

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of:)
)
DUKE POWER COMPANY, et al.) Docket Nos. 50-413
) 50-414
(Catawba Nuclear Station,)
Units 1 and 2))

DEPOSITION OF:

GEORGE W. GRIER, III

July 6, 1983
8:40 a.m.

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PDR FOIA
AHLERS83-434 PDR



1 APPEARANCES:

2 ROBERT GUILD, ESQ.
3 Columbia, S. C.4 Counsel on Behalf of Intervenor, Palmetto
5 Alliance Corporation6 RONALD L. GIBSON, ESQ.
7 Charlotte, N. C.

8 Counsel on Behalf of Applicant, Duke Power Company

9 Also Present:10 Glenn H. Bell
11 Duke Power Company12 William O. Henry
13 Duke Power Company14 Roger Ouellette
15 Duke Power Company16 Michael F. Lowe
17 Palmetto Alliance18 Phil Jos
19 Palmetto Alliance20 Betsy Levitas
21 Carolina Environmental
22 Study Group

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27 I N D E X

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George W. Grier

Direct

4

Cross

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EXHIBITS

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1 The deposition of George W. Grier, III, is taken at
2 the Corporate Offices of Duke Power Company, Charlotte, North
3 Carolina, on the this the 6th day of July, 1983, in the presence
4 of Robert Guild, Attorney for the Intervenor, and Ronald L.
5 Gibson, Attorney for the Applicant.

6 All formalities as to caption, certificate and
7 transmission are waived. It is agreed that Lynn B. Gilliam,
8 Notary Public in and for the State of North Carolina, may take
9 said deposition in machine shorthand and transcribe the same to
10 typewriting. Said deposition is taken subject alone to testi-
11 mony for competency, relevancy and materiality; and objections,
12 save as to the form of questions asked, are reserved until the
13 hearing.

14
15 GEORGE W. GRIER, III,
16 having been first duly sworn to tell the truth, was examined and
17 testified as follows:

18
19 DIRECT EXAMINATION

20 BY MR. GUILD:

21 Q Good morning, Mr. Grier. Would you state your full
22 name and business address for the Record?

23 A George William Grier, III; Post Office Box 33189,
24 Charlotte, 28242.

25 Q Is that at the Corporate Headquarters of Duke Power?

1 A Yes.

2 Q In what capacity are you employed at Duke Power?

3 A Corporate Quality Assurance Manager.

4 Q I am Robert Guild, Counsel for Palmetto Alliance.

5 I know you have heard this introductory material; but for the
6 Record, as you know, Palmetto Alliance is an Intervenor in the
7 Catawba Operating License case; and I trust you are aware that
8 Palmetto has filed for litigation a Contention Six that questions
9 the Quality Assurance in Construction at Catawba?

10 A Yes, I am.

11 Q If you would, sir, let's see if we can for the Record --
12 you have been present for a number of the depositions of other
13 witnesses -- maybe you can run down that list and tell me which
14 depositions you sat in on, Mr. Grier?

15 A I sat in on a deposition of Glenn Bell, Gail Addis,
16 J. C. Rogers, D. G. Beam, W. O. Henry.

17 Q All right, sir; thank you.

18 MR. GIBSON: Mr. Guild, can we get some
19 procedural matters out of the way? We will proceed
20 under the same stipulations; that is all questions
21 are deemed reserved except as to objections of form?

22 MR. GUILD: That is fine.

23 MR. GIBSON: Pursuant to your Notice of
24 Deposition and our continuing effort to identify
25 documents that might be responsive to your discovery

1 requests, Mr. Grier is making available to Palmetto
2 some documents that I will describe generally right
3 now; and then you can ask Mr. Grier some specifics
4 if you wish.

5 MR. GUILD: That would be fine.

6 MR. GIBSON: Using the July 15, 1982, memorandum
7 from C. N. Alexander to George Grier, which discusses
8 the status of the Welding Inspector non-technical
9 concerns, I want to identify for you some followup
10 documents related to the implementation of the non-
11 technical recommendations and what I say will basically
12 follow that memorandum, in case you review this with-
13 out the benefit of a transcript later on.

14 In Paragraph 1a under the General Recommendations,
15 the memo reads, well the memo references a program
16 entitled The Inspector, which will train Inspectors
17 in their role and responsibilities as it relates to
18 the Craft.

19 We have made a transcription of the videotape
20 presentation, The Inspector. That would be the first
21 document. Following in that memo, implementation of
22 a "Teamwork Program."

23 What we have for you is a status memo concerning
24 implementation of the Teamwork Program, which also
25 refers to the various specific aspects of the

1 Teamwork Program. I will hand you a copy of that and
2 perhaps you can follow with me as I identify these.

3 As you can see, Number One is a standard hard
4 hat. It is my understanding that has been implemented.
5 "Adopt logo" we have for you the logo and an
6 announcement in a document entitled The QA Record,
7 which is a document newsletter which is referred to
8 in Item Three of this Teamwork Program memo, so we
9 are making available the newsletter which shows the
10 logo which was implemented and to give you a
11 representative sample of the newsletter.

12 Item Four refers to a Bulletin, and we have a
13 copy of that Bulletin as a representative sample of
14 that item.

15 Item Six refers to Employee Forum. This is a
16 procedure involving employees, and we were making
17 available a copy of that procedure effective
18 February 1, 1983.

19 Item Seven refers to Quality Circle Program,
20 and the only documentation relating to this Quality
21 Circle Program is the May 17, 1982 memo from Grier
22 to W. H. Owen, which basically advises him of the
23 Quality Circle Program.

24 Also there is a copy of the QA Record referred
25 to earlier that also discusses the Quality Circle

1 that follows the memo.

2 The next item refers to increased training,
3 safety first-aid and development. What we have is
4 the Human Relations Training Series for 1983 through
5 1987, Supervisory and Non-Supervisory Employees.

6 Then going back to Mr. Alexander's memo and
7 following, it refers to Paragraph Two, which refers
8 to Recourse, three procedures are listed, Documental
9 Recourse Procedure implemented July 1, 1982.

10 Documental Quality Recourse Procedure and
11 Documental Harrassement Procedure implemented July,
12 '82. We have a copy of each of those procedures
13 referred to in Paragraph Two of the Recourse in
14 Mr. Alexander's memo and Mr. Grier's.

15 The next item under Paragraph Four of Mr.
16 Alexander's memo refers to communications and a
17 program for Supervisors at Catawba for training in
18 a program entitled Effective Communication Skills.

19 As you can see, Mr. Guild, this is a fairly
20 lengthy book which is the course book for that
21 Effective Communication Skills series. I would
22 simply request that when you have a moment if you
23 would take a look and determine whether you would
24 like a copy of this made and simply want to review
25 it, if you want a copy, we will have that done;

1 but it is a fairly lengthy document.

2 Mr. Grier reviewed his files again in prepara-
3 tion for the deposition and identified a July 29,
4 1982 memo to W. H. Owen indicating the status of the
5 task force recommendations, which we believe was not
6 made available during discovery.

7 Also a memorandum of March 2, '82, telephone
8 conference between Mr. Grier and a Welding Inspector
9 named Philip Edwards concerning production of
10 documents to Palmetto Alliance.

11 We have a memo to Mr. Grier's file regarding
12 that conversation. Also, Mr. Grier checked with each
13 of the Employee Relations Personnel in the QA Depart-
14 ment to see if they had documents which might be
15 discoverable or might arguably fall within the scope
16 of discovery; and identified from the file of Mrs.
17 Barbara Horne, an Employee Relations Assistant, a
18 June 2nd, '83 memo regarding her conversations with
19 Mr. Feemster, Eddie Feemster, a Welding Inspector;
20 and also a May 6, '83 memo from the file of Debbie
21 Ensley, which discusses a conversation she had with
22 Ken Carter.

23 And finally, earlier during a previous depo-
24 sition you referred or asked some questions about
25 the Step One Pay Recourse Documents. We are presently

1 having those actual documents copied and there should
2 be a copy ready for you this morning.

3 I would simply note that a representative
4 sample on each of those letters which were verbally
5 identical were included in the Gail Addis materials
6 and Warren Owen materials identified during discovery;
7 but we are making the actual file of Step One Docu-
8 ments available.

9 During the Larry Davison deposition Mr. Davison
10 produced documents relating to John Rockholt in a
11 memo he had written. Upon receipt of that memo by
12 Mr. Grier he wrote a June 27, 1983 memo to Mr. Larry
13 Davison and C. N. Alexander.

14 We are making available today a copy of the
15 memo written by Mr. Grier; and for convenience we have
16 attached to it all of the same Rockholt documents
17 produced during the Davison deposition.

18 Okay, you may proceed, Mr. Guild.

19
20 BY MR. GUILD:

21 Q Mr. Grier, if you would tell me when you first came
22 to Duke Power Company and the positions you have held, sir?

23 A I was employed in June of 1969 at the Oconee Nuclear
24 Station. I was responsible there for Welding Inspection, Non-
25 Destructive Examination. After that job --

1 Q Excuse me, what was your job title then, if you can
2 recall?

3 A I was hired I believe as an Assistant Field Engineer
4 and later promoted to Field Engineer.

5 Q All right, can you tell when you got the first pro-
6 motion?

7 A Not exactly, I would think it was probably Spring of
8 1970.

9 Q All right, sir. Assistant Field Engineer and then
10 Field Engineer at Oconee?

11 A That's correct.

12 Q All right.

13 A And then in May of '71 I was assigned to the McGuire
14 Nuclear Station as Senior Field Engineer responsible for
15 Construction, Technical Support Function, the Planning and
16 Scheduling Functions and the Quality Control Inspection Functions.

17 I remained at McGuire until May of 1980. My title
18 changed in 1974 to Project Engineer. At that same time, at
19 nearly the same time the Quality Assurance Department was
20 formed and my responsibility included the Technical Support
21 area, the Management Scheduling area and the Administrative
22 Supervision of the Quality Control Inspectors.

23 And then in May of 1980 I was assigned at Catawba
24 Nuclear Station as Planning Manager. I remained there until
25 October of 1981 and was assigned responsibility for Management

1 of the Oconee Station Support Division.

2 In February of '82 I was assigned to my present
3 responsibility as Corporate Quality Assurance Manager.

4 Q All right, sir; and prior to your employment by
5 Duke Power Company would you summarize your professional train-
6 ing and experience, please?

7 A I received a Bachelor of Science Degree in Physics
8 from Georgia Tech in June of 1964 and I entered the Navy and
9 served as an Officer in the Nuclear Submarine Area for five
10 years until June of 1969 when I was employed with Duke.

11 Q All right, sir; what were your duties in the Navy
12 if you could summarize those?

13 A For a period of time I was engaged in training both
14 at Nuclear Power Scope Proto-Time Reactor Training and
15 Submarine School.

16 After that training period, which was about a year
17 and a-half in length, I was assigned to a Nuclear Submarine and
18 held positions as Electrical Division Officer, Communicator,
19 Sonar Division Officer, Supply Officer and Operations Officer.

20 Q Mr. Grier, I want to understand your experience and
21 qualifications in the area specifically related to first Welding
22 and then Welding Inspection. Are you a Welder, sir?

23 A No, I am not.

24 Q Have you ever worked as a Welder?

25 A No, I haven't.

1 Q What, if any, formal training have you had in Welding?

2 A I've attended some courses presented by organizations
3 such as ANS on Welding. I attended a course presented by the
4 University of Tennessee on Welding Metallurgy and a course
5 presented by Ohio State University on Non-Destructive Examination
6 as well as Welding Theory.

7 Q All right, sir; were those courses during your tenure
8 with Duke Power?

9 A That's correct.

10 Q Give me an idea of the scope and extent. Were they
11 short courses?

12 A The one at Tennessee was one week in length and the
13 one at Ohio State was four weeks in length; and I attended a
14 course primarily in Non-Destructive Examination primarily at
15 Massachusetts Institute of Technology.

16 Q Was your work experience involved in Welding or
17 Supervision of Welding?

18 A As I said, at Oconee my responsibility included
19 Supervision, Second-Level Supervision of Welding Inspectors
20 and Non-Destructive Examination Inspectors; and during that
21 period of time I attended the training courses such as the ones
22 I've described plus a one-month training course presented by
23 Babcock and Wilcox centered around the Non-Destructive Examination
24 areas.

25 I subsequently was certified as a Level-Three

1 Inspector in Liquid Penetrant Examination, Magnetic Particle
2 Examination, Radiography and --

3 Q These are basically Non-Destructive techniques?

4 A Radiography, Ultra-Sonic Examination, Magnetic Particle
5 Examination and Liquid Penetrant Examination.

6 Q All right, sir; how about in the area of visual
7 inspection of welds?

8 A In the area of visual inspection, alot of the train-
9 ing involved inspections such as magnetic particle and liquid
10 penetrant inspections centered around the adequacy of a weld
11 for those inspections; and there is quite a bit on the nature
12 of welding defects, volume, metrics as they would relate to
13 radiography and ultra-sonic and surface defects.

14 Q Have you ever been certified as a Visual Welding
15 Inspector?

16 A No, I have not.

17 Q Do you hold yourself out as qualified to perform
18 Visual Inspections of Welds?

19 A Not at the present time.

20 Q Have you ever been so qualified in your opinion?

21 A I've never been certified with Duke Power Company to
22 perform visual inspections, so I've never performed that
23 inspection. In the training, education and certification in
24 regards to Non-Destructive Examination Techniques, I became
25 very familiar with the visual standards and was well versed

1 in those standards.

2 Q Mr. Grier, tell me when in your work with Duke that
3 you have supervised Inspectors in the Welding area.

4 A At Oconee during the period that I have already
5 mentioned I was a Second-Level Supervisor of Welding Inspectors.
6 And then during the period of time at McGuire that I mentioned
7 I was, I supervised the Manager or Senior Quality Control
8 Engineer, who among other Inspectors, had Welding Inspectors
9 reporting to him.

10 And then in my present assignment, of course, there
11 are Inspectors in the organization.

12 Q Have you ever had responsibility for reviewing the
13 Inspection documents originated by Welding Inspectors in your
14 work for Duke Power Company?

15 A In my first assignment at Oconee I had responsibility
16 for reviewing the Inspection Records generated. That is the
17 only time that I have had a direct responsibility in my assign-
18 ment at McGuire.

19 I reviewed some documentation on occasion, but that
20 was not a direct responsibility that I had.

21 Q So in approximately '69, '70 your first two positions
22 with the Company, you did some actual review of Welding Inspec-
23 tion documents?

24 A That's correct.

25 Q When you were at McGuire were you responsible for

1 supervising all Quality Control Inspections?

2 A Yes, I was administratively after the Quality
3 Assurance Department was organized in 1974.

4 Q How about functionally?

5 A Prior to the organization of the Quality Assurance
6 Department, both the Technical and Functional Direction of
7 the Quality Control Inspection rested within the Quality
8 Assurance Department.

9 We had, not reporting to me, a Quality Assurance
10 Engineer who reported to a Manager in the Construction Depart-
11 ment's General Office. But as far as the Technical and
12 Administrative Direction of Inspectors, that rested in my
13 organization; and of course, in '74 that was reorganized, the
14 Quality Assurance Department then was responsible for the
15 Technical Supervision and Direction and Construction for the
16 Administration.

17 Q Is that the way it remains at this time?

18 A No, in February of 1981 the Quality Control Organi-
19 zation was combined with the Quality Assurance Department so
20 at the present time Quality Assurance is responsible for both
21 Technical and Administration Direction of the Quality Control
22 Inspectors.

23 Q Mr. Grier, describe for me the circumstances in which
24 you became Corporate Quality Assurance Manager.

25 A Well, I had an interview with Warren Owen, who is

1 present Executive Vice President of Design and Construction.
2 And after that interview he asked me if I would be interested
3 in taking the position of Corporate Quality Assurance Manager.
4 I told him that I would be and he indicated that I would be
5 assigned to that position effective February 1st, 1982.

6 Q And when was that interview approximately?

7 A The last week in January, I'm not sure of the exact
8 date; the last week in January of 1982.

9 Q Why had that position become available?

10 A The Institute of Nuclear Power Operations, INPO,
11 was at that time beginning to put into place what they
12 termed as Phase Two, that being the evaluation of the Design
13 Construction Phase of Nuclear Plant Operations, and Mr. Owen
14 was on a Guiding Committee for the Phase Two implementation.

15 As I understand it there was a need for a highly
16 qualified individual who was familiar with various phases of
17 that Design Construction Operation, and he had decided that
18 Mr. J. R. Wells, who had been, who was Corporate QA Manager at
19 that time, had the Quality Assurance background plus a Construc-
20 tion background, as well as having an Engineering education;
21 and with those qualifications, decided that Mr. Wells would be
22 an excellent candidate to be heavily involved in the implementa-
23 tion of that Phase Two

24 So he obviously made a decision to make Mr. Wells
25 available for that position; and then it was determined to place

1 me in the Corporate Quality Assurance job.

2 Q What was the nature of your working relationship with
3 Mr. Wells, Mr. Grier?

4 A I'm not sure I understand the question. What period
5 of time?

6 Q Well, at the point when you became Corporate Quality
7 Assurance Manager?

8 A After I became Corporate Quality Assurance Manager?

9 Q No, before, sir.

10 A Well, at the immediate time before my assignment as
11 Corporate Quality Assurance Manager I was the Manager of the
12 Oconee Station Support Division; and in that assignment I had
13 no Quality Control Inspectors.

14 In other words, there was no individual in the Quality
15 Assurance Department reporting to me. My interface with the
16 Quality Assurance Department was mainly with the Senior Quality
17 Assurance Engineer at the Oconee Station; and I had during that
18 period of time between October '81 and February of '82, very
19 little contact with Mr. Wells.

20 Q Okay, prior to that position?

21 A Again, as a Planning Manager at Catawba, my activities
22 were not highly interfaced with the Quality Assurance Department;
23 and other than some conversations when he would visit the
24 Catawba Station, I really did not have any dealings with him.

25 Q Let's focus on that period you were at Catawba,

1 except for the October '81 til February '82 you were at Catawba?

2 A From May of 1980 until October of '81.

3 Q As a Planning Manager what was your area of responsi-
4 bility?

5 A I was responsible for maintaining and refining the
6 Construction Schedule and Resource Budget for Catawba, establish-
7 ing milestone dates and production rates and that sort of
8 thing, directing the sequence of work for the Craft Organiza-
9 tions.

10 Primarily that did involve scheduling work for the
11 Support Groups that support the Craft function.

12 Q Such as Inspectors?

13 A The schedules that we produced were sent to the
14 Quality Assurance Group at Catawba so that they could understand
15 what sequence of inspections needed to take place, what systems
16 needed records reviewed for subsequent turnover to the Operations
17 area.

18 Q Is it fair to understand then that in part your
19 responsibility was for scheduling of the Inspection function?

20 A The scheduling that we did did point out to them
21 what sequence of work they needed to perform so that schedules
22 reproduced were the documents they used to understand their
23 work schedule.

24 Q And from which their work schedules were derived?

25 A That's correct.

1 Q All right, help me understand how that function
2 worked, Mr. Grier. You established a series of Construction
3 milestones, and to accomplish those milestones not only did
4 certain Construction activities have to take place, but accord-
5 ing to procedures, certain Inspection functions had to support
6 those Construction activities.

7 Is that generally true?

8 A That's correct.

9 Q How would the Welding, let's take Welding as an area,
10 and example; how would the schedule of an individual Welding
11 Inspector be derived from your scheduling decisions in
12 Construction?

13 You gave me kind of a thumb-nail sketch how one would
14 derive from the other.

15 A All right, the Welding Inspectors were assigned
16 by the Quality Assurance Department to work in areas of the
17 Plant. As the Craft had work that needed inspecting, as they
18 finished work and it needed inspecting they would inform the
19 Inspectors and the Inspectors would perform their inspections
20 so essentially the Welding Inspectors were on a call basis.

21 The Quality Assurance Management basically would
22 take the schedules that we produced, look at the volume of
23 work that was likely to be generated by the schedules and make
24 sure they had sufficient number of Welding Inspectors assigned
25 to an area to cover that volume of work.

1 The Crafts would then, the Inspectors had what we
2 call sign-up sheets. The Craft, if they weren't able to
3 communicate directly with an Inspector, would say what activity
4 needed inspecting, and the Inspector would perform that activity.

5 So the Welding Inspectors do not have a schedule
6 precisely, but rather were called out by the Craft to perform
7 those inspection activities.

8 Q If I am a Welding Inspector and come into work the
9 first shift in the morning, how do I know where my area of work
10 is to be? What documents would reflect scheduling instructions
11 to me?

12 A As a Welding Inspector you would likely not see a
13 scheduling document. You would be assigned to an area and that
14 would be a long-term assignment, generally; so you would know
15 what area you were to work in.

16 The Crafts would be advising you of work they had
17 finished to the point they needed an inspection done. You
18 would do that inspection and perform your activities in that
19 manner.

20 Q What do you mean by long-term; give me an idea what
21 that would mean.

22 A As far as assignment to areas, yes; possibly a year
23 or longer.

24 Q By an area, do you mean a particular system or sub-
25 system of the Plant?

1 A No, an elevation or rather a particular floor, the
2 first floor of the Auxiliary Building or the operating floor
3 or area of the Reactor Building.

4 Q All right, how would the sign-up sheets that you
5 referred to relate to a schedule of a Welding Inspector?

6 A As I say, first a Welding Inspector, the Welding
7 Inspectors work from a particular location where they have a
8 desk and some areas to keep their procedures and materials and
9 equipment they use for their Inspections.

10 The sign-up sheets would be located there. If when
11 a Craftsman had a weld or activity that needed inspecting and
12 came to that area and found no Inspector available, they would
13 write down the description of what needed inspecting, the
14 location; and as an Inspector came back from another assignment
15 he would see that sheet and go and inspect the next work
16 activity that was on the sheet.

17 Q All right, sir; now what would be the first level
18 of Supervision above an Inspector; in this case, a Welding
19 Inspector that would have a scheduling document available to
20 him?

21 A The Supervisor would have those schedule documents.

22 Q Would that be the Technical Supervising Technicians?

23 A Supervising Technicians.

24 Q And what would that document consist of?

25 A That would be a document that would show the

1 sequence of system completion, particularly pointing out mile-
2 stone dates such as completing a system to begin flushing or
3 fibrostatic testing or turn over of that system to the Nuclear
4 Production Department.

5 Q What would that document be called? What is the
6 name of it?

7 A I'm not sure what it is called now. I think that
8 we termed it the Testing and Turn Over Schedule Document.

9 Q Is that a computer-generated document?

10 A The actual document, it is not. The testing logic
11 and sequence is on a computer program; but we did not generate
12 and still do not generate those documents directly from the
13 computer.

14 Q And is this the same schedule that would be used by
15 Construction Craft Supervision for scheduling purposes?

16 A Yes, it is.

17 Q And the same document that is used by more Senior
18 Management in the Company to monitor Construction completion?

19 A There are scheduling documents that are less detailed
20 that give Senior Management status of milestones. The document
21 I've described would be available to Senior Management to
22 review.

23 Q All right, give me some idea of what the size of
24 the testing and turn over schedule is you have referred to. Is
25 it a telephone book?

1 A Well, the document that is generated and given to
2 the Supervision that I have described probably would be standard
3 eight and a-half by eleven sheets, each sheet indicating the
4 schedule for a particular system might have twenty or twenty-
5 five sheets or twenty or twenty-five systems at a time.

6 That essentially is a slice out of the entire project
7 schedule. The schedule only looks ahead a certain period of
8 time, maybe ten to twelve weeks, the document that is given
9 to the Supervision.

10 Q By that we are referring to the First Level Super-
11 visor, the Supervising Technician?

12 A That's correct.

13 Q Would it just be in the particular systems that his
14 crew were assigned to work on?

15 A I believe each Supervisor would get the entire
16 package.

17 Q How is Production evaluated and monitored for Craft
18 at Catawba?

19 A Well, there are units of measurement that relate to
20 each type of work for the electrical area. For example, that
21 unite maybe number of cables pulled, number of connectors
22 terminated.

23 The scheduling organization computes the units that
24 need to be produced in order to make the Schedule. Actually it
25 is the other way around; the schedule is made, passed on to the

1 productivity that can be generated by the amount of resources
2 that can be placed productively into a certain area. But as the
3 work is completed the Craft report the number of units through
4 methods that we have for reporting, and that is then calculated
5 and the basic productivity is monitored from that information.

6 Q And is that productivity a measure derived for each
7 Craftsman?

8 A No.

9 Q Is a measure derived for a major unit of the Craft
10 Organization?

11 A Each crew can be measured. A crew would be a
12 Supervisor and maybe a dozen Craftsmen.

13 Q Now give me, if you can, in the general Craft areas,
14 the units of measure that are employed. You have used --

15 A Electrical I've mentioned already.

16 Q Yes, sir.

17 A In the Civil area we use tons of reinforcing steel
18 placed. We also use yards of concrete placed, square feet of
19 form work erected, tons of structural steel erected.

20 In the Instrumentation area we use number of instrument
21 loops erected. And in the Welding area we use the number of
22 essentially the number of welds that are made. The welds are
23 standardized based on size and diameter of the pipe and thick-
24 ness of the pipe; and we use a standardized weld so that each
25 weld is not counted as one weld, but rather a percentage of

1 an equivalent standard weld.

2 Q How about giving me a realistic example of how that
3 standardized unit of measure for welding would be computed?

4 A The schedule would indicate that a certain number of
5 equivalent welds would need to be produced in order to make the
6 schedule as the weld documentation is signed off and comes back
7 for processing, the number of equivalent welds made would be
8 computed and compared against the schedule.

9 Q As the term is generally employed, equivalent welds --

10 A I can't recall right now the precise term we use.
11 I may recall it.

12 Q Okay, help me understand what is the standard basic.

13 A Excuse me, weighted value is the term we use.

14 Q Yeah, how would you use that term in connection when
15 referring to welds?

16 A Well, the schedule might call for ten weighted value
17 to be reduced for small diameter piping that might equate to
18 thirty welds for large diameter welds. It might equate to half
19 a weld.

20 Q What is the standard unit that establishes the
21 standardized unit of measure in welding; do you know?

22 A I am sorry.

23 Q What is the standard six-inch pipe, is it a three-
24 inch weld or --

25 A I am sorry, I don't recall the standard.

1 Q It is based on the dimensions of the weld to be
2 performed?

3 A It is based on the diameter of the pipe and thick-
4 ness of the pipe.

5 Q All right, sir; now for the Quality Control Inspection,
6 what if any standards of production are employed?

7 A There are no standards of production developed by
8 the Construction Management Group for Quality Control work.

9 Q Are there any standards of production developed by
10 anyone?

11 A There are targets for productivity, for production
12 that are established by Quality Assurance Supervision as they
13 analyze the scheduling documents produced by the Construction
14 Department.

15 They may see in the area of Radiography, for example,
16 that they would need to radiograph a certain number of welds
17 per shift and will establish that as a goal or standard to meet.

18 Q And what would the unit of measure be for that
19 target?

20 A Number of acceptable radiographs.

21 Q How about for visual inspection?

22 A Those, I don't believe there is a standard produced
23 for those because the Welding Inspectors are assigned in the
24 areas to inspect the volume of work that the Craft generate,
25 and by assigning a sufficient number of Inspectors to the area,

1 they match the Craft production.

2 Q What would then form the basis for a measure of
3 productivity for a visual inspection function with the matching
4 Craft?

5 A That's correct, but there really is no measurement
6 of their production or productivity.

7 Q Let me understand this: would that be unique to
8 the visual inspection of welds, or is that unique to all
9 Quality Control Inspections?

10 A That is not unique with the Welding Inspectors, but
11 in other areas such as Radiography or Hanger Inspection, there
12 are production standards that are laid out or rather the Quality
13 Assurance Supervision can see the volume of work that has to
14 be generated and set some standards for the Inspectors to go
15 do the Inspection welding, Inspection or Visual Inspection is
16 different from the others in that there are hold point types
17 of inspections and work cannot proceed until that Visual
18 Inspection is performed.

19 For an activity such as Hanger Inspection, a back
20 log of work can build up and the Inspector can go do the
21 Inspection without essentially, I will say, interfacing with
22 the Craft Production efforts.

23 So for those types of situations Radiography, Hanger
24 Inspections, would be another one, Instrument Loop File Inspec-
25 tions would be another. Since there is no hold point type of

1 relationship with the Craft, the Quality Assurance Organization
2 has to be careful that we are not building a backlog of unin-
3 spected work and therefore we do set some standard of number of
4 loops we need to inspect per shift or whatever.

5 Q All right, what other areas beyond the Visual
6 Inspection of welds are not the subject of either production
7 goals or targets by Quality Assurance Supervision?

8 A Well, the inspection of concrete pours would be an
9 example. That is not a hold point type of situation where the
10 Inspector must be present as the activity is taking place, so
11 the Inspectors are assigned to work as the concrete is being
12 placed, and there will be no production-type goals set for that
13 activity.

14 Q All right, how about any others?

15 A Something like the Inspection activity that goes on
16 during a Hydrostatic test, that again is a situation where the
17 Inspector must be present as the activity is being performed,
18 so there is a hold point, no production type of goal is set
19 there.

20 Q Okay, how about any other Construction-type activities?

21 A I'm sorry?

22 Q Of the same character, any other Construction-type
23 activities of the same character? I understand you to say with
24 hold points the Inspector needs to be present and it is not
25 appropriate to set production goals.

1 A Visual concrete pours, hydrostatic testings; I can't
2 think of any others.

3 Q How about anything in the electrical area or instru-
4 mentation area?

5 A I believe that those activities are not hold point-
6 type of activities. Therefore they will not fall in the same
7 category.

8 Q Now I understand that it was earlier believed by the
9 Company that it was appropriate to place the Quality Control
10 function of Construction under the Construction Department for
11 Administrative purposes out of a need to effectively schedule
12 work; is that correct?

13 A Well, essentially I believe the decision was based
14 more on the fact that there is a general need to work overtime
15 in Construction activities, and that it would be more convenient
16 for the Construction Organization to schedule all that overtime-
17 type of work; and therefore it was thought that it worked best
18 if the Construction Organization was able to staff up the
19 Quality Control Group with sufficient personnel to perform the
20 work at the rate that Construction was scheduling it to be done;
21 in addition, to be able to assign and schedule overtime work
22 as needed for the amount of work that the Crafts were performing.

23 Q And this was the judgment that underlied the
24 organization of the Quality Assurance Department in 1978 with
25 respect to the QC function?

