

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION  
BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

IN THE MATTER OF:	)	Docket Nos.
	)	
DUKE POWER COMPANY, et al.	)	50-413
(Catawba Nuclear Station	)	50-414
Units 1 & 2)	)	

COPY

I, Barbara V. Haas, Commissioner and Notary Public, proceeded to take the deposition of James R. Wells on the eighth day of July, 1983, beginning at 11:00 o'clock A.M. in the offices of Duke Power Company, South Church Street, Charlotte, North Carolina.

DEPOSITION OF  
JAMES R. WELLS

Associated  
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JAMES R. WELLS, being first duly sworn, testified as follows:

EXAMINATION: (By Mr. Guild)

Q. Would you state your full name and business address for the record, please.

A. James R. Wells. My permanent business address is Duke Power Company, 422 South Church Street, Charlotte.

Q. That's not where you're working now though, is it, sir?

A. I'm on temporary assignment to the Institute of Nuclear Power Operations in Atlanta, Georgia.

Q. What is your business address there, sir?

A. 1100 Circle 75 Parkway, Atlanta, 30339.

MR. GIBSON: Mr. Guild, if I might interrupt, as I understand, we will proceed under the same stipulations relating to objections to questions, that is, all questions are deemed objected to except as to the form and the persons present for Duke Power are Mr. Bell and Mr. Grier, and I'm appearing as counsel; and Mr. Jos and Ms. Levitas are here for Palmetto. With respect to Mr. Wells, he is, as he has indicated, on loan to INPO. Because of the confidentiality agreement that Mr. Wells has had to execute at INPO, we will instruct him not to answer any questions relating to his work at INPO involving other utilities except to give you some general knowledge as to what he does for INPO. We'll instruct him not to go into any specifics consistent with that pledge of confidentiality. You may proceed. Excuse me, I might also

1 note that the deposition is limited to welding inspection and  
2 quality control and quality in welding inspection at Catawba.

3 Q. Mr. Wells, my name is Robert Guild, and I'm counsel for  
4 Palmetto Alliance, and we are interveners in the operating  
5 license procedure before the Nuclear Regulatory Commission for  
6 Catawba Station. In that case, Palmetto has filed, and the  
7 Licensing Board has accepted, for litigation what has been  
8 referred to as Contention 6 which questions the adequacy of  
9 quality assurance in construction at Catawba. Are you gen-  
10 erally informed about that case?

11 A. Yes.

12 Q. I'm going to ask you a series of questions in discovery  
13 that relate to that subject, and these questions are designed  
14 for me to learn as fully and completely and accurately a  
15 picture as I can of the facts regarding that subject. If I  
16 ask a question that I'm not being clear in my question or  
17 using a term that you don't know what I mean by, please stop  
18 me. I will be informal as best I can, so ask for clarification  
19 if you see that you need it. Otherwise, the transcription of  
20 the deposition will reflect my question, your answer, and I  
21 will presume from that, you were responding to the question the  
22 way it was asked. Let me show you a document, sir. This is  
23 a Duke Power Company response to a set of questions asked by  
24 Palmetto Alliance in discovery of this case and dated  
25 December 30, 1982, and I want you to take a moment and in that

1 response, examine the quoted text of Contention 6 as originally  
2 filed by Palmetto Alliance and as admitted by the Board, it's  
3 the indented single space quotation beginning at the bottom  
4 of page 3 and extending to page 4. Take a few minutes and  
5 look that over, sir. Have you seen Contention 6 before today?

6 A. No, I have not.

7 Q. What is your present position with Duke Power Company,  
8 Mr. Wells?

9 A. I'm Assistant to the Executive Vice-President for  
10 Engineering and Construction.

11 Q. To whom do you report, sir?

12 A. Mr. Warren Owen.

13 Q. I understand that you're on loan to the Institute for  
14 Nuclear Power Operations in Atlanta.

15 A. That's correct.

16 Q. What position do you hold with them at this time?

17 A. There I am Manager of the Design Department within the  
18 Construction Project Evaluation Division of INPO.

19 Q. Do that again, Manager of Design Department for  
20 Construction--

21 A. The Department is part of the Construction Project  
22 Evaluation Division of INPO.

23 Q. Would you describe your duties in that capacity with INPO?

24 A. The major duties of the Construction Project Evaluation  
25 Division is to develop criteria for the evaluation of plants



1 under design construction, and then to go to the plant and  
2 evaluate them against these developed criteria. As Manager of  
3 the Design Department, I have approximately nine people who are  
4 senior personnel from the various companies assigned there  
5 who work on the design part of the total program.

6 Q. Do you participate in evaluations yourself?

7 A. Yes.

8 Q. Have you participated in evaluations?

9 A. Yes.

10 Q. Did you participate in the 1982 evaluation of the Catawba  
11 Station?

12 A. I did not participate as a part of the INPO-- as part of  
13 my INPO job. I was up here during the evaluation to assist  
14 in some of the logistics and was there during part of it,  
15 but did not participate in the evaluation.

16 Q. What is the nature of your participation in the evaluation  
17 in your present position?

18 A. It varies from one evaluation to the next. I have held  
19 positions. I was Team Manager for the entire evaluation at  
20 one plant. I was Manager for the design portion at one, two  
21 or three plants; and I have also participated just as  
22 Evaluator. It's a practice of INPO to rotate people into the  
23 various assignments at different evaluations.

24 Q. How many evaluations have you participated in?

25 A. Approximately eight. I would have to add them to make sure.

1 Q. For which evaluation were you Team Manager?

2 MR. GIBSON: We're going to instruct him not to give  
3 you the specific name of any plant that he has been involved  
4 in the evaluation of. I think that's covered by my objection  
5 and instruction not to answer, but, as I said, I think we will  
6 limit his questions about INPO to general knowledge of what  
7 he does in his job and not talk about other utilities.

