

332 Piedmont Avenue  
Atlanta, Georgia 30306  
Telephone 404 526 3846

ENCLOSURE 2

I-79

NUCLEAR REGULATORY COMMISSION

Mailing Address  
40 Inverness Center Parkway  
Post Office Box 1295  
Birmingham, Alabama 35201  
Telephone 205 868 5540

50-424-OLA-3  
Docket No. 50-425-OLA-3 Official Exh. No. 79  
In the matter of GA Power Units 1+2  
Staff IDENTIFIED  
Applicant RECEIVED ✓  
Intervenor ✓ REJECTED  
Cont'g Off'r  
Contractor DATE 1-12-95  
Other Witness  
Reporter C. Riner

DOCKETED  
USNRC

95 JAN 30 1996

R. P. McDonald  
Executive Vice President  
Nuclear Operations

OFFICE OF SECRETARY  
DOCKETING SERVICE  
ELV-03114  
1124

Docket Nos. 50-424  
50-425

U. S. Nuclear Regulatory Commission  
Washington, DC 20555

ATTN: Thomas E. Murley, Director  
Office of Nuclear Reactor Regulation

Gentlemen:

VOGTLE ELECTRIC GENERATING PLANT  
REGARDING PETITION OF M. B. HOBBY AND A. L. MOSBAUGH

By letter dated August 22, 1991, the NRC requested Georgia Power Company ("GPC" or the "Company") to provide a response to each of the allegations contained in a July 8, 1991 supplement to the September 11, 1990 petition of Messrs. Marvin Hobby and Allen Mosbaugh (the "Additional Supplement"). Enclosed herewith the Company provides the requested responses to Sections I, II, III and IV of the Additional Supplement (Attachments I, II, III and IV, respectively).

Mr. R. P. McDonald states that he is an Executive Vice President of Georgia Power Company and is authorized to execute this oath on behalf of Georgia Power Company and that, to the best of his knowledge and belief, the facts set forth in this letter are true.

GEORGIA POWER COMPANY

By:

*R. P. McDonald*  
R. P. McDonald

Sworn to and subscribed before me this 3<sup>rd</sup> day of October, 1991.

*Susan Carter*  
Notary Public

MY COMMISSION EXPIRES JANUARY 12, 1993

Exhibit 79, page 1 of 6

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U. S. Nuclear Regulatory Commission  
ELV-03114  
Page 2

xc: Georgia Power Company  
Mr. A. W. Dahlberg  
Mr. W. G. Hairston, III  
Mr. C. K. McCoy  
Mr. W. B. Shipman  
Mr. P. D. Rushton  
Mr. J. T. Beckham  
Mr. M. Sheibani  
NORMS

U. S. Nuclear Regulatory Commission  
Mr. S. D. Ebnetter, Regional Administrator  
✓ Mr. D. S. Hood, Licensing Project Manager, NRR  
Mr. B. R. Bonser, Senior Resident Inspector, Vogtle  
Document Control Desk

GPC Response to Section II of the Additional  
Supplement to the Hobby/Mosbaugh

I. Petitioners' Allegation.

Petitioners claim that Mr. McDonald supplied false testimony in the Department of Labor ("DOL") proceedings concerning Messrs. Yunker and Fuchko and Mr. Hobby (hereinafter referred to as "Yunker/Fuchko" and "Hobby," respectively).

II. GPC Response to Petitioners' Allegation.

The Petitioners' allegation is without merit. Furthermore, the disputed points of testimony concern either irrelevant or peripheral points unrelated to the issues of retaliation or intimidation.

1. Mr. McDonald Supplied Truthful Testimony Regarding His Knowledge Of The Method Used To Select Certain SONOPCO Project Vice Presidents.

In the Additional Supplement to the Petition, Petitioners state that Mr. McDonald gave contradictory testimony in the Fuchko/Yunker and Hobby proceedings regarding the selection of Mr. McCrary as the Southern Company Services, Inc. ("SCSI") Vice President of Administrative Services for the SONOPCO Project. In asserting this position, Petitioners ignore the differences in the questions asked in the two proceedings. In Fuchko/Yunker, the question asked Mr. McDonald was whether he knew who selected Messrs. McCrary and Long for their positions. Mr. McDonald, who was not an officer in SCSI and did not have the authority to make such a decision, said he did not know and then qualified his answer further by saying that he assumed the President of SCSI was responsible for making the selections. Clearly, Mr. McDonald understood the question as referring to the person who had ultimate responsibility for making the selections.

In contrast, in Hobby the question asked of Mr. McDonald was whether he was "involved in the selection" of Messrs. Long and McCrary. In response, Mr. McDonald discussed the nature of his input into the selection process and, again, emphasized the distinction between ultimate responsibility for "selecting" the candidate and being "involved" in the selection process. The following colloquy illustrates that distinction:

Q. Did you select Mr. Hairston as Senior Vice President of Nuclear Projects?

A. When I say "select" I use that word to mean I was involved in having them elected by the Board of Directors; [the] Boards of Directors of their respective companies selected and was I involved in having the Board of Directors select George Hairston? Yes.

See Deposition testimony of Mr. McDonald, dated May 7, 1990, at p. 12, attached as Exhibit 1.

In the Hobby proceeding, Mr. McDonald also emphasized this distinction:

Q. And did you select Mr. McCrary?

A. No, I did not.

Q. Did you play any role in selecting Mr. McCrary?

A. I had an advisory role in it. Yes.

. . . .

