were numerous with approximately 80 illuminated continuously on Unit 1 and 60 on Unit 2. It was recognized that Unit 1 is in a startup test program. However, discussions with Unit 2 reactor operators on one specific annunciator panel established that the DW Floor or Sump Leak High could be reset and five other annunciators were on for a specific cause all of which were known to the operator. The need and desirability to minimize illuminated annunciators was discussed with management. Work toward this goal, including design modifications, were stated to be in progress.
- d. Copies of the Shift Foreman Log were noted as being circulated to the Plant Manager, Operators/Maintenance Superintendent, and the Operations Supervisor for their review. The inspector noted that several notations made in the margin by management were pertinent.

- e. TS 6.8.2 requires that each procedure and administrative policy shall be reviewed periodically as set forth in each document. Paragraph 5.6.1 of Volume I, Administrative Procedures, provides the review frequency and specifies the responsible supervisor. The inspector found the review being performed was not consistently documented in the four categories checked. Administrative procedures were checked as reviewed on the required frequency yet major revisions were in a preliminary state. Status of maintenance procedure review was not documented. Emergency Plan review was marked on the cover page. A site audit had reportedly looked in this area the previous month and had had similar findings. No evidence was found where the review status was reported or made known to the plant manager although there is no specific requirement for this to be done. The matter of implementing periodic procedure review was discussed with plant management and will be reinspected.

8. Reportable Occurrences

Four events, three of which were subjects of Licensee Event Reports (LER), were reviewed to determine the licensee's methods of determining abnormal events and that action taken was described and appropriate.

a. Unit 1, LER 76-4, High Torus Level (11/25/76)

The Operators Log 11/25 recorded starting and stopping of the HPCI but did not mention high torus level. Discussion with three shift personnel indicated the high level would normally be entered in the log. The Shift Foreman's Log stated that at 11:45 p.m. torus level was 2" high from inleakage of HPCI minimum flow. Neither the LER nor the logs addressed why the torus level was permitted to increase past the high level alarm point and 2" above the technical specification limit. The LER only addressed the possible mechanical failure aspect of the event. In this case the HPCI minimum flow switch involved in the opening cycle was found to be out of calibration. However, as the LER stated, this switch is not in the closing cycle and thus it does not appear related to the high level.

Review of maintenance records indicates the referenced switch was calibrated three times in the past 2½ months. Two of the calibrations indicated that setpoints were changed apparently as a result of base calibration data not being located in the equipment record file. It was located during the inspector's review. Corrective instruction in this area appeared appropriate. This matter was discussed with the Maintenance Supervisor and plant management.

b. Unit 2, LER 76-158, Diesel Generator Failure

The control air check valve, one of two check valves in parallel, failed during a monthly periodic test (PT 12.2). The reactor was in cold shutdown at the time. The inspector confirmed that the DG was operable through the redundant check valve by a review of the system layout, the trouble ticket, and PT. The inspector discussed the preliminary plans of installing air dryers in the system. The inspector questioned the basis used for not inspecting other DG control air check valves following the finding of excessive rust in the first valve. The licensee's response indicated the engineering study plus the monthly test was considered sufficient at this time.

c. Unit 1 - LER 76-1, RHR Injection Valves

Review determined that the Operator's and Shift Foreman's logs of 11/19/76 had entries regarding this malfunction and that an LCO condition was identified and being followed until the valve breakers were placed. Site personnel stated that the supplemental report referenced is to be issued when all specified breakers were replaced. The plant was awaiting the breakers for the last two valves.

d. The licensee's administrative procedure (Section 4.4 of OM-1) states that Incident Reports will be issued for all abnormal occurrences. The inspector determined that although a LER was prepared in the cases reviewed (LER: 2-76-158; 1-76-1) an Incident Report was not. Thus the licensee's means for establishing whether a LER is to be issued is taken from logs, LCO's and Incident Reports. It appears that, if the intent of the Incident Report is to notify the proper personnel in order to obtain corrective action, it is not being maintained to fully accomplish this goal. This matter was identified to Plant Management for correction.

e. Limitorque Valve Settings

During followup of work performed on the RHR Pump Section valves 2E11-1F004A and 2E11-F004C the inspector determined that the limitorque settings had been increased from 2 to 3 on 10/23 and 10/24/76 to meet local leak rate test requirements. A Trouble Ticket was issued to return the setting to 2 on 10/31/76 since the valves were tripping the thermal overload. The PNSC minutes of 11/3 documented a review of these changes and ordered the settings returned to 3.

The inspectors review of the maintenance records indicated the settings were at 2. Plant Supervision confirmed the valves had been placed at 3 following the PNSC action although the maintenance records did not record the change. The inspector stated Limitorque setting changes should be properly controlled and reviewed prior to any change and that a procedure governing these changes was appropriate. None exists at present. The inspector confirmed that the manufacturer recommended settings are available for plant valves as determined by review of five specific valves. Plant management stated a mechanism of controlling limitorque settings would be prepared. This matter is designated as an unresolved item.

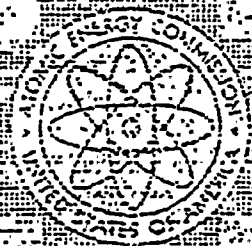
SAFETY EVALUATION
OF THE
SHEARON MARLBOROUGH
NUCLEAR POWER PLANT
UNITS NO. 1, 2, 3, 4 & 5

Docket Nos: 50-400

50-401

50-402

50-403



U.S. ATOMIC ENERGY COMMISSION
DIRECTORATE OF LICENSING
WASHINGTON, D.C.

Issue Date: December 22, 1972

Supplement No. 1: April 27, 1973

December 22, 1972

SAFETY EVALUATION

BY THE

DIRECTORATE OF LICENSING

U. S. ATOMIC ENERGY COMMISSION

IN THE MATTER OF

CAROLINA POWER & LIGHT COMPANY

SHEARON HARRIS NUCLEAR POWER PLANT UNITS 1, 2, 3 & 4

WAKE AND CHATHAM COUNTIES, NORTH CAROLINA

DOCKET NOS. 50-400, 50-401, 50-402 & 50-403

12.0 CONDUCT OF OPERATIONS

12.1 Organization and Technical Qualifications

CP&L has only a modest in-house corporate technical support base in direct support of its multi-unit nuclear construction program and relies heavily on its contractors and consultants for multi-discipline technical support in the design and construction effort. The corporate technical support base is centered in the CP&L Power Plant Engineering and Construction Department and assisted by the Environmental and Technical Services Section of the Special Services Department, the System Engineering Department, and the Bulk Power Supply Department. In fulfilling its responsibilities for the construction of new generating facilities, the Power Plant Engineering and Construction Department assures that the Engineering practices and applications will result in plants that are technically acceptable, safe and reliable.

Based on our review we have concluded that the applicant, its contractors and its consultants are collectively technically qualified to design and construct the Shearon Harris Nuclear Power Plant. However, we intend to reevaluate the adequacy of the applicant's corporate-level technical support base at the operating license stage taking into consideration the number of operating plants it must support.

The applicant has proposed a total station complement of approximately 104 personnel for units 1 and 2 of the plant and of approximately 194 personnel for the four-unit plant. These personnel will function in three main groups: Operations, Engineering (Technical) and Maintenance.

The Operations Group will consist of five operating shifts supervised by an Operating Supervisor, who will be a Licensed Senior Reactor Operator (SRO), and the Plant Superintendent. Each normal shift for single unit operation will be composed of five personnel; a Shift Foreman (SRO), two Control Operators, who will be Licensed Reactor Operators (RO), and two Auxiliary Operators. For two unit operation two additional Control Operators (one SRO and one RO) and one Auxiliary Operator will be added per shift for a total of eight personnel per shift. For three unit operation (over and above the staffing for two unit operation) one additional Shift Supervisor (SRO), one additional Shift Foreman (SRO), one additional Control Operator (RO) and one additional Auxiliary Operator will be added per shift for a total of 12 personnel per shift. For four unit operation (over and above the staffing for three unit operation) one additional Control Operator (RO) and two additional Auxiliary Operators will be added per shift for a total of 15 personnel per shift. At least one Health Physics Technician and one Instrumentation and Control Technician will be on site at all times during multi-unit (more than one unit) operation.

Approximately 103 plant level maintenance and engineering technical support personnel are to be assigned to the plant. The Maintenance Group will be headed by a Maintenance Supervisor (under the Plant Superintendent) who will supervise three sub-groups headed by an Instrumentation and Control Supervisor, a Mechanic Foreman and a Plant Supervisor (under the Plant Superintendent) who will supervise the Radiation Control and Test Foreman, various engineers and engineering technicians.

We have concluded that the applicant's plans for staffing the facility are in conformance with current AEC guidance, will provide an adequate operating organization and an adequate plant-level technical support capability, and are acceptable.

12.2 Selection and Training of Personnel

The applicant has indicated its intent to meet the requirements of American National Standards Institute N 18.1, "Standard for Selection and Training of Personnel for Nuclear Power Plants." The initial training program will be divided into five phases: (a) Basic Nuclear Training Course; (b) PWR Design Lecture Series; (c) PWR Operator Training; (d) On-site Training at the facility; (e) AEC Licensing. In addition, plant personnel will be given training in health physics, emergency procedures, industrial security, industrial safety and first-aid.

Supplement 3
ESER 7/77

12.0 CONDUCT OF OPERATIONS

12.2 Selection and Training of Personnel

12.2.1 Training Programs

The Plant Superintendent of the Shearon Harris plant will have the overall responsibility for the conduct and administration of the plant training program. At the plant, the day-to-day implementation of the training program will be carried out by the Plant Training Coordinator.

The applicant states that the curriculum and course material will be in conformity to 10 CFR Part 55 and the American National Standards Institute N18.1-1971, "Administrative Controls for Nuclear Power Plants." The Carolina Power and Light Company will conduct or contract for the teaching of each segment of the training program. Certain segments will be provided by consultants specializing in this work.

The training provided for personnel who will be licensed consists of the following segments: nuclear fundamentals and radiation protection, systems and equipment, pressurized water reactor technology, ten reactor training startups, reactor simulator training, observation training at an operating pressurized water reactor, onsite training, and regulatory examination preparation.

Maintenance and professional, technical personnel will receive training in specific skills. All plant personnel will receive general employee training consisting of training in emergency plans, radiological health and safety, industrial safety, security procedures, plant-controlled access area, and use of protective clothing and equipment.

Complete records of all training administered will be maintained.

The information submitted relative to the training programs is satisfactory at this construction permit stage of review to give reasonable assurance that qualified individuals will be available for the preoperational test program, for operator licensing and fuel loading. //

12.3 Emergency Planning

In Supplement 1 to the Safety Evaluation Report, we concluded that "...except with respect to assurances of agency and railroad cooperation, the requirements of Paragraph 50.34 of 10 CFR Part 50 of the Commission's regulations regarding emergency

Typical Inspection Plan - LWR

Procedure Number	Inspection Procedure GENERAL	Months Before OL													
		18	12	11	10	9	8	7	6	5	4	3	2	1	OL
								Inspection Program	Milestones						
								300	305	310	320	330			340
30301B	Second Corporate Management Meeting	X	S/C												
30703B	Management Meetings/Exit Interviews	X	I	I	I	I	I	I	I	I	I	I	I	I	C
35301B	Quality Assurance for Preoperational Testing	X							S			C			
36301B	Operational Staffing Inspection	X							S			C			
39301B	Preoperational Test Program Records Inspection									X		S		C	
40301B	Safety Committee Activity Inspection								X					S	C
41301B	Inspection of Operating Staff Training		X								S				C
42400B	Plant Procedures Inspection	X							C						
Legend:	X S C I	Inspection may start Inspection must start Inspection must be complete Inspection procedure conducted each inspection if appropriate													

Enclosure 4 to
Issue Date: 10-

2513E4-1

Enclosure 4 to MC 2513
Issue Date: 10-1-76

GENERAL INSPECTION PROCEDURES

Procedure Number	Title	May be Started	Must be Started	Must be Complete
30301B	Second Corporate Management Meeting	340-18	340-12	340-12
30703B	Management Meetings — Exit Interviews	(Each Inspection)		
35301B	Quality Assurance for Preoperational Testing	340-18	305	340-3
36301B	Operational Staffing Inspection	340-18	305	340-3
39301B	Preoperational Test Program Records Insp.	305	305+3	340-1
40301B	Safety Committee Activity Inspection	340-6	340-1	340
41301B	Inspection of Operating Staff Training	340-12	340-4	340
42400B	Plant Procedures Inspection	340-18		340-6
42450B	Operating Procedures Inspection	340-18	340-6	340
42451B	Maintenance Procedures Inspection	340-18	340-6	340
42452B	Emergency Procedures Inspection	340-18	340-6	340
42702B	Fire Prevention/Protection	340-18	340-1	340
60501B	Fuel Receipt and Storage	340-18	340-2	340-1
71301B	Technical Specification Review	340-6	340-3	340-1
80310B	Environmental Protection - Initial Insp.	340-18		340-12
80320B	Environmental Protection - Preop. Insp.	340-18	340-12	340-5