8 Q. I don't understand the nature of your objection.

9 MR. GIBSON: I understood your question to be: Which  
10 evaluation were you Team Manager of?

11 Q. That's right.

12 MR. GIBSON: Were you referring to a specific utility  
13 evaluation?

14 Q. If it's the way they do the evaluations.

15 MR. GIBSON: I'm instructing him not to get into which  
16 utility evaluation and which--

17 Q. What is the basis for your instruction, counsel, for the  
18 record?

19 MR. GIBSON: First of all, it's not covered by the  
20 scope of this deposition. Second, Mr. Wells has executed a  
21 confidentiality agreement with INPO not to reveal to outside  
22 sources the specifics of any of his duties as involved with  
23 utilities, and we're going to honor that confidentiality  
24 agreement.

25 Q. If you're going to rely on a confidentiality agreement, I

1 ask that you produce it for the record.

2 MR. GIBSON: We're not going to produce that agreement,  
3 Mr. Guild. If you have questions about welding inspection at  
4 Catawba, I suggest you proceed with those. If you have more  
5 general questions about his involvement in INPO, I suggest you  
6 proceed with those, but we'll not go into the specifics.

7 Q. Mr. Gibson, this is crazy. He can't tell me what plant  
8 he evaluated? What on earth is there a confidentiality--

9 MR. GIBSON: I'm going to confer with Mr. Wells about  
10 the matter. If your characterization about something being  
11 crazy is your opinion and you're entitled to your opinion.

12 Q. It's my opinion and it's absolutely correct, counsel, and  
13 if you want to waste everybody's time with an objection--

14 MR. GIBSON: Do you care to make a speech or do you  
15 care--

16 Q. No, I care for you to have the witness answer the question.  
17 That's what I care to have done, sir.

18 MR. GIBSON: Mr. Wells has advised me he is specifically  
19 prohibited from revealing where he has gone, what he has evalu-  
20 ated, and in honoring that request, we are simply instructing  
21 him not to answer those questions.

22 Q. If you're going to allow any kind of confidentiality pledge  
23 by the witness, I would ask-- is it a written confidentiality  
24 agreement, Mr. Wells, that you're relying on?

25 A. Yes.

1 Q. Did you sign that agreement?

2 A. Yes.

3 Q. Does that agreement say you can't reveal the utility that  
4 you inspected to the Nuclear Regulatory Commission in the  
5 course of a licensing case?

6 MR. GIBSON: Wait a minute, Mr. Guild. I think you  
7 asked a different question. Go ahead and answer the question.

8 A. The agreement is very general in that any information  
9 that you obtain by INPO, cannot be revealed exteriorly to INPO.  
10 They don't get into the details, specifics, but during the  
11 instructions when we are there, we are instructed not to reveal  
12 our schedule, where we go and where we have been, and the  
13 details of another utility's internal business.

14 Q. That wasn't the question. The question was: what utility  
15 were you Team Manager for in the evaluation you did? I  
16 didn't ask you anything about your evaluation or what you  
17 found or who you asked or what you looked at. I asked you the  
18 name of the utility you evaluated.

19 MR. GIBSON: He indicated that was one of the things he  
20 was instructed not to reveal, and we are not going to allow  
21 him to reveal that today.

22 Q. My request is he produce. If there's any such agreement  
23 that covers-- purports to cover the response to a question of  
24 that sort, I ask it be produced so I can have it available  
25 when I take this issue to the Board.

1           MR. GIBSON: Mr. Guild, we're not producing an agree-  
2 ment today. If you have some other questions for Mr. Wells,  
3 please proceed.

4 Q. Who participated in the evaluation of the Catawba Station,  
5 Mr. Wells?

6 A. This was what INPO called Self Initiated Evaluation. The  
7 companies involved have the responsibility to name the team.  
8 Many companies did it different ways. Duke chose to have a  
9 team composed of Duke people and another sister utility, and  
10 then it was rotated the same team did this other evaluation,  
11 so the participants in the Catawba Evaluation were approxi-  
12 mately half Duke employees and half employees from a sister  
13 utility.

14 Q. Who were they?

15 A. I'm not sure that I can reveal. That's getting into the  
16 other utilities and their business. I will discuss anything  
17 about Duke that you care about, but the other utility, I have  
18 this constraint upon me, that's a legal and binding restraint  
19 that I feel compelled to follow.

20 Q. This is a licensing case for the Catawba Station where the  
21 issue of quality of construction of that plant has been raised,  
22 sir, before a Licensing Board of the Nuclear Regulatory  
23 Commission. Now, sir, I ask you again, who evaluated the  
24 safety of construction of the Catawba Nuclear Station?

25           MR. GIBSON: Mr. Guild, I will instruct him not to



1 answer. If the Board issues an order that Mr. Wells is to  
2 provide that information, he will comply with that; but  
3 absence some direction from the board on this matter, he is  
4 not going to get into those areas.

5 Q. Sir, do you refuse to answer the question?

6 A. On the advice of my attorney, I would honor the confi-  
7 dentiality agreement I had to sign when I went to INPO. I  
8 will be glad to discuss anything regarding the Duke involvement  
9 and that I know about at Catawba, but so far as revealing  
10 the confidential nature relating to other utilities in the  
11 United States, I would have to go by the advice of my attorney  
12 in that matter.

13 Q. You're refusing to answer the question.

14 A. Upon the advice of my attorney, I don't feel that I can  
15 answer that question at this time.

16 Q. I'm going to show you a document that has been identified  
17 in the deposition of a previous witness. It's a September 3,  
18 1982, memo to file from Mr. Grier. Mr. Grier, you understand,  
19 is the present corporate Quality Assurance Manager for Duke  
20 Power?

21 A. Yes.

22 Q. I want to direct your attention to the third page of that  
23 memorandum, and that is Exhibit 6 to Mr. Bradley's deposition.  
24 Please read that, sir, if you would, read it for the record.

