

A-11

DOCKETED
USNRC

Chronology of Events Relating to the Illegal Transfer Allegation

'95 JAN 30 P2 24

February 16,
1988

J. M. Farley, R. P. McDonald, Bob Edwards (Troutman) and Nick Reynolds (Bishop Cook) meet with Commissioners Roberts, Bernthal and Zeck and with Victor Stello of the NRC to discuss plan to form a separate operating company.

March 2, 1988

Meeting between NRC and representatives of Georgia Power and Alabama Power "to discuss considerations for formation of a separate operating organization to operating Alabama Power and Georgia Power nuclear plants and to complete licensing proceedings for Vogtle Unit 2." Stipulation 5.

March 18, 1988

Meeting between NRC and representatives of Georgia Power and Alabama Power "to discuss the information that would be required in a submittal for amendments to the licenses and construction permit held by Alabama Power and Georgia Power for Farley, Hatch and Vogtle Nuclear Plants." Stipulation 6.

April 20, 1988

McDonald elected Executive Vice President of Georgia Power.

May 5, 1988

R.P. McDonald meeting with Commissioners Roberts, Carr, and Rogers, and with Messrs. Stello, Varga and Cohen (Technical Assistant to Comm. Berenthal) of the NRC to brief Commissioners who were unavailable during the February 16 meeting.

May 18, 1988

George Hairston elected Senior Vice President - Nuclear Operations of Georgia Power; Ken McCoy elected Vice President - Nuclear of Georgia Power; Southern Company and Georgia Power Boards authorized nuclear subsidiary (see also Southern Company press release of same date). Stipulation 8.

NUCLEAR REGULATORY COMMISSION

June 1, 1988

McDonald letter to the NRC announcing appointments of McDonald and Hairston and requesting that Hairston be the addressee for NRC correspondence concerning Vogtle.

Docket No. 50-425-04A-3 Official Exh. No. GPC 11
In the matter of Georgia Power Vogtle 1/2
Staff IDENTIFIED ☒
Applicant RECEIVED ☒
Intervenor REJECTED ☐
Cont'g Offr _____
Contractor _____ DATE 1-6-95
Other _____ Witness W. George Hairston
Reporter C. Riner

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June 22, 1988 SEC Form U-1 filed, showing three phase development of SONOPCO. Stipulation 9.

- Three phases contemplated (B-2, B-3, B-4)
- Shared employment agreements (B-1)
- Services Agreement for Phase II
- Operating Agreement for Phase III

July 25, 1988 Georgia Power meeting with NRC Region II to discuss "Nuclear Operations - Transition Organization." Stipulation 10.

August 12, 1988 Hairston letter to NRC informing of Georgia Power's recent reorganization of corporate office "in order to enhance support to its power plants" and replacing Gucwa with Kane on distribution list for NRC correspondence concerning Vogtle.

September, 1988 Cglethorpe Power Corporation intervenes at SEC.

September 21, 1988 Addison issues memorandum to Georgia Power, Alabama Power and SCS describing progress in forming a new subsidiary (SONOPCO).

- Joe Farley (Alabama Power President) asked to devote portion of his time in guiding the formation of new nuclear company
- McDonald and Hairston are dual officers
- Relocation to Building 40 of Inverness in Birmingham. Stipulation 11.

November, 1988 Phase I consolidation of Georgia Power, Alabama Power and SCS employees as "SONOPCO Project." Stipulation 12.

November 23, 1988 Amendment No. 39 to Vogtle FSAR. Stipulation 13.

- McDonald reports to Georgia Power "Chairman and CEO" (Scherer).
- McDonald and Hairston are officers of Alabama Power and Georgia Power.

December, 1988 Dahlberg replaces Scherer as CEO of Georgia Power; Scherer continues as "Chairman of the Board."

December 19-20,

1988 NRC inspection of corporate office in Birmingham. Stipulations 14 and 15.

Dec. 27, 1988 Dahlberg memorandum forming "Nuclear Operations Contract Administration Group" (Int. Exhibit 13)

Dec. 29, 1988 Hairston letter to NRC confirming "the staff function to support the plant and not as a line function to direct the operations of the plant. McDonald, Hairston and McCoy "do provide line management direction for the operation of the plant," as shown FSAR Figures 13.1.1.1-2 and -3 (November 23, 1988 FSAR). Stipulation 14.

March 30, 1989 Vogtle Unit 2 Full Power License Meeting with NRC Commissioners. Attended by Messrs. Dahlberg, McDonald, McCoy, Bailey and others.

March 1, 1989 Joe Farley becomes Executive Vice President - Nuclear The Southern Company and SCS and moves his office to the SONOPCO Project offices.

April 27, 1989 Hobby memo to F. Williams complaining of SONOPCO/NOCA interface: co-owner responsibilities; communications; interfacing with regulatory affairs (PSC) efforts; staffing; cooperation

May 1, 1989 W.G. Hairston submits letter of correction to NRC concerning the omission of Hairston from the management chain during the March 30, 1989 presentation to the Commissioners.

July 25, 1989 Georgia Power and SCS personnel met with NRC and "provided an overview of the current SONOPCO (still pending SEC approval) corporate structure" which "essentially remains unchanged from previous presentations." Stipulation 16.

August 10, 1989 Dahlberg and McDonald meeting in Atlanta during which Dahlberg instructs McDonald concerning PSC testimony.

August 17, 1989 Georgia PSC Consultant (GDS) files direct testimony on nuclear performance standards.

August 18, 1989 Meeting in Birmingham to discuss performance standard testimony of PSC consultant. Farley,

McDonald, Merv Brown, Gerald Johnson, Art Dobby, and others in attendance.

August 31, 1989 GDS witnesses stand cross-examination at PSC.