Issue Date: 10-1-76

GENERAL INSPECTION PROCEDURES

Procedure Number	Title	May be Started	Must be Started	Must be Complete
80330B	Environmental Protection - Final Preop. Inspection	340-5	340-2	340
81100B	Physical Protection	340-3	340-1	340
82310B	Emergency Plan - Initial Mgmt. Meeting	340-18		340-12
82330B	Emergency Plan - Offsite Agencies	340-5	340-3	340-2
82331B	Emergency Plan - Facilities, Procedures and Equipment	340-5	340-3	340-2
82332B	Emergency Plan - Tests and Drills	340-5	340-3	340-1
83310B	Radiation Protection - Initial Mgmt. Meeting	340-18	340-10	340-5
83315B	Radiation Protection - Initial Preop. Inspection	340-18		340-5
83320B	Radiation Protection - Preop. Inspection	340-5	340-3	340-1
84310B	Radioactive Waste Systems - Initial Mgmt. Meeting	340-18		340-12
84330B	Radioactive Waste Systems - Preop. Liquid and Solid Waste System	340-5	340-3	340-2
84331B	Radioactive Waste Systems - Preop. Gas Waste System	340-5	340-3	340-2
84332B	Radioactive Waste Systems - QC and Capability Test	340-5	340-3	340-2
85102B thru 85116B	Materials Accountability	340-3	340-1	340
90711B	Nonroutine Event Review	340-6	340-3	340-1
91300B	Inspection of Title 10 Requirements	340-18	*	340

GENERAL INSPECTION PROCEDURES

Procedure Number	Title	May be Started	Must be Started	Must be Complete
92702B	Followup on Items of Noncompliance	340-18	*	340
92701B	Followup on Inspector Identified Problems	340-18	*	340
92703B	Bulletin Followup/Action Letter Followup	340-18	*	340
92704B	Inspection of Responses to Headquarters Requests	340-18	*	340
92705B	Inspection of Responses to Regional Requests	340-18	*	340
92706B	Independent Inspection Effort	340-18	*	340
93700B	Inspector Dispatched to Site	340-18	*	340
93701B	Followup on Significant Event that Occurs While Inspector is at Site	340-18	*	340
94700B	Participation in ACRS Meetings	340-18	*	340
94300B	Inspection Preparatory to Operating License Issuance	340-9	340-3	340
35030B	IE Input to NRR Review of QA Topical Reports	As	Required	
70370B	Testing of Pipe Support and Restraint Systems	340-18	340-3	
92715B	Review of Part 21 Reports	340-18	*	340
92716B	Part 21 Report Followup	340-18	*	340

*Inspection procedure conducted on each inspection as appropriate.

A

October 10, 1978

MEMORANDUM FOR: File..

FROM: William H. Foster, Inspector/Auditor *WHF*
Office of Inspector and Auditor

SUBJECT: SHEARON HARRIS MATTER

On October 6, 1978, I was contacted telphonically by Howard A. Wilbur, Reactor Inspection Specialist, Division of Reactor Operations and Inspections, Office of Inspection and Enforcement.

Wilbur advised that he had reviewed Dance's written testimony and could find no mention of the QA problems listed in the inspection reports (76-14 and 77-4) he advised Dance of in August/September 1977. Wilbur said it was his understanding that a review of Brunswick inspection reports was made in conjunction with the testimony. He added that the findings in these reports should have "jumped right out at someone." Wilbur said that he also could not find any mention of the finding, with respect to QA problems, of an inspection report (77-3) delineated in Cantrell's notes.

Wilbur said it was his position that some discussion of CP&L's QA performance, as documented by the inspection reports, should have appeared in Dance's testimony.

Wilbur agreed to discuss this matter with OIA when he returned from vacation.

REPORT OF INTERVIEW

On October 19, 1978, Kermit Whitt, Senior Reactor Inspection Specialist, Division of Reactor Operations Inspection, Office of Inspection and Enforcement (IE) was interviewed by David Gamble and William Foster, Office of Inspector and Auditor (OIA). Mr. Whitt was advised of the nature of the inquiry and that the results of the inquiry would be made public. He was also advised of the applicable provisions of the Privacy Act.

Whitt stated that prior to his present position, he was IE Regional Coordinator. Whitt said he assumed this position in April 1976, after spending between 3 and 3-1/2 years in Region II.

Whitt advised the only exposure he had to Carolina Power and Light (CP&L) plants consisted of his participation in two team QA inspections.

Whitt said the first of the inspections was made at Brunswick 2, sixty to ninety days prior to that unit receiving an operating license. Whitt stated that this inspection, which lasted about 3 weeks, was very difficult because during the first week the inspection team was unable to secure the type of information it needed to evaluate CP&L's commitment to the FSAR requirements with respect to its QA program. He added plant personnel seemed unable to provide the inspection team with written procedures for the Brunswick QA program. Whitt stated this problem was discussed with plant management and, when the team returned a week later, they were provided with the necessary information to complete the inspection. Whitt stated from his perspective, the only significant item he found during the inspection was a lack of physical control for the jumpers and bypasses. He added, however, CP&L agreed to implement such controls at the close-out conference. Whitt stated he did not return to Brunswick to verify this commitment because he did not have the time as he was principal inspector at two other Region II plants. Whitt advised the second QA inspection was made at H. B. Robinson sometime in late 1975 or early 1976. Whitt advised he did not note any significant items during this inspection. Whitt stated he had no involvement in the preparation of the 1977 Shearon Harris hearing. He added this was probably due to his limited exposure to CP&L plants. Whitt stated that based on his experience with CP&L, there was no negative information concerning CP&L he would have asked management to include in the Shearon Harris hearing testimony.

REPORT OF INTERVIEW

On September 19, 1978, James P. O'Reilly, Director, Region II, Office of Inspection and Enforcement (IE) was interviewed by Roger A. Fortuna and William Foster, Office of Inspector and Auditor. Mr. O'Reilly was advised of the nature of the inquiry and that the results of the inquiry would be made public. He was also advised of the applicable provisions of the Privacy Act.

O'Reilly stated that in the summer of 1977 he assumed the responsibilities of his current position. He added he had previously been the Director of Region I.

O'Reilly added that it was his understanding that Region II had been involved in two previous licensing hearings requiring prepared testimony. O'Reilly stated that based on his experience in Region I and Region II that each hearing is unique and the scope and content of the testimony is dictated by the particular subject matter, direction from the staff attorney, and the individuals who are to testify. He added regional management identifies those who they believe are most knowledgeable in the area and task them with the responsibility for preparing the testimony. He added that the testimony is prepared and time permitting, it is forwarded to IE Headquarters and the to legal staff for review. O'Reilly stated consistent with this practice, he assigned the lead responsibility for preparing the Shearon Harris testimony to Charles Murphy, Chief, Reactor Construction and Engineering Support Branch. He added Murphy was given the task because it was a construction permit (CP) hearing which fell within the Construction Branch's jurisdiction. He stated secondary responsibility was given to F. J. Long, Chief, Reactor Operations and Nuclear Support Branch. He added the latter Branch was also assigned to the project because several of the Atomic Safety and Licensing Board's (ASLB) questions pertained to past operating experiences of other Carolina Power and Light plants (CP&L).

O'Reilly stated that because CP&L had prior operating experience, the cognizant operations Section Chief, Hugh Dance, was given responsibility for the operations position of the testimony because he had an overview of both of CP&L's operating units (Brunswick and H. B. Robinson). He added Floyd Cantrell, the principal operations inspector at Brunswick, was not given the task because he did not have any experience with H. B. Robinson.

O'Reilly advised that there was no specific written policy for preparing testimony in Region II or IE Headquarters.

O'Reilly stated at the time the testimony was prepared he was not aware of Cantrell's position with respect to CP&L. He added that neither he or his Deputy Director saw the final testimony before the Shearon Harris hearing.

REPORT OF INTERVIEW

On September 20, 1978, Frank Long, Chief, Reactor Operations and Nuclear Support Branch, Region II, Office of Inspection and Enforcement (IE) was interviewed by William Foster and Roger A. Fortuna, Office of Inspector and Auditor. Mr. Long was advised of the nature of the inquiry and that the results of the inquiry would be made public. Long was also advised of the applicable provisions of the Privacy Act.

Long was asked if his management or coworkers had either directly or indirectly attempted in anyway to influence his position with respect to the Shearon Harris matter prior to being interviewed by OIA. He responded negatively.

Long advised that in August 1977, an action item was assigned to Charles E. Murphy, Chief, Reactor Construction and Engineering Support Branch to prepare testimony for the Shearon Harris Construction Permit (CP) hearing. Long added he had "little to do" with the preparation of the testimony.

Long advised that as typical in Region II, the testimony was prepared by the two most cognizant individuals in the Region. He added, in the case of Shearon Harris, these individuals were Virgil Brownlee (Construction) and Hugh Dance (Operations). Long stated Murphy had overall responsibility because Shearon Harris was a CP hearing. Long advised that his only involvement, other than to review the final package from an operations standpoint, was to assure that the proper individual was handling the assignment in an expeditious manner since it was a priority item.

Long stated that no one in Region II has ever been trained in the preparation and giving of testimony. He felt there should be a standard procedure instituted for testimony preparations. Long advised that "he complained for many moons" about the lack of procedures, but to no avail. He said because of this lack of procedures, he and other Branch Chiefs had taken the "ramrod approach" to preparing testimony, using their best judgment as to "who should do it" and leaving it up to these individuals as to "how to do it."

Long said that he has raised this issue in the past with the "lawyers on North Anna," previous Region II Directors, and most recently with James P. O'Reilly, present Region II Director shortly before the Shearon Harris matter arose. Long advised that when he raised this issue in the past, the argument was sometimes made that if there was a standard procedure, items that were documented in any inspection would become part of the testimony. Long added that this did not mean anything was to be covered up, but rather to keep the number of witnesses to a minimum, as well as, limiting the amount of irrelevant/duplicate information presented to the Boards.

Long advised that one of the problems that can occur without standard procedure for preparing testimony is that the content of testimony could be inconsistent between hearings. Long stated that what was needed as a minimum was a clear outline of what should be included for hearing testimony. He said content of testimony is presently dictated by the questions posed by the Boards as interpreted by the staff attorneys. Long continued that the problem Region II is currently experiencing in preparing testimony was attempting to be detailed and responsive while at the same time trying to avoid irrelevant information. Long advised that the Region has never been instructed to "flag problems" but rather to "stick close to the issue" to avoid broadening the scope of the hearing. He added the Board and the intervenors can broaden the scope of the hearing as necessary during the oral testimony. Long concluded that if Region II had a definitive policy for preparing testimony, the Shearon Harris matter may have never happened.

Long advised that he had little dialogue with Dance while the Shearon Harris testimony was being prepared. Long concluded Region II inspectors needed training in hearing preparation. Long stated that normally IE Headquarters would review and concur in a testimony package but because of the short turnaround for the Shearon Harris testimony, it was hand carried to the staff lawyers at the hearing. Long stated he could not remember if he concurred in the final testimony.

Long advised that he did not see Floyd Cantrell's notes before the hearing nor was he aware that he still had serious concerns about Carolina Power and Light (CP&L) management. Long stated that on the operations side, the testimony was not prepared by the "first hand people," but rather by the first level of supervision which could have been "a possible mistake." Long stated in response to a direct question, Cantrell should have been given an opportunity to testify.

Long said that IE inspection reports, although adequate for the purpose intended, are not designed to be used for the detailed preparation of hearing testimony. Long stated that a system should be designed that doesn't place such a great reliance on the memory of a few individuals.

Long advised that the first time he became aware of Cantrell's notes was when the Dingell letter was circulated in the Region in early 1978. Long said, now being familiar with the situation, he disagreed with Cantrell's recommended conditions for the Shearon Harris CP. He added, rather, if there were lingering concerns on the part of Cantrell, they could have been resolved by further inspections and resultant requested corrective actions.

Long observed that the Region has recognized that CP&L has had management problems, but not to such a degree to recommend shut down of any of their plants. Long reiterated he probably would have concurred in Dance's testimony, being aware of Cantrell's notes, because CP&L had been improving over the years.

Long elaborated by stating CP&L has been "in the nuclear business for years" starting with CVTR research reactor. He said they then built H. B. Robinson which was a Westinghouse turn key operation. Long continued that CP&L hired their own architect engineer for the construction of the Brunswick units and will manage all construction at Shearon Harris. Long advised this indicates an increased willingness to accept responsibility on the part of CP&L management.

Long again stated the process for preparing hearing testimony was "entirely too informal." He added the same concerns are raised everytime, (e.g., "What the hell do they want?" and "Can we back it (statements at hearing) up in our system of records?").

Long stated that in reference to the written testimony of Dance, it was clear to him that an individual inspector (Cantrell) would be speaking of his own experiences, while a supervisor (Dance) would be giving a "consensus of experiences and views of his subordinates."

Long advised, in hindsight, he would have highlighted Cantrell's concerns if he had testified because "there was no reason not to." He said he would have followed this course of action because Cantrell's conclusions would not have been supported by the record, adding he had no information to reach a conclusion that CP&L wouldn't adequately manage and operate Shearon Harris. Long stated he also would have referred to Cantrell's position in the written testimony.