25 A. W. H. Owen made a brief statement in regard to INPO Self

1 Initiated Evaluation to be conducted at Catawba in September.  
2 He assured Kim Van Doorn that we would keep him informed of  
3 the progress of this evaluation and would share results with  
4 him. G. W. Grier informed Howard Huggett of this requirement  
5 on September 2nd.

6 Q. Why can you inform Mr. Kim Van Doorn of the Nuclear  
7 Regulatory Commission of the Self Initiated Evaluation and  
8 its results, but you can't respond to a question on that  
9 subject, as I have directed to you, Mr. Wells, in this licensing  
10 proceeding?

11 MR. GIBSON: I object to the form of the question. He  
12 may answer to the extent he knows. You said why can't you,  
13 he has not informed the NRC, Mr. Guild, as indicated in that  
14 paragraph. It says Mr. Owen is informing the NRC of something,  
15 but he may answer to the extent he could answer it.

16 A. I can answer that. I did not inform the NRC as a result  
17 and under the agreement that I have with INPO, I could not.  
18 Mr. Owen is not under that agreement. Of course, he has dif-  
19 ferent relations with the NRC, but I, as an INPO loan employee  
20 would not have the freedom of going to the NRC and giving them  
21 anything.

22 Q. But the results of the INPO Evaluation, including the  
23 identities of the Evaluators, could be made available to the  
24 NRC?

25 A. Mr. Owen is the executive of Duke Power and can do whatever

1 he felt would be necessary on the evaluation because it was his  
2 Self Initiated, and he is not under that agreement with NRC.  
3 He can release anything he wants to release about the Duke  
4 Power Evaluation. That's not covered under the INPO  
5 confidentiality agreement.

6 Q. Including the identities of the Evaluators from INPO?

7 A. There were not Evaluators from INPO.

8 Q. The Duke Evaluators and the Evaluators from the so-called  
9 sister utility?

10 A. I assume Mr. Owen could release whatever he determined.  
11 I could not.

12 Q. You refuse to, is that correct?

13 A. Upon advice of counsel, I have to follow my confiden-  
14 tiality agreement with INPO that I have signed.

15 Q. Which you stated under oath bars you from disclosing the  
16 identities of the Evaluators or the result of the evaluation?

17 A. I stated under oath that my interpretation of the agreement  
18 I signed would prevent me from naming another utility other  
19 than Duke in any matter. That is my interpretation of the  
20 agreement I signed.

21 Q. You don't have that agreement with you and counsel refuses  
22 to make it available; you don't have it available?

23 A. I don't have it here, no.

24 Q. Who were the Duke participants in the Self Initiated  
25 Evaluation?

1 A. Mr. Huggett was the lead from memory. I could name two  
2 or three. I'm not sure. There were eight or nine of them.  
3 I'm sure the records could be available. I just don't remember  
4 from memory. I know Mr. Wycke.

5 Q. Well, sir--

6 A. Several, I don't know the names.

7 Q. I would like you to tell me to the best of your recol-  
8 lection counsel has refused to produce that document and  
9 unless you have a document in front of you that will refresh  
10 your recollection, I have to ask you to the best you can based  
11 on your recall.

12 A. To remember now, I have just to the best of my memory, as  
13 I recall, Rob Adkins.

14 Q. Go down the list now, you said Huggett?

15 A. Howard Huggett.

16 Q. Who is Mr. Huggett?

17 A. He's an employee of Duke. He was at that time in the  
18 Design Engineering Department.

19 Q. All right, sir.

20 A. Mr. Tom Wycke was in the Design Engineering Department.  
21 Lane Freeze, who was in the Construction Department at Duke.  
22 Mr. C. F. York was in Construction Department at Duke.  
23 Mr. Ray Hollins is in the Construction Department at Duke.

24 Q. What did Mr. Hollins do?

25 A. I believe now he is the Manager of Construction Services.

1 I can't be sure of that. There are several assignment  
2 changes over the year, but I believe that's his present  
3 position. From memory, that's all that I can remember right  
4 now.

5 MR. GIBSON: I think you mentioned Mr. Adkins before  
6 we started going through the list. That's one that you've  
7 got.

8 Q. I don't have that.

9 A. Mr. Rob Adkins is in Quality Assurance Department.

10 H. L., I believe, is his initials.

11 Q. What does Mr. Adkins do?

12 A. I'm not sure right now. He was in the Engineering  
13 part of the Quality Assurance, but there have been several  
14 changes within Quality Assurance since I left. I can't be  
15 sure of his exact position right now.

16 Q. Describe the nature of the Self Initiated Evaluation.

17 A. The Self Initiated Evaluation is an evaluation of the  
18 design and construction activities that relies greatly on  
19 the observation of actual work in progress to determine if the  
20 work is being done in a manner that is acceptable and that  
21 meets requirements. An evaluation relies less heavily on the  
22 paper work, and it relies more on substance than form. Is  
23 the work being done in an acceptable manner; and if it's done  
24 by a team of experienced people who observed the work and  
25 interview people, talk to people, and review design activities



1 and draw conclusions as to whether or not the work is being  
2 done in an acceptable manner.

3 Q. What areas are reviewed?

4 A. All areas are subject to review. It depends upon the  
5 team and the leadership as to which areas they go into;  
6 obviously eight or ten people over two weeks can't cover every-  
7 thing in design construction. So they use their judgment as  
8 to what areas they pursue.

9 Q. What areas were reviewed at Catawba in 1982?

10 A. I can't tell you from memory the areas that were reviewed.

11 Q. Was Quality Control Inspection reviewed?

12 A. Yes, it was reviewed, some parts of it.

13 Q. Was the work of the Quality Assurance Department reviewed?

14 A. Yes.

15 Q. Was the work in Welding reviewed?

16 A. Some of the Welding was reviewed. You asked these questions,  
17 I want you to understand when I say yes, I mean certain parts  
18 of that were reviewed. Obviously, did not review everything  
19 in Quality Assurance or everything in Welding or everything  
20 in Design. But certain parts of all of those were reviewed,  
21 yes.