1 A I believe so.

2 Q And that organizational structure was changed; was it
3 not?

4 A Yeah, in February of 1981.

5 Q And with regard to this matter of scheduling the QE
6 function, why was the reorganization performed?

7 A I wasn't involved in the decision to reorganize, so
8 I don't know the specific reasons that the appropriate Manage-
9 ment decided to make the change.

10 Q Who would know?

11 A I would expect that Bob Dick, Warren Owen and Jim
12 Wells would know.

13 Q All right, sir; what is the impact, as you know, if
14 you know, of the reorganization on the efficiency of scheduling
15 of the QC function?

16 A There has not been any adverse impact that I've noted.
17 We have, since we have added a Planning responsibility to the
18 Catawba organization that was not present previously, we have
19 about three people who are assigned, not classical Quality
20 Assurance functions, but rather the function of taking the
21 scheduling documents, the scheduling plan produced by Construc-
22 tion, and making sure that is in the form that it can be under-
23 stood by the Supervisors and the Quality Assurance Department.

24 These individuals interface with the Planning
25 Organization and Construction to make sure the Quality Assurance

1 correctly interprets the schedule and will have sufficient
2 recourses available to match the Construction schedule.

3 Q Who would those people be by name and title at
4 Catawba?

5 A The Planning and Scheduling Supervisor is E. B. Miller.
6 He has a Technician working for him named Ray Williams and a
7 Clerk; and I'm sorry, but I don't recall the Clerk's name right
8 now.

9 Q And Mr. Miller's title?

10 A Manager and Scheduling Supervisor I believe.

11 Q And he works in the Quality Assurance Department?

12 A That's correct. Reports to Mr. Davison.

13 Q And Mr. Williams, if you know his title, please?

14 A I believe his title is Scheduling Expediter, I'm
15 not sure about that; but I believe it is.

16 Q Mr. Grier, how long has that Planning and Scheduling
17 function under Quality Assurance been in place at Catawba, if
18 you know?

19 A Mr. Miller was assigned that responsibility in
20 September of '82. Mr. Williams came earlier than that, I
21 think about June of 1982.

22 Q All right, sir; and before they were assigned that
23 responsibility how was it carried out or who did it?

24 A The Supervision and Quality Assurance had the
25 function of receiving the scheduling information from the

1 Construction Department and analyzing it for their area of
2 responsibility to be sure that they understood scheduling
3 requirements and what their particular group needed to do to be
4 responsible for the scheduling.

5 They also attended schedule meetings in which the
6 status and projection of schedule plans were presented.

7 Q I want to understand, Mr. Grier, how current produc-
8 tion schedules or ratings for completion of various pieces of
9 work, using the standard units of measure that you have referred
10 to, compare at present at Catawba with some other periods of
11 time in the past.

12 Do you understand generally the area I am interested
13 in?

14 A Let me see if I understand. You are interested in
15 productivity weights on the part of the Craft?

16 Q Yes.

17 A Now versus some particular time in the past?

18 Q Yes, generally.

19 A I don't review that information commonly. Now I do
20 attend the periodic Project Review Meetings that are held, and
21 there is some presentation of that information in regard to the
22 current production.

23 But as far as production in the past, I can only
24 rely on my recollection from some years ago, and well, to tell
25 you the truth, I really cannot tell you how the productivity

1 compares now with some time in the past. There has been an
2 increase in production in the Hanger area, for example.

3 But then there has been an increase in the resources
4 placed on that activity; so how that would relate in number of
5 Hangers per work hour, I can't say.

6 Q Is it fair to conclude that Construction at Catawba
7 is moving faster than anticipated or then expected, given the
8 prior scheduling milestones?

9 A No, I don't believe so.

10 Q Well, for instance, Mr. Grier, we understand that
11 the Company informed the Planning Board and the Operating
12 Licensing proceeding that the scheduling for completion and
13 fuel loading has been advanced by some four months. Do you
14 know that to be the case?

15 A I don't know if four months is right or not. I know
16 that the fuel load date has been advanced over one immediately
17 preceding that announcement of the advancement.

18 Q Right, are you aware of any prior occasion at which
19 Construction completion has been advanced at Catawba?

20 A No, I'm not.

21 Q Are you aware of any prior instance where Construction
22 completion has been advanced at any other facility that Duke
23 has constructed?

24 A I am not personally aware. I don't know whether it
25 has happened or not.

1 Q Are you aware generally of Construction more
2 frequently being delayed?

3 A Yes, I am.

4 Q At Catawba previously?

5 A Yes.

6 Q And at McGuire and Oconee?

7 A Yes.

8 Q Generally would you agree that at all of those
9 facilities that Duke has constructed, completion schedules have
10 been put back repeatedly and actual completion has been delayed
11 some years over the initial planned completion dates? Is that a
12 fair characterization?

13 A I agree generally the schedules have been delayed
14 over the initial expectations of the projects.

15 Q All right, what is your understanding of the reason
16 why, by contract at Catawba, the schedule has been advanced so
17 much?

18 A As I said, the announcement of the pulling back of
19 the fuel load date was a pulling back from the latest current
20 schedule information. As I recall there had been not long before
21 that a delay in that date; so in fact, the current fuel loading
22 date is not much different from the fuel loading date that was
23 in effect when I was the Planning Manager at Catawba.

24 For example, I don't remember exactly the date when I
25 was there, but in other words what I am describing is that the

1 date through some analysis was pushed up in time and then a
2 subsequent analysis said well, maybe that amount of time we
3 pushed it out was not entirely valid.

4 That is one of the observations I make about a
5 situation. The other, of course, is that there was a decision
6 by Construction to reorganize the way they managed the project.
7 That has had some impact on the ability to perform work on
8 schedule.

9 Also Craft persons as well as Inspectors and Quality
10 Assurance personnel have become available from the McGuire
11 Project to place at the Catawba Project.

12 Q How about from Cherokee?

13 A There is a number of people who come from Cherokee,
14 but that occurred really prior to this recent announcement of
15 this schedule improvement.

16 Q There has been essentially no construction activity
17 at Cherokee for some time?

18 A That's correct.

19 Q And any transfers from Cherokee to Catawba would have
20 occurred earlier?

21 A Yes, I don't recall the time frame but essentially
22 at the time we announced the curtailment of work on Unit One,
23 I can't recall exactly when it was.

24 Q All right, give me a rough idea if you know, Mr.
25 Grier, how many Craft have transferred from McGuire to the

1 Catawba Project?

2 A This would be a very rough guess, and let me put some
3 time frames on it. I would say in the last, since the first of
4 the year, there has probably been Fifteen Hundred or so.

5 Q And roughly how many Inspectors, Quality Control
6 Inspectors from McGuire to Catawba?

7 A In round numbers, I would think Fifteen to Twenty.

8 Q All right, sir; now do you recall previously a fuel
9 load target of October, 1984?

10 A No, I think that was the one that came out of an
11 analysis that was completed in the period of time that I was at
12 Oconee. I don't think that was the target date when I was the
13 Planning Manager there.

14 Q Would that, if you accept October '84 as being the
15 previous fuel load target, would that have been the target that
16 reflected the anticipated slippage that was then regained
17 essentially which you were describing earlier? Does this sound
18 right?

19 A I would think so, yes.

20 Q Do you know anything else about the basis for the
21 anticipated slippage to the October date, or whatever date it
22 was before it was then more recently advanced to the previous
23 projected completion date?

24 A I don't know anything specifically about that analysis.
25 I would expect it was an analysis similar to the ones that were

1 performed when I was Planning Manager.

2 Q Now tell me what you meant by the Construction
3 Reorganization at Catawba.

4 A The Construction Organization has been a pretty
5 classic pyramid-type organization in which the Project Manager
6 had a Craft Organization with Craft Supervision at various
7 levels, a Technical Support Organization with the same sort of
8 pyramid structure, a Planning Organization similar structured,
9 and Administrative area.

10 The Construction Department decided to put in place
11 a matrix-type of organization which involved individuals within
12 the Technical Support Organization and within the Planning
13 Organization actually becoming part of a Unit Organization that
14 included Craft Supervision, such that one Manager who may have
15 responsibility for Unit One Reactor Building would not only
16 have the Craft assigned to do the work in that building, but
17 would have engineers and technicians responsible for developing
18 Construction procedures and communicating with Design Engineering
19 as need be to resolve problems.

20 That person would also have some planning individuals
21 capable of producing detailed schedules for that work.

22 Q And when was this reorganization implemented?

23 A In the June/July/August time frame of last year.

24 Q Of 1982?

25 A I believe that's correct.

1 Q Were there any significant changes in personnel
2 responsible for the new organization?

3 A Within the new organization there were some key
4 individuals from the McGuire Organization that came and filled
5 some slots in that new organization.

6 Q Who were the key McGuire people?

7 A The individual who was the Senior Construction
8 Engineer at McGuire came and became responsible for the Unit
9 One Construction activity; and by that I mean that this person
10 was responsible, is responsible, for supervising the Unit One
11 activities, including Craft, the Technicians and Engineers.

12 I have described the Planning people who were matrixed
13 into that organization. The individual who was responsible for
14 planning and scheduling at McGuire came into the Planning
15 Organization at Catawba.

16 The Construction Engineer responsible in the Mechanical
17 Technical Support area at McGuire was assigned at Catawba and
18 is responsible for the supervision of these Engineers and
19 Technicians who were matrixed into this Construction Unit that
20 I've described.

21 The Construction Engineer responsible for Hangers at
22 McGuire was assigned in the Hanger area at Catawba. Those are
23 some of the key reassignments.

24 Q Let's see if we can put some names with those people.
25 Who was the Senior Construction Engineer?

- 1 A T. E. Touchstone.
- 2 Q Spelled like it sounds?
- 3 A Right, Touchstone.
- 4 Q All right, sir; and Planning and Scheduling?
- 5 A That was T. L. Hunt.
- 6 Q And Construction and Engineering Mechanical Structural?
- 7 A That is B. E. Bright, B-R-I-G-H-T.
- 8 Q And the Hanger area?
- 9 A That was H. L. Wallace.
- 10 Q Any McGuire people in the Welding area?
- 11 A No, I don't believe so.
- 12 Q Now, did these key people displace persons previously
- 13 responsible at Catawba?
- 14 A No, these were positions created by this different
- 15 arrangement of organization and Construction.
- 16 Q How did the reorganization affect the responsibility
- 17 or authority of the Project Manager?
- 18 A There was no difference in his responsibility or
- 19 authority.
- 20 Q How did this reorganization affect the Quality
- 21 Assurance area at Catawba?
- 22 A There was no affect on our authority or support area.
- 23 Q How about on the organization of the Quality
- 24 Assurance?
- 25 A As I mentioned, we determined that we needed to

1 assign some full-time personnel in the Planning-type area. We
2 did make an organizational change at Catawba, not in relation-
3 ship to this Construction Reorganization, but rather because we
4 have people available in the McGuire Organization as that
5 activity decreased at McGuire.

6 Q All right, and what significant changes came about
7 in QA at Catawba in that manner?

8 A We assigned the person who had held the task of
9 Senior Quality Assurance Engineer at McGuire, that being the
10 Senior position in QA at McGuire. We assigned that person as
11 the Quality Control Superintendent; and this person supervises
12 all of the Inspectors at Catawba and reports to the Project
13 QA Manager. At the same time we eliminated the position of
14 QA Manager Projects, that being the position that supervised
15 the Catawba, McGuire and Cherokee Construction Quality
16 Assurance Effort.

17 We eliminated that position. The remaining
18 Construction Quality Assurance activity at McGuire was placed
19 under the Operations QA Division, who had become well staffed
20 at McGuire; and that person who held the QA Manager Project
21 position was then assigned as the QA Manager at Catawba
22 responsible for the Catawba Quality Assurance activities, also
23 for the Quality Assurance effort that remains at Cherokee.

24 At the same time we made that change, in addition
25 to the Planning Supervisor we reorganized or rather had the

1 surveillance, our QA Surveillance Activity Supervisor report
2 directly to the Project QA Manager instead of to the Senior QA
3 Engineer.

4 So essentially in that organization we put a Quality
5 Assurance Manager on site at Catawba. Reporting to him is the
6 Quality Control Superintendent, the Senior QA Engineer responsible
7 for technical activities and Record Administration and a Planning
8 Supervisor and the Surveillance Supervisor.

9 There is also an Employee Relations Assistant who
10 reports to the QA Manager.

11 Q I think I missed the QA Technical area.

12 A That was the Senior Quality Assurance Engineer.

13 Q He became Quality Control Superintendent?

14 A I'm sorry; the Senior Quality Assurance Engineer
15 at McGuire became the Quality Control Superintendent at
16 Catawba. The Senior Quality Assurance Engineer at Catawba
17 maintained that title, but the responsibility involved the
18 Technical and Record Administration.

19 Q And the Superintendent position is a new position?

20 A That was a new position.

21 Q And that took some of the responsibility from the
22 Senior QA Engineer?

23 A That's correct.

24 Q Help me understand, first let's fill some names in.
25 Who is now the QC Superintendent?

1 A That is Joe Willis; J. W. Willis, I believe.

2 Q And the Quality Assurance Manager now?

3 A That is L. R. Davison.

4 Q He held the position of QA Manager of Projects
5 before?

6 A Thats correct.

7 Q And the Senior QA Engineer?

8 A That is Bob Morgan, R. A. Morgan.

9 Q How about the Surveillance area?

10 A That is Rob Atkins.

11 Q All right, explain how Mr. Willis and Mr. Morgan's
12 responsibilities are broken up between the two of them.

13 A Well, Mr. Willis has responsibility for Supervision
14 of all the Quality Control Inspectors. Mr. Morgan supervises
15 the Quality Assurance Engineers and the Technicians who are
16 responsible for the interpretation of Quality Assurance
17 Procedures, the review of Construction Procedures generated by
18 construction.

19 He also supervises the Records, QA Records Supervisor,
20 this area is responsible for reviewing all of the Quality
21 Assurance documentation produced by the Inspectors as well as
22 by Construction and for filing and maintaining that documentation.

23 Q All right, what was Mr. Morgan's responsibility
24 formerly?

25 A He had the responsibility I have just described plus

1 the responsibility for supervision of the Quality Control
2 Inspectors.

3 Q Why was that change made?

4 A Because of the availability of Mr. Willis from
5 McGuire and the feeling that our organization would be more
6 efficient broken down in the manner that I've described.

7 Q Now held me understand, Mr. Grier, what the response
8 would be from the Project Manager, Project Management if
9 Quality Control Inspectors in an area were not meeting production
10 targets? Let's talk about an area such as Hangers.

11 What would you understand the procedures and policy
12 to be if appropriate Management observed that Hanger Inspectors
13 were not keeping up with production expectations?

14 A With our present setup I would expect that that
15 information would come to us through the Management and
16 Scheduling Supervisor position, through Mr. Miller. He would
17 be told or would observe through his contacts with the
18 Construction Planning Organization that, in fact, we were not
19 keeping up in that inspection area.

20 He would discuss that with his staff at Catawba,
21 with Mr. Davison, with Mr. Willis and other Supervision as
22 needed. And they would determine the correct course of action
23 to resolve that situation.

24 It might be a case where there was a short-term
25 spike in production which might be taken care of by some

1 scheduled overtime, some weekend work. If, in fact, it looked
2 like a long-term situation, then we would, the Catawba QA staff,
3 would indicate to the Management of Administrative Services
4 that more resources were needed.

5 Those resources might be obtained by hiring from
6 outside or transferring from some other organization within
7 Quality Assurance, or transferring from some other department
8 in the Company.

9 Q What other possible causes might you anticipate?

10 A I'm not sure I understand what you mean "causes"?

11 Q You have identified if you saw it as not keeping up
12 with the production level and the Craft in satisfying Hangers,
13 a temporary spike in production, you add more Inspectors, more
14 overtime on a short-term basis?

15 A Right.

16 Q Long term, you add more Inspectors, new hires, new
17 transfers?

18 A Correct.

19 Q What if it is simply not a question of there being
20 more work but the Inspectors not working at an appropriate level
21 of production?

22 A Well, that would be something that the First Line
23 Supervisor would be responsible for observing to make sure that,
24 in fact, the Inspectors were on the job, were carrying out their
25 activities in a timely manner.

1 If hypothetically he observed an Inspector or more
2 or assumed not to be at their work place as required or keeping
3 up with their production, that Supervisor would have some
4 counseling with that employee to determine the cause and to
5 resolve the matter and make sure the Inspector understood his
6 responsibility for adequate production.

7 Q Does that exhaust this hypothetical instance? Let's
8 take the instance of Hangers, in Hangers you have some objective
9 measures of production, right, for inspection? There are
10 targets?

11 A That's correct.

12 Q And there are also some objective measures of
13 Construction productivity standard units of measure, Hangers
14 installed?

15 A (Witness nodded his head affirmatively.)

16 Q The unit of production in the Hanger area are
17 constantly, I assume we are not seeing a spike in levels of
18 Hangers installed; they are following the form.

19 A Well, that might not always be the case.

20 Q Certainly, but let's assume, let's try to hold that
21 constant.

22 A All right.

23 Q There is no change in productivity level in the
24 Craft and/or Hanger installation area, but there is a drop in
25 the productivity level of the Hanger Inspection function. Now,

1 kind of programatically , what I am trying to get a handle on,
2 Mr. Grier, is how your organization responds in that hypotheti-
3 cal instance if you have an individual and he is not where he is
4 supposed to be on time, or he is observed doing something other-
5 wise that accounts for his production being low.

6 I can understand your answer, but programatically ,
7 now in the Hanger example we see Hanger Inspection falling down,
8 and what programatically do you do? What is the response?

9 A Well, I am sure there would be some analysis by the
10 appropriate Supervisors in Quality Assurance to see whether
11 there is some particular problem with the sequence whereby we
12 are carrying out our inspection when there is some particular
13 requirement of our Inspection Procedure that is giving the
14 Inspectors trouble in determining acceptability.

15 There might be a case where they are, the Inspector
16 possibly, is taking longer to do a certain type of Inspection
17 then was anticipated; and some analysis would be made to see
18 if there is a more efficient way to do that.

19 Of course, if not, of course the alternative would
20 be to increase the resources.

21 Q Now, later circumstances reduced the production by
22 the Quality Control Inspectors. That has occurred at Catawba,
23 has it not?

24 A I'm not aware of any substantial, or any situation
25 that comes to mind, where we've seen a decrease in production by

1 Quality Control. I certainly cannot think of any specific
2 examples, no; but there are circumstances where our backlog has
3 increased in certain areas and we have taken steps to increase
4 our effort to reduce the backlog of work.

5 Q Give me an example of that; where has that occurred
6 where you have had a backlog?

7 A Well, the Hanger area I think is an example of that.
8 Where in the past we have had some number of Hangers to inspect
9 and that has been built up by the Craft and we have taken steps
10 to reduce that backlog.

11 Q What did you do in that case?

12 A We worked some overtime and we added Inspectors to
13 the organization; and I believe we did some changing in the
14 sequencing, or rather the manner in which the Inspectors
15 carried out their assignment, the interfacing that they had with
16 the Craft and with the Technicians and Engineers who were on
17 site.

18 We increased the availability that those Inspectors
19 have with those individuals.

20 Q When did this example occur in the Hanger area?

21 A Well, the most recent example I think may have been
22 three or four months ago.

23 Q Describe generally, using this Hanger example now,
24 how you changed the manner of performing their Inspection
25 function.

1 A Well, what we did, was form some Inspection Teams.
2 The previous Inspectors had essentially been assigned to
3 inspect Hangers in a particular area, and as Hangers were
4 available in that area, they were given Process Control infor-
5 mation and they would go out and inspect those Hangers.

6 What we did was form an Inspection Team that works
7 closely with the Craft and Technical and Design Team that is
8 doing the Hanger erection so that instead of the Inspectors
9 inspecting Hangers that might have been erected some months ago,
10 they are inspecting Hangers erected more recently.

11 The Crafts are more available in the area to assist
12 the Inspectors in putting scaffolding in place for the Inspectors
13 to get to the Hangers for inspection and performing those kinds
14 of tasks to facilitate the function.

15 Q Are there Hanger Craft assigned to the Inspection
16 Team?

17 A No, it is the other way around. There is a Craft
18 Technical Design Engineering Team that is involved in the process
19 of erecting Hangers; and what we did was assign some Inspectors
20 to work with those teams.

21 Q And were there appropriate changes made in Inspection
22 procedures, Quality Assurance Department procedures, to affect
23 that change?

24 A The inspection instructions remained the same.
25 There is no change in the criteria for the acceptability of a

1 Hanger erection, so there are no charges in the instructions to
2 the Inspectors as to how to perform the inspection.

3 I believe that in the basic Quality Assurance pro-
4 cedure that covers Hanger Inspection there was some Administra-
5 tive information put in that procedure to describe this working
6 relationship.

7 Q All right, can you identify by letter or number that
8 procedure for Hangers?

9 A That procedure is M51, I believe.

10 Q All right, would you like to take a break, ten
11 minutes?

12 MR. GIBSON: Yes.

13 (Whereupon, the deposition recessed at 10:10
14 a.m. and resumed at 10:40 a.m. following an Off-the-
15 Record conversation regarding the availability of
16 Mr. Davison as a witness.)

17
18 MR. GUILD: If there is anything you can do as
19 far as arranging Mr. Davison's vacation schedule --

20 MR. GIBSON: If matters change from what we
21 have indicated in that letter --

22 MR. GUILD: My request is to have him available
23 through the 15th.

24 MR. GIBSON: We are saying he will not be
25 available next week.

1 MR. GUILD: Are we ready to resume?

2 MR. GIBSON: Not yet, hang on.

3 (Whereupon, the deposition was adjourned from
4 10:44 a.m. to 10:55 a.m. and reconvened as follows:)

5
6 BY MR. GUILD:

7 Q We were talking, Mr. Grier, about Hangers as an
8 example of an inspection area where there has been a backlog
9 previously, and you were talking about the corrective action,
10 the adjustments made to respond to that backlog and you have
11 changes in the Administrative handling of the Inspection process
12 and gave reference to the M51 Procedure which deals with Hanger
13 Inspection procedures; is that correct?

14 A That's correct.

15 Q Describe as specifically as you can without the
16 document in front of you what the nature of the procedural
17 changes were that you refer to.

18 A I would have to just give you a general description,
19 but some of the Administrative changes dealt with how Design
20 Engineers that are stationed in a field can review inspection
21 discrepancies and determine the disposition of those discrepan-
22 cies.

23 That is one area that is dealt with in the procedure,
24 I believe.

25 Q As I recall the other information that would have

1 been changed in the procedure describes the fact that there are
2 teams of Craftmen, Technicians, Engineers, who are engaged in
3 this erection process.

4 A I don't believe there is much detail in the procedure
5 in regard to that; but I believe there is some mention in regard
6 to the procedure.

7 Q Would the team include a representative from Design
8 Engineering?

9 A Yes, it would.

10 Q Who would have been the authority to review and
11 identify the discrepancies?

12 A That's correct?

13 Q Who would that person's position and title be; do
14 you know?

15 A I don't know whether they have actually been given
16 some functional title. They would be a Design Engineer, some
17 pay classification; and they would be charged with exercising
18 the Engineering judgment as Engineering judgment was affected
19 by the Resolution of an identified discrepancy.

20 As I recall their authority is to determine whether
21 an identified deficiency or discrepancy falls within the
22 design's specification allowances or not.

23 Q What if a discrepancy falls outside of the Construction
24 specifications? Would they have the authority to approve it's
25 acceptability as is on the basis of Engineering judgment?

1 A I'm not absolutely clear on that right now in my
2 mind. I think that in that case the problem identified has to
3 be reviewed, not on site by Engineering but rather in the
4 working office of the Design Engineering Group.

5 Q Can you give me a realistic example of what that
6 distinction would be, something within the authority of that
7 Design nature, something beyond the nature of a discrepancy in
8 the design of the Hanger?

9 A I really have not reviewed some examples in some
10 period of time, so I'm not sure whether I can come up with a
11 good example. I'll try.

12 There may be a situation where some angles specified
13 on some member of the Hanger and our inspection instructions
14 tell the Inspector to perform the inspection in a certain manner.
15 The Design specification might give some more tolerances that
16 were not given in the inspection instructions, and in that case
17 the Design Engineer may be able to explain by references to the
18 specifications that that situation was acceptable.

19 If it was not acceptable to the Design specifications,
20 likely the action would be to rework it and to bring it into
21 specifications; but there is a possibility that it could be
22 reviewed by the Design Engineering Group and through qualifica-
23 tions, determined that in fact it meets the Design requirement.

24 Q Typically would that Design Engineer on the team
25 with the Inspector have the authority to make such a calculation

1 in Engineering judgment?

2 A I don't believe that the Engineers on the team have
3 that responsibility. I think any calculations used in the
4 course of any justification would be done by the Design Engineer-
5 ing Group in the office.

6 Q Many of these in the Hanger example, Hangers are
7 for purposes of seismic bracing?

8 A Well, among other things.

9 Q Am I correct in assuming that a number of the
10 Hangers that are specified are expressly for seismic
11 bracing?

12 A There are likely some parts that only serve a
13 seismic loading function; but most supports also serve a
14 gravity support function and a thermo-loading function.

15 There are generally a combination; there may be some
16 that are specifically and only for seismic functions.

17 Q Let's say hypothetically that a Hanger that serves
18 exclusively a seismic function is placed backwards so that it
19 faces the wrong way. That happens as a matter of course some-
20 times?

21 A Well, I don't recall an instance; but I would expect
22 it could happen.

23 Q Someone reads the plans wrong and just puts it in
24 backwards. With that hypothetical would the Design Engineer
25 team member have the authority to accept the backwards seismic

1 Hanger as is?

2 A No, I wouldn't expect so.

3 Q That would be something that would be a Design
4 Engineering responsibility for prior calculation or something?

5 A Yes, I'm sure the Resolution would be to rework the
6 support and put it in its correct orientation.

7 Q How would the discrepancy under the new procedure
8 in the Hanger example be documented, Mr. Grier?

9 A There is a form in procedure M51 that is used to
10 document those discrepancies. I believe that the form number
11 is an M51C Form.

12 Q Is that in the nature of a Process Control document?

13 A It is part of the Process Control used for Erection
14 Inspection of the Hangers.

15 Q Is that the document where the Inspector would
16 document his acceptance of the Hanger as a matter of course?

17 A Yes, I believe so.

18 Q Is that comparable to the Process Control in the
19 Welding area?

20 A Not exactly, the M51C if I have that designation
21 right, I think I do, is solely for the Inspector to document
22 discrepancies and then for the documents, for some action to
23 be indicated in regard to the resolution of that discrepancy.

24 The other elements of Process Control that go along
25 with Hanger erection to explain how to erect a Hanger rather

1 in contrasting that with a Welding case, an M4A form has
2 instructions for the Craftsmen to perform the activity as well
3 as for the Inspector to perform the inspection activity.

4 Q What I'm trying to distinguish is what is the form
5 for the Inspector in the Hanger example for inspecting the work?

6 A I believe the procedure requires that a stamp be
7 placed on the Hanger sketch which is the eight and a-half by
8 eleven sheet that gives the dimensions and materials that
9 indicate how the Hanger is to be erected.

10 I believe there is a stamp placed on that form which
11 contains a block for the Inspector to sign off for inspection.

12 Q Do I understand correctly then if the Hanger is
13 acceptable at the initial Inspection there would be no M51C
14 or comparable form generated?

15 A I believe that's correct.

16 Q And that form is generated only if a discrepancy is
17 found?

18 A I believe that is correct.

19 Q All right, sir; when is an R2 Procedure, R2 and Form
20 R2A used in the Hanger, for example?

21 A R2 is not commonly used in the Hanger area. I
22 believe, I don't think that it is impossible that we would use
23 an R2A form, but the M51C is the same type of document so it
24 substitutes for the R2A in the Hanger erection area.

25 Q How about procedure Q1, Q1A and Non-Conforming Item

1 Report in the Hanger area?

2 A It would be used in the same, since it would be used
3 in any inspection situation if some deficiency or discrepancy
4 is discovered on a support or Hanger outside our planned
5 inspection activity, and after inspection has been performed on
6 that support then a QIA or Non-Conforming Item Report would be
7 generated since that would be comparable to an Inspection
8 activity failing to pick up a discrepancy or by-passing some
9 hold point.

10 Also if there is some reason to process the dis-
11 crepancy within the general office of Design Engineering
12 essentially determining whether or not some justification of
13 discrepancy can be accepted or can be generated, then a Non-
14 Conforming Item would be used in that instance.

15 Q Am I correct in concluding if the Design, in the
16 Engineering judgment, is beyond the authority of the Design
17 Engineer who is assigned to the work group, that the exercise
18 of the Engineering judgment would come in the Resolution of
19 a Non-Conforming Item?

20 A I believe that is how it would come primarily.

21 Q And the NCI or the QIO would be the form for
22 exercising and documenting that Engineering judgment?

23 A That's correct.

24 Q Mr. Grier, you have probably memorized this; you
25 are familiar with Appendix B to 10CFR, Part 50?

1 A Yes, I am.

2 Q Have you memorized it?

3 A No, I haven't.

4 Q Close to it, I'll give you a test: I want to show
5 you a copy of the text of Quality Assurance Criterion Sixteen,
6 Corrective Action (indicating). Are you familiar generally
7 with that requirement?

8 A Yes, I am.

9 Q All right, sir; taking the example of Hangers that we
10 have just gone through, how is the root cause of the discrepancy
11 identified and effective corrective action taken to prevent the
12 recurrence of that deficiency in the Hanger example?

13 A That is taken care of in the Q1 Process in the NCI
14 Process. In addition there is a trending of deficiencies or
15 discrepancies that are identified on the M51C forms.

16 Q All right, sir; how long have you been trending the
17 M51C discrepancies?

18 A That activity is just getting under way, I think.
19 That has not been done for a very long period of time.

20 Q Why did you begin trending the M51Cs?

21 A I believe that was as a result of a finding in the
22 October, 1982 ~~Self-~~ Initiated Evaluation.

23 Q Mr. Grier, that same evaluation October '82 Evaluation,
24 recommended that you trend R2 as well?

25 A As I recall the recommendation was to trend other

1 areas similar to the way we had begun R2As.

2 Q So your recommendation is that you had already been
3 trending R2As?

4 A That's correct.

5 Q I just remember somebody else testifying that they
6 believed the R2A trending began as a result of the recommenda-
7 tion of that evaluation. Do you know when you began trending
8 R2As?

9 A No, I don't.

10 Q Would it have been much before the October '82
11 Evaluation?

12 A I don't think it would have been much before that.
13 I don't believe we have been trending them for a very lengthy
14 period of time.

15 Q So the M51C trending of identified deficiencies is
16 in the Hanger area. What other areas had comparable Inspection
17 Procedures for identifying discrepancies for which the trending
18 was recommended as a result of the '82 Self-Evaluation?