REPORT OF INTERVIEW

On September 20, 1978, Charles E. Murphy, Chief, Reactor Construction and Engineering Support Branch, Region II, Office of Inspection and Enforcement (IE), was interviewed by Roger Fortuna and William Foster, Office of Inspector and Auditor (OIA). Mr. Murphy was advised of the nature of the inquiry and that the results of the inquiry would be made public. He was also advised of the applicable provisions of the Privacy Act.

Murphy was asked if his management or coworkers had either directly or indirectly attempted in anyway to influence his position with respect to the Shearon Harris matter prior to being interviewed by OIA. He responded negatively.

Murphy stated that because of the operational slant of the Shearon Harris hearing questions, Frank Long's group took the lead for preparing the hearing testimony, even though Shearon Harris was seeking a construction permit.

Murphy advised that he received "bits and pieces" of his Branch input for the hearing testimony as provided by Virgil Brownlee, the principal construction inspector at Shearon Harris. Murphy said Brownlee or fellow construction inspectors reviewed the Shearon Harris, Brunswick and H. B. Robinson docket files from a construction standpoint. Thus, Murphy said Brownlee's testimony is supported by the record. Murphy said concurrences were not sought for the hearing package because of "time constraints," adding he would have concurred if given the opportunity.

Murphy stated he was unaware of Floyd Cantrell's position while the testimony was being prepared, adding that even if he would have been he wouldn't have "thought much of it."

Murphy advised that he himself has accidentally given incorrect hearing testimony which he later corrected after reviewing his transcript. Murphy said based on this experience, he could understand how easy it is to unintentionally provide incorrect testimony due to the tension generated at a hearing.

Murphy stated that Hugh Dance should have told Cantrell he was not going to include his dissenting view in the testimony. Murphy said he has always told his subordinates that if they hold a dissenting opinion, they can talk with him or go to the Region Director or higher if not satisfied. He continued he was "certain" that in 1977 Region II employees could go to any level of management to present a dissenting opinion.

Murphy stated he did not specifically remember how he received the assignment or how he reassigned it. He did recall, however, that Brownlee had the primary construction responsibility.

Murphy said he reviewed a "marked-up" copy of the draft testimony and did not see the final package put together by Dance.

Murphy stated there was no Region or IE Headquarters policy for preparing hearing testimony, adding such testimony was prepared on an "ad hoc" basis. He said the content of hearing testimony was dictated by the issues in contention as interpreted by the staff lawyers. He added Region II "leans heavily" on staff counsel to ensure inspector's answers are responsive and do not raise other questions. Murphy said this procedure is followed not to hide information but to establish a consistent position.

Murphy stated NRC needed a standard written policy for developing hearing testimony because the quality of the advice from the staff lawyers varied with the experience and abilities of the attorney giving the advice.

REPORT OF INTERVIEW

On September 19, 1978, Hugh C. Dance, Chief, Reactor Project Section No. 1, Reactor Operations and Nuclear Support Branch, Region II, Office of Inspection and Enforcement (IE), was interviewed by William Foster and Roger A. Fortuna, Office of Inspector and Auditor. Mr. Dance was advised of the nature of the inquiry and that the results of the inquiry would be made public. Dance was also advised of the applicable provisions of the Privacy Act. He was further advised that he was one of the subjects of the inquiry and that he could be subject to disciplinary action.

Dance advised he transferred from Region III to Region II in July of 1975. He added he had no involvement in the preparation of the testimony for the cancelled 1975 Shearon Harris Construction Permit (CP) hearing. Dance stated Richard Lewis prepared that testimony at the direction of his Branch Chief, William Seidle. He added the 1975 scheduled hearing was postponed at the request of the applicant, Carolina Power and Light Company (CP&L). Dance advised that in mid-1976 he was transferred to his present position, which included the responsibility for Brunswick 2. He added Brunswick 2 received an Operating License (OL) in December 1974, while Brunswick 1 received an OL in September 1976.

Dance stated that Howard Wilber, presently at IE Headquarters, had start-up and testing responsibilities for Brunswick 1. He added Floyd Cantrell was Principal Operations Inspector for Brunswick 2 and later assumed operations responsibility for Brunswick 1 in June 1977. Dance stated R. F. Sullivan, who had responsibility for Browns Ferry, assumed operations responsibility for Brunswick 1 and 2 in September 1977. He added Cantrell assumed responsibility for Hatch. Dance explained that there was an IE policy to rotate inspectors after they had spent three years at a site, which was the case with Cantrell at Brunswick. Dance said that in early July of 1978, D. Hinckley took over Brunswick on an interim basis since Sullivan was assigned to Browns Ferry as the resident inspector.

Dance advised that Brunswick was not a "trouble-free site," adding the facility had a noncompliance history with numerous Licensing Event Reports (LER). He added, however, that when you looked at the end result of each event, CP&L eventually took the proper action.

Dance advised that the Technical Specifications for Brunswick provide that only one or two of the top nine plant management positions "require" a Senior Reactor Operators License (SRO). He added that the Technical Specifications state SRO "desired" for the other plant management positions. Dance stated he did not know why the Technical Specifications, which are Licensing's responsibility, were drafted in that manner, adding that having "desired" as opposed to "required" made them less stringent.

Dance stated the first time he became aware that Cantrell had a problem with the personnel at Brunswick was in June 1976 when he received a memorandum from Cantrell in this regard. Dance added he did not specifically recall any discussions in this regard prior to June 1976, adding he only transferred into Projects that month. Dance advised that he discussed the contents of the memorandum, which was sent through him to Frank Long, his Branch Chief, with Long. Dance said he prepared a forwarding memorandum on the substance of Cantrell's memorandum to IE Headquarters. Dance stated he had a number of discussions with Cantrell or Long or both. He stated, in general the conversations dealt with what the Technical Specifications really said (e.g., BWR SRO requirements as opposed to PWR requirements and plant personnel qualifications). Dance advised that in response to the forwarding memorandum to Headquarters, Headquarters concurred in his determination that there was no violation of NRC requirements with respect to the Technical Specifications.

Dance stated that Cantrell wrote another memorandum in January 1977, after making several inspections at Brunswick, again questioning the qualifications of the personnel at Brunswick. Dance stated he prepared a response to Cantrell, agreeing to conduct a special management inspection at Brunswick. Dance stated he asked R. H. Wessmen, a member of his staff, to prepare for the inspection. Dance said Wessmen prepared an inspection outline which he commented on and approved. Dance said that based on the second Cantrell memorandum, he felt it was necessary for the Region to resolve the issue by using an independent party who could make a reassessment which could be utilized by Regional management in making a final determination. Dance states the inspection was conducted in mid-January. Dance advised that the findings were: 1) plant management met Technical Specification qualifications, 2) plant management was not spending enough time in the plant as shown by a review of available logs and records, 3) plant management was planning and taking action to arrange for SRO/BWR-type training, and 4) the plant was experiencing a significant turnover in personnel. Dance added the inspection did not determine the cause of the high turnover but he speculated the possible causes were long hours, relatively low pay and management attitude. Dance stated the overall conclusion of this portion of the inspection was plant personnel were meeting minimum requirements but there was room for improvement.

Dance stated that on March 17, 1977, a management meeting was held with CP&L to discuss maintenance problems at Brunswick. He added that during the course of the meeting the results of Wessmen's inspection were also discussed. Dance advised that he was satisfied with CP&L's planned actions with respect to the inspection's findings. He added Cantrell, as a result of the meeting, was "getting a better feeling" of CP&L.

Dance advised that between the March meeting and the preparation of the testimony of the Shearon Harris hearing, no problems of major consequence were identified, as a result of inspections conducted by Cantrell. He added, however, that Cantrell reported a repetition of events, indicating an inattention to detail and follow up on the part Brunswick management. Dance stated that in his view there was still a general trend toward improvement on the part of CP&L. Dance advised that Cantrell had never mentioned the possibility of CP&L financial difficulties prior to September 1977.

Dance advised that in late August 1977, he was notified by Long that he would have to prepare testimony for the rescheduled Shearon Harris CP hearing. Dance states he and Long determined verbally the best way to prepare for the hearing would be to update the 1975 testimony.

Accordingly, Dance stated he contacted all of the Section Chiefs and Branch Chiefs in Region II requesting their input for the testimony. Dance advised that he received all oral input with the exception of J. Hufham, Emergency Planning, who responded in writing. Dance said the input he solicited was only in respect to operations, adding Virgil Brownlee solicited the construction input.

Dance advised that prior to the solicitation of input, he and Brownlee contacted Charles Barth, Hearing Counsel, for the purpose of receiving guidance on the preparation of testimony. According to Dance, they were advised to answer the five questions provided by the Atomic Safety and Licensing Board (ASLB) in 1975 in detail, strengthening their previous answers with personal views of the cognizant inspectors.

Dance advised that in early September 1977, he asked Floyd Cantrell to provide input for the testimony. He said that Cantrell was to work up some "base data" on Brunswick, adding he did not give the ASLB questions to Cantrell but was reasonably certain he had them. Dance stated he also asked Darrel Hinckley to update the 1975 testimony by reviewing the H. B. Robinson docket from that point in time to September 1977.

Dance advised he asked Howard Wilber, who had start-up and testing for Brunswick, if he had any problems with CP&L and Wilber replied he did not. Dance said he did not know if Wilber saw the ASLB questions.

Dance said that essentially his mission was to update and supplement the operations portion of the 1975 testimony, adding that he spoke with Richard Lewis who prepared the 1975 testimony. Dance said Lewis had minimal input. Dance advised that over the next four weeks he had several conversations with Barth seeking clarification of how the testimony should be prepared. Dance said that he did not advise Barth of Cantrell's position during any of their conversations because he felt he had adequately incorporated Cantrell's position in the draft testimony.

Dance advised that he completed his section then met with Brownlee who had completed the construction portion and "meshed" the two sections together in a final draft. Dance advised that he thought he then submitted the draft to Charles Murphy for review.

Dance advised he discussed the prepared testimony on numerous occasions with Frank Long, but did not know if Long saw the final draft. Dance stated he did not believe Long saw Cantrell's notes. Dance did not know to what extent, if any, he discussed Cantrell's notes with Long. Dance didn't think he discussed Cantrell's notes with anyone else. Dance stated he did not know if anyone else saw Cantrell's notes.

Dance stated both Wilber and Hinckley advised him they did not have any problems with CP&L management. Dance agreed that the testimony should have reflected Cantrell's views and he believes that it did. He stated, however, it was also to include the views of others whose input was solicited, adding this input "moderated" Cantrell's views. Dance said that in addition, he factored in his own exposure with CP&L, which was broader than any of the line inspectors, and the resultant product was a fair and accurate representation of the Region II position. Dance stated he did not remember telling Cantrell he had the option to testify at the hearing.

Dance advised he hand carried copies of the testimony to the hearing. Dance advised that the day he was to testify he met with Brownlee, Barth and a number of the hearing staff for a few minutes. He said Barth only advised him to address the ASLB's questions and be responsive to the board. Dance said no mention was made of Cantrell's conclusions.

Dance was asked to explain the rationale for his answer to Dr. J. Venn Leed's question. He stated that when he answered the question, he was "not worried about it" and was thinking that he had nothing to add to what was already in the prepared testimony which had previously been entered into the record. Dance stated the prepared testimony showed that CP&L had personnel turnover problems, a high number of LER's and noncompliances, but essentially demonstrated that the general trend for CP&L was improvement.

Dance advised as he and Brownlee were waiting to testify late in the day, Brownlee received a call that his wife had been rushed unconscious to a hospital emergency room. Dance said, Barth approached the ASLB off the record and advised them of this occurrence. According to Dance, the board took their testimony shortly thereafter. Dance advised that he and Brownlee then immediately departed for Atlanta.

Dance stated he viewed his testimony as accurately reflecting a consensus for the Region II and since no one else had serious problems with CP&L, he did not present Cantrell's naked conclusion. Dance stated that he believed he accurately reflected the factual information in Cantrell's notes to the ASLB in his written testimony.

Dance stated this was the first time he testified at a licensing hearing. Dance advised, as an afterthought, Shearon Harris was "years away" from operation and the general positive improvement in CP&L's management led him to believe there would be no problems in CP&L's management and operation of Shearon Harris.

Dance concluded by stating that no Regional manager told him he was to present a dissenting opinion, adding it was his understanding that testimony was prepared presenting only the regional position.

Dance stated that since there was a general trend toward improvement at CP&L with respect to their personnel problems he saw no reason to put conditions in the CP.

Mr. Dance was reinterviewed telephonically by David Gamble and William Foster, OIA, on October 23, 1978.

Dance stated that Charles Barth did not suggest in any manner whatsoever that he (Dance) "soft-peddle" the Shearon Harris testimony with respect to his (Dance's) projection on available operating personnel for the four units.

Dance advised that he mailed copies of the written testimony to the motel Barth was staying at in Raleigh, North Carolina, the beginning of the week that he testified. He said he did not mail copies of the testimony anywhere else. Dance stated, based on his testimony before the ASLB at the hearing, he had no indication as to whether the ASLB had read his written testimony prior to his appearance.

Dance advised that he did not recall Howard Wilber citing any QA reports or offering his opinion that CP&L had shown weaknesses in their QA program when he (Dance) solicited his oral input for the testimony.

Dance stated he did not receive any negative comments concerning CP&L operating experiences from the Region II Branch Chiefs and Section Chiefs when he solicited their input for the testimony.