22 Q. What did they review in the Welding area?

23 A. I cannot recall.

24 Q. In what form are the results of the evaluation produced,  
25 Mr. Wells?

1 A. There is an evaluation report generated.

2 Q. What is the nature of the report?

3 A. It lists the things that they looked at and the conclusions  
4 they drew and what the Evaluator concluded about the area  
5 that he looked at.

6 Q. Does it make representations for corrective action?

7 A. There are several formats. INPO did not specify the  
8 exact format, and it was up to them, the utilities I have  
9 reviewed and I've reviewed twenty-three or twenty-four; some  
10 made recommendations and some did not. I can't recall whether  
11 the Duke one did.

12 Q. Do you know whether or not the evaluation reviewed the  
13 identification and processing of construction deficiencies,  
14 nonconforming items, et cetera?

15 A. From my memory, I cannot answer that. I just don't recall  
16 if they looked into that. I don't remember that much specific  
17 about the reports. I reviewed, as I said, at INPO, so many,  
18 I reviewed all twenty-three or twenty-two or three, and I  
19 can't remember the specifics about all of them.

20 Q. Tell me what you can recall about the results of the review  
21 at Catawba Station.

22 A. As I recall, all of the performance objectives and criteria  
23 were concluded to be satisfactorily met. The Team had some  
24 recommendations, I don't know if it was recommendations, but  
25 some items that they felt possibly could be improved; but the

1 overall assessment was that all performance objectives were  
2 being met. Now that's my recollection without getting down  
3 and reviewing the report again. It would be very hard to go  
4 further than that on it.

5 Q. I would certainly be interested in having you review that  
6 report; and at this time, I renew my request that the report  
7 be made available so you could refresh your recollection.

8 MR. GIBSON: As I indicated earlier, that's not an  
9 item at this time we are willing to make available as we  
10 discussed at the end of the other deposition. You will identify  
11 all those items, we will reconsider our position, and let you  
12 know which items we will make available.

13 Q. I inform you at this time I would intend to question  
14 Mr. Wells on that subject and to the extent it's not available  
15 beyond today and you decline to make the report available, I  
16 would ask that either the witness or the company bear the  
17 expense of making him available for further question.

18 MR. GIBSON: That's a matter that will have to be  
19 resolved by the Board. Proceed with your questions.

20 Q. I just want you to understand my position.

21 MR. GIBSON: I have heard it numerous times.

22 Q. You're foreclosing another area of inquiry that the witness  
23 can't recall without reference to the document.

24 MR. GIBSON: Mr. Guild, the document will speak for  
25 itself if it's available. If you have any other questions about

1 what he knows about the document, you can ask him.

2 Q. What areas of improvement were suggested, recommended, or  
3 what have you, in the Catawba evaluation, Mr. Wells?

4 A. I really can't recall. As I said, I was charged at INPO  
5 with reviewing all twenty some, and they were right voluminous,  
6 and I cannot recall the specifics without looking at the  
7 particular document involved.

8 Q. Can you recall the areas?

9 A. No, I can't. They really run together when, in a period  
10 of two or three weeks, you review twenty-two or twenty-three  
11 documents. What was on one is on another. I just can't  
12 recall. I would not be truthful if I said I could recall  
13 from memory those items.

14 Q. Do you recall whether or not there were any recommendations  
15 in the area of review and processing of construction deficiencies?  
16

17 A. No, I can't; I'm sorry.

18 Q. Can you recall whether there were any recommendations  
19 for improvement in the area of welding?

20 A. No, I cannot recall.

21 Q. Mr. Wells, I would like for you, please, to describe for  
22 me your job experience with Duke Power Company and when you  
23 started with the company and the positions you have held and  
24 when to the best of your recollection you advanced to those  
25 positions.

1 A. I will be glad to do that. I can recall that pretty  
2 vividly. You have to remember that the position names within  
3 Duke have changed over the years, so one job position namewise  
4 would be different when I had it than it might be today.

5 Q. All right, sir.

6 A. I began my employment on July 1, 1957, at a coal-fired  
7 construction, coal fire generating plant at the Construction  
8 Department as an Assistant Office Engineer. I held that  
9 position till November of '66 at which time I was assigned to  
10 the first nuclear project and was the Office Engineer for  
11 awhile and then was Principal Field Engineer. The job titles  
12 changed from time to time, but for the next five years, in  
13 essence, I was in charge of the field engineering at the nuclear  
14 plant.

15 Q. Where was that, sir?

16 A. At Oconee. In March of '71, I was assigned to McGuire  
17 Nuclear Station. The title was Assistant Project Engineer.  
18 In effect, I was in charge of the construction at the project  
19 in that job for a year until December of '71. From December  
20 of '71 till February 1, 1974, I was Manager of Construction  
21 Service in the Construction Department. From February 1st of  
22 '74 till my assignment began at INPO on February 8th of 1982,  
23 I was Corporate Quality Assurance Manager.

24 Q. What were your duties as Manager of Construction Services?

25 A. This was a new position that since we had so many jobs



1 going at the time, I was, in effect, the technical assistant  
2 to Mr. Dick, who was the Vice-President of Construction and  
3 handled for him the technical issues for all of our construc-  
4 tion work.

5 Q. How do you mean technical issues?

6 A. Well, I would deal with the job on construction-type  
7 procedures, code related items. I was representing him on  
8 several code committees, handled any interdepartmental work  
9 with Design Engineering here or the Purchasing Department  
10 for Mr. Dick during that two-year period, or a little more  
11 than two-year period.