19 A That is kind of convoluted, if you can follow that.
20 I don't believe the recommendation was that similar types of
21 documentation similar to R2As should be trended; and the M51C
22 is the only other type of documentation similar to R2A in the
23 area inspection.

24 Area R2As would be used in the same sense that an
25 M51C would be used in a Hanger area.

1 Q As you state in other areas, then they would be
2 documented on the R2A and would have been trended before?

3 A That's correct.

4 Q And if they weren't documented on the R2A they would
5 have been documented on the Q1A and they were trended before?

6 A That's correct; now in some areas there are, the
7 Inspector has available to him places where they can write down
8 discrepancies on specific forms. For example, in Radiography
9 on the Radiography review sheet the Inspector can write down
10 what rejectable identifications might be evident in the film;
11 so there are other places available for documenting deficiencies.

12 Q In the Welding area on the Welding Process Control
13 Sheet?

14 A Yes, there are places available to reject or
15 describe deficiencies on the M4A form, for example.

16 Q And on those specific forms where Inspectors, in the
17 course of inspections, would note discrepancies, are those
18 discrepancies trended?

19 A No, they are not.

20 Q Is there any other documentation that you are aware
21 of made of those identified discrepancies?

22 A No, not that I'm aware of.

23 Q And then with respect to those discrepancies, Mr.
24 Grier, in light of the requirements of Quality Assurance
25 Criterion Sixteen regarding corrective action, how are the

1 root causes of those deficiencies identified and appropriate
2 corrective action taken?

3 A It is my understanding of Criterion Sixteen, that
4 the identification and cause and condition of corrective action
5 is to be done for significant conditions, not all conditions.

6 Basically our NCI, Q1 Procedure is used to document
7 those significant conditions which then are required to be
8 evaluated under Criterion Sixteen for deficiencies that we
9 expect to find in the course of Planned Inspections.

10 The criteria requires that we establish methods to
11 identify and correct.

12 Q Let's just construct a hypothetical, and if I'm not
13 doing this right or if this is something obviously erroneous,
14 tell me.

15 But let's say in the Hanger area there is a recurring
16 problem with Craft reading of blue prints. Let's say they read
17 the blue prints consistently wrong; either they don't read the
18 angle specifications correctly or there is some other recurring
19 deficiency in the way the Craft interprets the blue prints, and
20 that deficiency is identified by the Inspector in the course,
21 normal course, preplanned inspection of the Hangers.

22 It is noted on the Hanger Process form and appropriate
23 correction is made, but it recurs. How is the cause of that
24 recurring deficiency identified and effective corrective action
25 taken, Mr. Grier?

1 A As the trending of M51C is put into place, then a
2 trend like that would be observed and appropriate action would
3 be taken based on that trend.

4 Q All right, in the Welding area, Mr. Grier, welds are
5 reformed with deficiencies that are noted in the course of a
6 preplanned inspection; deficiencies which have the common cause
7 of a lack of some specific training in the welding area, let's
8 say.

9 They are noted in the course of the Inspection and
10 they are corrected by the Craft when the Inspector notes the
11 deficiency, but they are not documented on an R2A or Non-
12 Conforming Item Report.

13 How in that circumstance would the root cause of that
14 recurring deficiency be identified and effective corrective
15 action taken?

16 A That would occur not in the course of any specific
17 requirement in our Inspection Procedure, but rather by the
18 observation that production in that particular area had dropped
19 off because of the number of rejects that had occurred; and
20 there would likely be some investigation of the cause for that
21 lack of production.

22 Q All right, sir; now at the time you became Corporate
23 Quality Assurance Manager, Mr. Grier, there was an outstanding
24 significant problem in Welding area at Catawba; was there not?

25 A I don't recall any.

1 Q You were aware at the point where you became Corporate
2 Quality Assurance Manager that there had been numerous technical
3 and non-technical concerns expressed by Welding Inspectors at
4 the Catawba Station?

5 A Yes, I was aware of those.

6 Q And those concerns related to their work, related
7 to Welding Inspection, Welding work with Welding Craft, the
8 organization of the Quality Assurance Program at the Catawba
9 Station?

10 A There were a number of concerns expressed and quite
11 a variety of reasons for those concerns.

12 Q Yes, those concerns, we can agree you sat through
13 a number of depositions on this subject -- We can agree at the
14 start those concerns did not relate to, you know, the food in
15 the cafeteria or when you get to take your vacation.

16 I mean they related to work; can we agree on that?

17 A They related to the way that Quality Control,
18 Welding Inspectors, were carrying out their activities; yes.

19 Q What was the effect of the status of Welding
20 Inspectors, Welding Inspector concerns, the way they carried
21 on their work on production levels in Welding?

22 A I don't recall any affect.

23 Q Did you have information available to you at the
24 time you took the job as Corporate QA Manager that would lead
25 you to reach a conclusion on that question one way or the other?

1 A Well, there was a monitoring of the number of NCIs
2 being generated in that area, and I was aware that that was
3 going on and got some amount of information from that monitoring
4 process to see whether the NCIs generated were more or less
5 than they had been in the past.

6 As far as the general area of Production, I didn't
7 have any specific information other than the knowledge that if
8 our Welding Inspection activity were affecting Production, that
9 Management Group at Catawba would point that out to both
10 Construction Management and Quality Assurance Management; and
11 there was no indication from them that there was any affect on
12 Production.

13 Q What was the affect of the number of NCIs in the
14 Welding area?

15 A As I recall, we saw no significant affect or no --
16 I believe the monitoring was put into place to see whether
17 there could be some substantial increase in the generation of
18 NCIs; and there was no substantial increase.

19 So as I recall that was the information we got
20 from that monitoring.

21 Q No substantial increase in the number of NCIs from
22 that?

23 A From the previous concerns, prior to the written
24 concerns being submitted.

25 Q So the number of NCIs was consistent over time in

1 the Welding area prior to and after the Welding Inspector
2 concerns.

3 A As I remember, that's correct. Subsequent to that
4 time we did revise our Q1 procedure and explain the philosophy
5 in regard to Q1s and RD2s; and that has subsequently had an
6 affect on the number of NCIs generated, but not until some
7 specific action procedurally was taken, did we see any change
8 in that rate or generation.

9 Q And that reduced the number of NCIs?

10 A That's correct.

11 Q You are satisfied from reviewing the monitoring
12 information, Mr. Grier, that the number of NCIs in the Welding
13 area did not increase after the filing of the recourses by the
14 Welding Inspectors?

15 A That is my recollection; I did not review that
16 information in any great detail. I did not feel that that was
17 a significant measure of really anything, the number of NCIs
18 generated.

19 I really felt that the issue was being sure we
20 explained to the Inspectors, not just the Welding Inspectors,
21 but other Inspectors, the proper use of NCIs and accomplishing
22 that fact, then we would be generating NCIs correctly.

23 So some short period of time on monitoring, that
24 didn't seem all that significant to me; so I really did not
25 review that in any detail.

1 Q All right, what was the form of this monitoring?

2 A I don't believe I ever saw any physical evidence of
3 the monitoring. I was getting a verbal report. I would presume
4 there was some draft, some sort of written document.

5 Q And who were the reports from?

6 A I received my input from Larry Davison, who was the
7 QA Manager of Projects at that time. I presume he got them
8 from Bob Morgan.

9 Q All right, and to the best of your recollection,
10 Mr. Grier, how many NCIs on the average were occurring in the
11 Welding area during the period before the QIA Procedure was
12 revised?

13 A I couldn't tell you that.

14 Q Who would know?

15 A Well, I'm not sure; perhaps Bob Morgan or Larry
16 Davison might know.

17 Q And how about after the QIA Procedure was revised
18 in the Welding Area?

19 A I don't have those figures in my head.

20 Q Do you have an idea, an approximation?

21 A I really couldn't guess.

22 Q Who, Mr. Morgan or Mr. Davison likely would know?

23 A They might know or might be able to guess.

24 Q How about beyond the Welding area, Non-Conforming
25 Item Reports in other areas of Construction at Catawba on an

1 average, how many NCIs would you say?

2 A I really couldn't say what, the information that I
3 reviewed is a continuing trend graph of the number of NCIs that
4 have historically been generated at Catawba; and that trend
5 graph is showing a decrease over the last several months or last
6 six or nine months.

7 I can't tell you the rate, but it is trending down
8 or a decreasing in the number generated per period of time.

9 Q And who produces the trend graph of NCIs?

10 A I believe that particular graph that I am thinking
11 of is produced in our Project Control organization using data
12 from the Construction Department.

13 Q And who is responsible for the Project Control?

14 A That group is headed by Mike Hart, J. M. Hart.

15 Q Is that here at the Corporate Office?

16 A That's correct.

17 Q And who does Mr. Hart report to?

18 A He reports to Warren Owen.

19 Q Would you expect Mr. Owen to be familiar with those
20 trend analyses?

21 A Mr. Owen receives a copy of the Project Review
22 Meeting Minutes; and those drafts are contained in the Minutes,
23 so they are available to him.

24 Q A Project Review Meeting is planned specifically to
25 Catawba?

1 A That's correct.

2 Q Is that weekly, bi-weekly?

3 A No, that meeting is held about every two to three
4 months.

5 Q Mr. Owen does not attend that meeting?

6 A That's correct.

7 Q The Project Manager and his staff?

8 A The Department heads and the Construction Department,
9 Design Engineering Department, Quality Assurance Department and
10 Nuclear Production Department attend that meeting with members
11 of their staff.

12 Q And so who would be the representative from Construc-
13 tion?

14 A Mr. Bob Dick and the Vice President.

15 Q Anybody from Quality Assurance?

16 A I attend and generally Larry Davison, Mr. W. O. Henry,
17 perhaps some members of Mr. Davison's staff.

18 Q Okay, is this the primary reporting mechanism for
19 trending Non-Conforming Item Reports?

20 A That is not the programatic trending program for
21 NCIs. The graph I am describing is just a convenient time
22 quantity history of NCIs at Catawba. The Quality Assurance
23 Department maintains the trending of NCIs in order to deduce any
24 categories of discrepancies that are showing up more than others.

25 Q How are those trend analyses maintained?

1 A They are produced by the Technical Services organiza-
2 tion within Quality Assurance and distributed to appropriate
3 Supervisors and Managers in the Quality Assurance and Construction
4 Departments for action based on the trend information in those
5 reports.

6 Q What is the title of that document; what is it called,
7 sir?

8 A It is sent out as a letter. I suspect the subject
9 is Non-Conforming Item Trend Report.

10 Q And is there a narrative analysis of the subject of
11 Non-Conforming Items?

12 A Yes, there is some description of what area a
13 particular organizational group needs to look into to respond,
14 make some corrective action response.

15 Q Who is the author of that?

16 A I am not sure exactly the individual in Technical
17 Services organization that produces it. We have trends on NCIs
18 from different areas. We trend NCIs in the Design Engineering
19 area, in Construction, in the Nuclear Production Department;
20 and I believe there are different individuals who are responsible
21 for those trends.

22 Q How about in Construction?

23 A I don't know the name of the individual for sure.

24 Q Who would that person work for?

25 A That is within Mr. Henry's Technical Services

1 organization. It would be specifically within the area of a
2 Supervisor, Larry Coggin, under Mr. Henry.

3 Q Maybe Mr. Coggins is the author?

4 A I don't believe so; I believe he assigns an individual
5 within his group to do the actual trend analysis.

6 Q Are those trend analyses in Construction now; are
7 they provided to the Nuclear Regulatory Commission?

8 A No.

9 Q Are you aware of the Nuclear Regulatory Commission
10 reviewing those documents?

11 A I am not specifically aware, but I feel sure that
12 our Resident Inspector at Catawba has seen the trends, the
13 reports; and has reviewed some of them.

14 Q Has he ever talked to you about them?

15 A We have had some conversations about the Non-Conforming
16 Item Procedure, and I'm sure we must have talked about trending
17 in the course of that. I believe our conversation would have
18 been basically about the procedure rather than specific trends
19 or corrective actions.

20 I don't believe any specific topic conversation or
21 specific item of non-conformance. We have discussed particular
22 non-conformances in the past.

23 Q How about trend analyses, let me start again: Within
24 the trend analysis for the Construction Department are there
25 analyses done of constituent areas where non-conforming items

1 have occurred either by Craft or by systems under Construction?

2 A They are broken down by topical areas; and by that
3 I mean areas such as Procedure Violations, incorrect installation,
4 I guess I would say they are broken down by discrepancy topics.

5 Q And whose topical organization is that? Is there some
6 Duke standard format for classifying NCIs that you are aware of?

7 A You mean throughout the industry?

8 Q In whatever way you do it?

9 A I believe that we determine the breakdown of the
10 topics. There are always broken down by the area that they are
11 generated from. I believe the breakdown level is to the point
12 of saying that it came from the Craft, it came from the Construc-
13 tion Technical Support organization or it came from the Quality
14 Assurance organization; and then Quality Assurance, I believe
15 it is broken down to whether it came from QC Inspection organi-
16 zation or Quality Assurance or Technical Support or Records
17 area.

18 Q And that last breakdown is by the identity of the
19 originator?

20 A No, by the identity of the group that generated the
21 discrepancy, so to speak.

22 Q The group to whom responsibility for having caused
23 the discrepancy is assigned?

24 A That's correct.

25 Q And who makes that determination?

1 A As to what category to put that in?

2 Q Yes, as to who to attribute the cause of the
3 discrepancy?

4 A The individual responsible for producing the Trend
5 Report makes that determination on the information stated in
6 the Non-Conforming Item Report.

7 Q Well, let's put it in some concrete terms: A
8 Welding Inspector under the earlier procedure where NCIs were
9 used to document identified discrepancies in the process of an
10 Inspection, they were used that way, were they not?

11 A They were used on some occasions that way; yes.

12 Q An Inspector identified an Inspection and documents
13 it with a Non-Conforming Item Report, it is a discrepancy that
14 you would characterize or has been characterized as a minor
15 discrepancy. That characterization has been used of NCIs that
16 Welding Inspectors wrote under the former procedure, hasn't it?

17 A Well, I would rather characterize it as something
18 that was discovered in the course of a planned inspection that
19 could have been under our newer philosophy handled on an R2A
20 for example.

21 Q All right, let's say it is a discrepancy identified
22 in the course of a preplanned inspection and it is readily
23 correctible I think is a term previously used by the Welder,
24 and it is corrected as the result of the Resolution of the
25 NCI.

1 Would it be identified which organization would be
2 identified as the cause of the discrepancy in the way that NCI
3 was trended?

4 A I feel sure that the Crafts would be identified as
5 the cause for the discrepancy.

6 Q So the trend analysis identified the original
7 responsibility for the non-conformance and the topical area
8 of the non-conformance; and you use the example Procedural
9 Violation, Incorrect Installation; are there other topical areas?

10 A Yes, there are. I can't quote them all.

11 Q How many are there, do you know?

12 A Oh, about a dozen I would think.

13 Q What other information is analyzed in the trending
14 analysis?

15 A Basically the number of NCIs generated in these
16 categories against the historical average, so to speak, of the
17 NCIs or rather the number of NCIs in the last report as compared
18 to the NCIs in each category in the current report.

19 Q Is there any basis, Mr. Grier, for trying to, shall
20 we say, formalize the raw number of NCIs to reflect status of
21 Construction or level of Construction activity or level of
22 Production?

23 A Not in the trend report, itself. That has to be done
24 by the appropriate Manager who is analyzing this trend report
25 based on knowledge of level of activity.

1 Q So the normalization, if that is a fair term to use
2 in this context, that would be done by the reader of the Trend
3 Analysis?

4 A That's correct.

5 Q On the basis of information available to the reader
6 about matters external to simply the number of NCIs or the
7 subject of the NCIs or the organization responsibility?

8 A I'm not sure I follow that question.

9 Q Okay, I want to understand how you use the informa-
10 tion, and I think you said earlier that the raw number of NCIs
11 may not be a useful measure.

12 A I don't recall saying that.

13 Q Maybe it was in another context. Do you believe that
14 the raw number of NCIs is a useful measure of the level of
15 quality and Construction?

16 A I think it certainly can be used. Obviously each
17 NCI documents some discrepancies that need not have been
18 generated in the first place; so those raw numbers can be useful
19 to a Manager to determine how to reduce those numbers.

20 Q All right, sir; what other information is needed?
21 Let's take the area of Construction, that is what I'm interested
22 in; what other information is needed in order to effectively
23 utilize that trend analysis of NCIs?

24 A Well, in one sense nothing. Those trend reports
25 contain information that indicates whether the number of NCIs

1 being generated in a certain area, for example Construction,
2 and related to a certain discrepancy, is going up or down.

3 If the Manager is interested in that trend being
4 done, he has the information available to him to know that fact.

5 Q Okay, what information is that?

6 A That would be the number of NCIs generated in a
7 previous report versus the number generated for that category
8 in the current report.

9 Q What I'm trying to focus on is the external data to
10 the NCI trend analysis that the Manager has and needs in order
11 to formalize the raw number of NCIs to put them in some kind
12 of context for planning purposes.

13 The NCI numbers may track the level of Construction
14 activity in a particular area; is that possible?

15 A That is possible.

16 Q The number of NCIs may increase, not because the
17 quality of the work is eroded, but because the amount of work
18 in a particular area is increasing; is that fair?

19 A That could happen.

20 Q What information would be needed in order to dis-
21 tinguish that circumstance from a circumstance of deteriorating
22 workmanship as the cause?

23 A That would be generated by the department within
24 Construction that would show productivity rates, levels of
25 activities in a particular area coupled with the Manager's own

1 knowledge of the level of activity or the area of reverses
2 applied in a particular area.

3 Q Is that planning analysis done explicitly? Did
4 someone sit down and take a NCI Trend Analysis and put that
5 together with such information as production levels in a parti-
6 cular area?

7 A I don't believe that is in -- that is not done in
8 every case. I don't think it is done commonly.

9 Q Okay, is it done in response to an indication of an
10 increasing trend in the raw data?

11 A It could be done; I'm not specifically aware of that
12 type of information coming back as a reason for an upward trend,
13 and therefore being answered that no corrective action is needed.
14 That could be the answer that might come back, I don't remember
15 one like that specifically.

16 Q Let's take a hypothetical situation of a Manager who
17 is removed enough from the other concerning this external level
18 of activity and is concerned about cost and scheduling and
19 getting the Plant done and built right but did not know what
20 systems are having increased activity or increased levels of
21 production, and he sees on the trend analysis the number of
22 NCIs going up.

23 How does that Manager, what information is available
24 to that Manager to be able to interpret that trend analysis?

25 A Well, I imagine that level would likely communicate

1 with Management at a low enough level to get the facts of the
2 matter and get his or her question answered.

3 The Trend Reports, let me say it this way: The level
4 of Management that gets the Trend Reports to determine or to
5 feed back to Quality Assurance corrective actions where indi-
6 cated are at a low enough level where they have personal
7 knowledge of the levels of production over the periods of time
8 that they would be talking about, and also have ready access
9 to the Planning Department, Planning Groups, documents that
10 are generated.

11 Q All right, what level of Managers would that be that
12 you are referring to?

13 A The actual development of corrective action would
14 take place at equivalent of a Construction Engineer level,
15 which is essentially three, two levels below the Project
16 Manager on site.

17 Q And they would formulate this corrective action on
18 the basis of the trend analysis that we are talking about?

19 A The trend analysis would indicate the need for
20 investigation for corrective action, and they would carry out
21 that investigation. They would likely go and look at a specific
22 NCI in that category, themselves, and determine some common-
23 ality in that NCI and generate corrective action based on a
24 specific review.

25 Q Would such a review be documented?

1 A Yes.

2 Q In what form?

3 A That would be in a letter back to Quality Assurance
4 Technical Services organization indicating what action, what
5 corrective action was proposed for the trend.

6 Q If a programatic corrective action were indicated
7 and taken as a result of the identified trends, would that
8 corrective action be reflected in the original Non-Conforming
9 Item Report?

10 A No, it wouldn't.

11 Q Is there any other document that is systematically
12 used to reflect the identification of the trends and corrective
13 action in Non-Conforming Items?

14 A Well, we have put into place recently a revision to
15 procure Q1 and the generation of a new procedure that I think
16 speaks to this area.

17 That procedure is called Significant Corrective
18 Action, I believe Procedure R6. As each NCI is generated and
19 resolved in the sense of laying out the specific corrective
20 action for that discrepancy on the NCI, that NCI is reviewed
21 for significance to determine whether there is some indication
22 of a need to investigate generic corrective action or corrective
23 action that might speak to more than just that deficiency
24 documented on the NCI.

25 That corrective action is placed on the R6A Form,

1 which is a form in that new procedure.

2 Q When was that procedure implemented?

3 A Recently, in June, I believe.

4 Q Of 1983?

5 A That's correct.

6 Q And what was the source or reason for the adoption
7 of that new procedure?

8 A That was a step that was generated from a discussion,
9 I guess the indication by the NCI at some past time that our
10 documentation of this significant or generic correction action
11 needed to be enhanced; and we have gone through a phased series
12 of steps here to get to this particular process that we are
13 using now.

14 Q What do you mean by that?

15 A When Duke decided to take or saw the need to take
16 some specific action to be responsive to the NCIs concerning
17 Procedure Q1, it was revised to add a step in each NCI to
18 generate some statement in regards to significance or generic
19 corrective action.

20 We also formed a Review Team to independently review
21 NCIs to see that descriptions placed on all phases of the NCI,
22 the distinction of the discrepancies, the description of the
23 specific corrective action and generic corrective action was
24 thorough and left no questions unanswered or was not written
25 in a way that there might be some question as to what was meant.

1 That team functioned for some period of time and
2 that was set up as an interim step to train people to better
3 describe and write NCIs. As that team was functioning we
4 determined that it would be best to separate the significant
5 corrective action or generic corrective action review and
6 documentation from the NCI, itself, that they were best
7 handled separately.

8 That culminated in the generation of this new R6
9 Procedure and a revision of the Q1 procedure.

10 Q Why did you determine it would be best to handle
11 them separately?

12 A Each NCI is not of the nature that some generic
13 corrective action might need to be taken. With the step on
14 the form, it is requiring that some statement be made about
15 significance or generic corrective action in addition to the
16 significant corrective action.

17 We found it was difficult to communicate to everyone
18 as to the entire -- there were individuals who were searching
19 for a way to develop corrective generic actions that weren't
20 needed because there was a block on the form that called for
21 that.

22 So we decided that the most efficient way to handle
23 this process in the way that is most responsive to the criteria here
24 would be to have each NCI reviewed to determine if significant
25 or generic corrective action is needed and separate that process,

1 that let that NCI be closed out in accordance to the specific
2 action, and this generic corrective action be carried out
3 separately.

4 Q All right, in what areas was the NCI being improperly
5 used to use generic corrective action?

6 A Excuse me, it wasn't a sense that it was becoming
7 improperly used. The sense was that where generic corrective
8 action was not needed, there was some level of activity going
9 on, unnecessary activity, to attempt to generate some unneeded
10 generic corrective actions.

11 And in the activities of NCI review teams and
12 independent managing by Management, we determined that the
13 cause for this was the fact that we did not clearly separate
14 these two activities.

15 So these procedures were to clearly separate those
16 two activities.

17 Q I understand that. What I'm trying to get you to
18 tell me is what specific area was that occurring in? Where was
19 the NCI being used, not improperly, but inefficiently?

20 A It was fairly widespread; there were problems
21 generally in every area with a good understanding of the intent
22 of that process and procedure.

23 Q Did that occur in Welding?

24 A I would suspect that it occurred in Welding as well
25 as the rest of the areas.

1 Q Other Crafts?

2 A Generally we are talking about the individual
3 responsibilities for generating the resolutions to NCIs. Those
4 would be people within the Construction, Technical Support
5 organization within Design Engineering and within the Quality
6 Assurance Technical Support organization.

7 Q Give me a representative or typical example of a
8 situation where that was done with NCIs before.

9 A An example of where some inefficiency occurred in the
10 generic corrective action?

11 Q Yes.

12 A Well, I'm not sure I can come up with a good example.
13 I'm not sure I can come up with a specific example; but an NCI
14 might be generated that would only require a resolution of the
15 specific discrepancy that was documented on the NCI, and would
16 not indicate the need for any generic corrective action.

17 It did not appear to be receptive or of the nature of
18 anything other than some isolated instances, and when the
19 individual got to the step of considering generic corrective
20 action, they might, in fact, attempt some generic corrective
21 action or make some statement that really wasn't supported by
22 the NCI, itself.

23 That lead to some inefficiency in closing out the
24 NCIs.

25 Q What kind of corrective actions would typically be

1 suggested that were inappropriate?

2 A Well, I realize perhaps there might be, the discrepancy
3 might be in regard to some erection discrepancy on a Hanger,
4 and the generic corrective action might be to train the Craft
5 in this activity.

6 Q And someone would have to say training of the Craft
7 in this area is not needed on the basis of reviewing that NCI?

8 A That would be correct. Training is a pretty typical
9 generic resolution that you can put down inappropriately for
10 practically any non-conforming item. That leads to mind, that
11 any time you have a discrepancy that perhaps some training is
12 needed, which in fact, it might have been some isolated mistake
13 by a highly trained individual.

14 Q In the Army they used to say everything was either
15 a training problem or motivation problem. If you can find a
16 problem you can attach the generic resolution of training
17 people or motivating them; but people were trying to fill in
18 the blank with something when the blank might not need to be
19 filled in for that particular discrepancy?

20 A That's correct.

21 Q Give me a time when this was occurring first, when
22 the NRC was indicating to you that you needed, like you said,
23 to enhance the documentation of generic insignificant corrective
24 actions?

25 A I'm not exactly sure when that occurred. That occurred

1 prior to my assignment as Corporate Quality Assurance Manager.
2 Sometime in 1981, I'm not sure exactly when we assigned this
3 team to do this review of the wording, quality of the wording
4 in NCIs.

5 I think about the middle of 1982, and we began
6 working on this procedure change that generated Procedure R6
7 probably in the Spring, May, June time frame of this year,
8 1983.

9 Subsequently, I'm sorry, I would expect that we began
10 working on that earlier than that, probably February/March
11 time frame; and subsequently have put that procedure into
12 effect about June of this year.

13 Q Okay, and has the Nuclear Regulatory Commission
14 been informed of the procedure changes that you have implemented
15 so far?

16 A Yes, we have discussed this with our Resident
17 Inspector at Catawba.

18 Q Mr. Van Doorn?

19 A That's correct.

20 Q And has he, or any other NRC staff made this pro-
21 cedure change the subject of any review in the form of an
22 Inspection Report?

23 A I'm not aware that that has been a specific subject
24 of an Inspection Report. Of course, the implementation of this
25 R6 Procedure and Q1 is fairly recent.

1 Q How about the original observation of the need to
2 enhance documentation of corrective actions? Was that an
3 Inspection Report?

4 A I would expect it may have been, although I am not
5 sure of that. As I say, that occurred before I came into the
6 Quality Assurance Department.

7 Q Okay --

8 MR. GIBSON: It is about fifteen, eighteen
9 after noon. Can we find an appropriate breaking
10 point?

11 MR. GUILD: Let's take a lunch break , if we
12 could, I would like to have you make available a
13 copy of this R6 procedure, if you could try to pull
14 that.

15 MR. GIBSON: I believe that was made available
16 during an earlier deposition, perhaps Mr. Henry.
17 Do you want to do that after lunch or do you want to
18 look for one now?

19 MR. GUILD: If I have it fine, I don't need
20 another copy of it. If I don't have it it might
21 help to pull it over lunch.

22 MR. GIBSON: We will determine if it was made
23 available; if it wasn't, we will furnish it after
24 lunch.

25 MR. GUILD: Thank you.

1 MR. GIBSON: Mr. Guild, talking with Mr. Henry
2 after we gave you the new revision to Q1, I think we
3 then got R2 and then R6.

4 MR. GUILD: R2 I remember clearly.

5 MR. BELL: It is Exhibit Six in Wayne Henry's
6 deposition.

7 MR. GUILD: R6 is Number Seven to my notes here;
8 you are close, Graham.

9
10 (Whereupon, the deposition adjourned for a
11 luncheon recess and reconvened at 1:42 p.m.)
12

13
14
15
16
17 BY MR. GUILD:

18 Q Are we ready, Mr. Grier? Before the luncheon recess
19 you had referred to a newly adopted procedure identified as
20 Procedure R6 for documenting significant corrective action; and
21 we believe we clarified this procedure has been identified and
22 made available during Mr. Henry's deposition and it has been
23 identified as Exhibit Seven to Mr. Henry's deposition.

24 Now I understood you to be describing a procedure
25 that documented corrective actions that were taken reflecting

1 non-conforming items of a -- did you say which might recur and
2 for which corrective action of a generic or broader scope might
3 be necessary? Is my understanding right?

4 A That's correct.

5 Q I didn't understand you to be limiting your description to
6 items which are significant within the meaning of 10CFR50.55E?
7 Were you intending to limit your description of deficiencies to
8 50.55E, Significant Deficiencies?

9 A No.

10 Q So .55E, Significant Deficiencies which are report-
11 able to the NRC, would simply be a class of deficiencies for
12 which significant corrective action may be required, among
13 others?

14 A That's correct.

15 Q I'm looking now at the scope provision of Procedure
16 R6; it is Paragraph Number Two. This procedure applies to all
17 QA Non-Conforming Items which represent significant conditions
18 adverse to quality.

19 Now that phrase is not intended to be synonymous
20 with the definition of Significant Deficiencies as you used in
21 the NRC's definition?

22 A It is not meant to be used as the same definition
23 as that in 50.55E. It is meant to be the same as the
24 significance used in Criterion Sixteen.

25 Q How do you understand the difference?

1 A I would look up the provision so we could both look
2 at it.

3 Q But give me your understanding of the difference.

4 A The definition in 50.55E plus the guidance from NRC
5 on implementation of that give specific categories of things
6 that are deemed to be significant; and my feeling of the term
7 significant in Criterion Sixteen is somewhat broader than that
8 used in 50.55E.

9 Q I will never figure out how to read the Federal
10 Regulations. We have 50 and 55A; and let's see if we can find
11 it. That should be a current volume of the Code. I had a
12 Federal Judge tell me one time you have to hire somebody special
13 to figure out how to cite to the Federal Regulation.

14 Maybe somebody else can find them.

15 A Give me a page at the bottom there so I can find it.

16 Q Okay, it is on Page 429. All right, sir, thank you.
17 And there 50.55E, would you read that for the record, what the
18 definition is?