In response to a direct question, Dance advised that the ASLB was comparing construction personnel with operating personnel on page 4, item 3, on their August 30, 1978 letter to the Commission. He added he was positive Cantrell was "strictly discussing operating personnel." Dance said that he instructed

Hugh C. Dance

-6-

Cantrell to update the 1975 testimony by reviewing the Brunswick inspection file. He stated Hinckley, who had limited experience at H. B. Robinson, updated that portion of the testimony because T. N. Epps, the principal operations inspector at Robinson, had recently terminated his employment with NRC.

Dance contacted OIA later in the same day, and advised that upon further recollection, he did remember a conversation with Wilber about CP&L QA problems. Dance stated he could not remember if the conversation was in conjunction with the preparation of the Shearon Harris testimony, but though it was in the same time frame. Dance stated he did not include the events Wilber cited in the inspection reports in the hearing testimony because CP&L had taken corrective action and the items were no longer an issue.

REPORT OF INTERVIEW

On September 19, 1978, Virgil L. Brownlee, Principal Inspector, Projects Section, Reactor Construction and Engineering Support Branch, Region II, Office of Inspection and Enforcement (IE), was interviewed by Roger A. Fortuna and William Foster, Office of Inspector and Auditor. Mr. Brownlee was advised of the nature of the inquiry and that the results of the inquiry would be made public. Brownlee was also advised of the applicable provisions of the Privacy Act.

Brownlee stated he had no involvement in the preparation of the 1975 Shearon Harris testimony. Brownlee advised that he has been the principal construction inspector at Shearon Harris since about February 1977. His responsibilities include both conducting inspections and coordinating inspections made by other Region II inspectors. Brownlee said that basically, his responsibilities were to monitor the development of the site QA-QC program and "housekeeping" functions of the equipment Carolina Power and Light (CP&L) had in storage at the Shearon Harris site. Brownlee advised that as the time neared for construction to begin at Shearon Harris, he prepared an inspection report that was critical of the limited action CP&L had taken to prepare the site facilities for the administration supervision, engineering, and QA-QC personnel. He added he discussed the matter with CP&L's Senior Vice President and advised him that there would soon be 2,300 workers on site and CP&L needed to insure that the site had adequate facilities to accommodate these people. Brownlee added that they provided CP&L is in the process of providing adequate facilities as noted in subsequent inspection reports. Brownlee concluded that based on this action CP&L has been responsive to these concerns.

Brownlee stated that in August 1977, Charles Murphy, his Branch Chief or Alan Herdt, his Section Chief, asked him to prepare the construction portion of the testimony for the Shearon Harris Construction Permit (CP) hearing. Brownlee said he and Charles McFarland, another principal inspector in his Section updated the previous prepared 1975 testimony. He added this was accomplished by reviewing the inspection reports on Brunswick 1 and 2 from 1975 until August 1977. Brownlee said that the files for H. B. Robinson were not reviewed because Robinson's construction inspection activities had ceased prior to the 1975 proposed Shearon Harris CP hearing. However, the original material developed for the 1975 Shearon Harris hearing were reviewed by Brownlee, McFarland, and discussions were held with the Robinson principal inspector.

Brownlee stated that while he was on an inspection of Shearon Harris, it was decided by Hugh Dance, who was preparing the operations portion of the testimony, and Charles Barth, the responsible Office of the Executive Legal Director attorney, that joint testimony would be prepared. According to Brownlee, he and Dance put together a draft of the testimony when he returned from Shearon Harris. Brownlee advised that the testimony was finalized while he was on an inspection trip to Farley, Alabama.

Brownlee advised he prepared his portion of the testimony and specifically, answers to the five questions posed by the Atomic Safety and Licensing Board, based on conversations with Jack Bryant, Principle Construction Inspector at Robinson and Charles McFarland, Principal Construction Inspector at Brunswick and the 1975 Shearon Harris testimony. He added he received the 1975 testimony from Richard Lewis, who at that time (1975) was responsible for preparing the Shearon Harris hearing. Brownlee advised that none of the information received indicated CP&L would not be able to capably construct Shearon Harris.

Brownlee stated that after his testimony was reviewed and approved by Murphy, he went to Dance's office to put together the total package.

Brownlee stated he reviewed the final product before the hearing. Brownlee added he did not discuss or question the operations input since he was responsible solely for the construction portion of the testimony. Brownlee said he was not aware of Floyd Cantrell's position on CP&L until Congressman Dingell's request.

REPORT OF INTERVIEW

On September 18, 1978, Floyd C. Cantrell, Reactor Inspector, Reactor Projects Section No. 1, Reactor Operations and Nuclear Support Branch, Region II, Office of Inspection and Enforcement (IE) was interviewed by Roger A. Fortuna and William Foster, Office of Inspector and Auditor, (OIA). Mr. Cantrell was advised of the nature of the inquiry and that the results of the inquiry would be made public. Cantrell was also advised of the applicable provisions of the Privacy Act.

Cantrell was asked if his management or coworkers had either directly or indirectly attempted in anyway to influence his position with respect to the Shearon Harris matter prior to being interviewed by OIA. He responded negatively.

Cantrell stated that he provided input to a number of questions provided to Region II by the Office of Executive Legal Director (ELD) in conjunction with the 1975 scheduled Shearon Harris Construction Permit (CP) hearing. He said this input was based on his six-months inspection experience at Carolina Power and Light's (CP&L) Brunswick unit, which was then in pre-operational testing.

Cantrell advised he became the principal operations inspector at Brunswick in August 1974. He added, shortly thereafter a quality assurance (QA) inspection was conducted. Cantrell said it was concluded that CP&L's QA program at Brunswick was not adequate. Cantrell stated based on this finding, CP&L made several changes and in December 1974 the Region determined that CP&L's QA program was then acceptable. Cantrell advised he used this data as basis for his response to the 1975 CP hearing questions and concluded that CP&L was capable to operate Shearon Harris. Cantrell stated he did not review the 1975 testimony because the hearing was cancelled.

Cantrell advised that in August 1977 he was asked by his supervisor, Hugh Dance, to provide input for testimony to be given at the rescheduled Shearon Harris CP hearing. Cantrell said he drafted, in rough form, a summary of his views and support for his opinion with respect to CP&L's ability to operate the Shearon Harris units. He added he submitted these notes to Dance and after a discussion Dance asked him to redraft the notes in a readable form. Cantrell advised that he was not asked by Dance to tone down his views and the notes he resubmitted for Dance on September 16, 1977 were the same as his original draft. Thus, Cantrell stated he did not rediscuss their content with Dance. Cantrell advised that immediately thereafter he left for an inspection of VEPCO's Surry facility. Cantrell said he then went on vacation for a week and returned to the office about October 3, 1977. Consequently, Cantrell said he did not see the final testimony before the hearing.

Cantrell advised that he has inputted into other hearing testimony and "doesn't think Dance was trying to hide anything." He added, however, that the issues he raised should have been pursued by Dance and the Atomic Safety and Licensing Board (ASLB).

Cantrell stated he was not asked to testify nor did he expect to be asked to testify. He elaborated by stating because of the many problems CP&L had experienced and the fact Dance was aware of them he expected Dance to present his views to the ASLB. Cantrell added he had more experience with CP&L than any other Region II inspector.

Cantrell elaborated on some of the problems he had experienced with CP&L. Cantrell advised that in February 1976 Region II personnel had a management meeting with CP&L to discuss, among other things, general management problems at Brunswick. He added that he wrote a June 21, 1976 memorandum to F. J. Long (see Attachment I) questioning the qualifications of the Brunswick staff based on high turnovers experienced at the plant. Cantrell stated he drafted another memorandum on January 4, 1977 (see Attachment II), questioning CP&L's ability to safely manage a Boiling Water Reactor (BWR). He added that in this memorandum he also requested a management systems inspection at Brunswick to determine if plant personnel were meeting the minimum staff qualifications.

Cantrell advised Richard Wessmen, of his group was directed to conduct such an inspection effort as a result of the above memorandum. Cantrell stated he essentially agreed with Wessmen's finding that plant personnel only meet the minimum ANSI requirements for operating Brunswick 1&2. Cantrell stated his primary concern was that even though staff was meeting minimum requirements, most staff experiences was with a PWR and Brunswick 1&2 was a BWR with significantly different systems.

Cantrell stated that a January 11, 1978 management meeting was held with CP&L to discuss general management problems and the results of Wessmen's inspection. Cantrell said that CP&L did make some plant management changes. He added, however, it was his opinion that this was done to satisfy NRC and not to improve the management at their plants. Cantrell advised that at this time CP&L was also experiencing financial problems and this may have impacted on their ability to hire qualified personnel.

Cantrell stated that after CP&L received an Operating License in December 1974 for Brunswick, he had to be escorted by a CP&L employee at all times in any part of the plant. He added this was strictly an internal CP&L policy, not mandated by NRC. Cantrell said also, in order to get into radiation areas for an inspection, he was required by CP&L to obtain a

Radiation Work Permit (RWP). He said this required filling out a request; going to the shift foreman; and finally going to the CP&L health physics official. Cantrell said that after following these procedures, on one occasion he observed a CP&L employee leaving a radiation area without a RWP. Cantrell advised that on another occasion at an unannounced inspection he was not allowed to enter the facility gate for one hour and 15 minutes. Cantrell said on another occasion he was not allowed into the containment for two hours. Cantrell stated that in order to alleviate some of these problems, his supervisor, Hugh Dance, made arrangements with CP&L to set up a blanket RWP. He added that after such an arrangement was made, he sought access to a radiation area and he was told to wait for a shift change.

In response to a direct question, Cantrell stated that the above experiences did not influence his attitude toward CP&L management. To the contrary, Cantrell said he toned down his written appraisals of CP&L management because he did not want to appear biased in his views.

Cantrell elaborated on his September 16, 1977, input to the Shearon Harris testimony. Cantrell advised that his overall conclusion based on his three years at Brunswick, was that CP&L probably could not adequately manage and operate the proposed Shearon Harris facility with their current personnel. Further, CP&L would probably not have the necessary personnel to manage and operate the units unless conditions were placed in the Shearon Harris CP. Cantrell added that it was also incumbent upon the South Carolina Public Utilities Commission to grant CP&L a rate increase to allow CP&L the funds to hire the necessary qualified people. Cantrell stated, in response to a direct question, CP&L should begin bringing people on board in the next two or three years, even though the units will not become licensed operational for about eight years, because extensive training is required. Cantrell added, even though CP&L has identified a pool of personnel to operate Shearon Harris, based on the high turnover he observed at Brunswick, there is no guarantee these people will be around when Shearon Harris becomes operational.

Cantrell commented on his statement in his notes that "as a result persons have been promoted or reassigned to positions for which they are not qualified as the Tech Specs or FSAR may imply." Cantrell advised that only one or two senior plant personnel at Brunswick had Senior Reactor Operator Licenses (SRO). He stated this did meet the minimum qualifications of the Tech Specs. He added, however, this was only because the Tech Specs stated "SRO Desired" as opposed to "SRO Required," Cantrell stated that some of the Brunswick personnel were technically qualified but not for the positions they were in, while other personnel only had the minimum experience requirements. He stated that he felt

CP&L did not do this purposely, but the situation was caused by the long hours employees had to work and the resultant high turnover. Cantrell concluded that although not in violation of NRC requirements, plant personnel at Brunswick were only "technically meeting the minimum requirements."

Cantrell advised that CP&L, for the Brunswick units, submitted a significant number of Licensing Event Reports (LER) for 1975-77. He noted that this is not necessarily indicative of poor management, but could be interpreted as an attempt by the licensee to be forthright with NRC. However, Cantrell added that he had prevailed upon CP&L to submit a number of Special Information Reports to NRC which concerned significant unreported problems not covered by LER submissions.

In reference to technical problems raised in his notes, Cantrell made reference to the Reactor Core Isolation Cooling problem. Cantrell concluded that good alert management would have stepped-up surveillance, although not required by the Tech Specs, and resolved the problem in a more timely manner. Cantrell observed that the issue "got lost in the shuffle."

Cantrell made reference to another technical problem presented in his notes. He advised that he prevailed upon CP&L to request a Tech Spec change regarding the "High Pressure Cooling Injection" issue (HPCI). Cantrell said that after the Tech Spec was approved by Licensing, CP&L could not implement the change because they did not have an approved design for the change.

Cantrell stated that as another example of CP&L's lack of responsiveness, CP&L was advised on three separate occasions to refrain from leaving the HPCI room doors open. He added that as of two months ago, CP&L still had not taken any action to rectify this problem.

Cantrell advised the above information should have been presented to the ASLB. He added he didn't press Dance on the issue prior to his (Dance's) testifying because he assumed Dance would present his (Cantrell's) views to the ASLB. Cantrell said that if the ASLB had received all the information in his notes, including his conclusion, they may have placed conditions in the CP. Cantrell said that he did not object to Dance presenting the Regional position to ASLB, but he did object to the implication that this position was unanimous. Cantrell stated he did not immediately review the testimony because he assumed his views had been presented to the ASLB. He added when he did review the testimony he did not make an issue of his views not being presented because he had felt that it would not have done any good.