September 6, 1989 Georgia Power files rebuttal testimony with PSC.

November, 1989 Georgia Power Management Council meeting in which performance of VPs and GMs, other than SONOPCO Project, was discussed.

March 9, 1990 Hobby meets with NRC (Messrs. Brockman, Herdt, Goddard, Robinson, and Todd) and submitted allegations including "Mr. Hobby maintains that Pat McDonald reports to Joe Farley of SONOPCO instead of Mr. Dahlberg of Georgia Power," and that McDonald lied about who he reports to at the 3-30-89 Full Power Hearing. See notes of Mr. Todd.

March 28, 1990 Updated FSAR submitted for Vogtle. Stipulation 17. Shows McDonald as officer of Georgia Power and Alabama Power reporting to President and Chief Executive Officer of Georgia Power.

May 2, 1990 Messrs. Farley, McDonald and Hairston met with NRC Commissioners Roberts, Rogers, Curtis, and Carr and with Victor Stello, to present the status of formation of Southern Nuclear. "We described the involvement of J.M. Farley as Executive Vice President of Southern Company and the services of the SCS Technical and Administrative groups."

September 12, 1990 Hobby/Mosbaugh filed 2.206 petition with NRC - illegal license transfer allegation included among others

December 17, 1990 Southern Nuclear was incorporated. Stipulation 19.

December 27, 1990 Agreement for Services entered between Georgia Power and Southern Nuclear providing that "Southern Nuclear shall not perform any activities which are required to be performed directly by Georgia Power as licensee; operating responsibility for the plants shall remain under the direct management and control of GPC employees...."

January 1, 1991	Phase II began; all non-plant nuclear employees working within the SONOPCO Project became employees of Southern Nuclear. Farley became President and CEO of Southern Nuclear. McDonald and Hairston were triple-hatted (Georgia Power, Alabama Power and Southern Nuclear); McCoy (Vogtle) and Beckham (Hatch) were double-hatted (Georgia Power and Southern Nuclear).
January 11, 1991	Georgia Power/Alabama Power and Southern Nuclear personnel met with NRC to discuss Phase II formation. Stipulation 20.
March 28, 1991	Georgia Power submitted to the NRC Revision No. 1 to the Plant Vogtle Updated FSAR, reflecting changes to the organization as of September 28, 1990. Stipulation 22.
April 1, 1991	Georgia Power provided NRC a detailed response to the illegal license transfer allegation contained in the Hobby/Mosbaugh § 2.206 petition. (A preliminary response to the 2.206 petition was submitted on September 28, 1990.)
May 5, 1991	Alabama Power submitted to the NRC an application to amend the Plant Farley operating license to designate Southern Nuclear as the exclusive operating licensee of Plant Farley. Stipulation 23.
May 21, 1991	Southern Nuclear Board named Farley (who was President and CEO) Chairman and CEO; Southern Nuclear Board named McDonald (who was Executive VP) President of Southern Nuclear. McDonald and Hairston continued as Exec. VP and Senior VP, respectively, of Georgia Power. Stipulation. 24.
July 8, 1991	Hobby/Mosbaugh filed a supplement to their § 2.206 petition.
October 3, 1991	Georgia Power filed response to the Hobby/Mosbaugh supplemental petition.
October, 1991	Nuclear Services Agreement between Georgia Power and Southern Nuclear was executed.
November, 1991	Department of Labor ALJ in <u>Hobby v. Georgia Power</u> issued a Recommended Decision and Order in favor of Georgia Power

- ALJ found that Dahlberg exercised control over Georgia Power's nuclear plants.

November 22, 1991 NRC issued a license amendment for Plant Farley adding Southern Nuclear as the exclusive operating licensee. (All Alabama Power employees for Plant Farley were transferred to Southern Nuclear; McDonald and Hairston's Alabama Power hats were subsequently removed). Stipulation 26.

May, 1992 Hairston was named Exec. VP of Southern Nuclear and McDonald replaced Farley as CEO (Farley continued as Chairman of the Board; McDonald and Hairston continued as Exec. VP and Senior VP, respectively, of Georgia Power). Stipulation 27.

September 18, 1992 Georgia Power filed applications with NRC to amend Hatch and Vogtle licenses to designate Southern Nuclear as exclusive operating licensee.

October, 1992 Hobby/Mosbaugh filed petition to intervene in Vogtle license amendment proceeding.

October 23, 1992 Georgia Power notified NRC that Mr. Farley would retire effective November 1, 1992.

April 23, 1993 In a decision on the Hobby/Mosbaugh 2.206 petition, with respect to the illegal transfer of licenses allegation, the Staff concluded that there has been no illegal transfer of responsibility from Georgia Power to SONOPCO for the Vogtle or Hatch facilities. The Director's decision was subsequently vacated by the Commission. Georgia Power Co. (Vogtle Electric Generating Plant, Units 1 and 2; Hatch Nuclear Plant, Units 1 and 2), DD-93-08, 37 N.R.C. 314, 322 (1993), vacated, CLI-93-15, 38 N.R.C. 1 (1993).

June 1, 1993 R.P. McDonald retired. Mr. Hairston was elected President and Chief Operating Officer of Southern Nuclear. Mr. Allen Franklin, President and CEO of SCS, was elected Chairman and CEO of Southern Nuclear. Stipulation 32. Mr. Hairston was also elected Executive Vice President of GPC.

January 1, 1994 Mr. A. W. Dahlberg was elected President of The Southern Company; Mr. H. A. Franklin was

elected to succeed Mr. Dahlberg as President and CEO of GPC; Mr. W. G. Hairston (while remaining President of Southern Nuclear and Executive Vice President of GPC) was elected to succeed Mr. Franklin as CEO of Southern Nuclear. Stipulation 34.