19 A I'm reading from Paragraph 50.55E1, "If the permit
20 is for the construction of a Nuclear Power Plant, the holder of
21 the permit shall notify the Commission of each deficiency
22 found in design and construction, which, were it to have remained
23 uncorrected, could have effected adversely the safety of
24 operations of the Nuclear Power Plant at any time throughout
25 the expected lifetime of the Plant, and which represents

1 (i) a significant breakdown in any portion of the Quality
2 Assurance Program conducted in accordance with the requirements
3 of Appendix B to this part; or (ii) a significant deficiency in
4 final design as approved and released for construction such
5 that the design does not conform to the criteria and bases
6 stated in the Safety Analysis Report or the Construction Permit;
7 or (iii) a significant deficiency in construction of or
8 significant damage to a structure, system, or component which
9 will require extensive evaluation, extensive redesign, or
10 extensive repair to meet the criteria and bases stated in the
11 Safety Analysis Report or Construction Permit or to otherwise
12 establish the adequacy of the structure, system, or component
13 to perform its intended safety function; or (iv) a significant
14 deviation from performance specifications which will require
15 extensive evaluation, extensive redesign, or extensive repair
16 to establish the adequacy of a structure, system, or component
17 to meet the criteria and bases stated in the Safety Analysis
18 Report or Construction Permit or to otherwise establish the
19 adequacy of the structure, system or component to perform its
20 intended safety function."

21 And it goes on for four more paragraphs which deal
22 with requirements to notify within a certain period of time
23 and to submit written reports within a certain period of time.

24 Q No, that is fine; it is the definitional provisions
25 I am interested in. Earlier you said that the guidance, in

1 addition to the specific terms of CFR50.55E, supported your
2 interpretation of that term.

3 What guidance did you have reference to?

4 A I am not sure I understood your question.

5 Q I think I asked the question first is the term
6 significance synonymous, as you understood it; and you said
7 no, you thought that your definition in procedure R6 was
8 broader.

9 A What I intended to say is that significance, as we
10 used it in reference to R6 is the same meaning as would be
11 applied to Criterion Sixteen which contains the word "significant"
12 as opposed to the fairly narrow use of the term "significance,"
13 in those four defining paragraphs in 50.55E.

14 Q But you had reference to some Commission guidance.

15 A Well, that reference was to guidance that the
16 Commission has put out to give more information in regards to
17 applying significance in terms of 50.55E. I'm not aware of
18 specific guidance in terms of significance as it is used in
19 Criterion Sixteen.

20 Q Are you familiar with changes in the Commission's
21 Quality Assurance Regulations that were effective in March of
22 this year?

23 A I'm aware of some changes, I am not sure exactly
24 when they were effective and what I'm recalling. I don't know
25 whether it is what you are referring to or not, is some require-

1 ments that deal with notifying the Commission when we change
2 organizations or Quality Assurance Program.

3 Q Yes, that is what I had in mind and wondered if you
4 could tell me what changes and procedures you have notified
5 the Commission of in light of the testimony earlier today about
6 the changes, particularly in terms of construction deficiencies.

7 A We have described in Revision Six or amended Six
8 to our Topical Report, our Quality Assurance Program and
9 communicated with the NRC to ascertain whether that would
10 satisfy the requirements of an update in the Quality Assurance
11 Program, and I believe they said that would be sufficient.

12 Now there is a requirement to periodically update
13 the NRC with changes that are not of a significant nature, and
14 I am not sure exactly of the timing on that update.

15 Q Has that amendment to the Commission's regulations
16 resulted in any significant change in your procedure or in your
17 communication to the NRC in the past?

18 A No, it has not.

19 Q You had filed significant amendments to your Topical
20 Report previously?

21 A We had filed a significant change in the Topical
22 Report at about the same time that we would have been required
23 to make some kind of filing otherwise.

24 Q What was the source of the guidance from the
25 Commission that represented acceptable compliance with changes

1 in NRC Regulations?

2 A I didn't make the contact, myself, and I'm not exactly
3 sure who was spoken to at the Commission. I believe that was a
4 conversation between someone in our Licensing organization and
5 someone responsible for the review of our Safety Analysis Report.

6 Q And when was the amendment Number Six to your Topical
7 Report issued, as near as you can recall?

8 A I'm not sure exactly of the date; I think it was in
9 the Spring of this year.

10 Q Did it include Procedure R6, a description of that?

11 A I'm not sure that it did include that.

12 Q All right, Mr. Grier; let's turn to the point where
13 you took on responsibility as Corporate Quality Assurance Manager.
14 You had an interview with Mr. Owen; is that right?

15 A That's correct.

16 Q And what did Mr. Owen have to say to you about the
17 position or the circumstance of you being offered the position?

18 A As I recall in the interview, which was my first
19 meeting with him, he did not make an offer; and really during
20 the course of that interview, did not indicate that he was
21 interviewing me for the position of Corporate QA Manager.

22 When I say "interview" it was a meeting at which he
23 discussed with me some topics such as my interest in Quality
24 Assurance, my feelings about how the organization ought to be
25 managed, those types of topics; and there was no real conclusion.

1 I mean the interview was just obviously looking back
2 on it, it was for him to gather some information to facilitate
3 his decision.

4 Q Were you aware at the time there was going to be an
5 opening in the position?

6 A No, I wasn't.

7 Q Did he make you aware of that during the course of
8 the interview?

9 A Not during that interview.

10 Q What did you understand was the subject or nature of
11 the interview at that time?

12 A As I indicated, he was expressing interest in my
13 views about Quality Assurance and about Management, and I really
14 did not ask him the purpose of the interview.

15 Q What did you understand the purpose was?

16 A There was no stated purpose as I was scheduled to
17 have the discussion with him. I was just asked to meet with
18 him for a discussion, and there really, I don't recall that he
19 specifically stated a reason for the discussion or interview.

20 Q I understand, but what did you understand the
21 purpose of the meeting to be?

22 A It wasn't clear to me really at that time the purpose
23 of the interview.

24 Q What did you think?

25 A Well, I was aware of the situation in regards to

1 Welding Inspectors at Catawba having brought forth some concerns;
2 and it seemed to me in the course of the interview he perhaps
3 was asking my opinion on things as a basis for him deciding
4 or participating in the decision of how to handle those concerns
5 since I had supervised Administratively Inspectors for nine
6 years at McGuire.

7 I felt like he was just drawing on my experience to
8 help him work out the ways to handle that situation.

9 Q And this would have been in January of 1982?

10 A That's correct, and as I recall it was on a Thursday
11 morning, the last Thursday in January, I think.

12 Q What previous information did you have about the
13 Welding Inspector concerns?

14 A Only in my contact with Bob Dick and John Rogers
15 at staff meetings. I was at that time on Mr. Dick's staff and
16 I attended staff meetings and there was some discussion, not
17 much, but some mention of the fact that there had been some
18 written concerns turned in by Welding Inspectors.

19 Also I was aware of the Resolution of the Pay
20 Recourses as Manager of Oconee Station Support Division, and
21 I received a memorandum from Jim Grogan explaining that that
22 Recourse had been settled by the President, and giving me
23 instructions on how to communicate that to my staff and other
24 Supervisors in the Station Support Division.

25 Q And did you at that time when you were at Oconee

1 have persons reporting to you who interfaced with Inspectors?

2 A Yes.

3 Q And they were on the operational staff of QA?

4 A Yes, that's correct; there were Maintenance
5 Inspectors in the Operations Division of QA.

6 Q Now help me understand what your relationship was
7 with Mr. Dick at the time you were on his staff?

8 A Well, I was the Manager responsible for the Construc-
9 tion organization at Oconee, and I reported directly to Bob
10 Dick.

11 Q And were there Construction Quality Control Inspectors
12 at Oconee at that time?

13 A No; all the Quality Assurance and Quality Control
14 functions were carried out by the Operations Division.

15 Q There was significant construction going on at that
16 time?

17 A Well, at that time we were finishing construction
18 on the standby shutdown facility at Oconee. A lot of our
19 activities were involved in modification work within the
20 Station; and we were just beginning construction on the Raid
21 Raised Facility.

22 Q All right, did you understand that Mr. Owen was
23 having similar conversations or interviews with others on the
24 subject of Welding Inspector concerns and how to respond?

25 A No, I wasn't.

1 Q He didn't make you aware that he was soliciting
2 views from others beside yourself?

3 A No, he didn't.

4 Q And what was the nature of Mr. Owen's questions to
5 you or inquiries? What did he want from you or what did he
6 ask of you?

7 A As I recall he asked questions about whether we had
8 had concerns expressed by Inspectors at McGuire. If so, how
9 those were handled. I think he asked some questions in regard
10 to whether I felt that the Quality Control organization was
11 based placed in Quality Assurance or whether it was best placed
12 in Construction.

13 There were some other topics I'm not sure I can
14 remember.

15 Q Any that you can remember?

16 A Well, there was the topic of the relationship between
17 Inspectors and Craftmen was discussed, I can't specifically
18 remember questions in that area; but I feel like we discussed
19 that area.

20 Q Did he ask your opinion as to the reason why the
21 Inspectors were raising these concerns?

22 A He may have; I can't specifically remember him asking
23 that, but it would seem logical. I can't remember though.

24 Q Do you remember expressing an opinion on the subject of
25 why?

1 A No, I don't.

2 Q Did he raise the question in substance whether or
3 not those expressions of concern should be understood as merely
4 a reflection of the Pay dispute?

5 A I don't recall him asking or discussing that.

6 Q Did you believe that those concerns were a reflection
7 of the pay dispute?

8 A At that time I didn't know specifically what the
9 concerns were. I was just aware that concerns had been
10 expressed; and as I say, the only thing I was aware of in
11 regard to the pay issue was that a Recourse had been settled
12 by the President; and I just at that time had not reflected on
13 any relationship there.

14 Q What had you seen or what had been brought to your
15 attention regarding the matter of the concerns that the
16 Inspectors had expressed at this time?

17 A I can't recall that any specific concerns were
18 mentioned. I think of what I remember was that a number of
19 Inspectors had expressed concerns about technical issues; and
20 I think that is about as far as I heard or knew at that time.

21 Q Had you seen any of the complaints by the Welding
22 Inspectors, the written statements by Inspectors?

23 A No, I had not.

24 Q Had you seen any of the materials, supervising
25 interviews regarding those concerns, for example, an interview

1 that was made available to Mr. Owen by Ms. Addis in early
2 December?

3 A No, I hadn't. I want to be clear that we are talking
4 about up to the point of my interview of Mr. Owen, no, I had
5 not seen them.

6 Q Many of these things you have seen since?

7 A I have since, but at that time I didn't see any of
8 this material. The only documentation I recall seeing was the
9 memorandum from Mr. Grogan to me as well as the other Managers
10 indicating that the pay issue had been settled by the President
11 and giving us instructions on how to communicate that .

12 Q And that related to the reclassification of the
13 Welding Inspector issues?

14 A That's correct.

15 Q When did it come to your attention technical concerns
16 had been raised by the Inspectors, concerning specific work-
17 manship and the organization of the Quality Assurance Program
18 at the Company?

19 A As I mentioned, the first time I became aware of
20 that, I believe was in the course of staff meetings with Mr.
21 Dick when Mr. Rogers was present and there was some previous
22 mention.

23 There was no discussion, as I recall, just a mention
24 of the fact that those concerns had come forward.

25 Q ~~Were you aware at that time that Mr. Lee had directed~~

1 Mr. Owen to form a task force to review the technical concerns?

2 A No, I was not.

3 Q He did not inform you of that at the meeting?

4 A I don't recall that he did.

5 Q Had you had experience with concerns by Welding
6 Inspectors at McGuire?

7 A In the sense that I understood the question from
8 Mr. Owen, I told him yes, we had had Inspectors who on occasion
9 had questions about the acceptability of certain workmanship;
10 and the explanation by Supervision that was acceptable, and
11 some disagreement on that point by the Inspector that we had
12 had those situations occur on occasion at McGuire over the
13 years.

14 Q And how did you respond to the followup question
15 about how those things were handled at McGuire?

16 A What I told him, I recall, is that those generally
17 had been resolved. Well, they had been resolved at various
18 levels of Supervision, but that on occasion the Resolution
19 occurred in meetings and discussions between the Inspector,
20 the Supervisor, myself and the Senior QA Engineer on site.

21 Q Did you discuss that method of resolution as a
22 means of resolving disputes at Catawba?

23 A I don't recall a discussion of using that. One
24 reason perhaps it wasn't discussed is because the organization
25 had been changed. The Inspectors now were in the Quality

1 Assurance Department and were not in the Construction Department
2 and technically directed out of the Quality Assurance Department,
3 as was the case when I was at McGuire and we were speaking of
4 how to handle those types of conflicts there.

5 Q What opinion did you express on the question of the
6 relationship between Quality Control and Quality Assurance as
7 to how the inspection function should be assigned?

8 A Well, as I recall I told Mr. Owen that I felt it
9 worked, as the organization as we had it set at McGuire when I
10 was there, worked well and that I did not have any experience
11 in how it was working at Catawba with Quality Control in the
12 Quality Assurance Department; but I preferred the organization
13 that we had at McGuire.

14 Q And that was with the --

15 A QC in the Construction Department.

16 Q Did you explain why?

17 A Yes, I believe I used the same reasons that were
18 used when Quality Assurance was placed or remained Administra-
19 tively in Construction when the Quality Assurance Department
20 was formed in 1974, that being that there is a scheduling and
21 production function that has to take place; and I felt that the
22 people in the Construction Department were more attuned and
23 used to that type of production planning; and I felt it could
24 be more efficiently carried out in Construction than in
25 Quality Assurance.

1 Q Mr. Owen, of course, has been responsible in part
2 for Management decisions to do just the opposite, to put them
3 under Quality Assurance?

4 A I would assume so.

5 Q Did he express a view on why the Management decisions
6 had been made to do it the other way?

7 A I don't recall him explaining a reason why the
8 change had been made.

9 Q Did he respond at all to your expression of opinion
10 about your experience at McGuire?

11 A I'm really searching here to recall these facts, but
12 I think that he probably, his response was along the lines of
13 yeah, it worked well that way and if we change it back it
14 probably would work well that way, again, some response along
15 those lines.

16 Q So what was the conclusion of this first interview?

17 A Well, he appeared to run out of the topics that he
18 wanted to discuss with me and thanked me for seeing him and
19 said good-by.

20 Q Did he plan any followup or inform you of any
21 further action that you should expect?

22 A Not at the time that that interview was held.
23 Early on Thursday morning, as I recall, we started about 7:30
24 and finished, oh, in about an hour. Of course, I was stationed
25 at Ocone and this interview was held in Charlotte.

1 I immediately drove back to Oconee and received a
2 telephone call from Mr. Dick or Mr. Grogan, I don't remember
3 which one, but one or the other around two o'clock on Thursday
4 afternoon and was told, asked, to be in Mr. Owen's office in
5 Charlotte the next day on Friday.

6 I'm not sure, what time, maybe eleven o'clock.

7 Q And I take it you showed up?

8 A I showed up.

9 Q And what happened then? What did Mr. Owen have to
10 say then?

11 A At that time he explained what I've explained
12 previously, that INPO was being staffed for Phase Two and that
13 he had decided to make Mr. Wells available for that assignment
14 and he had to fill the Corporate Quality Assurance Manager
15 position and wondered or gave me about as much choice as you
16 get in those situations, as to whether I wanted the situation
17 or not.

18 I took it that I had a choice.

19 Q Was anyone else present at that meeting?

20 A No.

21 Q What did he tell you, if anything, about your job
22 responsibilities, your duties?

23 A Well, as I recall he expressed his opinion that I
24 knew what the requirements of the Quality Assurance Manager's
25 job were and what the requirements of Quality Assurance of the

1 Company were, so he would not go into those details.

2 He did explain at that time that there was a task
3 force that had been formed to investigate concerns at Catawba,
4 and that one of my assignments naturally as Corporate Quality
5 Assurance Manager, would be to put into place the corrective
6 action coming out of the task force recommendations.

7 Q Did you know of the job requirements at that time?

8 A Yes, I was pretty well versed from my experience at
9 McGuire on the Quality Assurance requirements. He was aware
10 that in 1971 when I was first assigned to McGuire, that was
11 about the time that 10CFR50, Appendix B, came into affect; and
12 one of my primary responsibilities early at McGuire was to
13 develop Quality Assurance procedures that were responsive to
14 the Eighteen Point Criteria.

15 Q What else did Mr. Owen have to say to you, if any-
16 thing, about your responsibilities with regard to dealing with
17 the Welding Inspector concerns?

18 A I don't recall; I am sure we had more words than
19 what I've just said here, but I really don't recall any other
20 specific information. I'm not sure whether at that meeting or
21 maybe a few days later he made available to me his file in
22 regards to both the pay issue and the technical concerns, and
23 as I assumed by responsibilities as Corporate Quality Assurance
24 Manager we kept pretty much in daily contact in regards to this
25 ~~Welding Inspector concern issue, how the task force was moving~~

1 as far as getting their activities started, the task force to
2 deal with the specific written concerns was put into place
3 before I assumed the responsibility as Corporate QA Manager;
4 but it was only a matter of days, I'm not sure how many, perhaps
5 a week; so they were really just getting started.

6 So I maintained contact with the Chairman and with
7 Mr. Owen to keep him informed, and in that process, I'm sure he
8 made me aware of background information in this area.

9 Q Who is the Chairman of the task force that you had
10 reference to?

11 A Parks Cobb, C-O-B-B.

12 Q Were you made aware at the time of a task force that
13 had been organized in early December to review the Welding
14 Inspector concerns?

15 A Yes, I'm not -- I don't think that was in the course
16 of the meeting at which Mr. Owen offered me the position; but
17 very shortly after that I was aware either verbally or by
18 being given a copy of that task force report, one or the other.

19 Q Why was there a second task force?

20 A Well, as I understand it, both from reading the
21 documentation generated through that period of time and talking
22 with individuals, that task force dealt with the issue that
23 technical concerns had been expressed by Inspectors in a broad
24 sense.

25 They did not specifically review individual concerns,

1 as a matter of fact, when that first task force performed their
2 actions, I believe what material they had to work with was
3 Ms. Addis' and Mr. Wells' memos documenting concerns as they
4 had heard them, plus interviews with the Inspectors.

5 At that point in time no Inspector had specifically
6 been told to write down individual concerns. At a point in
7 time fairly early in January there was a realization that the
8 concerns of Inspectors were indeed specific and could be
9 specifically tied to Welder work situations, and at that time
10 each Inspector was asked to write down as specifically as
11 possible what their concern was.

12 That was after the first task force had concluded
13 their report; so the second task force was put into place and
14 charged with the task of recommending actions on each and every
15 specific concern.

16 Q Mr. Grier, I want to show you a document that has
17 been identified by the Company as handwritten notes from QC
18 and QA Inspectors which set forth their specific problems and
19 concerns. It is Item Ten of Attachment One to Letter from
20 Counsel of April 12, 1983; and it is part of what I am handing
21 you and it follows behind that cover sheet (indicating.)
22 Can you identify those documents that fall behind there?

23 A Yes.

24 Q You have seen those?

25 A I am most familiar with them as they were cut apart

1 and made part of Volume Two of the Welding Inspector Task Force
2 Report.

3 Q Were those specific concerns that were documented as
4 a result of going back to the Inspectors at the conclusion of
5 the first task force and what we will call Task Force Two?

6 A Yes.

7 Q And they became identified in late-January early-
8 February of 1982; is that right?

9 A In reading the documentation, I believe I understand
10 that in the course of a meeting between Welding Inspectors and
11 Mr. Larry Davison, it occurred in the second week of January.

12 At that meeting Mr. Davison requested or directed
13 the Inspectors to write their concerns specifically so that we
14 could determine what to do with them at that time.

15 Q Now these Inspectors whose concerns are reflected in
16 Item Ten, again, the list of names, with a couple of exceptions
17 are all of those Inspectors on Mr. Beau Ross' team at Catawba?

18 A I really can't answer that from scanning these names.
19 I believe that a majority of those, however many there are there,
20 would have been in Mr. Ross' crew at the time the concerns were
21 expressed.

22 Q All right now, were there other Inspectors who
23 expressed concerns?

24 A Beyond those?

25 Q Other than this list, yes?

1 A Not that I'm aware of.

2 Q I want to understand your question: At the time
3 early in January when a request was made for Inspectors to
4 write down their concerns, were there others other than this
5 list; is that your question?

6 Q And the answer to that question as you have just
7 said is not that you are aware of?

8 A I'm not aware of any.

9 Q That is responsive to that, to Mr. Davison's request
10 to the Inspectors on the job, their concerns were put in writing?

11 A That's correct.

12 Q Before that were there other concerns expressed?

13 A Again, I am now aware that Gail Addis in her inter-
14 views or investigation of the Step Two Recourse spoke with
15 Inspectors and was made aware of some technical concerns which
16 she documented in a memorandum to Mr. Owen.

17 Mr. Wells was also involved in those interviews and
18 also documented some concerns that he heard expressed.

19 Q And those were expressed before the notes that you
20 have in front of you that were elicited by Mr. Davison, largely
21 from Mr. Ross' crew?

22 A That's correct; and again, I have not specifically
23 studied these concerns from the standpoint of tying them to one
24 crew. I have not been interested in doing that particularly,
25 so my impression is that most of them were in Mr. Ross' crew,

1 but I have not specifically set out to see that.

2 Q But that is the understanding you came to in whatever
3 process you came to that?

4 A I don't know if it is a majority by one or whether
5 most of them are; I don't know that.

6 Q When did you become aware that there were concerns
7 of technical character, as you have used the term, expressed
8 by persons other than on the list reflected on Item Ten of
9 Attachment One?

10 A As I say, those have been concerns expressed at the
11 time of the Step Two Pay Recourse; and I got that background
12 information when I took over the position and was aware of that
13 Phase of the concerns.

14 Q And what did you do in response to learning of the
15 concerns of other than those that are now in front us?

16 A I made sure that I understood that the task force
17 effort was going to be centered around the concerns turned
18 in by the Inspectors at Mr. Davison's request, whereby he
19 spoke with every Welding Inspector and said we would like for
20 you to write specifically your concerns down, backed up by the
21 fact that the task force was going to go back to each and every
22 Inspector and interview them to make sure they understood what
23 the concerns in writing meant and that they had no further
24 concerns.

25 Q Let me see if I understand you right now so at this

1 point the points were Mr. Davison met with these Welding
2 Inspectors just prior to your accepting the position?

3 A About two weeks I would say.

4 Q So you understood shortly after taking the job that
5 Mr. Davison had specifically instructed or requested Welding
6 Inspectors to put in writing their specific concerns?

7 A Correct; I don't believe at that time I took the
8 position I understood that this had come forth by request from
9 Mr. Davison. I think I learned that later, but I knew there
10 had been a request by someone to have the Inspectors produce
11 those documents.

12 Q And that the task force, to understand your last
13 response, the task force was going to address each and every
14 specific concern expressed in writing by Inspectors as a result
15 of the request that you know now came from Mr. Davison.

16 A That is through his going and interviewing each
17 Inspector to make sure they understood what the concern meant,
18 if there was some unclearness in the writing; and to see if they
19 had other concerns that they neglected to write down in this
20 initial request.

21 Q So there is a followup interview with those Inspectors
22 who put something in writing; correct?

23 A That's correct.

24 Q Now what about the Inspectors who had previously
25 expressed concerns, either in writing or in an interview with

1 Ms. Addis or with Mr. Wells, what about responding to their
2 concerns, Mr. Grier?

3 A It is my understanding that the task force interviewed
4 all the Welding Inspectors, which would have included any
5 Inspectors who happen not to be on this list who have expressed
6 concerns to Gail Addis.

7 Q And that was the vehicle for identifying any additional
8 concerns?

9 A Well, that was the vehicle for the concerns to be
10 expressed and reviewed for any recommended action by the task
11 force.

12 Q Are you sure, Mr. Grier, that all of the concerns
13 that were expressed had been addressed by the task force?

14 A I'm sure that all of the concerns that came
15 forth had been addressed by the task force, yes.

16 Q How about the concerns that did not come forth in
17 the sense that they were made known to Duke Power Management
18 by Ms. Addis, through Mr. Wells, but may not have been repeated
19 or documented by the task force?

20 A Well, if there was any general concern that had
21 been expressed to Ms. Addis that did not specifically get
22 written down, that general concern was the subject of the first
23 task force that was, in fact, constituted to look at the
24 general nature of the concerns and to make some judgment as to
25 the nature of the concerns and some recommendations; so those

1 would have been dealt with by the first task force.

2 But also the nature of those general concerns was
3 very similar, if not precisely the same, as the general type
4 of concerns that had been expressed in writing by the Inspectors
5 that produced these written concerns.

6 Q Are you aware of any efforts to identify concerns
7 reflected in Ms. Addis' notes of interviews or Mr. Wells' notes
8 of interviews or in notes from anyone else who documented
9 Welding Inspector concerns, any effort to determine whether
10 those had been addressed by the task force?

11 A I believe, well, I know that the task force, the
12 second task force was given a copy of the first task force
13 report; and I'm really sure that they were given a copy of
14 Ms. Addis' memorandum indicating those concerns.

15 And my recollection is not all that good on this
16 point, but I am sure that the second task force used that
17 information to see if there was anything different or unique
18 in any of the documentation from Ms. Addis that was not contained
19 in one of the written concerns that was turned in.

20 Q And was that analysis reflected in the report of
21 the second task force?

22 A I don't recall anything in that first task force
23 that spoke to that.

24 Q The second task force?

25 A I'm sorry the second task force.

1 Q So you presume that they did that; you think they
2 had access to that memo, but you are not aware of the specific
3 reference having gone through and said this concern is addressed
4 at this point?

5 A I'm not aware of any analysis like that in this
6 document.

7 Q All right, how did it come to the understanding of
8 Duke Management that there were specific hardware concerns that
9 had been identified that needed to be addressed through the
10 vehicle that is now the second task force?

11 A I'm not sure. I believe my understanding is that
12 just in the course of conversations with some of the Inspectors
13 there was an expression that they had some specific issues,
14 specific questions or concerns about how certain situations
15 with specific welds had been handled, and that they were
16 interested as to whether that was what was handled by the
17 first task force.

18 I believe that there was a realization that the
19 first task force was handling more general issues and not the
20 specific weld by weld issues and there was a need to document
21 those types of concerns for resolution.

22 Q The specific concerns, welds?

23 A That's correct.

24 Q Who was responsible for commissioning the second
25 task force?

1 A Mr. Owen.

2 Q And what was the means which he did that?

3 A I believe there is a letter, a memorandum written by
4 him doing that; and specifically I am aware of letters from the
5 Chairman to Mr. Owen expressing his views about how to get on
6 with the task.

7 Q Why was the makeup of the task force changed?

8 A Well, I really did not become aware that there had
9 been a change in that makeup until not many months ago, just
10 in the course of reviewing documentation I became aware that
11 for a very short period of time, not much more than a week,
12 that Mr. Larry Coggins was the Chairman.

13 But shortly after that Mr. Cobb was made Chairman
14 and as I understand it, there was just a situation, that due
15 to the volume of concerns, this task force effort might be
16 substantial, and that there was possibly a need for more
17 Senior Management to head the task force effort; and Mr. Cobb
18 has had more experience, has had higher level Management
19 positions than Mr. Coggins has had.

20 Q What position had Mr. Coggins held as opposed to
21 Mr. Cobb by comparison?

22 A Mr. Coggins was a QA Engineer in our Technical
23 Services organization; and Mr. Cobb was either a Senior or
24 Principal Engineer with the Design Engineering Department.

25 Q Was there concern that Mr. Coggins had been involved

1 in resolving Construction deficiencies; and therefore might
2 look somewhat inobjectively on the concerns?

3 A I've never heard that expressed.

4 Q He did, in fact, have responsibility in part for
5 resolving Construction deficiencies?

6 A He was responsible, he had been responsible for
7 reviewing the disposition of non-conforming items, for example,
8 that were generated in Design Engineering that would relate
9 to deficiencies discovered at the construction site.

10 Q How about the number of members of the task force,
11 why was it expanded?

12 A It was expanded to add Mr. Cobb to be Chairman.

13 Q From the original December task force until just
14 the second task force?

15 A Well, I'm not clear about your question. The first
16 task force, as I recall, had three members and the second
17 task force had, it seems like there were five, I'm not sure I
18 can recall the last number, five members, I would expect, just
19 some idea of the volume of work.

20 As you look at the makeup, there was a person from
21 the principal organization groups that are involved in the
22 construction of the Plant. There was a member from Quality
23 Assurance, a member from Construction, the Chairman was from
24 Design; and there were two other Design members, and I guess
25 the Design members, there were more Design members because the

1 issues were more technical in nature.

2 Q Who selected the membership in the first task force?

3 A I would presume that Mr. Owen did; I'm not sure but
4 that he had from discussion with Mr. Lee about it, but I really
5 don't know. I presume Mr. Owen did.

6 Q How about the second task force?

7 A I presume Mr. Owen also did, and I really don't know.
8 I have not discussed with anyone exactly how the membership
9 was set.

10 Q Do you know whether or not Mr. Lee was informed and
11 participated in the decision to constitute the second task
12 force?

13 A I don't know for a fact, but just knowing the working
14 relationship between Mr. Owen and Mr. Lee, I'm sure that Mr. Lee
15 was informed.

16 Q When did you first learn that a consultant had been
17 involved in responding to the Welding Inspector concerns?

18 A Within a matter of days of assuming the responsibility,
19 perhaps the first day; I don't recall.

20 Q How did you learn that; do you recall?

21 A I would expect Mr. Owen informed me of that.

22 Q What did Mr. Owen have to say, to the best of your
23 recollection, about the relationship with the Consultant and
24 his responsibility?

25 A Well, I'm sure he showed me or made available to me

1 a letter which laid out the Consultant's responsibility, but
2 in discussion I'm sure he made it clear to me that the Consultant
3 was there to independently determine such things, first, that
4 the membership of the task force were technically competent to
5 perform the task before them, that they, in fact, had set up
6 methods to be sure that all of the concerns that the Inspectors
7 had were, in fact, going to be brought out and brought forward
8 and considered.

9 The Consultant was responsible for looking at the
10 technique that the task force would set up to review these
11 concerns, particularly being interested in some back-checking
12 of the recommendations, some independence in those recommenda-
13 tions.

14 The Consultant was charged with some independent
15 interviewing, reviewing on his own to ascertain the nature of
16 the concerns; and in this task that the Consultant had, he was
17 to report those results to Mr. Owen.

18 Q Did you understand that the Consultant was to be
19 prepared to present evidence as to the validity of the task
20 force investigation in the Catawba Operating Licensing Proceeding?