12 Q. Tell me, Mr. Wells, about your professional training and  
13 experience prior to coming to work for the company.

14 A. I have a Bachelor's Degree in Civil Engineering and a  
15 Master of Science in Civil Engineering, both from Georgia Tech  
16 in Atlanta. I entered, right from school, I entered the  
17 U. S. Navy in the Civil Engineer Corps, went to Officer  
18 Candidate School for two months, and then served about three  
19 and a half years in the Navy in the Civil Engineer Corps  
20 in Public Works and construction of Navy facilities. When I  
21 left the Navy, I worked for a year for a small contractor down  
22 near Charleston, where I got out of the Navy; and then in July 1,  
23 1957, came with Duke Power in the Construction Department.

24 Q. When was the Quality Assurance Department at Duke Power  
25 organized, Mr. Wells?

1 A. I was assigned to the job of Corporate QA Manager on  
2 February 1st of '74. We had a three-month transition period,  
3 and the official date of the organization of the Department  
4 was May 1st of '74.

5 Q. There was no Quality Assurance Department before you were  
6 assigned the position of Corporate Quality Assurance Manager?

7 A. That's correct.

8 Q. Was there a Quality Assurance program prior to the  
9 organization of the Department?

10 A. Yes, there was. The program was in each department  
11 involved, for example, the Construction Department had its own  
12 Quality Assurance program, the Design Engineering, and at that  
13 time, the Steam Department, each had its own Quality Assurance  
14 program.

15 Q. Who was responsible for the Quality Assurance program of  
16 Duke Power Company overall?

17 A. At that time?

18 Q. Yes.

19 A. Mr. Lee at that time was head of Engineering and  
20 Construction Department. I don't recall his title at this  
21 time, but he was head of the Engineering Construction  
22 Department; and in that role, was in charge of all Quality  
23 Assurance for Engineering Construction. Mr. Parker was the  
24 head of the Steam Department and was responsible for Quality  
25 Assurance activities within the Steam Department.

1 Q. I want to show you, it's a very poor copy, but this is the  
2 decision of the Nuclear Regulatory Commission Atomic Safety  
3 and Licensing Appeal Board in the matter of Duke Power Company  
4 William B. McGuire Station, Dockets 5369 and 5370. This is  
5 ALAB 143, September 6, 1973. I will direct your attention in  
6 that opinion to page 625 and it's footnote 11; and if you would  
7 desire, read that footnote for the record. It's a little hard  
8 to make out.

9 A. It's been two or three years since I had my glasses changed.  
10 I'm not sure I can read this very small print.

11 Q. I will read it for you, if you would like for me to.

12 A. Okay. That would be better if you would read it because  
13 I could follow along.

14 Q. All right. It says footnote 11, see testimony of  
15 Mr. Vassallo after transcript 3507 page 4 and transcript 3571,  
16 3572, 3574, 3655, 3656, and the important part. Mr. Vassallo  
17 also testified, and I will leave out the transcript reference,  
18 that the staff's approval of the applicant's current Quality  
19 Assurance organization was with the understanding that there  
20 was going to be a separate corporate Quality Assurance Manager.  
21 The record reveals that that position initially is being filled  
22 by the applicant's Vice-President for Engineering and  
23 Construction who is acting in a dual capacity. The Regulatory  
24 staff has the duty and responsibility to assure that the  
25 applicant appoints a separate corporate Quality Assurance

1 Manager in a timely manner. Otherwise, the quote understanding  
2 unquote which the staff had in that regard, will not be  
3 very meaningful. For this reason, we believe that the  
4 Corporate Manager for QA position should be filled as quickly  
5 as possible with the period of one year, which commenced in  
6 January of 1973, being outside limit for such action. Are  
7 you familiar with that decision? Have you ever seen that  
8 before or heard that before?

9 A. I probably have. It's been ten years ago, and I was  
10 involved and knew there was discussions about that; but to  
11 say I have read that, no.

12 Q. Was it Mr. Lee who was then the Vice-President for  
13 Engineering and Construction?

14 A. Yes, it was.

15 Q. Did he, at that time, also hold the position of Corporate  
16 Quality Assurance Manager?

17 A. For a period, he did. The exact dates, I can't say from  
18 memory, but for a period of time during '73, he held that  
19 position.

20 Q. Were you the independent full-time Corporate Manager for  
21 Quality Assurance that was appointed to replace Mr. Lee in  
22 that position?

23 A. Yes, I was. I went into that job February 1, 1974, as I  
24 previously stated.

25 Q. Why did Duke Power believe it appropriate, if it did, for

1 Vice-President for Engineering and Construction to also manage  
2 the Corporate Quality Assurance Department, Mr. Wells?

3 A. That was before my involvement as QA Manager. I cannot  
4 answer why Mr. Lee felt it appropriate.

5 Q. Do you have an understanding?

6 A. I don't know. No, I don't have any understanding of why  
7 he felt it appropriate.

8 Q. I want you to describe the circumstances, as you know  
9 them, of your appointment to that position.

10 A. Well, I had, as you can see from your notes, a number of  
11 jobs within Duke, and it's always been that the person involved  
12 would call you to his office or some place and ask that you  
13 take that job and said that they had looked into the available  
14 source of people and felt that that was the best for the  
15 company and for you, and Mr. Lee asked me to do that, and that  
16 is about all I can say of the circumstances.

17 Q. Did he explain at the time this position was required to  
18 be created by the Appeal Board of the Nuclear Regulatory  
19 Commission?

20 A. I was aware of that at the time of the commitments we  
21 had made to establish a separate Quality Assurance.

22 Q. What was your opinion as to the appropriateness of having  
23 a separate Quality Assurance Department?

24 A. Management philosophies can vary from company to company.  
25 I think it was a good move; however, even today, there are



1 companies that are split and have a good success, so I personally  
2 think it was a good move to do it, but I don't believe that's  
3 the only way to have a successful Quality Assurance program.