Cantrell said that if the ASLB had received all the information in his notes and determined a CP should be granted for Shearon Harris without restrictions he could have "lived with it" even though he would have disagreed with the decision.

Cantrell stated the issue resurfaced in early 1978 when Congressman Dingell, Chairman of a House oversight committee, solicited the NRC for examples of matters in which employees had disagreed with NRC positions presented to licensing boards. It was at this time he first advised Dance he disagreed with his testimony, according to Cantrell. Cantrell stated Dance advised him to tell Frank Long about the problem. Cantrell said, subsequently Dudley Thompson, Region II Deputy Director, discussed the situation with him in order to prepare a response which was later forwarded to Headquarters.

Cantrell advised that there were other Region II line inspectors that shared his views, in varying degrees, with respect to CP&L's management capabilities. In this regard he suggested OIA interview the inspectors whose names he had provided to Dance (see Attachment III).

Cantrell was not aware of any formal NRC policy for preparing hearing testimony.

Cantrell stated that subsequent to the hearing, he inspected Georgia-Power and Light's Hatch unit and Vepco's Surry facilities. He noted a better management attitude at these plants.

Cantrell stated the information in Dance's testimony was factually correct. He added, however, the problem was that Dance did not present all of the examples of poor management on the part of CP&L he had indicated in his notes. It was Cantrell's opinion that if Dance did this, the ASLB may have pursued the issue in more detail. Cantrell concluded that he did not believe Dance deliberately mislead the ASLB and probably just misunderstood Dr. J. Venn Leed's question.

Cantrell advised that he probably should have testified at the hearing.

Attachments:
As stated

June 21, 1976

(9)

F. J. Long, Chief, Reactor Operations and Nuclear Support Branch, Region II,
Office of Inspection and Enforcement

THRU: H. C. Dance, Chief, Nuclear Support Section, Region II, Office of
Inspection and Enforcement

STAFF QUALIFICATIONS - BRUNSWICK 2

During the past few months, Brunswick has had a large number of changes in management personnel both at the site and in their corporate offices. As a result of announced changes and resignations during the past month, the principal staff that was used to startup Brunswick 2 has been completely replaced at the site.

Brunswick's Technical Specifications require that the staff meet the minimum qualification specified by ANSI N18.1-1971. If we equate an SRO license for a PWR to be the equivalent for a BWR of "...The experience and training normally required for examination by the AEC (NRC) for a Senior Reactor Operator's license whether or not the examination is taken." (ANSI 18.1-1971, paragraph 4.2.1), both the Plant Manager and the Superintendent, Operations and Maintenance have the minimum qualifications. Both hold unexpired SRO licenses at the H. B. Robinson Plant. The Superintendent, Technical and Administrative has not had the training for an SRO license for either a PWR or BWR, (not required by ANSI 18.1-1971) nor has he had any specialized training for a BWR. He has been at Brunswick 2 since March 1975 as QA Supervisor. The Operations Supervisor has been in the position since October 1975 when the original Operations Supervisor was transferred to Raleigh. (He is fully qualified for his job.)

The Radiation Control and Test Supervisor meets the requirements of both ANSI 18.1-1971 and Reg. Guide 1.8. He has held this position since April 1976. He is the third person in this position.

The Maintenance Supervisor just meets the minimum experience required by ANSI 18.1-1971, however, he does not have "...nondestructive testing familiarity..." required by Paragraph 4.2.3 of ANSI 18.1. He is currently receiving this training. CP&L has committed to completing this training by September 1, 1976.

I His immediate supervision, the Superintendent, Operations and Maintenance was the Maintenance Supervisor at the H. B. Robinson Plant, and is available to provide backup in this area.

The Engineering Supervisor (the third man in this position since issuance of the license) has resigned effective the end of June. His successor has not been announced.

F. J. Long

-2-

The QA Supervisor meets the qualification described in the PSAR. He was appointed to this position June 1976.

The Training Supervisor resigned effective June 19, 1976. His replacement has not been announced.

While not directly a part of the Plant Staff, the GE Operations Manager for the startup of Brunswick 2 has been reassigned to the GE training school in Morris, Illinois. His replacement appears to be qualified for his job, but does not provide continuity in the job.

A number of operators and Shift foremen have resigned during the past 1 1/2 years during a period when the country was in a recession and new jobs were not plentiful.

A large turnover of personnel is not unusual during the first two years of operation; however, normally, the bulk of this turnover is due to promotion and the experience gained during startup is still available to the plant. At Brunswick, four members of the startup staff have resigned. Three members have been transferred to positions that would not normally provide assistance to the current staff.

The reasons given for leaving usually include the long hours required by the job (60 hours per week plus). If this is the real reason, with Unit 1 in early preoperational phase and Unit 2 scheduled for refueling in the Spring 1977, I would expect the high turnover to continue.

I would recommend that this concern be brought to the attention of CP&L and/or Licensing, and that we determine what plans CP&L has to stabilize their work force, or to provide continuity and experience.

51
F. S. Cantrell, Principal Inspector
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch

104

OFFICE	<i>MC</i>					
NAME	<i>W. H. H.</i>					

77
January 4, 1976

H. C. Dance, Chief, Reactor Projects Section No. 1, Reactor
Operations and Nuclear Support Branch, Region II

EVALUATION MEMO - INSPECTION 12/13-16/76 AT BRUNSWICK, DN 50-325
AND 50-324

Reference - Memo Cantrell to Long dated 6/21/76, Staff Qualifications

The recent management changes at Brunswick which were identified in
inspection reports 50-324/76-23324 again raise the concern
expressed in the reference memo. Individually, each man appears
to meet the minimum qualifications for his position, but,
collectively, I do not believe they meet the intent of their
Technical Specifications or ANSI 18.1-1971. The type items
identified as unresolved items, and items of noncompliance
in these reports, (and previous reports during the past year),
plus the reportable occurrences identified by CP&L causes ne-
serious concern as to the technical and administrative capability
of the present and previous plant management. The fact that
CP&L has allowed this condition to continue to exist, also,
leads me to question CP&L's ability to safely manage a boiling
water reactor. These types of items were discussed with corporate
management in a special meeting February 20, 1976.

On the basis of the above concerns, the writer recommends that
IE Management consider conducting a management systems inspec-
tion at Brunswick with other inspectors and supervision to
evaluate these concerns. The inspection team should conduct
their inspection in such depth as to either confirm or remove
these concerns. Further action would be determined after the
results of the management systems are analyzed.

151
S. Cantrell
Reactor Inspector

cc: P. J. Long

OFFICE	IE:II	IE:II	105	
SURNAME	FSCantrell	EC Dance		Attachment II
DATE	1/5/77	1/11/77		

Re: Harris Hearing

Doc Murphy - chief

VIRGIL BROWNLEE - CONST PROJECT - HARRIS

BOB McEARLAND - CONST PROJECT - BRUNSWICK & HARRIS

JACK BRYANT - CONST AND TEST & STARTUP - ROBINSON

Mohrney - just taken over

R.C. Lewis - PREPARED INITIAL SUBMITTAL 7/75

H. Whitener - Reviewed Robinson Debrief for Hearing 5/75

F. J. KING - chief

H.C. DANCE - PREPARED SECOND SUBMITTAL

there D.G. HINCKLEY - BRUNSWICK INSP - CURRENT (~ 6/78)

D.G. HINCKLEY - ROBINSON INSPECTOR AT TIME OF HEARING (9/77-4/78)

F. S. Conrall - PREPARED TESTIMONY FOR BRUNSWICK ~~INSP AT TIME OF HEARING~~ OR INSP 7/74 - 3/77

R F. SULLIVAN - BRUNSWICK INSP 9/77 - 6/78

R.H. Wessman - QA INSPECTIONS - BRUNSWICK

J. Hufman - Emergency planning input (2ND SUBMITTAL)

A. Gibson - chief Reed

G. TRUMP - Radiation Specialist - BRUNSWICK; ROBINSON

P. Burnett - inspector BSEP & HRR

H.A. WILBER - BRUNSWICK { 1 - PREOP TESTING

← J.E. Ongt's - IBN { 1 - Startup (- 1/77 -

G. Jenkins - BR

W. Perry - BR/HRR

A. Cunningham - BR/BR

1

EAPA - H&R Robinson input 105 - 8/77 (was @ ALA Pur Co.)

J. Bozzy - HRR LICENSING EXAMINER Attachment III

November 1, 1978

MEMORANDUM FOR: File

FROM: William H. Foster, Inspector/Auditor
Office of Inspector and Auditor

SUBJECT: SHEARON HARRIS MATTER

On October 31, 1978, I contacted telephonically Floyd C. Cantrell, Reactor Inspector, Reactor Projects Section No. 1, Reactor Operations and Nuclear Support Branch, Region II, Office of Inspection and Enforcement. Cantrell stated that he did not believe Hugh Dance instructed him to review the Brunswick inspection file to prepare his (Cantrell's) input for the Shearon Harris testimony. He added this wouldn't have been necessary since he was thoroughly familiar with the Brunswick history. Cantrell advised he used his own notes and records to prepare his input for the testimony.

Cantrell advised Mike Wilber had mentioned to him concerns he (Wilber) had with respect to CP&L's QA program on several occasions. Cantrell stated he did not include these concerns in his testimony input because (1) his input was not meant to be all inclusive with respect to CP&L problems and (2) he did not "think of" the problems Wilber voiced when he prepared the input for the testimony.

Cantrell said that he was probably asked to prepare the Brunswick input because Robert Sullivan, the principle inspector at Brunswick at the time the testimony was being prepared was on vacation.

REPORT OF INTERVIEW

On September 20, 1978, Richard C. Lewis, Chief, Reactor Projects Section No. 2, Reactor Operations and Nuclear Support Branch, Region II, Office of Inspection and Enforcement (I&E), was interviewed by Roger A. Fortuna and William Foster, Office of Inspector and Auditor. Mr. Lewis was advised of the nature of the inquiry and that the result of the inquiry would be made public. Lewis was also advised of the applicable provisions of the Privacy Act.

Lewis stated that in 1975, William Seidle, then his Branch Chief received an action item from Harry Thornburg at IE Headquarters directing Region II to prepare testimony for the scheduled Shearon Harris Construction Permit (CP) hearing. Lewis stated that he was given the task of preparing the testimony by Seidle, adding he (Lewis) had overall responsibility at Brunswick 2, when the plant was in the start-up and test phase.

Lewis advised he received a copy of a letter from the Atomic Safety and Licensing Board (ASLB) which contained five questions the Board wanted answered in conjunction with the hearing. Lewis said that he received this letter from Charles Barth, the responsible staff attorney for the hearing. He added he had several conversations with Barth for the purpose of clarifying the intent of the ASLB's questions so Region II could be responsive. Lewis advised that based on these conversations, he developed more detailed subsets of questions. Lewis said he then gave the more detailed questions to the cognizant Region II inspectors for the purpose of soliciting their input for the testimony. Lewis advised these inspectors were Herb Whitener, principal operations inspector at H. B. Robinson; Jack Bryant, principal construction and preoperational testing inspector, H. B. Robinson; Floyd Cantrell, principal operations inspector at Brunswick; and Charles McFarland, principal construction inspector at Brunswick.

Lewis stated that based on his experience with Carolina Power and Light (CP&L) and the input of the four inspectors, he prepared the hearing testimony. Lewis believed the testimony was "signed out" by Seidle while he (Lewis) was out of the office and forwarded to Thornburg.

Lewis advised, that there was no Region II policy in existence in 1975 on how to prepare testimony for licensing hearings. He added he developed the draft testimony for the scheduled Shearon Harris hearing based on his conversations with Barth. Lewis stated that in 1975, CP&L was not "the strongest utility." He stated, however, CP&L was improving their quality assurance (QA) program, both at the plant and corporate level.

Lewis advised Cantrell, who he characterized as a good inspector, did not have "any problems with CP&L" in 1975, which was borne out by his input for the 1975 testimony.

Richard C. Lewis

-2-

Lewis stated that no one who contributed to the 1975 testimony raised any concerns about CP&L receiving a CP nor were any conditions recommended for the license.

Lewis advised that he had no involvement in the preparation of the 1977 Shearon Harris testimony. He believed he gave the 1975 testimony package to Hugh Dance another Section Chief in his Branch who was responsible for preparing the 1977 testimony.

REPORT OF INTERVIEW

On September 19, 1978, Charles R. McFarland, Principal Inspector, Project Section, Reactor Construction and Engineering Support Branch, Region II, Office of Inspection and Enforcement (IE) was interviewed by William Foster and Roger A. Fortuna, Office of Inspector and Auditor (OIA). Mr. McFarland was advised of the nature of the inquiry and that the results of the inquiry would be made public. McFarland also was advised of the applicable provisions of the Privacy Act.

McFarland was asked if his management or coworkers had either directly or indirectly attempted in anyway to influence his position with respect to the Shearon Harris matter prior to being interviewed by OIA. He responded negatively.