21 A I believe that was in the letter laying out the
22 responsibilities or duties of the Consultant.

23 Q That is where you would have learned that?

24 A I believe so; I don't believe there was any amount of
25 discussion on that topic.

1 Q When did you first learn of contacts with anyone
2 from the Consulting firm?

3 A Within a week or so of assuming my responsibilities.

4 Q What was that contact?

5 A The Consultant was Mr. Lew, L-E-W, Zwissler; and I
6 really cannot recall the first contact, specifically; but I'm
7 sure that we met each other and he reviewed with me what he
8 was there to do.

9 Q Did he come to you or did you talk to him by phone?

10 A No, we maintained an office for him in the Quality
11 Assurance area here at the General Office.

12 Q How long was Mr. Zwissler with you?

13 A He spent a fair amount of time with us, through
14 February and a portion of March. During that period of time
15 he might have been here for a week at a time and gone for
16 several days and back for several days; but a fairly substantial
17 amount of time in that more or less six week period.

18 Q Did you understand that either Mr. Zwissler or his
19 company had had prior experience in responding to like concerns?

20 A I was told that, I wasn't personally aware that they
21 had.

22 Q And did he tell you that? How did you learn that?

23 A I really can't say how I learned that.

24 Q What did you know of his experience?

25 A ~~There was a resume attached, a resume of Mr. Zwissler~~

1 attached to the proposal, I believe. And as I recall he had
2 substantial experience in Quality Assurance matters.

3 Q Do you recall where he had had that experiences?

4 A No, I don't specifically recall. Well, it comes to
5 mind that he was the Quality Assurance Manager at a National
6 Laboratory, I'm not sure which one.

7 Q How about South Texas?

8 A Well, that is not a laboratory. I became aware
9 somewhere along the line that he, in his company, but perhaps
10 he had been involved in some Quality Assurance Consulting
11 business at South Texas.

12 Q Are you aware that South Texas facilities had had
13 significant Quality Assurance breakdowns?

14 A I was aware that there was a discussion by the
15 Utility Manager to discontinue the contract with the Architect
16 Engineer and Construction Manager and retain a new Architect
17 Engineer and Construction Manager, Constructor.

18 Q And Mr. Zwissler came in and in some temporary
19 capacity was responsible for responding to the Quality
20 Assurance deficiencies at that Plant?

21 A I was not specifically aware and really did not have
22 any discussions with Mr. Zwissler on that topic.

23 Q How did You understand Mr. Zwissler to employ the
24 term "skilled interviewers" with respect to responding to the
25 Welding Inspector concerns?

1 A I really don't recall a discussion with him on that
2 term.

3 Q Do you recall that term being used?

4 A I really don't recall that.

5 Q What did Mr. Zwissler have to contribute, or anyone
6 else from the Mack Management Analysis Company?

7 A Management Analysis Company or Corporation, I don't
8 remember.

9 Q What did either Mr. Zwissler or his firm have to
10 contribute to the approach that the Company took to responding
11 to the Welding Inspector concerns?

12 A Well, most of those dealings, as a matter of fact,
13 I would say most all of those dealings were between Mr.
14 Zwissler and Mr. Cobb or Mr. Owen; but I recall that Mr.
15 Zwissler reviewed the techniques that Mr. Cobb was employing;
16 and I recall that he had some discussion in regard to how that
17 was going to be documented; but I don't recall any specifics.

18 Q Was he responsible for designing the structure of
19 the interview process?

20 A Not that I'm aware of.

21 Q Who was?

22 A Well, the Chairman of the task force, I would think.

23 Q Mr. Cobb?

24 A Yes.

25 Q How about the design of the forms used to record?

1 A I believe those were designed by the task force,
2 itself.

3 Q Not Mr. Zwissler?

4 A I don't believe so.

5 Q All right, how about the design of segregating the
6 technical from the non-technical concerns as those terms were
7 used by the task force? Who was responsible for that?

8 A Well, at the time the task force began their efforts
9 they determined that they would identify each concern as a
10 specific item to review and make recommendations on.

11 As they got into that process it was apparent to
12 them that some of those concerns were not technical in nature,
13 but were rather Administrative in nature and they felt that
14 those would be best handled by someone with more expertise
15 in that area.

16 There was a discussion between Mr. Cobb, myself and
17 Mr. Owen and myself. I don't recall the nature of it, whether
18 we met at one time; but in the course of discussions we
19 determined that the best arrangement would be to segregate out
20 the two types of concerns, to appoint a task group oriented
21 toward Administrative matters to deal with the non-technical
22 concerns.

23 So I made a recommendation to Mr. Owen as to how
24 to do that and who to appoint as the non-technical task force.
25 He approved that recommendation and I appointed the non-technical

1 group.

2 Q Who was that?

3 A Mr. C. N. Alexander and Mr. Danny Pruill.

4 Q Who is Mr. Pruill?

5 A Mr. Pruill at that time was the Employer Relations
6 Supervisor at Catawba, and about that time I think he moved
7 into the General Office in Construction; but he was an Employer
8 Relations Supervisor in Construction.

9 Q And his position now, if you know?

10 A He is the Employer Relations, or I'm sorry, he is
11 the Personnel Supervisor -- I'm not sure if that is exactly
12 the correct title -- but Personnel Supervisor at the Oconee
13 Station Support Division.

14 Q And Mr. Alexander, his position at the time; do you
15 recall?

16 A At the time Mr. Alexander was the Personnel Manager
17 or Supervisor at the Mt. Holly Station Support Division in the
18 Construction Department. Presently he is the Manager, QA
19 Manager of the Administrative Services Division within the
20 Quality Assurance Department.

21 Q Now what definition was employed of the terms
22 "technical," and "non-technical," Mr. Grier, for purposes of
23 segregating concerns of one character from the other?

24 A Basically issues that dealt with employees'
25 Supervisory work relationship outside of the issue of specific

1 work activities, specific inspection activities, specific
2 Quality Assurance Procedures --

3 Q That definition represents what?

4 A Well, those matters that are outside of those
5 specific QA Procedure concerns would be non-technical.

6 Q And technical, any further definitional matters
7 included in what is a technical concern?

8 A No, I think that is pretty complete, those things
9 that would relate to a Quality Assurance Procedure to the
10 standards that an Inspector would use in determining acceptability
11 or rejection of work activities.

12 Q How do you understand and use the term "harrassment,"
13 Mr. Grier, as it relates to this subject, Welding Inspector
14 concerns?

15 A Well, there is a definition of harrassment in both
16 Corporate Procedure and in our Quality Assurance Department
17 Procedure that speaks of some action detrimental to an
18 individual because of their race, religion, these types of
19 attributes.

20 Q You have reference to the procedures that your
21 Counsel made available this morning, the Departmental Recourse
22 Procedure on Harrassment?

23 A It is termed "Harrassment," I think. It is one of
24 the procedures that was made available to you.

25 Q All right, sir; I didn't mean to interrupt, but I

1 wanted to get that reference.

2 A My definition, I guess, I would say is a personal
3 definition or kind of a guideline that I would use to determine
4 that in the nature of an Inspector's work relationship where
5 harrassment would be an action or activity whereby an Inspector
6 would be fearful to perform their required duties because of
7 some threat.

8 Q I am looking at the procedure you had reference to,
9 Harrassment of Employees effective 7/1/82. How does that
10 procedure relate or describe or define the kind of harrassment
11 that you just had reference to material to the relationship of
12 an Inspector to his work or to someone who's work he is
13 inspecting?

14 A Well, this is the procedure that an individual
15 would follow if they felt harrassed for any reason.

16 Q Well, doesn't that procedure govern harrassment
17 because of an individual's race, sex, national origin?
18 Is't that the primary thrust of that -- race, religion or
19 ethnic group or sex?

20 A This says that harrassment is "any action which
21 singles out an employee" and it is not limited to race, religion,
22 et cetera.

23 Q I am trying to understand it is the thrust assumed
24 to say quote "harrassment is any action that singles out an
25 employee to the employee's objection or detriment because of but

1 not limited to innate personal characteristics," and it goes on
2 with matters that are not particularly material, but it is
3 harrassment because of some feature or character of the
4 individual harrassed. Isn't that what that definition focuses
5 on, Mr. Grier?

6 A That is the focus of that sentence there; but this
7 procedure is the procedure that would be used if an employee
8 felt harrassed for any reason.

9 Q So that did not help us define the type of harrassment
10 we are talking about here.

11 A No, that was a personal definition.

12 Q Is there a procedure that provides the definition
13 of harrassment as it relates to an Inspector's job?

14 A No.

15 Q Is there a policy about the kind of harrassment
16 defined that is making a person fearful to perform required
17 duties because of a threat?

18 A I'm not aware of any written policy along those lines.

19 Q All right now, focusing on the definition that is
20 material to an Inspector performing his job, what kinds of
21 threats would fall within your understanding and use of the
22 term?

23 A Well, any threat that made an Inspector or any person
24 fearful of performing their assigned activity.

25 Q Physical threat?

1 A Physical threat.

2 Q Threat of physical violence?

3 A Yes, that certainly would be one.

4 Q Verbal threat? Abusive language?

5 A Well, language, language in itself probably would
6 not make a person fearful of carrying out their activity. That
7 would obviously be the individual's feelings; but --

8 Q Is the important thing what the perception of the --
9 if we are talking about verbal threat or verbal harrassment --
10 it is the perception of the hearer that matters then?

11 A I would certainly think so, yes.

12 Q How about a threat of adverse action with respect to
13 employment?

14 A Yes, that could make a person fearful.

15 Q Firing, demotions?

16 A Yes.

17 Q Adverse action with respect to pay, working conditions?

18 A Those certainly would be in that category.

19 Q And is that, this definition that you have used,
20 you have expressed as your personal definition, is that defini-
21 tion consistent with the way you understand the term "harrass-
22 ment" to have been used by the Welding Inspectors and their
23 expressions of concern?

24 A No.

25 Q Tell me how it differs.

1 A Well, I believe that the term was used by the
2 Inspectors more as an expression of arguments that had ensued
3 between the Inspector and the Craftsmen.

4 In other words, their term encompassed a broader
5 scope of adverse human relationship than the definition I gave
6 you.

7 Q All right, sir, and broader why, Mr. Grier?

8 A Well, because of my reading of some of the concerns
9 that were turned in, they seemed to express situations that
10 involved some argument, undoubtedly loud conversation, perhaps
11 some obscenities, whatever, that had taken place between
12 Inspectors and Craftsmen; but apparently did not deter the
13 Inspector from carrying out his assigned task.

14 Q Is the operative distinction then that the harrass-
15 ment that was characterized by the Welding Inspectors and
16 their concerns did not make them fearful to perform their
17 required duties? Fearful, is that the operative distinction?

18 A Yes, anything that would, in fact, be detrimental
19 to the Quality Assurance Program in a sense of not carrying
20 out the tasks that we are responsible for carrying out.

21 Q And there again, as earlier, is it not primarily
22 fear in the hearing of the hearer, fear in the sense of how
23 the person who is the recipient of the threat or verbal
24 exchange perceives that threat or verbal exchange? Is that
25 the key?

1 A I'm not sure I followed your train right there, but
2 I think I agree. Would you mind --

3 Q Sure, is the distinction that the act of physical or
4 shall we say the acts of verbal abuse, use of profanity,
5 argument, in the example of a Welding Supervisor or Craftsman
6 to a Welding Inspector, did not, in fact, make the Welding
7 Inspector fearful to perform his required duties?

8 A Yes, that is the distinction. Yes, in my mind there
9 is a distinction between a situation where a person is fearful
10 of performing his task and thereby not, in fact, able to per-
11 form that task in a situation where there is some uncomfortable
12 disagreement in a working relationship.

13 Q Why did you reach the conclusion in the instance of
14 the Welding Inspectors they were not fearful of performing
15 their required duties?

16 A They continued to perform their duties.

17 Q Mr. Grier, don't you think that just practically
18 speaking, that put someone in a position where the more the
19 thick skinned, the more superlative, the more outstanding you
20 are in resisting threat, the less protection you get from the
21 threat in the first instance?

22 A Not at all, I don't condone those disagreements.
23 I make the distinction between harrassment and those disagree-
24 ments because harrassment, as we define it in Duke Power is
25 serious and can result in termination if a person is found

1 guilty of harrassing another individual, whereas a disagreement,
2 those are to be resolved.

3 I don't condone those, they are adverse to good
4 working relationships. They are adverse to productively carrying
5 on the task; so although I make the distinction between the
6 harrassment and these disagreements, I don't condone either
7 one.

8 Q In your terms of seriousness or a measure of serious-
9 ness we can agree that no instances of harrassment identified
10 by the Welding Inspectors lead to termination of anyone.

11 Do you know of any instances where the parameter of an act in
12 what was characterized as harrassment resulted in termination?

13 A In our Quality Assurance Procedure we have a
14 graduated scale of disciplinary actions, depending on the
15 scale of the harrassment.

16 Q That is the same as in the Construction Harrassment
17 Procedure?

18 A I'm not sure, but I believe there has been some
19 disciplinary actions taken as a result of some harrassment
20 investigations in the past. I'm not perfectly sure about that.

21 Q Involving concerns expressed by the Welding
22 Inspectors?

23 A I'm not sure whether a Welding Inspector or some
24 other Inspector.

25 Q Using your working definition of seriousness, and

1 I understood you to say Duke does take it seriously and it is
2 a firing offense if it is serious--

3 A Of the most serious nature, there is a graduated
4 scale of discipline, but the most serious harrassment, if
5 proven, would result in termination.

6 Q I want to understand, do any of the concerns
7 expressed by the Welding Inspectors represent harrassment in
8 the sense that it produced disciplinary action of that definition,
9 termination?

10 A No, there were not terminations as a result.

11 Q How about the instance where a Craftsman pointed a
12 rifle at a Welding Inspector?

13 A Well, I believe that had occurred some period of
14 time before the concern was expressed. As I recall the informa-
15 tion that I've gotten on that particular instance, I've learned
16 of several factors.

17 One is that the Craftsman who allegedly, I'll say
18 pointed a rifle at a vehicle off the job, was pointing a
19 rifle at a vehicle that contained some number of folks, and
20 included in that vehicle was a Welding Inspector.

21 There was some supposition that because of some
22 inter-relationship between those two individuals on the job,
23 that the Welding Inspector might have been the person involved.
24 That is one piece of information that I've learned.

25 Another is that an investigation of harrassment was

1 intended to proceed on that instance, but the individual
2 alleged to have pointed the rifle turned in his notice; and,
3 in face, quit the next day, so there was no, the Company was
4 not able to pursue that investigation.

5 Q Did the Welding Inspector bring the incident to the
6 attention of Management promptly?

7 A Well, since my understanding is that an investiga-
8 tion was to proceed the next day, I would presume that someone
9 did. I frankly don't know whether it was the Inspector involved
10 or someone else in the automobile.

11 Q Who were the individuals involved? .

12 A The Inspector involved was Mr. Bill Deaton. I
13 don't know the name of the Craft person or the names of the
14 other individuals in the automobile.

15 Q Was that determined, do you know the identity of
16 the individual?

17 A I would suspect so, I just don't happen to know.

18 MR. GUILD: Do you want to take a break,
19 ten minutes?

20 (Whereupon, the deposition adjourned for a
21 brief recess, after which the following proceedings
22 were had:)

23
24 BY MR. GUILD:

25 Q Mr. Grier, how do you understand and employ the

1 term "falsification" as related to the Welding Inspector
2 concerns?

3 A That would be the conscious action by an employee
4 to represent something that was not factual.

5 Q And in your opinion is that the way in which the
6 Welding Inspectors employed that term in expressing a concern?

7 A No, it is not.

8 Q How does it differ in the way that you used it?

9 A I think their use of the term was related to the
10 direction by their Supervision to assign an inspection step
11 that the Supervisor had determined was correct and should be
12 signed off; but when the Inspector had some question about,
13 did not understand or was not given an explanation as to why
14 the inspection step should be signed off or was correct.

15 And thereby, they were signing for something they
16 were not sure was correct.

17 Q For example, directing an Inspector to check the
18 accept block on a Weld Process Control Form where the Inspector
19 did not actually inspect or find the weld acceptable? Would
20 that be included?

21 A Well, the latter part of your statement I think was
22 general, the nature of the use of the term by the Inspectors
23 that it was something they had inspected, had a question about,
24 had raised that question with their Supervisor.

25 ~~Their Supervisor had determined it was acceptable~~

1 and directed the Inspector to sign it off but had not convinced
2 the Inspector that it was acceptable.

3 Q And that does not represent falsification of that
4 inspection document?

5 A No.

6 Q Is that occurrence consistent with policy with
7 respect to inspection at Catawba?

8 A It is not consistent with our policy at that parti-
9 cular time. It is our policy that no one will sign off an
10 inspection step that they are not personally convinced is
11 acceptable.

12 Q Was that consistent, that practice consistent, with
13 your policy at any former time?

14 A I really cannot speak to the policy that was in
15 place at Catawba prior to February of 1982. It is generally
16 not consistent of my understanding of the most prudent Quality
17 Assurance practice.

18 Q Did it occur as a matter of custom or practice at
19 Catawba?

20 A I'm not aware of the occurrence except as it relates
21 to the concerns of the Welding Inspectors expressed.

22 Q Did they express that concern any?

23 A I believe that is documented in some of their
24 concerns that they were directed by their Supervisor to sign
25 something off that they were not personally -- had not been

1 explained to them why the step was acceptable.

2 Q Did you understand that it actually occurred?

3 A I read that it did occur in the concerns that were
4 turned in.

5 Q Well, those concerns are the same concerns that
6 I've seen and we are talking about, the same documents. What
7 I want to understand is not whether they are contained in
8 those writings because I think we can accept that they are.

9 I want to understand what you, George Grier, believe.
10 Did you actually believe that it did occur at Catawba?

11 A I believe that it did; it is based on what the
12 Inspectors wrote.

13 Q Is that consistent with prudent practice in your
14 opinion?

15 A In my opinion,

16 Q And the practice has been changed to clarify that
17 it is not policy at present?

18 A That's correct.

19 Q Do you know whether or not it was policy at any
20 point in the past?

21 A I'm not aware that there has been a policy that
22 allowed that activity of directing someone to sign something
23 off that they are not personally convinced of.

24 Q Did you ever discuss that subject with Mr. Davison?

25 A Yes, the nature of discussions was to be sure we

1 were clear that that was, that that practice was not acceptable,
2 and in fact, would not be our policy.

3 Q Did you ask him whether he ever instructed a Welding
4 Inspector or through the Welding Inspector's first level
5 Supervisor, to sign approval that the Welding Inspector had
6 not personally agreed to?

7 A We have had some discussions along those lines.
8 As I recall his feeling is that, and we were discussing the
9 issues that were raised by the Welding Inspectors, not the
10 issue in general, but my understanding of his feeling on this
11 subject is that he felt that any interpretation by an Inspector
12 of what he may have said and what his belief is in regard to
13 what a Supervisor may have said would have been somewhat a
14 misunderstanding or a situation of poor communications between
15 himself and the Inspector.

16 And, in fact, the Supervisor, Mr. Davison, was
17 convinced that the activity was acceptable and apparently
18 felt that the Inspector agreed with that at that time.

19 Q Did Mr. Davison either admit or deny having
20 instructed an Inspector to approve a piece of work that the
21 Inspector did not agree with?

22 A I think Mr. Davison, in understanding the specific
23 concerns expressed, is generally aware of the specific
24 instances involved; and as I say, describes the situation
25 as one where there was apparently a breakdown in communications

1 between himself and the Supervisor and/or Inspector.

2 Generally Mr. Davison continued to see that the
3 specific direction given was technically correct.

4 Q I guess I don't think that is responsive to the
5 question.

6 A Would you repeat it, please?

7 Q Sure; did Mr. Davison admit to having instructed an
8 Inspector to initial his acceptance of work that the Inspector
9 did not agree with?

10 A I didn't specifically ask him to admit to that one
11 way or the other.

12 Q Did he deny it?

13 A I didn't ask him to deny it.

14 Q Did he say I didn't do it or it happened that way?
15 What I'm trying to learn is what you learned from Mr. Davison,
16 regardless of whether you put it one way or the other?

17 A Right, well, the sense of the conversation, I've
18 already told you the sense of the conversation and the terms
19 admit or deny really were not directly discussed, as I recall.

20 Q You just don't know whether he did or didn't do it?
21 You just expressed these senses as you did a moment ago?
22 Let me see if I can be a little clearer; I'm not sure you
23 understood what I said.

24 A I think there is no question in his understanding
25 of the specific instances. He is aware of the specific

1 instances that are described by the Inspectors and recalled
2 discussions as to the acceptability of those things, recalls
3 that an Inspector was to go accept the situation.

4 Generally I believe his recollection is the
5 Inspector did not express a concern at that time in regards
6 to the issue.

7 Q So I think generally he was not aware that the
8 Inspector had the concern that now apparently was in the
9 Inspector's mind; and how about your understanding and use of
10 the terms "pressure to approve faulty workmanship"?

11 A Well, that would be essentially the same as falsifi-
12 cation, same sense. As a matter of fact, I think that that is
13 a term that Palmetto Alliance has used in their contention.

14 Q I seem to recall seeing it there, too. Mr. Grier,
15 I'm looking at a memo to file to that. Let me see if I can
16 identify it, dated April 27, 1983.

17 A Yes, I am familiar with that memo.

18 Q You wrote that memo?

19 A Yes.

20 MR. GIBSON: Excuse me, would you put a clear
21 identification in the Record of what that is?

22 MR. GUILD: Sure, let's see if we can identify
23 it. First let's have it the next Exhibit to Mr.
24 Grier's deposition; and this is a memo regarding a
25 ~~meeting on April 27 that you had with Beau Ross?~~

1 THE WITNESS: That's correct, and Art Allum.

2 (Whereupon, the document referred to as Memo
3 to File dated 4/27/83 was marked and received by the
4 Court Reporter as Grier Exhibit One and entered into
5 the Record.)
6

7 BY MR. GUILD:

8 Q Mr. Allum was then Mr. Ross' Supervisor?

9 A That's correct.

10 Q On the second page with regard to the terms that
11 we have just been discussing, "We need to be clear on the
12 significance on those concerns and in particular will have to
13 be clear on the meaning of terms like 'intimidation', 'threats',
14 'falsification' and 'pressure to approve faulty workmanship.'
15 These are words that are used in the concerns and could be
16 used to describe very extreme circumstances."

17 And what I am trying to understand, Mr. Grier, is
18 what you think should be intended, what you think those terms
19 should be understood to mean both in your mind and the way
20 those terms were used by the Welding Inspectors; and that is
21 what you have been telling me?

22 A That's correct.

23 Q The last of those terms "pressure to approve faulty
24 workmanship," that is a term used in Palmetto Alliance's
25 contention. The substance of the phrase is reflected in

1 concerns expressed by Welding Inspectors.

2 A Well, I think that I probably picked that term out
3 as a phrase used in the Palmetto Alliance contention rather
4 than Welding Inspector concerns.

5 I wrote that memo without benefit of going through
6 the concerns or the Palmetto Alliance contention; but I was
7 recalling some terms that are used.

8 Q And you were discussing the subject with Mr. Ross?

9 A That's correct.

10 Q What was the tenor of your discussion when you talked
11 about the term, the phrase "pressure to approve faulty work-
12 manship"? What did you say; do you want to look at the memo?

13 A Sure, I wrote the memorandum following my discussion
14 with Mr. Ross, and that list was a list of terms, the sense of
15 which I was discussing with Mr. Ross. I really am not sure I
16 specifically used the phrase "pressure to approve faulty
17 workmanship," in my discussions with Mr. Ross.

18 But that discussion with him was to discuss the
19 issue of using terms, that of using terms without properly
20 defining those terms.

21 Q Such as the terms you have just defined here?

22 A Yes.

23 Q Well, the introduction to that memo, this parti-
24 cular portion of the memo was in anticipation of the hearings.

25 ~~The last thing I explained to Beau, one of our big tasks would~~

1 be to put the terms expressed by Welding Inspectors in perspec-
2 tive because the Intervenor would be characterizing those
3 concerns in the worst possible light.

4 "We need to be clear on the significance of those
5 concerns, and in particular will have to be clear on the meaning
6 of terms like . . ." and then you go on.

7 A That's right.

8 Q And you were addressing the subject of how to
9 respond to Palmetto Alliance's Quality Assurance contention?

10 A Not specifically, no; I was discussing with him the
11 importance of being clear on the definition of terms that have
12 or can have some significant meaning in the minds of various
13 individuals that see those terms used in other arenas.

14 Q Yes, but it was in the contention of responding to
15 Palmetto Alliance's concerns reflected in our contention,
16 questions about the adequacy of Quality Assurance at Catawba
17 wasn't the nature of your discussion?

18 A I'm not sure what you mean by "in the nature of
19 responding to our contention."

20 Q I want you to tell me what you talked about with
21 Mr. Ross that is the subject of this line of questioning, and
22 when I read my words on a piece of paper to mean what they
23 say again, it is a question of defining terms; and when you
24 say "our big task would be to put the concerns expressed by
25 Welding Inspectors into perspective," you are talking about

1 in the contention of a hearing where Palmetto raised those
2 questions.

3 A Okay, I was somehow on the track of responding to
4 interrogatories. The discussion was along the lines of being
5 sure that all of us that might be involved in the hearing
6 process are careful to define the terms such as those that we
7 use in our discussions in regard to the contention.

8 Those discussions might take place in preparation
9 for hearings, they possibly might take place with media
10 representatives; but that was the nature of my discussion, to
11 make sure the terms are defined and when they are to be used.

12 Q All right, did you discuss Mr. Ross' participation
13 in the hearings?

14 A I may have reiterated to him what was already, what
15 had already been told to him; that he might, in fact, play a
16 role in the hearings either in deposition or in the nature of
17 some testimony at the hearings.

18 This had been communicated to him previously.

19 Q What did you say about the question of testimony?

20 A The only thing I would have said was what I just
21 said. He as well as many others might be involved in testi-
22 mony or deposition.

23 Q Did you talk to him about whether he would testify?

24 A No.

25 Q Did you ask him whether he would testify?

1 A No.

2 Q Did you talk to him about cooperation with Palmetto
3 Alliance or other Intervenor?

4 A I don't believe I talked to him at that time. He
5 had been in more than one meeting at which we have laid out
6 our instructions to Supervisors and to individuals in regard
7 to cooperation with Intervenor.

8 Q Had you talked to him about that subject?

9 A I have been at meetings at which I addressed
10 Supervision, and he had been in those meetings.

11 Q When were those?

12 A I'm not sure of the exact dates. We had some
13 meetings in late April I believe on site where I know we
14 spoke to the Inspectors and Supervisors about that issue.

15 Q Did you speak to the Inspectors and Supervisors
16 together?

17 A We had at least one meeting with Supervisors, and
18 then had each employee in QA at Catawba come in in groups and
19 met with them; their Supervisors were with them, I believe.

20 Q When was the meeting with just the Supervisors?

21 A I'm not sure, I would expect that it would have been
22 in March, March, April.

23 Q Do you recall a meeting at which Mr. McGarry was
24 present, Mr. Carr was present?

25 A Yes.

1 Q And you?

2 A Yes.

3 Q And you addressed all of the QA people about Catawba
4 in groups?

5 A That's correct.

6 Q Was the meeting with Supervision before or after
7 that?

8 A Before that.

9 Q And who was present at the meeting with Supervision?

10 A Well, I was present at at least one of the meetings,
11 and I'm not sure -- I don't believe anyone from the Legal
12 Department was present at that meeting. I may be wrong, but I
13 just don't recall.

14 Q So who in Supervision was in attendance?

15 A All Supervisors in Quality Assurance at Catawba.

16 Q How many Supervisors would that be?

17 A Twenty.

18 Q And Mr. Ross was at that meeting, too?

19 A Yes.

20 Q What was discussed at that meeting that was
21 different in any substance from the subjects discussed at the
22 meeting with all QA people?

23 A Essentially nothing. I believe at that meeting we
24 explained to the Supervisors that each person in Quality
25 Assurance would be receiving a letter that would indicate that

1 their name, address and telephone number and that sort of
2 data had been released to the Intervenor and read the letter
3 to them and gave them an opportunity to discuss any questions
4 they might have about that issue.

5 I think at the same meeting, that was where we
6 discussed the Supervisors to bring forward or get out of their
7 files any notes or documentation they might have regarding
8 concerns or disagreements between Inspectors or Supervisors or
9 Management.

10 Q That letter went out over your signature, Mr. Grier?

11 A That's correct.

12 Q To all present and former QA Supervisors at Catawba?

13 A That's correct.

14 Q Did you write that letter?

15 A That was drafted in the Legal Department, I believe.

16 Q Who drafted it?

17 A I'm not sure, I think Mr. Al Carr may have drafted
18 that letter.

19 Q Did you get any response to that letter from any of
20 the recipients?

21 A Well, I recall receiving a telephone call from a
22 former employee, Mr. Edwards, who was wondering why he had
23 received the letter and what the issue was and some explanation
24 of what had been turned over.

25 Actually there was another letter that indicated

1 that some documentation with that person's name had actually
2 been turned over. I think there were two separate letters,
3 one dealing with the fact that telephone numbers had been
4 released, and then another for specific individuals who were
5 named in documents that had been turned over.

6 Q For Mr. Edwards it was the document?

7 A Yeah, I believe that was an exit interview that
8 had been turned over in discovery.

9 Q All right, did Mr. Ross ask any questions about
10 participation in the hearings or related process?

11 A I don't recall any specific questions from Mr. Ross.

12 Q Nothing at all?

13 A I know he has asked his Supervision on site some
14 questions. I don't recall him asking me any specific questions.

15 Q Who has he asked?

16 A I believe he has had discussions or had questions
17 that related to those matters with Mr. Allum, Mr. Willis,
18 Mr. Davison.

19 Q How do you understand that?

20 A From reports from Mr. Davison to me.

21 Q What does Mr. Davison report to you?

22 A He was just keeping me advised of what the nature
23 of what Mr. Ross had reported, that being that, in fact, there
24 had been some contact between Palmetto Alliance and himself,
25 individuals identifying themselves as being with GAP, and

1 himself, members of the media and himself; as well as some
2 Inspectors.

3 Q Inspectors contacting him?

4 A As well as those individuals I've just named
5 contacting Inspectors, and those Inspectors reporting then to
6 Mr. Ross.

7 Q And how did Mr. Davison communicate or report these
8 contacts to you?

9 A Verbally.

10 Q Did you document that?

11 A No, I don't believe so.

12 Q Did Mr. Davison document that?

13 A I don't know, but I don't think he did.

14 Q Why not?

15 A Well, it is just a matter of getting a report of
16 that contact to be something significant to document.

17 Q Okay, what are the diagrams that you have reference
18 to, Mr. Grier, in your memo regarding your meeting with Mr.
19 Ross?