4 Q. Do you know of nuclear constructors who have Quality  
5 Assurance programs that are directed by the line construction?

6 A. Many organizations in the country. I personally don't  
7 know of one that holds a dual job similar to Mr. Lee had today.  
8 Back then there probably was. I don't know of any.

9 Q. I'm trying to understand. It's your opinion it was better  
10 to have a separate organization?

11 A. My opinion that on balance that offered some advantages  
12 that the other would not, but I want to make it clear that  
13 I feel many management structures could work and that the one  
14 we arrive at is certainly not the only one that's acceptable  
15 or satisfactory in my opinion. In my opinion, it was a good  
16 one. It probably was the best one in my opinion, but there  
17 are many others that have worked before and since that time.

18 Q. What are the advantages in your opinion to a separate  
19 organization of Quality Assurance?

20 A. I guess the biggest advantage is that you have some people  
21 whose mind is free and dedicated to do that job. It's not a  
22 matter of they're more independent, I don't believe, I just  
23 believe they have more time to do it. It's a time constraint  
24 as opposed to independence, in my view, that makes it more  
25 desirable.

1 Q. Are you familiar with the provisions of Appendix B to 10CFR  
2 part 50?

3 A. Yes, I am.

4 Q. Are you familiar with the provisions of Criteria 1 with  
5 respect to Organization of Quality Assurance?

6 A. Yes, I am.

7 Q. With regard to that criteria, the provision relating to  
8 the QA organization, the persons and organizations performing  
9 quality assurance functions, shall have sufficient authority  
10 and organizational freedom to identify quality problems, to  
11 initiate, recommend, or provide solutions to verify implemen-  
12 tation of solutions. Such persons and organizations performing  
13 quality assurance functions shall report to a management level  
14 such that this required authority in organizational freedom,  
15 including sufficient independence from cost and schedule, when  
16 opposed to safety considerations, are provided. Do you  
17 believe that the provision of independent quality assurance  
18 organization has a significant contribution to meeting the  
19 requirement of that criteria?

20 A. That criteria said that persons performing functions should  
21 be sufficiently independent. Certainly Mr. Lee, in his  
22 position, reporting to the President of the company at that  
23 time, was, in my opinion, met, fully met, that requirement,  
24 reporting to a level sufficiently high.

25 Q. You believe Mr. Lee had sufficient independence from cost

1 and scheduling pressures to perform the quality assurance  
2 function?

3 A. Yes, sir.

4 Q. Even when he was in charge of Construction and  
5 Engineering?

6 A. Yes, sir.

7 Q. You recognize that the Nuclear Regulatory Commission  
8 didn't appear to agree with that?

9 A. I'm not sure that they disagree with his independence, as  
10 I said before. The reason I would think this was better is  
11 that the time to perform the job, certainly Mr. Lee's dedi-  
12 cation to quality is beyond question in the industry. Now  
13 whether or not he has sufficient time to devote to it, I  
14 think it's a bigger concern than his independence. I don't  
15 think there is anybody in the country more dedicated to quality.

16 Q. Or more independent from cost or scheduling?

17 A. Or more independent, yes.

18 Q. When you were assigned this position, what were the  
19 important tasks or responsibilities that Mr. Lee assigned to  
20 you?

21 A. Of course, all the functions were being done at the time,  
22 so primarily what it involved is a transfer of people from  
23 the three departments, the Design Engineering, the Construction,  
24 and the Steam Department. The transfer of those people into  
25 the QA and the combination of certain functions and the

1 organization of the Department. We didn't do anything differ-  
2 ent than had been done before because it had all been carried  
3 on and handled in a very effective way, so it's just the same  
4 people doing the same thing, just in a different department  
5 and reporting to one central person instead of the three  
6 departments. So my major function was to get the people in  
7 and assimilate them, and combine some of the functions that  
8 were being done in the three different groups.

9 Q. Do I understand correctly, Mr. Wells, that the people that  
10 joined the Quality Assurance Department upon its organization  
11 were already performing exclusively Quality Assurance functions  
12 in their various departments?

13 A. They were performing Quality Assurance functions, some-  
14 times not exclusively, and I might add, we brought people in  
15 that were not in Quality Assurance functions from the different  
16 departments.

17 Q. So you did get some or pull some more people and some more  
18 time from the people that previously had QA responsibilities?

19 A. Well, we brought some new people in, yes. Then, on the  
20 other hand, there were a number of people doing Quality  
21 Assurance functions who stayed with their old department, so  
22 on balance, we were doing the same thing. We weren't doing  
23 any more or less, just with sometimes different people.

24 Q. So, in your judgment, overall you don't think you had any  
25 more resources in terms of people?

1 A. We gradually built up more resources because we had, well,  
2 right after that, Catawba started back up again, and we had  
3 more work to do. Oconee Number 1 and 2 came on line, and we  
4 had more work to do, so we didn't do anything differently,  
5 but we had a little more to do and gradually got more people.

6 Q. Let me see if I'm reading you right. Lay aside the  
7 increased workload and the increased resources that came with  
8 the workload, but at the time you organized the department,  
9 if I understand you correctly, essentially you had no greater  
10 manpower resource, it was simply a transfer of functions and  
11 people?

12 A. Essentially, that's correct.

13 Q. Approximately, or to the best of your recall, how many  
14 people were initially assigned to the independent Quality  
15 Assurance Department?

16 A. We have grown over the years, and I believe it was in  
17 the neighborhood of in the seventies, seventies is my  
18 recollection.

19 Q. That did not include persons performing Quality Control  
20 inspection functions?

21 A. That's correct.

22 Q. Where were they at the time?

23 A. Within the Construction Department. They were still in  
24 the Construction Department.

25 Q. Where they remained until close to the end of your tenure



1 in the position?