McFarland stated he was the principal construction inspector for Shearon Harris during the proposed facilities initial stages. He added he was also the principal construction inspector for Carolina Power and Light's (CP&L) Brunswick 1 and 2 units from December 1972 until April 1975. McFarland advised that in August of 1977 he was informally assigned to the task of reviewing and summarizing all previous construction inspections for Shearon Harris and Brunswick 1 and 2. He added the purpose of the task was to prepare for the Shearon Harris Construction Permit (CP) hearing. McFarland stated upon completing this task, his written input was supplied to Virgil Brownlee of his group. It was McFarland's understanding Brownlee in turn supplied this support to Hugh C. Dance, Chief, Reactor Projects, Section No. I, Reactor Operations and Nuclear Support Branch. McFarland stated it was his understanding that Dance was tasked as the overall coordinator for the Shearon Harris testimony.

McFarland said that his input was accurately represented by Dance with respect to responding to the five written questions asked by the Atomic Safety and Licensing Board (ASLB). McFarland stated that it was his position there was no reason for not granting a CP for Shearon Harris.

REPORT OF INTERVIEW

On September 19, 1978, Jack C. Bryant, Chief, Engineering Support Section No. 1, Reactor Construction and Engineering Support Branch, Region II, Office of Inspection and Enforcement (IE), was interviewed by Roger A. Fortuna and William Foster, Office of Inspector and Auditor (OIA). Mr. Bryant was advised of the nature of the inquiry and that the inquiry would be made public. Bryant was also advised of the applicable provisions of the Privacy Act.

Bryant was asked if his management or coworkers had either directly or indirectly attempted in anyway to influence his position with respect to the Shearon Harris matter prior to being interviewed by OIA. He responded negatively.

Bryant stated that from about July 1968 until June 1970, he was the principal construction inspector at Carolina Power and Light's (CP&L) H. B. Robinson Unit.

Bryant advised that he supplied testimony input for the cancelled 1975 Shearon Harris Construction Permit hearing, but could not remember any specific details. He did remember noting "two or three problems" with respect to CP&L's operation of H. B. Robinson but concluded that CP&L was fully capable to operate the proposed Shearon Harris facility.

Bryant stated he could not remember if he was asked formally to input for the 1977 Shearon Harris testimony. Bryant added if he was, such a request would have come from Charles E. Murphy, Chief, Reactor Construction and Engineering Support Branch or Frank J. Long, Chief, Reactor Operations and Nuclear Support Branch. Bryant stated, if he did input, he would have advised Murphy or Long that it was his opinion CP&L was fully capable of operating Shearon Harris.

Bryant stated he based the above opinion on the increased knowledge of CP&L management resulting from their operating experiences at H. B. Robinson and Brunswick 1 and 2. Bryant stated since assuming his present position he has dealt quite frequently with CP&L management and has found them to be cooperative and effective.

REPORT OF INTERVIEW

On September 18, 1978, Richard H. Wessmen, Reactor Inspector, Reactor Projects Section No. 1, Reactor Operations and Nuclear Support Branch, Region II, Office of Inspection and Enforcement (IE) was interviewed by Roger A. Fortuna and William Foster, Office of Inspector and Auditor. Mr. Wessmen was advised of the nature of the inquiry and that the results of the inquiry would be made public. Wessmen was also advised of the applicable provisions of the Privacy Act.

Wessmen was asked if his management or coworkers had either directly or indirectly attempted in anyway to influence his position with respect to the Shearon Harris matter prior to being interviewed by OIA. He responded negatively.

Wessmen stated he had no input into the testimony for the Shearon Harris proceeding. Wessmen advised that from January 17 through 21, 1977 he and Hugh Dance, his Section Chief, conducted an inspection at Carolina Power and Light's (CP&L's) Brunswick facility. He stated, among other things, he and Dance reviewed CP&L's management and administration controls at Brunswick. Wessmen said that the management portion of this review was initiated at the request of Floyd Cantrell, the principal operations inspector at Brunswick. Wessmen added, Cantrell did not take part in this inspection.

Wessmen advised that he conducted most of the management inspection himself. Wessmen stated he wrote a memorandum, in addition to the inspection report, on his assessment of CP&L management (see Attachment I). He added the memorandum was sent through Dance to his Branch Chief, Frank Long. Wessmen stated that after the inspection, Region II discussed the findings of the inspection with CP&L management.

Wessmen advised his input concluded there were "difficulties with CP&L management" but he did not conclude they should be shut down. Wessmen stated that Dance was "probably justified" in not requesting his input for the Shearon Harris testimony because of his limited involvement with CP&L. He added his one contact with CP&L was adequately documented on the record. Wessmen advised he was unqualified to presently make a judgment as to whether CP&L would have adequate personnel in the future to run the Shearon Harris facility properly. He did agree the findings of his inspection report were relevant if placed "in the context of the age and the scope of the inspection."

Wessmen stated that he was not aware of any Regional or Headquarters policy regarding the preparation of hearing testimony.

Attachments:
As Stated



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
230 PEACHTREE STREET, N. W. SUITE 818
ATLANTA, GEORGIA 30303

February 14, 1977

Docket No. 50-324

MEMORANDUM FOR: H. C. Dance, Chief, Reactor Projects Section No. 1,
Reactor Operations and Nuclear Support Branch

FROM: R. H. Wessman, Reactor Inspector, Reactor Projects
Section No. 1, Reactor Operations and Nuclear
Support Branch

SUBJECT: INSPECTOR EVALUATION OF BRUNSWICK PLANT SUPERVISORY
ACTIVITIES

During the week of January 17-21, 1977, I participated in an inspection of the Brunswick Plant supervisory activities. This inspection, documented in Details III of Inspection Report No. 50-324/77-3, was to provide an appraisal of senior site staff (10 positions) qualifications and involvement in plant activities. This evaluation supplements comments noted in the Inspection Report and includes comments verbally made directly to corporate management on January 21, 1977.

1. Supervisory Involvement In-Plant

A survey was made of the Brunswick guardhouse computer records for the period of January 3-16, 1977, to make an estimate of the time spent in the plant (vice in the administration building or elsewhere) for the 10 senior supervisory personnel. The guardhouse computer records every use of individual "key cards" when an individual enters or leaves the restricted area of the plant; hence an estimate of an individual's "in-plant time" may be made for the period of time under consideration.

Of the four most senior supervisory personnel (Plant Manager, Operations-Maintenance Superintendent, Technical-Administrative Superintendent, and QA Supervisor) two had not been in the plant during this two-week period. Of the other senior supervisors, two had been in the plant once and one had been in the plant twice during this period. None of these supervisors was away from the facility (vacation, etc.) for more than one day during this period.

CONTACT: R. H. Wessman
221-6068

The licensee holds daily planning meetings to discuss plant activities but the two individuals who had not been in the plant at all during this period did not attend all of these meetings nor do they review operator logs, according to the licensee.

2. Training and Qualification

All the supervisory personnel meet Technical Specification and ANSI N18.1 - 1971 qualification requirements. However, several statistics were determined from training and personnel records reviewed during this inspection:

- a. Most training records did not reflect recent training received.
- b. The site training coordinator has no formal BWR training (but has nuclear navy experience).
- c. Only two of the 10 senior supervisors have BWR training, other than a 36-hour supervisor's short course given in November-December 1976.
- d. Only four of the 10 senior supervisors have nuclear navy or formal (college) nuclear-related education.
- e. Four of the 10 senior supervisors have no record of receiving QA training, other than a short introduction given in the 36-hour supervisor's course.
- f. Three of the four most senior supervisors on-site have only been on-site about seven months. Due to the scheduling of drills, they have participated in only one fire drill and in no emergency plan drills.
- g. Nine of the senior supervisory positions are identified as "SRO License desirable" in Figure 6.2-3 (Plant Staff Organization) of the Technical Specifications. Only one of these supervisors has a SRO licensee and the licensee stated that there were no immediate plans for others to obtain a SRO license.

3. Personnel Turnover

There has been considerable turnover of supervisory personnel in the past year. Except for the QA Supervisor, Administrative Supervisor, and Training Coordinator, all of the top ten supervisory/management positions on the site have had at least three occupants.

4. QC Surveillance

The inspector discussed three outstanding surveillance reports with the cognizant supervisors. An effort was made to determine the supervisor's knowledge of the surveillance discrepancy and the corrective action to be taken. It is the inspector's opinion that these cognizant supervisors were not familiar with the discrepancy or the corrective action.

5. Analysis of Licensee Event Reports (LER's)

The inspector reviewed two LER's to determine the level of supervisor involvement in the activities leading to the particular event and the supervisory analysis of that event.

- a. Field Change FECP 1503A "Drywell H₂ - O₂ Analyzer Cooler Change to CAC System," resulting in LER 76-157.

This field change was made to the Drywell H₂O₂ Analyzer Cooler in accordance with licensee modification procedures. To facilitate the modification the drainpot solenoid valves were disconnected (not covered by the modification procedure). A failure to reconnect these solenoid valves resulted in an inoperative Analyzer at power requiring the submission of a LER. The licensee's corrective action focused on: (1) insuring review bodies verify adequate checkout steps are in modification packages; and (2) revising the procedure for processing modifications.

It is the inspector's opinion that the licensee failed to take adequate corrective action in that no steps were taken to instruct craft personnel concerning changes to a modification procedure. Changes to an approved modification procedure that are not documented and reviewed may result in this type of equipment casualty.

- b. Modification to Transformer Taps on Startup and Emergency Transformers, resulting in LER 76-153.

This modification was made in accordance with licensee modification procedures. Changing the transformer taps requires de-energizing the transformer output which, in turn, de-energizes the Unit 2 air compressor. The loss of air resulted in deflating the boot (which had a previously unknown leak) on

the spent fuel pool gate resulting in a low spent fuel pool level. The corrective action, as described in LER 76-153, focused on the spent fuel pool leaking boot seal and a proposed fuel pool level alarm.

It is the inspector's opinion that the licensee failed to fully analyze the event's cause. The transformer was secured without consideration for loads served by that transformer. The modification procedure provides no direction concerning transformer loads, and no corrective action was taken concerning insuring appropriate detail in modification procedures.

6. Inspector Evaluation

Although Brunswick supervisory personnel meet ANSI N18.1 - 1971 qualification requirements, it is the inspector's opinion that staff training could be increased and that a deeper involvement in day-to-day plant activities is merited. This opinion was discussed with CP&L management subsequent to the inspection. Specifically recommended are:

- increase level of BWR technical training
- encourage more inplant time
- obtain "SRO-level" training for a greater percentage of the supervisory staff
- increase supervisor attention to plant activities, QA audits, and analysis of licensee events
- stabilize personnel turnover

R. H. Wessman

R. H. Wessman, Reactor Inspector
Reactor Projects Section No. 1
Reactor Operations and Nuclear
Support Branch

cc: F. S. Cantrell
H. A. Wilber

REPORT OF INTERVIEW

Darrell G. Hinckley, Reactor Inspector, Reactor Projects Section 1, Reactor Operation and Nuclear Support Branch, Region II, Office of Inspection and Enforcement, was interviewed telephonically on October 17, 1978 by William Foster and David Gamble of the Office of Inspector and Auditor. Hinckley was advised of the nature of the inquiry and that the results of the inquiry would be made public. He was also advised of the applicable provisions of the Privacy Act.

Hinckley said he is currently the principal Operations Inspector at the Watts Bar Nuclear Power Plant. He said he was the principal Operations Inspector at Brunswick during August and September 1978. Hinckley stated that from approximately August 1977 to September 1978 he was the principal Operations Inspector at the Robinson plant. Prior to August 1977, Hinckley's only association with the Carolina Power and Light Company's (CP&L) Nuclear Power Plants was to serve as a backup inspector to Floyd Cantrell on a number of occasions at Brunswick.

According to Hinckley, sometime around August 1977, Hugh Dance asked him to gather some facts about operating experience at Robinson. Hinckley used computer printouts to develop the information on the non-compliances and licensing event reports at Robinson. He said he also had to review some of the Robinson inspection reports to gather additional information on these items. Hinckley said he then passed onto Dance a tabulation of the data he collected. Dance asked Hinckley what his opinion was with respect to CP&L's operating experience and Hinckley responded that he was "kind of neutral" due to his limited involvement with Robinson up to that time.

Hinckley said there was "nothing significant" with respect to CP&L's operating experience at Robinson in the data he presented to Dance. Hinckley said he was aware that this information was being used by Dance in connection with the Shearon Harris hearing. Hinckley reviewed a draft of Dance's written testimony, and he felt Dance had satisfactorily covered the material that Hinckley gathered.

REPORT OF INTERVIEW

On September 8, 1978, Charles A. Barth, Attorney, Office of the Executive Legal Director (ELD) was interviewed by Roger A. Fortuna and William Foster, Office of Inspector and Auditor. Mr. Barth was advised of the nature of the inquiry and that the results of the inquiry would be made public.

Barth, who advised he was the responsible staff attorney for the Shearon Harris CP hearing, stated that he had an informal conversation with Dick C. DeYoung and Domenic B. Vassallo, the Office of Nuclear Reactor Regulation's Division of Project Management. Barth said he was advised that an Office of Inspection and Enforcement (IE) inspector alleged his views were not properly represented at the Carolina Power and Light Company (CP&L), Shearon Harris Construction Permit (CP) hearing in the fall of 1977. Specifically, the inspector felt that Virgil Brownlee and Hugh Dance, two Region II IE supervisors, did not properly present his views on CP&L's management capabilities in their testimony before the Atomic Safety Licensing Board (ASLB). Barth added this conversation took place on March 31 or April 3, 1978.