20 A Those were just some discussions that I drew on a
21 chalk board in the process of some discussions with Beau.

22 Q What were they?

23 A As I recall it was just a horizontal line that I
24 drew to aid the discussion to help Beau visualize what I was
25 talking about; and the horizontal line represented construction.

1 well, the quality of construction work.

2 One end of the line would be work that was deficient
3 to the extent that it would, in fact, fail in service and
4 result in danger to the safety and health of the public.

5 The other end of the line was absolutely perfect
6 work with no discernable defects. And I explained to Mr.
7 Ross that somewhere on that line would be the point at which
8 the workmanship would be acceptable to the Design Criteria,
9 that that point would not be at the end that represented
10 workmanship that had no discernable defects, and that somewhere
11 between the line, the mark on that line that represented work
12 acceptable to Design specifications, between that point and
13 perfect workmanship would be the point where we had set our
14 specifications as meeting the Quality Assurance requirements.

15 That was an aid to make sure that I was communicat-
16 ing well with Mr. Ross. I feel like he was well aware of what
17 I was discussing, but that that diagram helped us both make
18 sure that we were properly communicating and the discussion
19 centered around the fact that there were defects or deficiencies
20 that would fall between our acceptable standard and the Design
21 Specification Requirements, and those might be justified.

22 Likewise, there were defects that fell between the
23 perfect workmanship end of the line and the point where work-
24 man^{ship} would be acceptable to our standards; and because our

25 ~~standards are written in words and are subject to interpretation,~~

1 there is a gray area around that point on the line, and some
2 things that some Inspector might interpret as not meeting our
3 requirements, and, in fact, would.

4 So that was that line as just an aid in our dis-
5 cussions.

6 Q If you would reproduce that line for me, Mr. Grier?

7 (Whereupon, the Witness drew a diagram as
8 requested by Counsel.)
9

10 BY MR. GUILD:

11 Q All right, sir, if you can pass that across the
12 table.

13 MR. GIBSON: Can we mark that as Exhibit Two,
14 Mr. Guild?

15 MR. GUILD: Yes, let's do.

16 (Whereupon, the document referred to as
17 Diagram by Mr. Grier was marked and received by
18 the Court Reporter as Grier Exhibit Two and entered
19 into the Record.)
20

21 BY MR. GUILD:

22 Q All right, sir, now the point between the points on
23 the line that you have labeled meets Design specifications and
24 QA acceptance standard; is that the point where judgment would
25 permit the acceptance of an item falling less than QA acceptance

1 standards?

2 A That is correct judgment, that is the area where a
3 judgment by the appropriate individuals could result in
4 acceptance.

5 Q All right, judgment by the Inspector?

6 A No.

7 Q Judgment by whom?

8 A That would generally be judgment by the Design
9 Engineering Personnel.

10 Q Judgment by the Design Engineer, say in the example
11 used earlier this morning on the Inspection Team?

12 A Yes.

13 Q How about Engineering judgment beyond that of the
14 Design Engineer on the Inspection Team to accept something
15 that is otherwise not up to QA Acceptance Standards?

16 A There are situations I can imagine where the
17 Design specification is very clear in the requirements, and
18 for some reason the QA Acceptance Standard is more stringent
19 than that.

20 If it is very clear that perhaps someone in Quality
21 Assurance or the Technical support, Quality Assurance Technical
22 Support organization might accept something that falls in
23 between those criteria.

24 Q And where on this continuum do you consider Mr. Ross
25 should be the focus on the Inspectors' exercise of judgment?

1 A In the area just around this hypothetical point on
2 this line that gives the level of quality that is pointed out
3 on our QA Acceptance Standard. That is not, in fact, a sharp
4 point on a line, or, in fact, a sharp definition.

5 Those QA Acceptance Standards are generally words
6 that are written and have to be set out against individual
7 Hangers, individual welds that have some differences.

8 Q All right, in your memo to file you say "I explained
9 that one of his tasks," again, Mr. Ross as a Supervisor, "is
10 to use his judgment to answer employees' questions in such a
11 way that we will not exceed standards to a great degree."

12 Again, with reference to this diagram if it is
13 useful, how do you mean that observation?

14 A Well, just as I said, not to interpret, not to allow
15 an Inspector to reject acceptance criteria much above the QA
16 Acceptance Standards, thereby rejecting work that, in fact,
17 should not be rejected.

18 Q Why not?

19 A Well, it is needless to reject work that is, in
20 fact, acceptable. It requires time and attention to correct
21 something that does not need correcting.

22 Q But why not better than simply acceptable?

23 A There is no necessity to produce work that is
24 better than acceptable.

25 Q Even in a Nuclear Plant, Mr. Grier?

1 A That's correct.

2 Q Were there any other diagrams that you used in this
3 discussion with Mr. Ross?

4 A No, I believe that is the diagram here.

5 Q That is the diagram you had reference to in the
6 discussions reflected on the first page, which is the second
7 topic, Workmanship and also the diagram that you have
8 reference to on your left area, which is in regard to the
9 hearings?

10 A That's right, the same sense of degree of defini-
11 tions that is laid out on that diagram.

12 Q "Beau did express a desire to make a change and is
13 particularly interested in going into Operations QA." What
14 kind of change?

15 A Well, he expressed to me that he would be interested
16 in a Supervisory position in the Operations Quality Assurance
17 area. I believe he was speaking of the group at Catawba, the
18 Operations QA Group at Catawba.

19 Q And is that the transfer of Construction QA to
20 Operations, something that is generally pending at this time?

21 A We are in the process of staffing the Operations
22 QA Group at Catawba now.

23 Q And you are selecting individuals to make that
24 transfer?

25 A We have selected some individuals, we have some

1 left to select.

2 Q And who of the individuals who do not transfer from
3 Construction QA to Operations, what work will be for them?

4 A Well, we expect that we are going to have to
5 expand our staff generally in Operations QA Division to take
6 care of the In-Service Inspection work, as we have seven
7 Nuclear Plants operating interfaced with the prospect undoubtedly
8 of having at least one of those units down for refueling
9 outage continually at some point in time.

10 One will always be down, we expect to have some
11 expansion in that area. We expect to have some Nuclear
12 construction work beginning and will need to staff and
13 supervise Inspectors in those areas.

14 We intend to have Quality Assurance and Quality
15 Control functions at those non-nuclear construction facilities.
16 In addition there are studies going on in regards to upgrading
17 both fossil and nuclear stations for major work activities.

18 There we likely will have some Quality Assurance
19 function or activity. We are performing for other departments
20 of the Company, Inspections, Non-Destructive Examinations,
21 that have in the past been given to outside agencies.

22 We expect that role to expand; and lastly, we are
23 interested in contacts with companies outside Duke Power
24 Company to utilize personnel so there are a number of areas
25 where we expect to be able to use certainly the Supervisors

1 and hopefully a large number of the Inspectors that are
2 currently at Catawba.

3 Q Do you anticipate the need to lay off QC Personnel
4 upon completion of Catawba?

5 A Yes.

6 Q Do you know how many people you are going to need
7 to lay off?

8 A I don't know at this time, it depends on the
9 studies in the areas that I have described.

10 Q Have you selected the Supervisory Personnel who
11 will make the transfer for Operations?

12 A Not totally.

13 Q Have you selected amongst the Supervising Technicians
14 now at Catawba, persons who would be transferred to Operations
15 QA?

16 A No, we have not made an investigation. We have not
17 gone through a process of selecting any of those individuals
18 to go or not to go.

19 Q Have any of those individuals applied for transfer?

20 A We do not have a process by which a Supervisor
21 would apply for a transfer from one division of QA to another
22 and remain in essentially the same job.

23 The selections for Supervision are made by Manage-
24 ment.

25 Q How does one, if one is interested, does one

1 express an interest?

2 A Yes, it is perfectly acceptable for someone to
3 express an interest, but that is not really a factor in the
4 selection of a Supervisor. We review all the qualified
5 candidates, select the most qualified, offer the position to that
6 most qualified candidate, and they either accept it or not;
7 and if they don't we go to the next most qualified.

8 Q Did you discuss such a transfer with Mr. Ross?

9 A As I noted in my memo, he expressed that to me and
10 I was acknowledging that I understood that he was interested
11 in that, but certainly made no commitments or remark to
12 indicate I will expect that.

13 I reiterated to him what he already knew, that I
14 heard his interest and the selection process would be such as
15 I have just stated.

16 Q You did not communicate any view as to his
17 candidacy for a transfer?

18 A No.

19 Q What was the circumstance of Mr. Ross' meeting with
20 you on April 27, Mr. Grier?

21 A I was aware that he was concerned with the
22 Performance Evaluation that he had received, and since I had
23 been involved in approving that Performance Evaluation and
24 since I am interested in him and his Supervisory potential as
25 well as the other Supervisors, I told Mr. Davison if Mr. Ross

1 felt it would be helpful to meet with me and discuss the
2 situation, that I would be glad to do that; and Mr. Ross
3 indicated he would like to do that and we had the meeting.

4 Q What step was this in Mr. Ross' Recourse?

5 A Well, this occurred during the total Step One as
6 had been discussed with Ms. Addis. This was Step One with
7 him, internal within the Quality Assurance Department.

8 Q There is also a Step Two and a Step Three?

9 A Step One is within the Department. Step Two is
10 with the Corporate Personnel and Step Three is with the
11 President. Within the Quality Assurance Department there are
12 steps that a person goes through before they exhaust the
13 Step One Departmental Recourse.

14 In fact, there is a new procedure that takes the
15 place of the Recourse Procedure that Ms. Addis referred to,
16 and that is to try to resolve recourses within the department
17 and provides for a number of steps within the Department.

18 It does not take the place, it explains the Step
19 One Phase within the Quality Assurance Department.

20 Q Within the Department what step are you?

21 A I am the last step.

22 Q Step Three?

23 A Well, it depends on how many Supervisors an
24 individual has, but I'm the last step.

25 Q Mr. Ross went first to his Supervisor, Mr. Allum

1 and then Mr. Allum's Supervisor, Mr. Willis; is that right?

2 A That's correct.

3 Q You are the third step beyond that, are you not, or
4 Mr. Davison is beyond Mr. Willis and you are beyond Mr.
5 Davison?

6 A That's correct.

7 Q Before Mr. Davison resolved Step Three, Mr. Ross
8 was meeting with you and you are Step Four.

9 A I believe my meeting occurred before Mr. Davison
10 in it occurred before Mr. Davison submitted his answer to
11 Mr. Ross. I'm not sure whether Mr. Ross had submitted his
12 Recourse Letter or not to Mr. Davison before or after I met
13 with him.

14 Q I guess my question is it seems to me on its face
15 that you did some leap-frogging in there. You agreed to meet
16 with Mr. Ross and did meet with him and discussed the
17 substance of his concerns before the person who is next below
18 you in the chain had completed his Resolution of the Recourse.

19 A That's correct.

20 Q Why is that?

21 A In this particular case the Recourse concerned
22 Mr. Ross' performance evaluation, and I, in fact, approved
23 that performance evaluation. He knew that I had approved it,
24 and therefore, I was, in fact, involved in the case.

25 ~~It was not as if I had not been involved and therefore~~

1 was becoming involved for the first time. That was my
2 reasoning as to it being proper in this instance to have this
3 meeting.

4 I also was very interested that Mr. Ross understand
5 his recent performance level and not be polarized by the over-
6 all annual performance rating that he had been given in rela-
7 tion to his recent performance; and thereby become confused
8 as to whether his recent performance was at a lower level or
9 exactly what level that recent performance was.

10 Q What level was it?

11 A I believe his performance was discussed with him
12 in April of this year, late April or early May, I believe it
13 is late April; and for some number of months preceding his
14 performance, his annual performance review, his performance
15 was satisfactory; or rather let me put it in terms of the
16 levels we use in our performance, his performance was competent.

17 Q Is Mr. Ross in any danger of adverse personnel
18 action because of his performance?

19 A Absolutely not.

20 Q Any danger of loss of his Supervisory position as
21 a result of his performance?

22 A No.

23 Q That is not the opinion that his immediate Super-
24 visor who performed his evaluation, Mr. Allum, held; is it?

25 A I'm not aware that Mr. Allum would hold any different

1 opinion.

2 Q You are not?

3 A No.

4 Q You are not aware of Mr. Allum expressing the view
5 if Mr. Ross' performance did not improve he would not be suited
6 for continuing Supervisory responsibility?

7 A I believe Mr. Allum would be speaking about a
8 period of time some number of months ago, in fact, a period
9 of time likely around April, May, June of 1982 and not the
10 current period of time; and that is what I was very interested
11 in that Mr. Ross understand that his performance in recent
12 months was competent.

13 Q You understood, didn't you, that Mr. Allum expressed
14 the contrary position as recently as January of 1983?

15 A I am not sure I am aware of that.

16 Q You are aware of the complaint that Mr. Ross had
17 concerning Mr. Allum's treatment of him?

18 A I am aware of the nature of his Recourse.

19 Q And that it related to conduct by Mr. Allum?

20 A As I understood it, it related to the miscommunica-
21 tions with Mr. Allum, yes.

22 Q Were you aware of complaints of anyone, including
23 Mr. Ross, of Mr. Allum's lack of qualifications to perform
24 his Supervisory job?

25 A I can't specifically recall a complaint of that nature.

1 Q Well, aside from, you know, name, date, time and
2 specifics, are you aware of any complaint made concerning
3 Mr. Allum's qualifications?

4 A I really cannot bring to mind --

5 Q The answer is no?

6 A No, I am not aware of any.

7 Q Mr. Allum is no longer Mr. Ross' Supervisor?

8 A That's correct.

9 Q Why not?

10 A Again, this centers around availability of Supervision
11 for McGuire. Recently a second level divisional NDE Supervisor
12 became available from McGuire. We moved the Supervisor to
13 Catawba and rearranged the reporting relationships in that
14 area.

15 Q Is that Mr. Bulgin?

16 A Yes, that is correct.

17 Q Is Mr. Bulgin more qualified for that position than
18 Mr. Allum?

19 A No, I wouldn't say so.

20 Q Equal qualifications?

21 A Yes.

22 Q How about from Supervising visual inspections?

23 A I would say they are both well qualified. Mr. Bulgin
24 has a background that is more oriented for the visual inspections
25 than Mr. Allum. Mr. Allum is more oriented toward Non-Destructive

1 examination. Mr. Bulgin, was, in fact, a Welding Craftsman
2 at a point in time and was a Welding Inspector, a first level
3 Welding Inspector Supervisor prior to being promoted to a
4 second level Supervisory position.

5 Q Is Mr. Bulgin more qualified to supervise visual
6 inspections of welds than Mr. Allum?

7 A Well, they are both qualified to do it. I've stated
8 the background Mr. Bulgin has. He is more oriented toward
9 visual inspections.

10 Q What I am asking, they are both well qualified.
11 I want you to compare the two, and if you have to compare,
12 and sometimes you have to do that, is Mr. Bulgin more qualified
13 to perform that Supervisory function than Mr. Allum?

14 A Let me answer it this way: If I had two areas to
15 supervise, one visual inspections and non-destructive examina-
16 tion, I would put Mr. Bulgin over visual inspection and
17 Mr. Allum in non-destructive examination area.

18 That would be my preference. Both are well qualified .
19 for both.

20 Q Are you aware of concerns by Welding Inspectors that
21 supervision does not have adequate experience in supervising
22 the visual inspections of Welding?

23 A I believe concerns of that nature were expressed
24 in the written concerns used by the Welding Inspectors. That is
25 a recourse and I have those documents, too.

1 Q But are you aware of that?

2 A Yes, as I say, out of those written concerns there
3 is a concern of that nature expressed. I cannot specifically
4 quote which concern.

5 Q I am not asking you to, but the answer is yes,
6 you are aware of that concern being expressed?

7 A Yes.

8 Q Are you aware of the concern expressed that those
9 whose experience was limited to NDE who have less qualifica-
10 tions to supervise the visual inspections of welds than those
11 with either experience in visual inspection or experience in
12 actual welding?

13 A I really have not heard the concern expressed that
14 way.

15 Q Have you heard that substance of concern, that
16 concern in substance, laying aside the specific way I phrased
17 it or the words I used, Mr. Grier?

18 A What I recall is that concern was expressed about
19 Mr. Bulgin, who happens to be more oriented toward NDE, so I
20 really have not made that connection. I really had thought
21 the connection was just to the person and not particularly
22 towards the orientation towards NDE or visual, but I suspect
23 that could be the nature of the concern.

24 Q How was Mr. Ross' Recourse resolved?

25 A An answer to his letter that he presented to

1 Mr. Davison was given to him. I believe Mr. Davison discussed
2 it with him and that was the resolution to his Recourse.

3 Q And the terms of that resolution are fully reflected
4 in the correspondence that has been provided?

5 A That's correct.

6 Q Did you consult with any higher Management in
7 reviewing Mr. Ross' Recourse or the resolution of that Recourse?

8 A No, I made Mr. Owen aware that Mr. Ross had initiated
9 the Recourse process, but I did not discuss the resolution of
10 it with Mr. Owen.

11 Q Any other Management?

12 A No.

13 Q You supplied Mr. Owen with copies of your memo to
14 file concerning your meeting with Mr. Ross?

15 A Yes, I did.

16 Q All right, did he also receive copies of other
17 documentation regarding Mr. Ross' Recourse?

18 A I don't believe so.

19 Q As far as you know this was the only thing that
20 he received?

21 A That was the only communication in writing.

22 Q Did you talk to him about it?

23 A As I stated, I informed Mr. Owen that he had
24 initiated the Recourse process.

25 Q ~~Did you inform him about the other steps in that~~

1 process, meeting with him beyond the matter that is copied
2 here?

3 A I think the memo was my communication with him that
4 I had met with Mr. Ross.

5 Q What did Mr. Owen say to you when you told him that
6 Mr. Ross had filed a Recourse?

7 A I don't recall specifically, I think the nature was
8 just some acknowledgement, and his instructions to be sure
9 we handled it correctly, some statement of that nature.

10 Q Mr. Ross complained that his personnel evaluation
11 and other treatment by Allum, his Supervisor, was retaliatory
12 for his having expressed concerns, both technical and non-
13 technical, regarding Welding Inspections at Catawba; is that
14 right?

15 A I believe that is the sense of some of the statements
16 in his Recourse, not statements, I got that sense from his
17 Recourse.

18 Q And did you investigate that complaint?

19 A Well, as I say, I was involved in the evaluation
20 process for Mr. Ross, and I'm involved in the evaluation
21 process for all Supervisors at that level; so I was well aware
22 that, in fact, the evaluation was based on his attributes as a
23 Supervisor, and in no way was the evaluation retaliatory.

24 Q Your action was not retaliatory; correct?

25 A The answer centered around his performance evaluation.

1 Q Let me see if I can isolate this, Mr. Grier; that
2 is motive and I will ask you to speak to your own, and I'm
3 asking you whether or not your action, Mr. Grier, was
4 retaliatory in response to his having expressed concerns?

5 A No, it was not.

6 Q All right, and do you know whether or not the
7 actions by others, Mr. Allum, and Mr. Davison, were retaliatory?

8 A To the best of my knowledge they were not. The
9 process of evaluation for Mr. Ross was presented to me, and
10 the reasons for the evaluation; and they seemed correct in
11 the framework of the evaluation process that we have.

12 Q And that is the basis for your conclusion about
13 the motives of the other two gentlemen I mentioned?

14 A That's correct.

15 Q All right, sir; the May 11, 1983 letter, memo to
16 file, from Mr. Davison; you received a copy of it, I believe.
17 Can you identify that, Mr. Grier (indicating)?

18 A Yes.

19 Q And you did get a copy of that?

20 A That is true.

21 Q All right, this reflects the resolution of Mr.
22 Ross' Recourse?

23 A No, if I scanned it correctly I believe that is a
24 document whereby Mr. Davison, well, it is not a letter, it is
25 ~~a memo to file; but it documents a discussion he had with~~

1 Mr. Ross to ask Mr. Ross if he, in fact, was satisfied with
2 the response he had gotten from Mr. Willis; and if not, then
3 he should carry his Recourse to the next step.

4 Q So it reflects the resolution of his Recourse at
5 the step below Mr. Davison, Mr. Willis?

6 A Well, I think no, it really is a document that
7 indicates that Mr. Davison had a discussion with Mr. Ross and
8 said if you are not satisfied, be sure to take it to the next
9 step.

10 Q The memo to file from Mr. Davison, he indicated to
11 me that he felt better about his evaluation after the answer
12 from Joe, that is Mr. Willis?

13 A That's correct.

14 Q And subsequent conversations with Joe, Art Allum
15 and George Grier, that he felt the evaluation was retaliation
16 against him for asking questions. You understand that such
17 retaliation is prohibited by Federal law?

18 A Yes.

19 Q And on the 12th Mr. Ross to Mr. Davison, after
20 the meeting reflected in that memo, "I think the fact that
21 seven out of the nine years as a Supervisor I have received
22 competent and then I get the worst rating I have ever received.

23 "This should tell me something. This tells me
24 retaliation, pay back and discrimination. This fact coupled
25 with the fact I've made an effort to be more liberal in my

1 interpretation to avoid conflicts and the fact that nothing
2 was said during so-called "-- my copy is poor -- it appears to
3 be "unsatisfactory period, tells me irregardless of what I did
4 I was going to get a bad rating."

5 I will skip down, "I feel I have been unduly
6 pressured and illegally treated, and I would like to submit
7 the above concerns. I feel that my resolution would be a
8 transfer to Operations Group and a fresh start with Management
9 who hopefully are not already prejudiced against me. I feel
10 this is the case. G. E. Ross, 5/29/83."

11 A Those were responded to by Mr. Davison in his
12 letter.

13 Q Did you recognize whether or not these were valid?

14 A Those were investigated at the stage of Recourse
15 with Mr. Davison.

16 Q The question of harrassment and retaliation?

17 A I'm sorry, did you ask a question?

18 Q Yes, did you investigate those?

19 A No, I didn't investigate those; that was the step
20 at which Mr. Davison did his investigation.

21 Q Now, May 26, 1983, is this the concluding response
22 to Mr. Ross' Recourse?

23 A That's correct.

24 Q And that is from Mr. Davison?

25 A That's correct.

1 Q And that document reflects the full terms of the
2 resolution of Mr. Ross' Recourse?

3 A That's correct.

4 Q Have you met with Mr. Ross since the Resolution
5 of his Recourse?

6 A No.

7 Q Had you met with Mr. Ross before the meeting that
8 is reflected in your memo to file?

9 A I'm not sure what you mean by "met with," in
10 reference to his Recourse?

11 Q No, in relation to the concerns that he expressed
12 about Welding Inspection at Catawba and relation to Quality
13 Assurance at Catawba, his work?

14 A I have not had a specific meeting in the matter of
15 the meeting that I documented in my memo with Mr. Ross. It
16 is my practice to be on site frequently, and I make it a point
17 of seeing and meeting, let me say, seeing in the work place,
18 as many Supervisors as possible.

19 And I've seen Mr. Ross on a number of occasions
20 and discussed various topics and discussions with him.

21 Q How about including his concerns of Welding
22 Inspections?

23 A I have not seen him and specifically discussed with
24 him the concerns that he turned in. We have had general
25 discussions in regard to Welding Inspector concerns, the conduct

1 of the Quality Assurance program in regards to Welding and
2 Welding Inspection at Catawba.

3 MR. GUILD: Okay.

4 MR. GIBSON: Mr. Guild, I believe it is
5 five o'clock. Is there any prospect that in a few
6 more minutes you would finish Mr. Grier?

7 MR. GUILD: No, I think not.

8 MR. GIBSON: Let's resume in the morning then.

9 FURTHER THE DEPONENT SAITH NOT.

10

11 (Whereupon the deposition adjourned at five
12 o'clock p.m. to be continued the morning of July 7,
13 1983, at eight o'clock a.m.)

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1 (The deposition of Mr. George Grier was
2 reconvened at 8:20 a.m. on July 7, 1983, and the
3 following proceedings were had:)

4
5 BY MR. GUILD:

6 Q Good morning, Mr. Grier.

7 A Good morning.

8 Q Let me show you a document that is dated December
9 20, 1982; and it is a memo to your file (indicating). Can you
10 identify that?

11 A Yes, there is a handwritten note on the attachment
12 that I am not familiar with. Other than that --

13 MR. GUILD: This was in the form that was
14 presented to me. I understood it was from your
15 files. Counsel, do you have idea where the hand-
16 writing comes from?

17 MR. GIBSON: I have no idea.

18
19 BY MR. GUILD:

20 Q Otherwise, with that exception can you describe the
21 document, please?

22 A Yes, that is a December 20, 1982, memo to file that
23 I wrote about a meeting that I had with Kim VanDoorn, the NRC
24 Resident Inspector at Catawba, in which we discussed his
25 synopsis of comments concerning the Welding Inspector concerns.

1 Q All right, and describe the circumstances of the
2 meetings with Mr. VanDoorn, please.

3 A As I recall Mr. VanDoorn scheduled that meeting with
4 me, said that he was concluding interviews with the Inspectors
5 and wanted to come discuss his findings or his conclusions or
6 information that he had gained with those interviews with me;
7 and he scheduled that meeting and he gave me a typed write-up
8 of that information that he gained from those interviews.

9 Q Did he discuss in any more detail the interviews
10 that he had?

11 A There was some discussion and I documented that
12 discussion in my memorandum to file.

13 Q What is your understanding of what Mr. VanDoorn
14 had done with respect to the Welding Inspector concerns?

15 A Well, I know that he had begun well, first, we had
16 kept him apprised as we went through our task force investiga-
17 tion and recommendations and corrective action in implementa-
18 tion phase.

19 We had kept him advised of what we were doing.
20 There were some meetings that we had on site with Supervision
21 and Quality Assurance and Welding Inspectors that he sat in on
22 some of these meetings, I am not sure he sat in on all of them.

23 Around August I believe he started his independent
24 investigation of the task force report recommendations and
25 corrective action; and that period of time I know he spent

1 some period of time with Mr. Bradley going over the task force
2 report and files in regard to that subject.

3 He independently looked at some, I'm not sure whether
4 he looked at all, but some of the specific concerns and
5 determined whether he thought the recommendations made by the
6 task force were adequate recommendations or not.

7 Q Let me stop you right there. When you say "looked
8 at some of the specific concerns," what was the source that he
9 relied on, if you know?

10 A We made available to him copies of the handwritten
11 concerns. In fact, we made available to him Volume One and
12 Volume Two of the Task Force Report which contained, Volume
13 Two contains the facsimile of the handwritten reports.

14 Q Those were the documents he had available to him
15 as far as you know?

16 A Also he had access to the backup files that Mr.
17 Bradley maintained.

18 Q Do you know what was in there as far as the
19 reflection of the concerns, the Welding Inspector concerns
20 beyond the task force Volumes One and Two?

21 A I am not sure I understand your question.

22 Q What I'm trying to understand, or to the extent you
23 know, or understand, what Mr. VanDoorn relied on; and if you
24 say that he reviewed some of the concerns, try to understand
25 what the source document was that he had available to him, and

1 if it is Volume One and Two of the task force that helps.

2 If there is something beyond that we were talking
3 about other materials that you had available.

4 A Mr. VanDoorn also had access to the Non-Technical
5 Task Force Report and the concerns that had been classified
6 as non-technical. Those are the only documents that I recall
7 that he had access to, and I know that Welding Inspectors had
8 talked to him at the same period of time that they had brought
9 forth the concerns to Duke Management; and I would expect that
10 he had notes of those conversations.

11 Q All right, sir --

12 A There was one other thing that I know he did and that
13 was to interview Welding Inspectors between August and
14 December 20, I don't know exactly when those interviews
15 took place.

16 Q Did you understand that Mr. VanDoorn had requested
17 support or participation from the Nuclear Regulatory Commission
18 Office of Investigation?

19 A Well, during the meeting we had on, I believe the
20 meeting was on December 20, I don't recall any conversation
21 about that type of assistance. I do recall two other things:
22 When he began his investigation in August sometime around that
23 period of time I recall that he indicated that he possibly
24 would have some assistance in doing the interviews, and those
25 interviews possibly would be under oath.

1 I told him that I would like for him to keep me
2 informed; and as I recall I told him that if the interviews were
3 going to be under oath, I would like for our Legal Depart-
4 ment to be aware of that and have any discussions with him
5 they thought was appropriate.

6 But as it turned out, he never indicated that the
7 interviews would be under oath and that he had any assistance
8 in doing interviews.

9 Q When you and he spoke about that assistance and the
10 format for the interviews in August, did you bring that point
11 to the attention of the Legal Department?

12 A I may have, I don't specifically recall whether I
13 did or not.

14 Q Do you remember whether you consulted anyone?
15 Do you know if Mr. VanDoorn consulted with the Legal Department?

16 A I can't specifically recall, I feel I probably
17 would have; but I can't specifically remember doing that or
18 I am not aware of anyone else that did.

19 Q When he talked about potential assistance in
20 conducting the interviews, did you understand that to reflect
21 possible participation by the Office of Investigation?

22 A I am not sure I really understood at that time what
23 the Office of Investigation was. As I recall he mentioned
24 that there were Investigators within the Region Two Office,
25 and that those personnel might be the ones assisting in the

1 interviews.

2 Q Did Mr. VanDoorn relate how the decision as to how
3 to proceed would be made?

4 A No, he did not.

5 Q And did he subsequently, as you requested, inform
6 you about how he intended to proceed?

7 A I really don't recall a specific conversation with
8 him. My recollection is that the interviews proceeded and he
9 did not get back to me and indicate they would be under oath
10 or that he would have any outside assistance.

11 I really don't recall him specifically telling me
12 that he was beginning the interviews.

13 MR. GIBSON: Mr. Guild, while there is a
14 brief pause here I had Mr. Bell pull from the
15 documents the December 20 memo which does not have
16 any handwritten comments, if you would like to mark
17 this as an Exhibit I suggest we use this copy since
18 Mr. Grier is not familiar with those handwritten
19 notes.

20 If you want to look at this, this is the
21 document that was in the Document Room.

22 MR. GUILD: It is probably not critical.
23 This is obviously from somebody else's file, it is
24 not my copy and not my notes, and this was what was
25 made available with the materials from Mr. Grier.

1 MR. GIBSON: As you point out, it is not a
2 critical thing. It could be that is the Xerox that
3 has gone through several hands, but in any event,
4 do you want this marked and we will have a copy made?