2 A. Yes, it was about a year, almost a year before I left  
3 when they came over to the Quality Assurance. I believe it  
4 was in early '81.

5 Q. February of '81?

6 A. About that, which is about a year before I left.

7 Q. With regard to the QC function in construction, help me  
8 understand during this period of time till February of '81  
9 how the QA inspection function related to the work of the  
10 Quality Assurance Department.

11 A. The function of the Quality Assurance relating to QC  
12 inspectors were threefold, I guess. One was to provide them  
13 with procedures to do their work by; second function relating  
14 to inspection was to certify inspectors to do the work,  
15 provide certification for it; the third function would be  
16 to monitor by audits and surveillance the work of these  
17 inspectors to insure they were performing inspections in an  
18 acceptable manner.

19 Q. In what ways did the inspectors relate to the Construction  
20 Department?

21 A. Their relation was that the Construction would determine  
22 what they were to do and the schedule with which they were  
23 to do it was what work would be inspected today. They would  
24 determine how long they needed to work, whether they needed to  
25 work overtime or work Saturdays or whatever. They would deter-

1 mine how many inspectors were needed, and they would determine  
2 their pay scale.

3 Q. Who supervised the inspectors in the performance of their  
4 inspection work?

5 A. They have supervisors within the Construction Department,  
6 first and second level supervisors are just as any craft would  
7 have.

8 Q. Help me understand the structure. Who would the first  
9 level supervisors over QC inspectors in Construction typically  
10 be?

11 A. By name?

12 Q. By title or essentially the job position. Would they be  
13 an inspector?

14 A. Usually there would be an inspector who had been pro-  
15 moted to a supervisor usually.

16 Q. Would he usually exclusively supervise inspectors that  
17 the first level supervisor?

18 A. Yes.

19 Q. How about second level supervisor over inspectors, would  
20 he be trained as an inspector?

21 A. Yes.

22 Q. Would he typically supervise only QA inspectors?

23 A. Yes.

24 Q. Then the third level?

25 A. I'm not sure there was a third level. The second level

1 depended on the size of the job. Catawba started out real  
2 early. There may not have been a second level, but it's the  
3 size and number that depended upon the level; but as I recall  
4 as far as inspectors and supervision, the first and second  
5 level was really all there was, and then you get up, they  
6 usually reported to some QA Engineer or QA Manager or something  
7 of this.

8 Q. Where do they then go into the Construction chain of command?

9 A. They would go to the name, the title of the job changed  
10 from time to time, but it was the equivalent to QC, Senior  
11 QC Engineer or QC Engineer on the job who reported to the  
12 Project Manager. The organization, of course, changed as the  
13 job changed, but eventually the reporting line was to the  
14 Construction Project Manager.

15 Q. He, the Construction Project Manager, supervised all other  
16 craft as well as QC inspectors?

17 A. Yes.

18 Q. Was he the first level supervisor who supervised other  
19 than simply Quality Control work?

20 A. With who?

21 Q. The Project Manager.

22 A. He was not a first level supervisor.

23 Q. I understand that, but is he the lowest level supervisor  
24 who had responsibility for more than just QC inspection work?

25 Am I not being clear?

1 A. As I said, the organization changed over the years. You  
2 are asking if there is someone between him and the QC that  
3 is on the job? I don't believe there was. It's my recollection  
4 was that there was not.

5 Q. Who is responsible for evaluating the job performance of  
6 Quality Control inspectors during the period of time we're  
7 talking about?

8 A. His supervisor.

9 Q. It would follow the same chain of command as general  
10 supervision?

11 A. Yes.

12 Q. Up through Construction?

13 A. Yes.

14 Q. Who was responsible for supervisory review of the  
15 inspection work that was performed?

16 A. The second level supervisor was responsible for the  
17 supervisor's under him for the review of their work as well as  
18 all other aspects of supervision.

19 Q. Take an example as concrete as I can make it, tell me if  
20 I'm misstating. I will try to frame this in a hypothetical  
21 involving a piece of workmanship; and if I'm not stating it  
22 correctly, please correct me. Let's take a welding exam.  
23 Let's take an example of a weld that a welding inspector  
24 determines is deficient. The welding inspector determines that  
25 it's appropriate to originate a Nonconforming Item Report for

1 the deficiency. At the time prior to February of '81, who  
2 would be responsible for reviewing the validity of that  
3 Nonconforming Item Report?

4 A. Mr. Guild, you will have to remember now that procedures  
5 have changed over the years, and I can only give you what I  
6 think, and the procedure may have changed even before '81  
7 or even before I left QA; but as I recall, any nonconformance  
8 was reviewed within the Construction Department up through  
9 their chain and their engineers and through their supervision.  
10 It was then concurred with by Quality Assurance Department  
11 persons and if he did not agree with it, then he would have  
12 the right to refuse to accept it, and then other action  
13 would have to be taken, but it was first proposed up through  
14 the supervision and through the Engineering and Construction  
15 and when they said this is what we think it ought to be,  
16 then Quality Assurance either would concur with it or disapprove  
17 it.

18 Q. Did the Construction Department supervision have the  
19 authority to void an NCI as you recall?

20 A. Well, NCI's were written; and if they were improperly  
21 written, then, yes, at times it could be destroyed; but to  
22 not in any way imply that the work was voided or wouldn't be  
23 taken care of. It may have been that it was written wrong  
24 and needed to be reworded or some reason; but from time to  
25 time, NCI's were voided for one reason or another.



1 Q. How about if it represented a disagreement between the  
2 inspector and the supervision concerning the validity of a  
3 nonconformance as an NCI?

4 A. At this point in time, we, in the Quality Assurance did  
5 not get involved in it until it was up through their management  
6 and presented to QA for concurrence, so I can't answer that  
7 because it was not within my realm of responsibility.