Barth advised that based on this conversation, Vassallo forwarded the pertinent background information concerning the allegation (see Attachment I) to ELD. Barth stated that after reviewing and discussing this information with Dick Brown, his Section Leader, James M. Cutchin, another ELD attorney, and Milton J. Grossman, Chief Hearing Counsel, he contacted Brownlee, who advised him the line inspector's (Floyd Cantrell) concerns were an operations matter which was under Dance's jurisdiction. Barth recalled that he and/or Cutchin discussed the situation with Dance on one or more occasions. Barth stated that in general, Dance told him and/or Cutchin that Cantrell's position was that CP&L did not pay close enough attention to the operations of the Brunswick and Robinson plants, and based on this he (Cantrell) questioned the utility's ability to adequately manage Shearon Harris. Barth said Dance added he (Dance) disagreed with Cantrell and testified accordingly.

Barth advised he then discussed the situation with Cantrell, who stated he felt Brownlee's and Dance's testimony adequately represented his factual input to the prepared hearing testimony but did not accurately represent his opinions concerning CP&L's management capabilities. Barth said Cantrell advised him that he had supplied written notes on his assessment of CP&L's management capabilities to Dance prior to the hearing and agreed to forward the notes to Barth.

Barth stated upon receiving the notes, he, Brown, Cutchin and Grossman reviewed them and the hearing testimony and concluded Brownlee and Dance had made no factual misrepresentation to the ASLB. Barth advised that

by letter dated April 18, 1978 (see Attachment II), he advised the Atomic Safety Licensing Appeal Board (ASLAB), who then had jurisdiction over the CP proceedings and the licensing board of ELD's conclusion in this matter and attached a copy of Cantrell's notes.

Barth was asked to comment on the portion of Dance's testimony in which Dance indicated he had no evidence of CP&L's inability to adequately manage Shearon Harris (see Attachment III). Barth stated he believed Dance's statement was proper in that Cantrell's notes only represented opinion and Dance was more qualified to comment on CP&L's management capabilities based on his experiences and the input of other cognizant Region II inspectors. Barth stated that there was no NRC policy in effect at the time of the October 4, 1977 hearing which required Dance to present Cantrell's views to the ASLB. According to Barth, Dance was obligated to present the Region II IE position, which he did, adding that Brownlee and Dance were only on the stand for about five minutes.

Barth stated that one of the questions supplied in advance by the ASLB concerned CP&L's past performance experience on Brunswick and Robinson (see Attachment IV). Barth advised that this was the first time he had seen such a question in his five and a half years working with licensing proceedings. Based on this question, Barth said he discussed with Brownlee and Dance past CP&L items of noncompliance which could possibly demonstrate a lack of management capability. Barth said nothing out of the ordinary surfaced. He stated at no time prior to the hearing did Brownlee or Dance mention Cantrell's position. Barth advised he thought he reviewed Brownlee's and Dance's testimony a few days before the hearing.

Barth said he and Cutchin telephoned Cantrell September 1, 1978, to determine if his position on this matter remained unchanged. According to Barth, Cantrell still held to his position except now Cantrell felt that all of the Brunswick personnel did meet the Technical Specification qualifications. Barth added that during this conversation Cantrell stated that it was the consensus view of the cognizant Region II inspectors that CP&L did not pay close enough attention to the operation of the Brunswick and Robinson units.

Barth stated he and Cutchin telephoned Brownlee and Dance on September 5, 1978. According to Barth, the two supervisors believed the heart of the matter was simply that Cantrell had a conflicting view (to theirs) with respect to CP&L's management capabilities.

Attachments:
As stated

APR 4 1978

Docket Nos: 59-406/401/102/403

MEMORANDUM FOR: Milton J. Grossman, Hearing Division Director and
Chief Counsel, OELC-

FROM: D. B. Vassallo, Assistant Director for Light Water
Reactors, OPR

SUBJECT: BOARD NOTIFICATION - SHEARON HARRIS
REGION II INSPECTOR CONCERNS (BN-113)

In a memorandum dated March 13, 1978, Mr. Gossick requested all office
directors to assure that the survey which was performed in response to
Congressman Dingell's letter of January 18, 1978 was adequate or supple-
mented as necessary.

As a result of Mr. Gossick's request, OIE identified the case involving
Shearon Harris, which is provided in the enclosure. Based on our knowledge
of the case, it appears that the Board was made aware of the inspector's
concerns as expressed by the inspector's supervisor. However, it is not
clear whether the Board was aware or made aware that the conclusion
reached by the supervisor may have represented a differing view from that
of the inspector.

It is my understanding that the Harris case is currently before the Appeal
Board. Therefore, on the face of it, I believe that the inspector's con-
tinued expression of concern is a matter which should be considered for
Appeal Board notification. However, I am forwarding this on for your
consideration since it may require review of the hearing record and a
legal interpretation of whether the Board was adequately informed.

Please advise me as to what action you recommend.

Original signed by
D. B. Vassallo

D. B. Vassallo, Assistant Director
for Light Water Reactors
Division of Project Management

Enclosure:
As stated

cc w/enclosure:

E. Case	R. DeYoung	J. Stolz
L. Volgenau	V. Stello	K. Knief
R. Boyd	D. Lisenburt	O. Parr
R. Mattson	T. Engelhardt	S. Varga
H. Canton	D. Blumquist	ICE (7)

Distribution:
Docket File
F. Williams (2)
→ BN-113

OFFICE →						LWR:JC	LWR:AD
SURNAME →						F. Williams:ld	OVassallo
DATE →				120		04/ 178	04/ 4 /7.

Description of Case.

Shearon Harris Nuclear Power Plant

In late September 1977, the CP hearing on the Shearon Harris plant was resumed after a long delay because of deferral of the company's construction schedules. The hearing board decision was not rendered until January 23, 1978. As part of the evidentiary hearing, Region II staff members appeared as witnesses on the subject of the qualifications of the applicant to engage in construction activities at the Harris site, while continuing operation of its H. B. Robinson and Brunswick plants.

During preparation of testimony for this hearing, an inspector assigned to one of the operating plants expressed concern about the extent of licensee management's commitment and its capability to engage in the large nuclear program involved by the addition of the Harris project. This inspector provided examples of problems he felt were indicative of his concerns.

The testimony sponsored in the hearing by this inspector's immediate supervisor included citation of the problems identified by the concerned inspector. However, the supervisor's conclusion, which was based on other evidence in addition to the identified concerns, was that although the company had had some problems, it was competent to engage in construction activities at Harris.

The inspector involved continues to question the overall competence, or attitude, of the company, its commitment of manpower and its financial capability to engage in the extensive program on which it has embarked.

MAR 20 1978

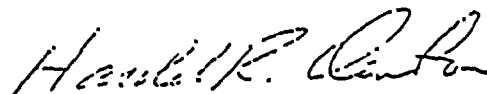
MEMORANDUM FOR: Edson G. Case, Acting Director
Office of Nuclear Reactor Regulation

FROM: Harold R. Denton, Director
Division of Site Safety & Environmental Analysis

SUBJECT: ADDITIONAL INFORMATION IN RESPONSE TO CONGRESSMAN
DINGELL'S LETTER OF JANUARY 18, 1978

On March 13, 1978 we sent you a memorandum which categorized the material provided by OSD and other offices in response to Congressman Dingell's letter of January 18, 1978. As a result of subsequent correspondence from Congressman Dingell, Mr. Gossick sent a further memorandum to all office directors on March 13, 1978 to assure that the original survey was adequate or supplemented as necessary. The material received by NRR from other offices in response to Mr. Gossick's directive is attached, and organized into groups appropriate for each NRR Division.

On March 24, 1978, NRC staff members met with Mike Ward of Congressman Dingell's staff. As a result of the meeting, it is my understanding that NRR Divisions should now review the enclosed material, and that transmitted on March 13, to determine its relevancy to NRR licensing decisions so that appropriate boards can be notified as necessary. Information contained in the material regarding OSD decisions concerning regulations, standards and guides should be returned to OSD for further action or disposition. Similarly information from any other office regarding their line activities should be returned.



Harold R. Denton, Director
Division of Site Safety and
Environmental Analysis

Enclosures:
As Stated

cc: R. Minogue
R. Boyd
R. Hattson
V. Stello



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

April 18, 1978

Alan S. Rosenthal, Esq., Chairman
Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Commission
Washington, D. C. 20555

Dr. John H. Buck
Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Commission
Washington, D. C. 20555

Michael C. Farrar, Esq.
Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Commission
Washington, D. C. 20555

In the Matter of
CAROLINA POWER AND LIGHT COMPANY
(Shearon Harris Nuclear Power Plant, Units 1, 2, 3 and 4)
Docket Nos. 50-400, 50-401, 50-402, 50-403


Gentlemen:

The Licensing Board, on January 23, 1975 and August 30, 1977, requested that the NRC Staff provide it a report on the Applicant's construction and operating experience. Two supervisory inspectors from the Atlanta Regional Office prepared testimony which was introduced as evidence at the hearing held on October 4, 1977, at which time the inspectors appeared and were questioned by the Licensing Board (Tr. pp. 2074-2079). It has come to our attention that one of the inspectors at Applicant's Brunswick facility felt that his views on the management capability of Applicant to staff and operate the Harris facility had not adequately been presented to the Licensing Board. We are enclosing the appropriate pages of the transcript, the testimony of the supervisory inspectors which was accepted as evidence, and the original notes, dated September 16, 1977, of the inspector who felt his views were not adequately presented to the Licensing Board.

We have reviewed both the testimony and inspector's notes, dated September 16, 1977, and discussed the matter with the inspector and his supervisor. The testimony accepted as evidence adequately reflected the factual content of the inspector's notes. The inspector questions the overall competence of Applicant to operate the Harris nuclear power plant. The Atlanta supervisory inspectors, who have a broader perspective, concluded that Applicant was

competent to construct and operate the Harris facility. Our review leads us to conclude that no factual matter was withheld from the Licensing Board at the hearing. The supervisory inspectors' conclusion that Applicant is competent to construct and operate the Harris facility is supported by the record. We see no reason to take the matter further than providing the foregoing information to the Appeal Board and all parties.

Sincerely,


Charles A. Barth
Counsel for NRC Staff

Enclosures:
As stated

cc w/enclosures:

Ivan W. Smith, Esq.
Mr. Glenn O. Bright
Dr. J. V. Leeds, Jr.
Richard E. Jones, Esq.
Thomas Erwin, Esq.
Wake County Public Library
George F. Trowbridge, Esq.
Mr. Jessie C. Brake
Atomic Safety and Licensing
Appeal Board
Atomic Safety and Licensing
Board Panel
Docketing and Service Section

2 appropriate if the Board addressed the questions they may
3 have to the two gentlemen from the Atlanta office, who are
4 the principal inspectors for the Shearon Harris project.

5 EXAMINATION BY THE BOARD

6 BY DR. LEEDS:

7 Q How often do you check on this equipment out at
8 the site that is being stored there?

9 A (Witness Brownlee) The storage of the equipment
10 has been looked at from around July '75 to the present,
11 approximately 17 times in our report. Excuse me, we have had
12 a total of 17 inspections of the facility, and we have
13 looked at it approximately 6 times, I believe. It is in
14 paragraph 6.

15 Q And you have no evidence of deterioration in the
16 quality of the equipment or anything like that?

17 A No, sir.

18 Q And based on your experiences with them in the
19 past on other projects that they are on, do you have any
20 concerns about their ability to manage this plant, or their
21 technical capabilities to run Harris, construct Harris and
22 then run the plant?

23 A In the areas of construction we have looked at
24 them in their Quality Assurance programs. We have no out-
25 standing, unresolved items at this time. Attachment III

construct the plant?

A No, sir.

Q Mr. Dance, what is your relation to this?

A (Witness Dance) I have principal inspectors working for me who are responsible for the operation, inspection at H. B. Robinson in Brunswick.

Q And there is no evidence that you have, of need for corrective action on management capabilities at those plants, or anything like that?

A Would you repeat the question?

Q There is no evidence you have of needs, or lack of technical ability or management capability of running this plant?

A That's correct.

DR. LEEDS: I have no more questions?

CHAIRMAN SMITH: Mr. Bright?

MR. BRIGHT: No, sir.

CHAIRMAN SMITH: Does anyone have any questions of this panel?

(No response.)

All right, gentlemen, you are excused.

(Witnesses excused.)

MR. BARTH: Mr. Chairman, may they be excused from the proceedings, sir, so they may return to Atlanta?

19 CHAIRMAN SMITH: Yes. We have nothing.

20 MR. BARTH: And may I also ask that the Board
21 excuse Dr. Spore to return to Oak Ridge?

22 CHAIRMAN SMITH: Oh, yes.

23 MR. BARTH: Thank you.

24 MR. JONES: Mr. Chairman --

25 CHAIRMAN SMITH: Wait a minute.

26 I just assumed that when a witness is told he can
27 step down from the witness stand that he is done, unless
28 somebody requested affirmatively that the witness be available.
29 So I guess that would also apply to everybody, Mr. Meltz, too.