5 (Whereupon, the document referred to as
6 Memo dated December 20 was marked and received by
7 the Court Reporter as Grier Exhibit Four and
8 entered into the Record.)
9

10 BY MR. GUILD:

11 Q In your notes reflecting the December 20 conversa-
12 tion with Mr. VanDoorn you indicate you talked about Inspectors
13 perceiving recrimination for having spoken to the NRC.
14 What did Mr. VanDoorn tell you in that area?

15 A Let me look at that?

16 Q It is in that single-spaced paragraph there
17 (indicating.)

18 A As I recall Mr. VanDoorn felt that he was being
19 told by some of the Inspectors that if they went to the NRC,
20 that there might be some negative comments from their peers
21 in regard to their conversations with NRC; but it was clear to
22 Mr. VanDoorn that that would not deter any of those Inspectors
23 from going to him with information or concerns.

24 Q Look on Page Two of Mr. VanDoorn's typewritten
25 notes of interviews, Mr. Grier. How do you understand the use

1 of the term "RT and Cavender used, override Inspectors, not to
2 override Inspector call." Do you see that?

3 A Yes, I do. RT would be the abbreviation for
4 Radiography, non-destructive examination techniques of
5 examining welds; and Cavender is John Cavender. He is the
6 Level Three ASN, the Certified Level Three Radiographer.

7 Q Is ASN the American Society of Non-Destructive
8 Testing?

9 A Yes.

10 Q And he is the Level Three what?

11 A Level Three Radiographer.

12 Q Did you understand that comment by the Inspector?

13 A I understood that comment to be speaking of using
14 the Level Three Inspector. Well, let me put it this way:
15 These Inspectors would be talking about some apparent defect
16 that they would see visually, and I would take this to mean
17 that we would use a radiography technique to inspect that weld
18 and then use the Level Three Radiographer to determine whether
19 that defect was, in fact, rejectable or not.

20 And if it was found to be acceptable, the perception
21 by the Inspectors is that they were being overridden, or, in
22 fact, told that they were incorrect rather than doing the same
23 thing, I take it, that they are not saying that the radiography
24 and the Level Three should not be used, but rather it should
25 be couched in terms of technical acceptance rather than

1 overriding the Inspectors.

2 Q All right, is Mr. Cavender still employed in that
3 position?

4 A Yes, he is.

5 Q And is it consistent with present procedure for a
6 weld that is rejected on the basis of a visual inspection to
7 be radiographed subsequently?

8 A That is not the normal sequence of activities.
9 Normally if a weld is rejected visually, that rejectable
10 defect is repaired and then if the weld is to be subject to
11 radiography, the radiography is subsequently done.

12 Q Is the radiography generally done first and --

13 A No, visual first and then radiography.

14 Q Is it consistent with present procedure to use
15 radiography as a check on visual rejection?

16 A It is not inconsistent when there is some defect,
17 apparent defect that is difficult to evaluate, to use various
18 non-destructive testing techniques to further evaluate the
19 current defect.

20 Q Would the use of the radiography in that circum-
21 stance be documented?

22 A Yes, it would.

23 Q How would it be documented?

24 A It would be documented on the process control for
25 that weld.

1 Q Would it be documented on the process control if
2 the weld did not otherwise call for radiographic examination?

3 A Yes, it would.

4 Q How do you understand the comment, the next down,
5 "still need improvements in the R2 program and resolution
6 feedback."

7 A I believe that that comment points to the fact that
8 the revision to the R2 program and NCI program that has been
9 discussed in my deposition and previous depositions was
10 relatively new at that time; and it was a change from the
11 practice that had been going on previously, and there was still
12 some rough edges to work out as far as the implementation of
13 those changes, and this was a comment by six Inspectors,
14 apparently, that there was a need for improvement, and I
15 think that independently we, QA Management on site, had seen
16 that there was still a need to educate people on the proper
17 use of the R2 versus NCI program, and that was taking place.

18 Q What was the nature of the rough edges at that time?

19 A Well, I think we were still in the process of
20 making sure we were communicating well, the concept of when
21 to use an NCI, when to use an R2A, when to take care of the
22 documentation and correction of a defect on process control.

23 That was one aspect. I think the other aspect was
24 as is stated there, feedback to the Inspectors as to what
25 became of the, how the resolution was carried out on an

1 R2A in regard to some defect that they had recorded on an R2A.

2 Q How have those rough edges been smoothed out or
3 problems corrected?

4 A With training sessions with Quality Assurance
5 Supervision and Inspectors and Technical Support Personnel
6 who process R2As, and well, I'm not sure, but Craft Personnel
7 has been trained in these procedures also.

8 Q All right, and the following comments concerned
9 whether R2A versus NCI is adequate to handle problems.

10 A Right, that was a comment by four Inspectors,
11 apparently. I think the concern there was the fact that an
12 NCI has and still does receive more reduced steps for various
13 programatic requirements than an R2A does; and I believe that
14 was an expression of a view that an NCI receiving those
15 additional review steps, for example, reviewing for reportability
16 under 50.55F and significant corrective action, as we have
17 discussed whether an R2A that does not receive those types of
18 steps would be adequate to handle the type of defects that
19 they would be recording on R2As.

20 Again, I think that points to the fact that at that
21 period of time we still were needing to further educate
22 Inspectors as well as Supervision and Construction on the
23 concept of R2As and NCIs as we were putting in at the place.

24 Q At the bottom of the page, second to the last
25 comment, Craft (PHN) is abusing the weighted value system,

1 etc. First who is PMP?

2 A That would be Powerhouse Mechanics; that is a
3 classification in Construction.

4 Q And what did you understand that comment to
5 represent?

6 A Well, again, this is a singular comment. I take
7 that to be a comment by one Inspector that was interviewed.
8 The statement is "Craft Powerhouse Mechanic is abusing the
9 weighted value system to get a weighted value credit."

10 Weighted value is that commodity that we spoke
11 about earlier. That is a measure of productivity for
12 welding, and I'm not real sure exactly what the meaning of that
13 is.

14 Generally it seems to be a comment that somehow the
15 Craft are setting up joints that they say are mislocated. I
16 would take that to mean that they would have to redo in order
17 to get further production credit. It seems to be a comment
18 centered around some activities that would show more
19 production than should be shown.

20 Q All right, and aside from whether or not that
21 happens, would it be consistent with the weighted value system
22 for a Craftsman to get credit for setting up a joint once
23 and then setting it up again if it needed to be corrected?

24 A No, that is not consistent. The way the weighted
25 value is counted is by weld identification, and each weld is

1 identified by a unique number and yet can only be received
2 once regardless of how many times the joint is fit or repaired.

3 Q Only once per numbered weld?

4 A That's correct.

5 Q Mr. Grier, there were a series of documents made
6 available to me prior to your deposition, I believe in conjunc-
7 tion with production from your files. Can you identify those?

8 MR. GIBSON: Just for clarity, Mr. Guild, I
9 believe those were presented just prior to Mr.
10 Davison's deposition.

11 THE WITNESS: Yes, these are notices that are
12 posted on our bulletin boards that generally deal
13 with the subject of availability of NRC Residents
14 or other Officers of the NRC to any employee at the
15 Catawba Nuclear Station so they may have access to
16 the NRC to voice any concern or complaints that
17 they might have.

18
19 BY MR. GUILD:

20 Q Where are those posted on the job?

21 A Bulletin boards in various prominent locations
22 throughout the job.

23 Q How many locations?

24 A I don't know for sure, I can guess probably a half
25 dozen.

1 Q Where would those locations be?

2 A Well, I know that there is one in the main passage-
3 way of the Construction Office. That happens to be right near
4 the ladies and men's restroom, a prominent location. There is
5 a Bulletin Board in the Quality Assurance office area in a
6 passageway that is heavily travelled.

7 There is a Bulletin Board with this material posted
8 on the side of the building that contains the NRC Resident
9 Inspector's office. That building is located out on the
10 project near the Unit Two Turbine building.

11 I believe there is a Bulletin Board at the rear
12 entrance to the Construction office with this material posted;
13 and some others, but I can't recall the locations offhand.

14 Q Are there any of those notices posted within the
15 actual station buildings?

16 A I believe there are some bulletin boards in the
17 building. I really cannot recall exact locations. I think
18 there is one in the Unit Two Turbine building area where the
19 vending machines are located; but I'm not absolutely certain
20 of that.

21 Q Now let me see, we have four pages in front of you.
22 Would you start on the right and identify that?

23 A All right, this is the Nuclear Regulatory Commission
24 Notice to Employees.

25 Q Is there a Form Letter Number on there?

1 A NRC Form 368 in parentheses.

2 Q And that Notice is posted on the bulletin board?

3 A That's correct.

4 Q How long has that Notice been posted?

5 A I really am not sure how long it's been posted.

6 Q It has been posted essentially since it was required
7 to be posted?

8 A It has been I think several years but I'm not sure.

9 Q All right, and then the next page?

10 A This is an April 25, 1977 letter from R. L. Dick,
11 Vice President, Construction. Part of it is short, I can read
12 it, "We expect our employees to express any concerns they may
13 have about the quality of work to their Supervisors or any
14 level of Company Management.

15 In addition we have voluntarily agreed to post the
16 following Nuclear Regulatory communications." Down at the
17 bottom of the letter is some information that indicates that
18 any Nuclear industry worker who has concerns or questions
19 about Nuclear safety may bring these matters to the attention
20 of the NRC Inspector or nearest NRC Office.

21 There is a telephone number apparently of the
22 Region Two Office in Atlanta.

23 Q How long has that notice been posted?

24 A I would say since April of 1977. This does say at
25 the bottom "These changes will be reflected in a revised NRC

1 form posted to meet requirements of NRC 19 and 21."

2 I would take it this form revision was posted
3 shortly after.

4 Q All right, sir; and the third document?

5 A This is headed "Energy Reorganization Act of 1974,
6 Section 206, Compliance." And it speaks about any Director or
7 Officer of a firm engaged in activities pursuant to the Atomic
8 Energy Act, basically it indicates their requirement to report
9 defects to the Commission.

10 Q All right, sir; how long has that notice been posted?

11 A I'm really not sure, several years.

12 Q Does it have a blank space at the bottom some place
13 that is filled out?

14 A Yes.

15 Q What does that indicate?

16 A This says "Regulations establish necessary procedures
17 and requirements for the implementation of Section 206 of the
18 Reorganization Act of 1974, Federal Regulations, Part 21,
19 Reporting of Defects and Noncompliance. Implementing procedures
20 for," and there is a blank "Duke Power QA Department" is filled
21 in, "has been established as follows procedure QA 121 (QA) and
22 further a copy of 10CFR, Part 21 may be examined and reports
23 of defects and noncompliance may be made by contact," and
24 there it is filled in "R. A. Morgan" a blank that is filled
25 in "extension 320."

1 Q What is QA 121 (QA) mean?

2 A That would be the Quality Assurance Manual and Procedure
3 121 of the Quality Assurance Procedure that deals with reporting
4 items in compliance with Part 21.

5 Q All right, sir; and the last is a three page
6 document which is Federal Statute Section 210 of the Energy
7 Reorganization Act. You do not need to read that, I will
8 have that identified so you do not need to read it or para-
9 phrase it, Mr. Grier.

10 A Is that sufficient identification?

11 Q Yes. Mr. Grier, how long has that document been
12 posted?

13 A This has been posted for several months, I'm not
14 sure exactly when, but sometime perhaps in May of this year
15 it was posted.

16 Q All right, let's see if we can mark those together
17 as a package, Exhibit Four.

18 MR. GIBSON: Is that your only copy?

19 MR. GUILD: Yes it is.

20 MR. GIBSON: I think during the break we will
21 either make some or find some. I believe I have
22 extra copies of that pack of material.

23 MR. GUILD: Thank you.

24 (Whereupon, the documents referred to as
25 Packet of Documents posted on QA Bulleting Boards

1 was marked and received as Grier Exhibit Five and
2 entered into the Record.)
3

4 BY MR. GUILD:

5 Q All right, Mr. Grier, I want to show you a December
6 31st, 1982 document. It is Applicant's Responses to Palmetto
7 Alliance's First Set of Interrogatories (indicating). Can
8 you identify that?

9 A Yes, I've seen this document.

10 Q Now that in part is responding to Interrogatories
11 and Request to Produce regarding Palmetto Alliance's Contention
12 Six; is it not?

13 A Yes.

14 Q It is Duke Power Company's Response?

15 A Yes, it is.

16 Q Did you participate in preparing the responses to
17 Interrogatories and Requests on that Contention?

18 A Yes, I did.

19 Q Would you describe your role in that Response?

20 A When the Interrogatories were received our Legal
21 Department contacted QA and we appointed a Coordinator in this
22 area, Mr. Henry; and as I recall there were some meetings with
23 members of the Legal Department as well as myself and members
24 of my staff in which the Interrogatories were discussed, the
25 clear meaning of the Interrogatories were determined and

1 assignments were made in regard to who would deal with the
2 Interrogatories.

3 There were drafts made of Responses to Interroga-
4 tories by certain personnel and in meetings with the Legal
5 Department and myself and members of my staff, we reviewed
6 those drafts and turned that information over to the Legal
7 Department for incorporation in the Answers.

8 Q What was your responsibility with regard to
9 responding.

10 A My responsibility was to determine that the Responses
11 that were produced from the Quality Assurance Department were
12 adequate.

13 Q And you reviewed each of those Responses as they
14 related to the Quality Assurance Department?

15 A Yes, I reviewed the drafts as they were presented
16 to the Legal Department.

17 Q Now you understand, Mr. Grier, that the Interroga-
18 tories were coupled with Requests to Produce Documents,
19 documents that were identified in responding to those
20 Interrogatories?

21 A Yes.

22 Q And what was your role in identifying those documents
23 and responding to the Requests to Produce those documents?

24 A Again, through meetings with members of the Legal
25 Department we determined an understanding of what was responsive

1 to the documentation requests; and after gaining that under-
2 standing we proceeded to give the appropriate individuals that
3 would likely have those types of documents and have those
4 collected and forwarded to the Legal Department.

5 Q What was your specific role in that identification?

6 A Well, I had my files searched to determine what
7 documents I had that would be responsive. I communicated to
8 my staff the understanding of what types of documents were
9 responsive.

10 I also participated in meetings with Supervision
11 and employees at the Catawba Nuclear Station, at which time
12 they were requested to produce documents that would be
13 responsive.

14 Q And when did all this happen; when did you search
15 your files, first?

16 A I can't recall exactly, but it was sometime during
17 the latter part of 1982, I believe.

18 Q You understand that those Interrogatories and
19 Requests were filed in the Spring of 1982?

20 A I recall that from reading this (indicating).

21 Q Do you recall having met, you met in the Spring
22 of '82?

23 A Yes, sir; we had some meetings in the Spring of '82.

24 Q And you had prepared draft responses in the Spring
25 of '82?

1 A I believe we had.

2 Q Did you identify documents in the Spring of '82?

3 A I believe that we began to collect some documents
4 together, but I really don't recall whether we turned any
5 documents over to the Legal Department in the Spring of '82 or
6 not.

7 Q Now am I clear in understanding that you are not
8 indicating anywhere in that document as having participated
9 in any manner in preparing those responses?

10 A My name or initials are not in the documents.

11 Q There is no Affidavit reflecting your participation
12 in responses?

13 A That's correct.

14 Q Now I direct your attention to Page 41, and there
15 appears the first of two pages of a Response to Interrogatories
16 23 and 25. Take a look at those questions; and do you recall
17 those Interrogatories?

18 A Yes, I do.

19 Q All right, the Quality Assurance Department was
20 responsible for preparing the Responses to those Interrogatories?

21 A The Quality Assurance Department was responsible
22 for collecting the documents together from the Quality Assurance
23 area. I don't recall that we actually wrote the words that
24 appear here in the Response.

25 Q Who did?

1 A I'm not sure, I feel that maybe someone in the Legal
2 Department actually wrote those words.

3 Q Did you review a draft of that answer?

4 A I don't recall whether I did or not.

5 Q Then this may be an exception to your general
6 statement that you reviewed the drafts of answers that related
7 to the Quality Assurance area?

8 A Well, not really; what I stated is I reviewed
9 drafts of answers that were produced by Quality Assurance.

10 Q Yes?

11 A And as I said, I don't think these words were
12 actually produced by Quality Assurance.

13 Q Mr. Grier, those questions relate to the subject of
14 disagreements and disputes between QC Inspectors and their
15 Supervision and pressure on Inspectors to prove faulty work-
16 manship; correct?

17 A Yes.

18 Q Generally if that does not relate to Quality
19 Assurance, whose area of responsibility does it relate to; and,
20 in fact, who did respond to that area if it wasn't Quality
21 Assurance?

22 A The documents are what is responsive to the
23 Request. The words here are just explanatory words in regard
24 to the documents that were produced.

25 Q All right, sir, let's talk about the documents

1 On Page forty-two there is a list of a few docu-
2 ments. Help me understand from April to December of 1982 you
3 identified only seven, nine documents responsive to those
4 Requests.

5 As I recall those were the documents that could be
6 found in files that reflected disputes and disagreements
7 between Inspectors and Supervision or Management.

8 A I think, I am not sure but I believe in this
9 Response we indicated this was not a complete list and at
10 that time that these documents had been gathered together
11 we had not requested individual employees to search their
12 files.

13 Q Had you searched your file?

14 A Yes, I believe so.

15 Q Mr. Grier, where did all the rest of the stuff
16 come from that came from your file that is not one of these
17 nine documents, sir?

18 A Well, the material that I've produced from my file
19 relate to documents that are listed here. The material that
20 I produced relates to the Welding Inspector Task Force Report.

21 Q I am sure it does, but do you have any further
22 response to the question? Have you identified materials
23 beyond the nine documents that are listed there, Mr. Grier,
24 at that time?

25 A No, we haven't identified material that we understood

1 was responsive to this Request at that time and material that
2 I produced, some of it was generated at dates after this
3 Response.

4 Q What I want to understand is this, Mr. Grier: Many
5 documents that are not amongst those nine were subsequently
6 identified and produced in response to those two questions.

7 Now I want to understand is it Mr. Grier who was
8 sitting on those documents all that time, or did you go through
9 your file and identify documents, for example, all of the
10 documents regarding each of these Inspector concerns, including
11 your followup, the memo to your file regarding talking to
12 Mr. VanDoorn, etc., etc.

13 Had you identified those at that time and someone
14 else at the Company determined they were not responsive to
15 the Interrogatory? I want to understand what your role was
16 at the time of this answer.

17 MR. GIBSON: Objection to the form of the
18 question. Use of the phrase "who was sitting on
19 those documents." Mr. Grier can continue to
20 testify about his involvement, documents he produced
21 and what he did as responsive to your question.

22 MR. GUILD: I will be happy to rephrase it.

23
24 BY MR. GUILD:

25 Q ~~Do you understand the thrust of my question, Mr.~~

1 Grier?

2 A I believe I do.

3 Q Can you answer it?

4 A Well, for example, that memorandum of December 20,
5 I am not sure it was in existence at the time these documents
6 were turned over to the Legal Department; but at that time
7 those documents were turned over it was our understanding that
8 we were responsive in giving the documents that related to
9 the concerns and related to our course of action to correct
10 the concerns.

11 At that time some of the detailed documents that
12 have subsequently have been produced were not considered to
13 be necessarily responsive.

14 Q By you?

15 A I am not sure that as I recall I may have concurred
16 in that decision or that understanding.

17 Q Let me ask you more directly: Do you believe that?
18 Is it your position, George Grier, that those documents listed
19 there were responsive and represented the full range of docu-
20 ments responsive to that Interrogatory?

21 A At the time that those were produced I felt that
22 they were responsive.

23 Q All right, sir.

24 A As I indicated, I believe in here we said that there
25 was material yet to come. We had not talked to individual

1 employees yet to ask them to produce any documents in their
2 files.

3 Q Well, more specifically, Applicants do not now
4 represent that this list is complete?

5 A Applicants are continuing their search to determine
6 whether there are additional documents within scope of
7 Interrogatories 23 and 25.

8 Q What I want to understand, Mr. Grier, in plain and
9 simple terms, am I to read that language as it appears to
10 call for fair reading and that is these are the product of
11 searching at that time and that the search that identified
12 later documents had not yet been performed?

13 A I am not sure exactly the timing of turning those
14 documents over to the Legal Department in relation to when
15 we began our request to individual employees to search their
16 file.

17 Q I want to talk about you and your knowledge.
18 Had you searched your file, George Grier's file, and had you
19 turned over the contents of your file to anybody else?
20 Should I understand this answer to be reflective of the status
21 of the search as it relates to George Grier's file at that
22 time?

23 A Well, as I said at the time the information in my
24 file that related, as we understood it then to be responsive
25 to this request had been produced. Subsequently in a further

1 search we produced more background documentation, and that
2 documentation was turned over I believe in a followup response.

3 Q Yes, we will get there, too. I am still having a
4 hard time getting what I understand to be responsive answers,
5 Mr. Grier. Let me make one more effort to try to rephrase the
6 question: I want to know what you did, what documents you
7 identified. Can you tell from that list what documents came
8 from your file or any other documents you have available to
9 you?

10 I want to understand what of those documents were
11 from Mr. Grier's files.

12 A I believe Technical Recourse relating to this NCI
13 14816 would have been from my files. I believe that was the
14 Technical Recourse. I am not absolutely sure, but I think that
15 is the Technical Recourse relating to a concern Mr. Irby had
16 that I was involved in.

17 Q Anything else?

18 A I can't identify anything else from my files from
19 that list.

20 Q Did your search of your file identify any other
21 documents that you were then excluded from the list of nine
22 by anyone else, Mr. Grier?

23 A No, not that I recall.

24 Q So you excluded the other documents; it was your
25 decision, correct?

1 A I produced from my files what I considered to be
2 responsive at the time.

3 Q All right, sir; you read those questions and you
4 examined your files and you made the decision of what was
5 responsive from your files; correct?

6 A That is essentially correct.

7 Q If I miss anything, tell me.

8 A Well, my files were searched by my secretary in
9 addition to my review.

10 Q And you reviewed the product of her search of your
11 files?

12 A That is correct.

13 Q And you read documents?

14 A Well, as I recall that document that was produced
15 there was the one that came forth that seemed to be responsive
16 as a document relating to a disagreement between an Inspector
17 and Supervision or Management.

18 Q February 28th Supplemental Responses, can you identify
19 that document (indicating)?

20 A Yes, I've seen this.

21 Q All right, sir; and that contains further responses
22 with regard to Contention Six Interrogatories and Requests to
23 Produce?

24 A Yes, it does.

25 Q Did you participate in the same session in responding

1 to those further responses, producing those further responses?

2 A Yes, I did.

3 Q Turn to Page 29, please. There is a further
4 response to Interrogatory 23 and 25.

5 MR. GIBSON: Page 28 or 29?

6 MR. GUILD: 29.

7 THE WITNESS: Yes, there is.

8

9 BY MR. GUILD:

10 Q Did you prepare that response?

11 A I didn't personally prepare the response.

12 Q Who did?

13 A I believe that would have been drafted in part by
14 Mr. Glenn Bell, but I am not certain of that.

15 Q I will have to represent the testimony of Mr. Bell
16 was that he carried documents from the Quality Assurance
17 Department to the Legal Department, and that you did not do
18 any writing on the answers.

19 Do you know who did if he didn't?

20 A No, I don't.

21 Q It wasn't you though?

22 A No, it wasn't.

23 Q Anybody under Supervision besides Mr. Bell that
24 you know of?

25 A Well, the other person that perhaps would have

1 participated in the draft would have been Mr. Henry.

2 Q Why was the response to Interrogatories 23 and 25
3 limited as follows: "Incidents which had not been resolved
4 as between the Supervisor and the Inspector and, too, the
5 complaints or suggestions by workers within the scope of Interro-
6 gatory 25 known to Duke Power Company Management," end quote.

7 A I believe that was intended to indicate that at the
8 time we had not requested as individual employees that they
9 produce documents responsive to 23 or 25 from their files.

10 Q What about the first aspect, why was it limited
11 to disputes that had not been resolved as described there?

12 A Well, again, I believe that was because we had not
13 gone to individual Inspectors and asked them to produce any
14 documents that they might have that would be responsive
15 to that Interrogatory.

16 Q Who would you have gone to?

17 A Well, I'm not sure about the time frame at that
18 time that we had not gone to individual employees; and I'm
19 not sure whether we had gone to first line Supervisors at
20 Catawba or not.

21 Q Where would you have gone before you went to first
22 line Supervisors?

23 A To Management level employees.

24 Q Who would they be?

25 A Mr. Davison at Catawba.

1 Q At that level and below?

2 A I'm not clear as to the time frame when we went to
3 Supervision below that level.

4 Q But the initial beyond the search that identified
5 the documents that were in the December Response, the next step
6 would have been going to the Management level that Mr. Davison
7 represented?

8 A No, the search that produced the documents in the
9 December Response included documents that would have been
10 produced from that level.

11 Q From Mr. Davison?

12 A That's correct.

13 Q And subsequently documents to the level of
14 Supervision below Mr. Davison?

15 A Yes, as I recall there were three steps we went
16 after the first step. We went to the first level Supervision
17 or all Supervision, and then a subsequent step requesting all
18 employees to produce documents from their files.

19 Q All in the QA Department?

20 A All QA employees at Catawba Nuclear Station.

21 Q And your name or Affidavit or initials do not
22 appear in identifying your participation in that Response;
23 do they?

24 A That's correct.

25 Q All right, sir; and the March 25th response to

1 to followup Interrogatories, can you identify that document?

2 A Yes, I've seen this document.

3 Q Do you have a similar participation in those
4 Responses?

5 A Yes, I did.

6 Q Was your participation indicated in any way by
7 your Affidavit or initials or name on that document?

8 A No, it is not.

9 Q All right, sir; on Page 22 and 23 is a Response to
10 the followup Interrogatories, Number 9, did you participate
11 in preparing that Response?

12 A Yes, I did.

13 Q It relates to that document responsive to that
14 Interrogatory which basically asks for background materials
15 behind the Welding Inspector Task Force; correct, "will be
16 identified and produced at a later time"?

17 A Yes, it indicates documents responsive will be
18 identified and made available by March 30 of '83.

19 Q All right, tell me what you know about the identi-
20 fication of those documents, Mr. Grier.

21 A Well, first I think this is the point in time
22 where background memorandum and documents that relate to the
23 pay concern were gathered from my files as well as other
24 files and made available to the Legal Department, and in that
25 time frame prior to making those documents available was the

1 time that we had gone to all employees and asked for them to
2 produce any documents that they had that would be indicative
3 of disputes or disagreements between any employees and Super-
4 vision or Management in QA.

5 Q All right, how did you communicate with those
6 employees, any manner besides the meetings that you have
7 described?

8 A No, I don't believe so.

9 Q Did you write a memo or letter or note to those
10 employees or anyone else as far as you know?

11 A I don't recall a written memo.

12 Q Why did you write a letter to employees informing
13 them about their names having been communicated to Intervenors
14 but not write a memo or a letter to employees asking that they
15 identify documents, Mr. Grier?

16 A I really cannot say. I felt it was more important
17 for each employee to understand that personal information in
18 regard to them had been given out, and some of the reasons or
19 the reasons for giving that information out.

20 Q Less important than individual documents responsive
21 to those Interrogatories?

22 A No.

23 Q Why not put that in a written form to be clear,
24 Mr. Grier?

25 A It seemed entirely sufficient to have each employee

1 come into a conference room, explain what we were asking for,
2 have Management or Quality Assurance as well as representatives
3 from the Legal Department present to make that explanation to
4 give each employee ample opportunity to ask any questions they
5 might have about the production of those documents.

6 There had been meetings with Supervision before the
7 meetings with employees to explain the same thing to them,
8 so after those meetings the employees could ask their Super-
9 visors any questions.

10 Q Tell me as much as you can recall about what
11 request was communicated to employees with regard to identity
12 of these matters?

13 A As I recall we asked them to produce any documenta-
14 tion that they had that would relate to any way to a dispute
15 or a disagreement that they or any other employee of QA had
16 had with Supervisory Management.

17 Q How were they to do that?

18 A They were to bring that information to the Employee
19 Relations Assistant at Catawba, who would make a copy of that
20 information, give the original back to the employee who pro-
21 duced the information; and that information was then forwarded
22 to Mr. Glenn Campbell who transmitted it to the Legal Department.

23 Q And what did you tell them about the reason for that
24 identification?

25 A We explained to the employees that it was a request

1 in the course of discovery of the Intervenors, and explained
2 to them somewhat the process of Interrogatories and that we
3 were required to be responsive to those Interrogatories.

4 Q Who gave that explanation?

5 A I believe the actual initial explanation was given
6 by Mr. Al. Carr, and each session I believe I amplified that
7 request and the need to be responsive to that request.

8 Q And were there any questions concerning the
9 instructions?

10 A Yes, there were some questions from individual
11 employees?

12 Q What were they?

13 A I can't recall all the questions, I think more than
14 one, but not many asked the question do we have to do that;
15 and the answer was yes.

16 Q Who asked that?

17 A I don't recall any names of any employees.

18 Q Do you know whether they did produce documents from
19 the files?

20 A Yes, employees did produce documents.

21 Q Do you know whether they produced all the documents?

22 A I can't be absolutely certain that they produced
23 all the documents. They were requested to produce all the
24 documents that were responsive, and we got quite a number of
25 documents turned in.

1 Q Were any documents turned in that were not produced
2 for Palmetto Alliance?

3 A No, not that I am aware of.

4 Q Would you know?

5 A I believe I would.

6 Q Why were your documents regarding Mr. Ross'
7 Recourse and evaluation not produced until just the other day,
8 Mr. Grier?

9 A That Recourse had not been concluded and we felt
10 that it was proper to wait until that Recourse was concluded
11 to produce those documents.

12 Q Who felt it was proper?

13 A I felt that was appropriate and I believe I dis-
14 cussed that with members of our Legal Department.

15 Q Who did you discuss it with?

16 A I think that Mr. Gibson and perhaps Mr. Carr and
17 I had some conversations about that subject.

18 Q Mr. McGarry?

19 A I don't recall; he might have been present in the
20 room when a couple conversations on that subject took place.

21 Q Had they seen the documents?

22 A I am not sure that they had seen the documents at
23 the time we first discussed the fact that there was a Recourse
24 pending.

25 Q Had you presented the documents from your file

1 reflecting your documentary information regarding Mr. Ross'
2 Recourse to the Legal Department?

3 A Shortly after the Recourse documentation package
4 that was presented to Palmetto Alliance, shortly after that
5 was complete that package was presented to the Legal Depart-
6 ment.