Q. And did you select Mr. Long?

A. No. I had an advisory role.

Q. You had an advisory role in both situations.

A. Correct.

See Hobby Trial Transcript at pp. 626-27, attached as Exhibit 2.

In conclusion, there is no inconsistency in Mr. McDonald's testimony. Petitioners simply fail to note the differences in the two questions which were asked of Mr. McDonald.

2. Mr. McDonald Supplied Truthful Testimony Regarding The Method Used To Staff The SONOPCO Project.

Please see the Company's April 1, 1991 Response, Attachment 4, for a detailed response to Section III.4 of the Hobby/Mosbaugh Petition. Additionally, the Company provides the following information.

Petitioners again assert that Mr. McDonald testified untruthfully in the Hobby proceeding regarding the method used to staff the SONOPCO Project organization. Mr. McDonald did state that his understanding was that generally a tiering process was used, whereby superiors selected the subordinates who were to work under them. Petitioners now disagree with this

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characterization, and claim that the entire organization was staffed, top-to-bottom, during a two-day meeting in Atlanta, Georgia, attended only by top executives of the SONOPCO Project (Petitioners' claim "[a] thorough investigation will demonstrate that there was effectively no tiering process employed when the Vogtle and Hatch SONOPCO project positions were staffed." Additional Supplement at p. 11.) The sole source of Petitioners' views of SONOPCO staffing is Mr. McHenry, who admittedly was present for only two hours of that two-day meeting. Nonetheless, on the basis of this limited information, the Petitioners boldly assert that "Mr. McDonald is not telling the truth." Petitioners reach this conclusion only by distorting the gist of Mr. McDonald's testimony.

First, the selection process was not completed during the two-day meeting of the SONOPCO Project executives. The process took several weeks or so and involved follow-up meetings to select lower-level employees. Even then, some positions, such as General Manager - Nuclear Support (Hatch), remained unfilled for an extended period.<sup>1</sup>

Second, contrary to their contentions, Mr. McDonald did use or incorporate the words "general" and "generic" in describing his understanding of the staffing of the SONOPCO Project. He never purported to give an unqualified or rigid "top down" characterization of how the organization was staffed.

Third, Mr. McDonald stated repeatedly in the Fuchko/Yunker and Hobby proceedings that his testimony regarding the selection process was based on what he understood the process was to be and not based on his personal involvement in the selection process. For example, in the Hobby trial Mr. McDonald explicitly testified that the plan for selecting the SONOPCO Project staff (the tiering process) was worked out in advance and that he received reports from his subordinates indicating that that process had been utilized. At the same time, he emphasized that he was "not

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<sup>1</sup> The Petitioners, themselves, have no personal knowledge of the actual selection process which was implemented. Rather they simply assume that the two hour participation of Mr. McHenry in a two day meeting is sufficient information to demonstrate "the" process. Their assumption is wrong. Not only were some positions not filled in the selection process for an extended time, but also the work product of the two day meeting was not "the" selection. Mr. McCoy and Mr. Hairston (both new to the GPC nuclear organization) and Mr. Beckham obtained information in this meeting relative to the personnel resources available and did utilize organization charts which depicted several "tiers." While this facilitated the "tiered" efforts which followed the meeting, the meeting was merely one aspect to a significant reorganization effort.



part of the detailed planning and selection process" and, therefore, had no personal knowledge as to how it was accomplished. See Hobby Trial Transcript at pp. 625-26 (Exhibit 2).

Petitioners chide the Company for not providing affidavits of Messrs. Hairston, Beckham and McCoy regarding the precise method of selection which was used, implying that the Company had something to hide.<sup>2</sup> Given Mr. McDonald's actual testimony of his understanding and his involvement in the process, the precise method of selection actually utilized is irrelevant to truthfulness of his statements. Moreover, the issue in the Hobby DOL proceeding was not whether Mr. McDonald or Mr. McHenry was correct about the method used to staff the SONOPCO Project organization. Rather, Mr. Hobby had alleged that his contradiction of Mr. McDonald's testimony regarding SONOPCO Project staffing caused Mr. McDonald to retaliate against him. The evidence was undisputed that Mr. McDonald was never made aware of any such discrepancy between his testimony and Mr. Hobby's. In fact, Mr. Hobby himself admitted that his contention of retaliation by Mr. McDonald in that respect was sheer "speculation." See Hobby Trial Transcript at pp. 231-35, attached as Exhibit 4. Further, the lawyers who prepared the Fuchko/Yunker case for trial, and who allegedly were told by Mr. Hobby of this contradiction in testimony, testified without equivocation that Mr. Hobby never raised such a contention with them. Mr. McDonald also testified that he was never advised of any conflict between his testimony and that of Mr. Hobby in this regard. The recollections of Messrs. McCoy, Beckham and Hairston as to how the SONOPCO Project was staffed were, therefore, not only irrelevant in the DOL proceeding, but completely unnecessary in view of the undisputed testimony that Mr. McDonald was never aware that his testimony had been contradicted by Mr. Hobby.

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<sup>2</sup>Petitioners claim that Mr. Farley, then Executive Vice President of both SCSi and The Southern Company, supports their view of how the SONOPCO Project was staffed. Yet Petitioners cite only selected portions of Mr. Farley's deposition in Hobby on this subject. Mr. Farley testified at length on this subject at pp. 57-84 of his deposition. Copies of those pages are attached as Exhibit 3 for review by the Commission. Dispositive of this issue is that Mr. Farley specifically refused to adopt Mr. McHenry's version as to the method used to select the SONOPCO Project personnel.