30 Mr. Jones?

31 MR. JONES: We have rebuttal testimony and a
32 rebuttal witness here today. He is from the Boston area and
33 has a 7:45 plane. I understand from Mr. Erwin that he
34 thinks that he could complete his cross-examination this
35 afternoon.

36 If he could complete that this afternoon, it would
37 help Dr. Forbes. He is available. He could stay over until
38 tomorrow if it would inconvenience anybody, would rush
39 anybody.

40 But, we would like to finish if we can.

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

RECEIVED

January 23, 1975

JAN 23 12 13

Barth / Erwin / Lento ^{II} *(TF)*

JAN 23 1975
JAN 23 1975

George F. Trowbridge, Esq.
Shaw, Pittman, Potts &
Trowbridge
910 17th Street, N.W.
Washington, D.C. 20006

Thomas S. Erwin, Esq.
Conservation Council of North
Carolina Wake Environment, Inc.
115 West Morgan Street
Raleigh, North Carolina 27602

Charles A. Barth, Esq. ✓
Counsel for Regulatory Staff
Nuclear Regulatory Commission
Washington, D.C. 20555

In the Matter of Carolina Power and Light Company
(Shearon Harris Nuclear Power Plant, Units 1, 2, 3 and 4)
Docket Nos. 50-400, 50-401, 50-402 and 50-403

Gentlemen:

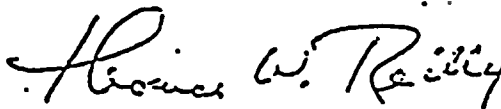
Without limitation on the Board's right and duty to inquire into whatever other matters may come to its attention during the forthcoming continuation of the CP evidentiary hearing, the following are certain questions the Board would like the parties to address at some point during the hearing:

1. To the Staff: What is the Staff's evaluation of the management capabilities of CP&L which have been observed during the construction and operation of CP&L's other nuclear plants? How does CP&L compare with other licensees?
2. To the Staff and CP&L: What particular experiences, both good and bad, has CP&L had with management of nuclear plants? How have these experiences been utilized to improve the management capabilities of CP&L?
3. To the Staff: Have sufficient additional personnel been added to CP&L to adequately manage the Harris plant? How does CP&L compare with other licensees?



4. To CP&L: How does CP&L monitor management performance and correct deficiencies? How does CP&L ensure that backup management is available if key personnel leave or become incapacitated for an extended period or die? How does CP&L train its management?
5. To the Staff and to CP&L: Are written procedures available and personnel trained to follow these procedures if a safety-related incident occurs? Who reviews these procedures? How are the results audited? How does CP&L discover incipient problems before the incipient problem becomes an incident? Do employees who report incipient problems receive rewards in some manner? How?

Sincerely,



Thomas W. Reilly, Esq., Chairman
For the Atomic Safety & Licensing Board

cc: Docketing and Service Section



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

OCT 18 1978

MEMORANDUM FOR: File

FROM: William H. Foster, Inspector/Auditor *WHF*
Office of Inspector and Auditor

SUBJECT: SHEARON HARRIS MATTER

On October 17, 1978, I contacted by telephone Charles Barth, Attorney, Office of Executive Legal Director. Barth advised that he provided the Shearon Harris ASLB with copies of the testimony of Hugh Dance and Virgil Brownlee in late September 1977, at least a week before Brownlee and Dance testified orally on October 4, 1977. Barth stated he "assumed" the Board read the written testimony prior to October 4, but did not have any evidence to this effect.

Barth stated he was aware of cases where an ASLB did not read the written testimony before a licensing hearing. Barth advised that there were no written procedures requiring Board members to read written testimony before a hearing, adding that there should be.

Barth stated that prior to the Shearon Harris hearing he advised Brownlee and Dance to "soft peddle" their testimony with respect to CP&L's capabilities to operate Shearon Harris. He added he made this advisement to Brownlee and Dance because it would be ridiculous to make detailed projects on a utility's capabilities to operate a plant "6 years in the future."

October 3, 1978

MEMORANDUM FOR: File

FROM: William H. Foster, Inspector/Auditor;
Office of Inspector and Auditor

SUBJECT: SHEARON HARRIS MATTER

On October 3, 1978 I contacted by telephone Mr. Ivan Smith, Member, Atomic Safety and Licensing Board (ASLB). Mr. Smith chaired the ASLB that sat for the Shearon Harris Construction Permit hearing. The purpose of the call was to advise Smith that the General Counsel had ruled OIA could interview the ASLB members without violating the ex parte rule.

Mr. Smith requested I read to him the General Counsel's determination, which I did. Smith commented regardless of what Kelley said he still saw ex parte problems, adding he was sure Dr. Leeds would be of the same opinion. Consequently, Smith did not believe the ASLB members would participate in the inquiry.

Smith then requested that I advise him of the scope of the proposed interviews. I did this, explaining to Smith the primary purpose of the interview was to discuss, in detail, the ASLB's position on the seriousness of the omission of Cantrell's views from the Region II testimony. With respect to the omission, Smith stated he believed the Board's position was clearly spelled out in their letter to the Commission. I advised Mr. Smith OIA's position was the letter was not detailed enough and we would need to interview the ASLB members to fulfill the Commission's order. Smith stated is probably would need further convincing as to what benefit talking to OIA would serve, adding this matter was far too serious to have the adjudicatory process disrupted by a violation of the ex parte rule.

Mr. Smith advised it would be totally inappropriate to discuss the Appeals Board decision.

Mr. Smith advised that James Yore, Chairman, ASLB, had never directed the individual board members on administrative matters, thus the determination as to whether he, Dr. Leeds or Mr. Bright talked to OIA would probably be theirs.

Mr. Smith stated he would discuss the matter with Bright and Leeds and get back to me this afternoon.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

SEP 27 1978

MEMORANDUM FOR: File

FROM: William H. Foster, Auditor *WHF*
Office of Inspector and Auditor

On Wednesday, September 27, 1978, I contacted Dr. J. Venn Leeds, Member, Atomic Safety and Licensing Board (ASLB) at Rice University (713-527-8101, extension 3575).

I identified myself to Dr. Leeds, then asked him if he was aware of the substance of the September 5, 1978, Commission Order concerning the matter of Carolina Power and Light (Shearon Harris Nuclear Power Plants, Unit 1, 2, 3, and 4) and he replied affirmatively. In response to my questions, Dr. Leeds also advised that he was aware of OIA's inquiry as directed by the Commission. I then advised Dr. Leeds OIA would need to discuss several matters with him in conjunction with the inquiry and accordingly, wished to set up an appointment for an interview. Dr. Leeds stated he fully wished to cooperate, but did not believe he would talk to OIA under the Ex Parte Rule.

I told Dr. Leeds I would seek a Commission determination with respect to the Ex Parte Rule and advise him of such determination. Dr. Leeds requested that Ivan Smith, Chairman, ASLB, make such an advisement since the Carolina Power and Light matter was a very sensitive issue and he could not be sure of my identity.

I told Dr. Leeds I would have Mr. Smith contact him and requested Dr. Leeds call me after such a contact was made. Dr. Leeds advised that he would be in Washington, D. C. on October 12, 1978.

A

October 26, 1978

MEMORANDUM FOR: File

FROM: William H. Foster, Inspector/Auditor *W.H.F.*
Office of Inspector and Auditor

SUBJECT: SHEARON HARRIS MATTER

On October 24, 1978, I was contacted telephonically by Alan S. Rosenthal, Chairman, Atomic Safety and Licensing Appeal Panel. Rosenthal advised the Shearon Harris Appeals Board must decline to be interviewed on the subject OIA had requested to discuss. He said the Board's position would be confirmed by a forthcoming memorandum he was sending to O. Gene Abston. Rosenthal advised that it was the Board's position that such an interview would have to touch on the remand issue the Board had appeal responsibility for. He stated that he really didn't believe the interview would serve any purpose, adding that if the Board had felt there was "any culpability on the part of the staff we would have said so" in ALAB 490.

Rosenthal advised that he was pursuing through the General Counsel a Commission decision to suspend the OIA investigation until after the remand issue is resolved.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

OCT 19 1978

MEMORANDUM FOR: File ..
FROM: David H. Gamble, Investigator *DHG*
SUBJECT: SHEARON HARRIS MATTER

Alan Rosenthal, Chairman, ASLAP, and Chairman of the ASLAB in the Shearon Harris matter, was contacted telephonically by David H. Gamble at 8:50 a.m., October 19, 1978, in order to obtain an interview appointment concerning OIA's inquiry into the Shearon Harris matter.

Rosenthal responded by saying, "I don't know whether at this point there would be something to be said for deferring the interview of my members until the obvious difference of opinion is resolved." Rosenthal said that he had reviewed the transcript of OIA's interview of the Licensing Board and he felt that our interview "...went far beyond what he felt would be permissible bounds." Rosenthal said he spoke with the Chairman yesterday who told him that Gene Abston had complained to him (the Chairman) that the Licensing Board was "obstructing" OIA's inquiry in the matter. Rosenthal said he also understands that the Licensing Board is about to level a complaint in this matter as well.

He said he felt that there was not much useful purpose in interviewing the Appeal Board members until all the ground rules in this matter were established. He did say, however, that he "...very much hoped to reach an accommodation with OIA.

He said that before our interview of the Licensing Board, he had called James Kelley, Acting General Counsel, to request that he exercise his good offices to get an accommodation between OIA and the Licensing Board. He understands that, as a result, Kelley spoke with Abston and the interview was subsequently arranged.

Rosenthal said he did not want to go through the "unpleasantness" that the transcript indicates took place during our interview of the Licensing Board. He said he has basic sympathy with the position taken by the Licensing Board members and that it was obvious that their position was not acceptable to OIA as evidenced by Abston's reasserting our position to the Chairman.

OCT 19 1978

File

2

I explained to Rosenthal that OIA has not requested a Commission resolution of this matter and that we are proceeding with our investigation and accordingly would prefer to interview the Appeal Board members at this time. Rosenthal said he still feels that the ground rules must be settled before going through with any interview.

Rosenthal concluded by saying that he is speaking for the entire Board as its Chairman in saying that, unless OIA indicated to him that we desired to pursue a different line of questioning than that of the interview of the Licensing Board, he would not consent to an interview at this time-absent direction to do so from the Commission.

REPORT OF INTERVIEW

Joseph M. Varela, Construction Consultant, P. O. Box 7243, Santa Rosa, California, was interviewed on November 2, 1978, by Roger A. Fortuna, William Foster, and David Gamble, of the Office of Inspector and Auditor (OIA), in Room 1200, Landow Building, Bethesda, Maryland. Mr. Varela was advised of the nature of the interview, of applicable provisions of the Privacy Act, and that the results of the inquiry would be made public.

Varela had telephonically contacted the Office of Inspection and Enforcement (IE) to relate that some of his inspection reports were changed against his will while he was employed at the Atomic Energy Commission (AEC), the predecessor agency to NRC. Varela thought that this might be relevant to the NRC investigation of alleged omissions at the Shearon Harris construction permit hearing. IE then referred Varela's complaint to OIA and OIA requested Varela to come to Bethesda for this interview.

Varela stated the following:

Varela was the first construction inspector at both of Carolina Power and Light Company's (CP&L's) nuclear power plants that were being built during the time that he worked for AEC: Robinson and Brunswick. Varela said that Ferris Bower was the principal inspector at these sites; Varela's role was supportive of Bower in the construction area.

Varela related an incident that occurred in 1967 or 1968 at an exit interview with CP&L officials at Brunswick. Bower started the exit interview by stating to the large group of officials present that everything they (the AEC inspectors) had observed at the plant was fine. At this point Bower turned the meeting over to Varela who replied openly that he did not know how to follow that "act" since it was terrible. Varela told the group that he found (1) the batch plant was out of calibration, (2) the foundation for the placement of concrete did not have the proper compaction, and (3) the concrete did not meet specifications. Varela asked two other individuals who were present to challenge him if he was wrong on these points, but they agreed with him. These individuals were Mylo Prisuta, head of Quality Assurance at Brunswick, working for Brown and Root Construction Company, and Joseph McSpaden, an engineer with United Engineers. Varela understood that two other individuals were later fired for allowing these problems to occur.

Varela stated the problem with this inspection was that after he wrote the report outlining what happened, Bower - who as principal inspector

must approve any report - refused to accept what Varela wrote. The report was eventually approved only after Varela took his case to John Davis, who was then the Director of Region II, Division of Compliance, AEC.

As a result of this incident, Varela said he had some qualms as to CP&L's ability to construct nuclear power plants. He felt CP&L relied too heavily on their top quality man - Harold Banks - who was not familiar with heavy construction and did not make himself aware by mingling with the contractor personnel to determine whether he could rely upon them. In addition to their reliance on Banks, CP&L also delegated too much control to their contractors: Brown and Root and United Engineers. As a result management lacked awareness of what actually happened in the field.

Varela said he had no other difficulties with alteration of any of the few reports he did regarding CP&L. He also said he was never restricted from reporting any other difficulties at CP&L in any way. Varela did say, however, that after this incident with Bower, his supervisor - Frank Long - took Varela off any projects at CP&L. Varela believed that this action may have been a result of his finding problems there; however, he said this was only a conclusion on his part. Varela advised the above information and his resulting conclusions were drawn from the 1967-70 time frame. He added he did not know if the situations as discussed still existed today.