7 Q How about before it was complete?

8 A I don't recall that that had been produced prior
9 to the completion of that Recourse.

10 Q So you did not produce it? You, George Grier,
11 did not make it available to the Legal Department until after
12 the last dated document in this package. Is that your
13 testimony?

14 A Yes.

15 Q That would have been June?

16 A I believe that's correct.

17 Q They were aware of it before then?

18 A I don't know whether they would have been aware,
19 well, I believe perhaps they were aware that a Recourse was
20 in progress prior to June, perhaps in May.

21 Q You reviewed and approved Mr. Ross' evaluation
22 March 17, 1983?

23 A That's correct.

24 Q Did you review Mr. Ross' comments regarding that
25 evaluation? Their comments appear to be dated the 15th of April,

1 1983?

2 A No, I did not review those documents.

3 Q All right, how about the P. M. Reep harrassment
4 complaint document dated April 6, 1983, from Mr. Alexander?
5 Why wasn't that identified and produced until just recently?

6 A I'm not sure exactly when that was made available
7 to the Legal Department, but it has been some period of time,
8 I am not sure how long.

9 Q Was it made available to them in April?

10 A I don't know for sure.

11 Q Who made it available to them?

12 A Either Mr. Davison or perhaps Mr. Alexander.

13 Q All right, and John Rockholt's complaints concerning
14 Mr. Allum when did you make that available to Legal?

15 A Well, this set of documents that you've shown me
16 which does not have a memorandum I wrote on it, that material
17 I believe was made available by Mr. Davison shortly after it
18 was produced; and after I received it on June 24 I wrote a
19 memorandum on June 27 in regard to that, and I believe the
20 same day or the next day, I made a copy available to the Legal
21 Department.

22 Q All right, sir: that is your initial that appears
23 on the top of the first page?

24 A Yes, that is my initial; this seems to be the copy
25 without my memorandum attached.

1 MR. GIBSON: Yesterday, Mr. Grier, or at the
2 beginning of his deposition, we produced the memo
3 he wrote in response to those documents, and
4 attached the same memo to the documents for
5 completeness.

6 MR. GUILD: Right, that indicates you received
7 that on the 24th of June.

8 MR. GIBSON: That's correct, of 1983.

9 MR. GUILD: Let's take about a five minute
10 break.

11 (Whereupon, the deposition recessed at 9:43
12 and reconvened at 10:02 a.m.)
13

14 BY MR. GUILD:

15 Q Mr. Grier, the Catawba Welding Inspector concerns
16 were divided into Technical and Non-Technical concerns for
17 purposes of investigation and corrective action.

18 I understand that different organizations and
19 Duke personnel were responsible for handling the responses
20 to those concerns in either area. Give me a summary of who
21 was responsible for which and how the response was organized
22 for each of those areas.

23 A Let me see if I'm clear about your question: Is
24 your question about who actually reviewed the written concerns
25 as turned in and determined recommendations?

1 Q Yes, I want to talk in detail about the task force
2 and that task force reviewed what has been characterized as
3 the technical concerns.

4 A Yes, and I believe I described earlier the appoint-
5 ment of Mr. Alexander and Mr. Powell as the Non-Technical
6 Task Force, and described how we divided the concerns into
7 Technical and Non-Technical; and those two gentlemen investi-
8 gated those concerns in a similar manner to that that the
9 Technical Task Force used and presented recommendations as
10 to what to do in regards to corrective action.

11 Q And who was responsible for monitoring the imple-
12 mentation of first the Technical and then the Non-Technical
13 concerns?

14 A Mr. Bill Bradley was responsible for monitoring
15 the Technical Task Force implementation, and Mr. Neal Alexander
16 was responsible for monitoring the Non-Technical Task Force
17 implementation.

18 Q And had the implementation of those recommendations
19 in both areas been completed?

20 A Implementation had been completed on specific
21 actions that were to be taken and implementation has begun
22 simultaneously on any type of programmatic corrective action
23 as was the case with programmatic corrective action, that is
24 something that continues to develop as time goes by.

25 Q That is in both areas, both the Technical and the

1 Non-Technical?

2 A Yes, I would say primarily in the Non-Technical area
3 where recommendations involved items such as improvements in
4 communications, those types of things that require training,
5 and as I think I indicated in some documents that were produced,
6 some of our training plans are scheduled out through 1987.

7 Q All right, sir; what in your judgment is the most
8 significant recommendation in the Non-Technical area that
9 remains pending or to be implemented?

10 A Well, there is no recommendation that has not been
11 implemented; and when I say that, implementation continues.
12 What I mean, for example, is a training plan has not been
13 fully carried out.

14 That is a plan that goes over several years, but
15 each and every recommendation, the implementation has taken
16 place and is continuing.

17 Q What is the most significant area or recommendation
18 which remains pending?

19 A Well, I guess I would say that our plan for training
20 which is laid out in our training plan is possibly a significant
21 area that we are in the process of carrying out.

22 Q That is training for whom?

23 A For both Supervisors and employees.

24 Q In Quality Control?

25 A In the Quality Assurance Department.

1 Q So it is training for Quality Assurance people?

2 A Yes, that is correct.

3 MR. GUILD: Okay, thank you very much, Mr.
4 Grier.

5

6 CROSS-EXAMINATION

7 BY MR. GIBSON:

8 Q One question, Mr. Grier: Are you aware of anything
9 that would cause you to question whether the Catawba Nuclear
10 Station is safely built?

11 A No, I'm not.

12 FURTHER THE DEPONENT SAITH NOT.

13 (Whereupon, the deposition was concluded at
14 10:09 a.m.)

15

16 I, George W. Grier, hereby certify that I have
17 read and understand the foregoing transcript, and believe it to
18 be a true, accurate and complete transcript of my testimony.

19

20

GEORGE W. GRIER

21

22 This Deposition was signed in my presence by
23 George W. Grier on the _____ day of _____ 1983.

24

25

NOTARY PUBLIC

EVELYN S. BERGER
OFFICIAL COURT REPORTER
U. S. DISTRICT COURT
CHARLOTTE, N. C.

C E R T I F I C A T E

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, Lynn B. Gilliam, do hereby certify that the Deposition of George W. Grier, III, was by me reduced to machine shorthand in the presence of the Witness, afterwards transcribed upon a typewriter under my direction; and that the foregoing is a true and correct transcript of the proceedings.

I further certify that these proceedings were taken at the time and place in the foregoing caption specified. I further certify that I am not a relative, counsel or attorney for either party or otherwise interested in the outcome of this action.

IN WITNESS WHEREOF, I have hereunto set my hand at Charlotte, North Carolina, on this the _____ day of July, 1983.

LYNN B. GILLIAM
Notary Public

My Commission expires: May 12, 1988.

CONFIDENTIAL

DEFENDANT'S
EXHIBIT

April 27, 1983

MEMO TO FILE

Subject: Meeting with Beau Ross
April 27, 1983

I met with Beau Ross and Art Allum as a follow-up to Beau's concerns regarding his evaluation for the period ending April 1, 1983. Beau has expressed concern in a written recourse to Joe Willis in regards to his evaluation rating which was two (2). In my discussion with Beau I outlined several items for him.

First, I discussed my idea of his responsibility as a supervisor. I explained that he must represent the company to his employees and at the same time he must hold his employees' interest in mind. We discussed the balance a supervisor must have on these two matters. We also discussed the fact that a large part of a supervisor's task will be answering employees questions and the fact that a supervisor must determine when he can answer the questions and when questions must be referred to higher supervision for response. I suggested that Beau had not been answering as many questions as he really had the training and judgement to answer.

The second area of discussion dealt with my philosophy in regards to the QA Program, workmanship, and following procedures. We discussed the fact that many questions and concerns raised by inspectors and others do not deal with the issue as to whether or not something will meet the requirements, but rather deal with degrees of judgement. I explained that one of his tasks as a supervisor is to use his judgement to answer employees questions in such a way that we will not exceed standards to a great degree. I used some diagrams to explain my point on this matter. There seemed to be a good appreciation of this issue in Beau's mind.

A third topic that I covered was the exempt salary program and a performance distribution required by that program. I also discussed with Beau and Art my expectations in regards to administration of the Performance Management Program. I told them that I expected that in course of their periodic reviews, notes would be written on their performance worksheets which would aid in their understanding of expectations on objectives. I also explained to both of them that I expected their communications in regards to performance to improve.

CONFIDENTIAL

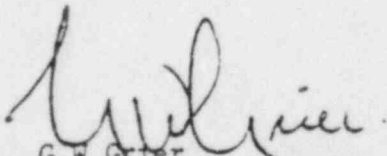
Page 1
B Boss/GWG
4/27/83

The last area I discussed was in regards to the hearings. I explained to Beau that one of our big task's would be to put the concerns expressed by welding inspectors into perspective. The intervenors will be characterizing those concerns in the worse possible light. We need to be clear on the significance of those concerns and in particular will have to be clear on the meaning of terms like "intimidation", "threats", "falsification" and "pressure to approve faulty workmanship". These are words that were used in the concerns and could be used to describe very extreme circumstances. Again, using the diagrams I believe that there was a mutual understanding that the majority of concerns expressed dealt in terms of different degrees of judgement and that the intent of the program was being carried out.

Beau expressed his dedication to trying to do a good job. He said that in the past he may have been taking the job too seriously, which I took to mean that he had been making big issues of things that were relatively minor in nature. He indicated that in the past, the big problem was in the nature of the way his concerns were handled and the attitudes of people both in Quality Assurance and in Construction. He indicated that there has been in improvement in both areas over the past year. Beau did express a desire to make a change and is particularly interested in going into Operations QA. My discussion with him indicates that a change is not vital at this time but would be desirable if the opportunity presents itself.

I recommend that we carefully follow the Performance Management Program with Beau but that we take no extraordinary steps in doing so. It is important that Art closely observes the performance of all of the welding inspection supervisors in his area in order to get a good comparison of performance.

In summary I believe that Beau is sincere when he says that he understands the areas that he needs to improve in and that he is dedicated to make that improvement. I expect that we will have to reinforce the ideas that I expressed to him today in regards to supervisory responsibilities and administration of the QA Program. We need to look carefully for the signs that indicate the need for that reinforcement.


G W Grier
Corporate QA Manager

GWG/ph

cc: W H Owen, C N Alexander, L R Davison

DEPENDANT'S
EXHIBIT

2

Chen

Defective service
Will Fail In service

Meets specs
Design

Workmanship Quality

Dev. Station _____

Unit _____ File No. _____

Subject 8901-0012-QA-001

By _____

Date _____

Sheet No. _____ of _____ Problem No. _____

Checked By _____

Date _____

In accordance with Management Procedure 8901-0012-QA-001 I would like to submit some concerns which could affect my job performance.

I feel that I have been discriminated against in my job performance and most recently in my yearly evaluation. I feel that Art Allum is prejudiced against me because I have on several occasions spoken up when I felt the program was not being followed. Art is inclined to go along with some questionable situations and when I question the legality of these situations, I get branded as not doing my job. I thought that was part of my job. I also have on numerous occasions told Art that I did not feel he was supporting me on issues where I should be supported. Art holds this against me. I have questioned some construction practices on several questionable cases, Art calls this not communicating with craft. I have found inspectors not properly doing their duties, Art blames me for entrapment. I get deliberately left out of some major decisions which could affect my ability to properly cover my area and provide inspection coverage. I ask questions and don't get answers.

I felt last year that I was retaliated against on my evaluation. I felt that I was being punished for standing up for what I felt was right. With God as my witness, I submitted nothing except what I morally felt was wrong. I felt that my evaluation was pay back because I was not a yes man. I asked Art about possible recourse, but got no answer from him. Numerous occasions arose during the year when I felt intimidated, opposed, and interfered with. Things had improved a great deal, communications were better, information was being given to explain decisions. I had just about regained confidence in the system when my evaluation came along and let me know in no uncertain terms that I had misjudged, and everything that I was being held against me.

Dev./Station _____ Unit _____ File No. _____
Subject _____ By _____ Date _____
Sheet No. _____ of _____ Problem No. _____ Checked By _____ Date _____

I would like to know why my expressing my concerns on procedures (R-2A's, Q-1A's), lack of support, and equal treatment are being used against me.

I would like to know why I was told that if I felt something was wrong, I should speak up, yet it is being held against me.

I would like to know if this is to continue in the future.

At the present time, I feel threatened, intimidated and I feel that my evaluations and compensation and my conditions surrounding my employment have been negatively affected by my speaking up about what I felt was wrong. This violates 10 CFR 50.

I need the freedom and peace of mind of knowing that I can speak up for what I feel is wrong without fear of discrimination, and I think that without this freedom the program cannot adequately be implemented and the provisions of 10 CFR 50 cannot be met.

I feel that submitting this recourse will probably be used against me, but I respectfully submit it hoping for answers and peace of mind.

H.E. Ror2

4-18-83

December 20, 1982

4

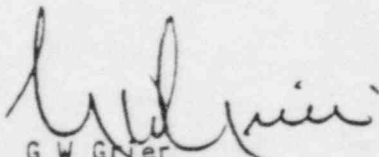
MEMO TO FILE

Subject: Catawba Welding Inspector Concern

Attached are notes from Kim VanDoorn, Resident NRC Inspector-Catawba Nuclear Station. From his interviews with welding inspectors and supervision in regards to the concerns submitted by a portion of these welding inspectors Kim's summary remarks are that all of the inspectors and supervisors interviewed believed the installations at Catawba are technically adequate. He also found that no supervisor had intended to overtly falsify any record or to cause anyone to falsify any record. Inspectors interviewed concurred in this assessment. There was a feeling that judgements involved may not have been entirely proper in some cases but that no falsification occurred and no inspector felt that they were asked to falsify any document. Kim will be recommending that no further interviewing is necessary in regards to this matter. He will be following up on corrective action completion.

The following specifics were discussed in regards to his synopsis:

There is still a need to communicate better the workings of the Task Force and the Management Corrective Action, both with supervision and with inspectors. The pressure in regards to the recourse procedure may be pressure to answer or satisfy the inspector rather than pressure not to use the recourse procedure. In regards to the inspector comments, those who felt that the Task Force effort was inadequate may not understand that programmatic action was taken in regards to their specific concern. This again, points out the need to communicate the completion of our management action. The inspectors perception of indirect recrimination as a result of talking to the NRC is undoubtedly the feeling that they might be looked down on for talking with the NRC. All indicated that they would go to the NRC. Several comments indicated that the inspectors do not like going through the chair of command for answers and like the situation that existed previously where they could access the QA Technical Support Group more directly.


G W Grier
Corporate QA Manager

GWG/ph

cc: W H Bradley
W O Henry
L R Davison

Synopsis of Comments Concerning Welding Inspector Concerns:

Interviewees consisted of 9 supervisors and 19 inspectors.

Supervisors were asked questions concerning adequacy of the task force effort, support of inspectors, falsification, and specific concerns (as applicable).

Inspectors were asked questions concerning adequacy of the task force effort, support of inspectors, knowledge of any technically inadequate installation at Catawba, ability to talk to the NRC without recrimination, falsification, and specific concerns (as applicable).

Supervisor Comments:

Task force effort was adequate and support (or perceived support) has improved (all).

Effort incomplete in that supervision (especially Baldwin) was not allowed to defend their position, little feedback to supervision as to whether they made inappropriate judgements or had communicated poorly (2).

Still need improvements in implementation of R2 program and resolution feedback (3 first line supervisors).

No overt falsification occurred but misjudgements may have been made by second and third line supervision (2).

Need better communications with QA; get better answers from QA personnel than some QC supervisors (1).

Still have problems with certain craft crews; e.g. quality of work, attitude, and craft taking items to a different inspector to get item accepted (1).

There is pressure not to use the recourse procedure (2).

Some items are argued about for 3 days that would take 30 seconds to fix (1).

Different inspector crews are interpreting procedures differently. (1)

Inspector Comments:

Task force effort was adequate (13).

Task force effort was inadequate (4).

Support for inspectors has improved and is now generally adequate (all except one N/A, yes with comments provided concerning needed improvements).

No technically inadequate installations.

No recrimination would occur if I talk to NRC (10).

Some recrimination would result from talking to NRC (9-mostly indirect recrimination).

No overt falsification identified (all).

Signed holdpoints for items I did not inspect or did not

agree with (5).

Task force feedback was incomplete (total results not understood or appreciated - 8).

Specific concerns not adequately addressed (7).

Different inspector crews interpreting procedures differently; need meetings with all inspectors (4).

Feel pressure not to use recourse; less open communication, such as with QA, than before (8).

Recourse takes too long (2).

RT and Cavender used to override inspectors; should be used to justify technical acceptance not to override inspector call (3).

Still need improvement in implementation of R2 program and resolution feedback (6).

Concerned whether R2A (vs. NCI) is adequate to handle problems (4).

Problems are still encountered with specific craft crews (3).

Still some construction leaning, e.g. inadequate answer from T/S (3)

Singular Comments:

Need QA T/S group.

A simple UT wall thickness gage would alleviate many questions concerning underwall conditions.

Need direct contact with person resolving concerns; if the question goes through more than one person, the original question doesn't get fully answered.

Craft (PHM's) is abusing the weighted value system, e.g. fitting up joints that they know are mislocated to get weighted value credit.

Feel downgraded and have lower motivation.

Personnel comments.

5

This federal statute, Section 210 of the Energy Reorganization Act (42 U.S.C. §5851) (1978), provides that no employer (including an NRC licensee, an applicant for an NRC license, or a contractor or subcontractor thereof) may discharge any employee or otherwise discriminate against an employee because of the employee's participation on behalf of any party in an NRC proceeding. More specifically, no employer may take any action against an employee because the employee

- (1) has commenced, caused to be commenced, or is about to commence a proceeding under the Atomic Energy Act of 1954 (i.e., an NRC proceeding);
- (2) testifies or is about to testify in an NRC proceeding; or
- (3) assists or participates in any way in an NRC proceeding.

Any employee who believes that he has been discharged or otherwise discriminated against by his employer for one of the reasons listed above may file a complaint with the U. S. Department of Labor within 30 days of the occurrence of the event. The Labor Department will then investigate the charges and, if it determines that this type of unlawful discrimination has occurred, will order the employer to stop the unlawful discrimination and reinstate the employee to his former position along with back, pay, terms, conditions and privileges of employment. Compensatory damages and expenses related to bringing the complaint may also be awarded to the employee.

§ 5851. Employee protection

(a) Discrimination against employee

No employer, including a Commission licensee, an applicant for a Commission license, or a contractor or a subcontractor of a Commission licensee or applicant, may discharge any employee or otherwise discriminate against any employee with respect to his compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee)—

(1) commenced, caused to be commenced, or is about to commence or cause to be commenced a proceeding under this chapter or the Atomic Energy Act of 1954, as amended [42 U.S.C.A. § 2011 et seq.], or a proceeding for the administration or enforcement of any requirement imposed under this chapter or the Atomic Energy Act of 1954, as amended;

(2) testified or is about to testify in any such proceeding or;

(3) assisted or participated or is about to assist or participate in any manner in such a proceeding or in any other manner in such a proceeding or in any other action to carry out the purposes of this chapter or the Atomic Energy Act of 1954, as amended [42 U.S.C.A. § 2011 et seq.].

(b) Complaint, filing and notification

(1) Any employee who believes that he has been discharged or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such violation occurs, file (or have any person file on his behalf) a complaint with the Secretary of Labor (hereinafter in this subsection referred to as the "Secretary") alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary shall notify the person named in the complaint of the filing of the complaint and the Commission.

(2)(A) Upon receipt of a complaint filed under paragraph (1), the Secretary shall conduct an investigation of the violation alleged in the complaint. Within thirty days of the receipt of such complaint, the Secretary shall complete such investigation and shall notify in writing the complainant (and any person acting in his behalf) and the person alleged to have committed such violation of the results of the investigation conducted pursuant to this subparagraph. Within ninety days of the receipt of such complaint the Secretary shall, unless the proceeding on the complaint is terminated by the Secretary on the basis of a settlement entered into by the Secretary and the person alleged to have committed such violation, issue an order either providing the relief prescribed by subparagraph (B) or denying the complaint. An order of the Secretary shall be made on the record after notice and opportunity for public hearing. The Secretary may not enter into a settlement terminating a proceeding on a complaint without the participation and consent of the complainant.

(B) If, in response to a complaint filed under paragraph (1), the Secretary determines that a violation of subsection (a) of this section has occurred, the Secretary shall order the person who committed such violation to (i) take affirmative action to abate the violation, and (ii) reinstate the complainant to his former position together with the compensation (including back pay), terms, conditions, and privileges of his employment, and the Secretary may order such person to provide compensatory damages to the complainant. If an order is issued under this paragraph, the Secretary, at the request of the complainant shall assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expenses (including attorneys' and expert witness fees) reasonably incurred, as determined by the Secretary, by the complainant for, or in connection with, the bringing of the complaint upon which the order was issued.

(c) Review

(1) Any person adversely affected or aggrieved by an order issued under subsection (b) of this section may obtain review of the order in the United States court of appeals for the circuit in which the violation, with respect to which the order was issued, allegedly occurred. The petition for review must be filed within sixty days from the issuance of the Secretary's order. Review shall conform to chapter 7 of Title 5. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the Secretary's order.

(2) An order of the Secretary with respect to which review could have been obtained under paragraph (1) shall not be subject to judicial review in any criminal or other civil proceeding.

(d) Jurisdiction

Whenever a person has failed to comply with an order issued under subsection (b)(2) of this section, the Secretary may file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions brought under this subsection, the district courts shall have jurisdiction to grant all appropriate relief including, but not limited to, injunctive relief, compensatory, and exemplary damages.

(e) Commencement of action

(1) Any person on whose behalf an order was issued under paragraph (2) of subsection (b) of this section may commence a civil action against the person to whom such order was issued to require compliance with such order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such order.

(2) The court, in issuing any final order under this subsection, may award costs of litigation (including reasonable attorney and expert witness fees) to any party whenever the court determines such award is appropriate.

(f) Enforcement

Any nondiscretionary duty imposed by this section shall be enforceable in a mandamus proceeding brought under section 1361 of Title 28.

(g) Deliberate violations

Subsection (a) of this section shall not apply with respect to any employee who, acting without direction from his or her employer (or the employer's agent), deliberately causes a violation of any requirement of this chapter or of the Atomic Energy Act of 1954, as amended [42 U.S.C.A. § 2011 et seq.].

(Pub.L. 85-628, Title II, § 210, as added Pub.L. 85-601, § 16, Nov. 6, 1978, 92 Stat. 3361.)



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

NOTICE TO EMPLOYEES

YOUR EMPLOYER'S RESPONSIBILITY

Your employer is required to—

1. Apply these NRC regulations and the conditions of its NRC license to all work under the license.
2. Post or otherwise make available to you a copy of the NRC regulations, licenses, and operating procedures which apply to work you are engaged in, and explain their provisions to you.
3. Post Notices of Violation involving radiological working conditions, proposed imposition of civil penalties and orders.
4. Refrain from discriminatory acts against employees who provide information to NRC.

YOUR RESPONSIBILITY AS A WORKER

You should familiarize yourself with those provisions of the NRC regulations, and the operating procedures which apply to the work you are engaged in. You should observe their provisions for your own protection and protection of your co-workers.

WHAT IS COVERED BY THESE NRC REGULATIONS

1. Limits on exposure to radiation and radioactive material in restricted and unrestricted areas.
2. Measures to be taken after accidental exposure.
3. Personnel monitoring, surveys and equipment.
4. Caution signs, labels, and safety interlock equipment.
5. Exposure records and reports.
6. Options for workers regarding NRC inspections.
7. Identifies protected activities that employees may engage in.
8. Prohibits discrimination against employees who engage in these protected activities.
9. Identifies the Department of Labor as a source of relief in the event of discrimination.
10. Related matters.

REPORTS ON YOUR RADIATION EXPOSURE HISTORY

1. The NRC regulations require that your employer give you a written

report if you receive an exposure in excess of any applicable limit as set forth in the regulations or in the license. The basic limits for exposure to employees are set forth in Section 25.101, 20.103, and 20.104 of the Part 20 regulations. These Sections specify limits on exposure to radiation and exposure to concentrations of radioactive material in air.

2. If you work where personnel monitoring is required pursuant to Section 20.202:
 - (a) your employer must give you a written report of your radiation exposures upon the termination of your employment, if you request it, and
 - (b) your employer must advise you annually of your exposure to radiation, if you request it.

INSPECTIONS

Activities under the license are subject to inspection by representatives of the NRC. In addition, any worker or representative of workers who believes that there is a violation of the Atomic Energy Act of 1954, the regula-

tions issued thereunder, or the terms of the employer's license with regard to radiological working conditions in which the worker is engaged, may request an inspection by sending a notice of the alleged violation to the appropriate United States Nuclear Regulatory Commission Regional Office (shown on map below). The request must set forth the specific grounds for the notice, and must be signed by the worker or the representative of the workers. During inspections, NRC inspectors may confer privately with workers, and any worker may bring to the attention of the inspectors any past or present condition which he believes contributed to or caused any violation as described above.

EMPLOYEE PROTECTION

If an employee believes that discrimination has occurred due to engaging in the "protected activities," said employees may, within 30 days of the discriminatory act, file a complaint with the Department of Labor, Employment Standards Administration, Wage and Hour Division. The Department of Labor shall conduct an investigation

and shall, where discrimination has occurred, issue an order providing relief to the employee if relief is not provided by other means of settlement.

PROTECTION OF INSPECTORS

The amended Atomic Energy Act, section 236, provides criminal penalties against any individual who kills, forcibly assaults, resists, opposes, impedes, intimidates or interferes with any person who performs any inspections which (1) are related to any activity or facility licensed by the Commission, and (2) are carried out to satisfy requirements under the Atomic Energy Act or under any other Federal law covering the safety of licensed facilities or the safety of radioactive materials. The acts described above are criminal not only if taken against inspection personnel who are engaged in the performance of such inspection duties, but also if taken against inspection personnel on account of such duties.

SABOTAGE OF NUCLEAR FACILITIES OR FUEL

The amended Atomic Energy Act, section 236, provides criminal penalties against any individual who knowingly and willfully destroys or causes physical damage, or attempts to do so, to any product, installation, or waste storage facility licensed under the act, or any nuclear fuel or spent fuel, regardless of location.

UNITED STATES NUCLEAR REGULATORY COMMISSION REGIONAL OFFICE LOCATIONS

A representative of the Nuclear Regulatory Commission can be contacted at the following addresses and telephone numbers. The Regional Office will accept collect telephone calls from employees who wish to register complaints or concerns about radiological working conditions or other matters regarding compliance with Commission rules and regulations.

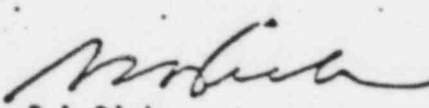


Regional Offices

REGION	ADDRESS	TELEPHONE
I	U.S. Nuclear Regulatory Commission Region I 621 Park Avenue King of Prussia, PA 19406	215 337-1400
II	U.S. Nuclear Regulatory Commission Region II 101 Marietta St., N.W., Suite 3100 Atlanta, GA 30302	404 521-4503
III	U.S. Nuclear Regulatory Commission Region III 700 Roosevelt Road Glen Ellyn, IL 60137	312 932-2500
IV	U.S. Nuclear Regulatory Commission Region IV 811 Ryan Plaza Drive, Suite 1000 Arlington, TX 76010	817 466-8100
V	U.S. Nuclear Regulatory Commission Region V 1450 Marie Lane, Suite 210 Walnut Creek, CA 94596	415 943-3700

April 25, 1977

We expect our employees to express any concerns they may have about the quality of work to their supervisor or any level of Company management. In addition, we have voluntarily agreed to post the following Nuclear Regulatory Commission communication.


R. L. Dick
Vice President, Construction

RLD:ejw

Any nuclear industry worker who has concerns or questions about the nuclear safety of any facility or activity licensed by the Nuclear Regulatory Commission may bring these matters to the attention of an NRC Inspector or the nearest NRC Regional Office if they cannot be resolved directly with his or her employer. The NRC will treat the identity of a worker as a confidential source if the worker requests that his identity not be disclosed.

In order to improve channels of communication between NRC and Nuclear Industry workers, the NRC is making two procedural changes:

1. NRC Inspectors will soon be wearing identification badges and, in some cases, safety hats identifying them as NRC inspectors.
2. NRC Regional Offices will accept collect telephone calls from nuclear industry workers who wish to speak with an NRC representative concerning quality of work, radiological safety or safeguards problems. The telephone number of the appropriate NRC Regional Office for this project is 404-221-4503.

These changes will be reflected in a revised NRC Form 3 posted to meet requirements of 10 CFR Part 19 and a revision of proposed 10 CFR Part 21 (both of which are in preparation). Until these revisions are published, all workers at NRC-licensed facilities or activities should be aware of these improved channels of communication with Inspectors.

ENERGY REORGANIZATION ACT OF 1974
Act of October 11, 1974 (Public Law 93-438)
.....

Section 206
NONCOMPLIANCE

(a) Any individual director, or responsible officer of a firm constructing, owning, operating, or supplying the components of any facility or activity which is licensed or otherwise regulated pursuant to the Atomic Energy Act of 1954 as amended, or pursuant to this Act, who obtains information reasonably indicating that such facility or activity or basic components supplied to such facility or activity--

(1) fails to comply with the Atomic Energy Act of 1954 as amended, or any applicable rule, regulation, order, or license of the Commission relating to substantial safety hazards, or

(2) contains a defect which would create a substantial safety hazard, as defined by regulations which the Commission shall promulgate.

shall immediately notify the Commission of such failure to comply, or of such defect, unless such person has actual knowledge that the Commission has been adequately informed of such defect or failure to comply.

(b) Any person who knowingly and consciously fails to provide the notice required by subsection (a) of this section shall be subject to a civil penalty in an amount equal to the amount provided by section 234 of the Atomic Energy Act of 1954, as amended.

(c) The requirements of this section shall be prominently posted on the premises of any facility licensed or otherwise regulated pursuant to the Atomic Energy Commission Act of 1954, as amended.

(d) The Commission is authorized to conduct such reasonable inspections and other enforcement activities as needed to insure compliance with the provisions of this section.

.....
Regulations establishing procedures and requirements for the implementation of Section 206 of the Energy Reorganization Act of 1974 have been promulgated by the Nuclear Regulatory Commission in Title 10, Code of Federal Regulations, Part 21 - Reporting of Defects and Noncompliance. Pursuant to 10CFR Part 21, implementing procedures for DUKE POWER Q. A. DEPARTMENT have been established as follows:

Procedure Q A - 121 (Q A M)

A copy of 10CFR Part 21 and the above listed procedures may be examined and reports of defects and noncompliance may be made by contacting:

R. A. MORGAN

at ext. 320