8 Q. I want to understand a little more about that then. At  
9 what point would a representative from Quality Assurance  
10 Department be involved in that review, when would you, your  
11 team, see the NCI and have an opportunity to review it?

12 A. When it was approved by the appropriate level within  
13 Construction and these levels varied from time to time, but  
14 we would see it and approve of it after they had looked at  
15 it and approved it.

16 Q. All right, sir, as you understand it, sir, could an NCI  
17 be originated by an inspector during these times but not  
18 be logged or have a number assigned to it and be voided by  
19 inspectors' supervision as not a proper treatment as a  
20 Nonconforming Item?

21 A. I don't know the exact process over the years or when  
22 things are logged and when they aren't. I did not get into  
23 that detail. I do know that these are changed over the period  
24 of time as to when it's logged and when it's not. I think in  
25 all honesty in that period of time, they did not work for QA

1 and that question would have to be properly asked to the  
2 people that were supervising them because I just did not--  
3 don't recall all of the details.

4 Q. Is it fair to say you're not aware of that practice either  
5 did or did not occur?

6 A. As I said earlier, I was aware that certain NCI's were  
7 voided for one reason or another, but I did not get into the  
8 details of why.

9 Q. Do I understand you correctly as a matter of procedure  
10 given the organizational structure of the QA Department under  
11 you would not see those NCI's till they already passed review  
12 of the QC inspection supervision?

13 A. When you say see, I don't know that's the proper word.  
14 Sometimes we may have gotten copies, but what I say is our  
15 final approval of it is after it had been signed off by the  
16 appropriate levels within our Department, our official approval  
17 of those or concurrence, I guess you might say.

18 Q. I want to understand the best that you can recall as a  
19 matter of procedure and practice, would the QA Department  
20 have had an opportunity to review a Nonconforming Item  
21 prior to the QC inspector supervisor determining that it was  
22 invalid or valid?

23 A. The QA Department? All the way from the start had the  
24 opportunity to review at any time any quality related  
25 documents even through the period of time it was being prepared.

1 You have the complete freedom to see it at any time. What  
2 I'm saying is that the official approval came at a certain  
3 step in it after it had been approved by Construction, but we  
4 frequently, on surveillances or audits, would look at some  
5 even when they were half finished or any time, so when you say  
6 we had the opportunity, QA always has the opportunity to see  
7 any documents at any time.

8 Q. That word opportunity was your word not mine. I want to  
9 know if it was a practice or procedure to do that review.

10 A. It was a practice to do surveillance as an audit but not  
11 to review one hundred percent of them until the appropriate  
12 time in the procedure which was after it had been signed by  
13 the Construction people; but, yes, it was our practice to  
14 review those from time to time during the regular audits  
15 and surveillances.

16 MR. GIBSON: It's 12:15. Would continuing awhile enable  
17 you to finish Mr. Wells, or do you contemplate taking a lunch  
18 break?

19 Q. I would like to finish Mr. Wells as quickly as possible,  
20 but I'm not going to finish in ten or fifteen minutes and the  
21 question is whether or not Mr. Wells' schedule is such that  
22 he would like to take a lunch break. I would prefer, frankly,  
23 to keep going.

24 MR. GIBSON: What I would suggest, if we can finish by  
25 1:00, we'll do that. If you don't think we can finish by 1:00,

1 we'll take a lunch hour.

2 Q. Let's take a lunch break.

3 LUNCHEON RECESS

4 Q. Mr. Wells, I want to show you a document. It's entitled  
5 "Topical Report Quality Assurance Program," it's figure  
6 17.1-8, it's Amendment 1 to that report. Can you identify  
7 that, sir?

8 A. Yes.

9 Q. Does that reflect the organization of the Quality  
10 Assurance and Quality Control functions with the company at  
11 the point in time when the Department was being organized in  
12 1974?

13 A. Yes, I believe that's correct.

14 Q. Look at it with respect to the organization that appears,  
15 I believe it's some sort of a dotted box on the left of the  
16 figure, and does that indicate the organization of the project?

17 A. Yes, that's my recollection that's correct.

18 Q. That would have been the organization at Catawba?

19 A. That was the organization at the start of the QA Department.  
20 We had some changes from time to time, but that was the  
21 organization that was at all projects during that period.

22 Q. Would that have been in 1974?

23 A. Yes.

24 Q. Let's mark this Exhibit 1. Look at this chart here; and  
25 if I can share it with you, who would have held the position of

1 QA Manager Construction during that period of time?

2 A. I believe at the first, it was Mr. C. B. Aycock. We had  
3 a number of changes; and without a chronology, I cannot from  
4 memory recite, but he was the first one.

5 Q. How long was that position maintained?

6 A. That position was maintained, I believe, I left.

7 Q. So there was at the point where you left, there was a  
8 QA Manager Construction?

9 A. Yes, although we might have changed the name of it. It  
10 seems like we changed the name to QA Manager Project, but it  
11 was essentially the same job; as I said earlier, we changed  
12 the names from time to time.

13 Q. QA Management Project would have been the position held  
14 by Mr. Larry Davison?

15 A. Yes.

16 Q. Did Mr. Davison take that position immediately after  
17 Mr. Aycock or was there someone else?

18 A. There was an intermediate.

19 Q. Who was that before?

20 A. Between them was L. R. Barnes and Wayne Henry. Both had  
21 that position.

22 Q. First Mr. Barnes and then Mr. Henry?

23 A. Mr. Barnes left the employ of Duke and came back again.  
24 My memory is a bit fuzzy. I think it was Barnes and then  
25 Henry. I believe that's the order.



1 Q. The dotted box indicated to be the field, what is the  
2 significance of that little box there, can you tell me what  
3 that means?

4 A. Well, that means that those positions were physically  
5 located in the field at the site.

6 Q. At Catawba?

7 A. Well, at either project. Yes, at Catawba as opposed to  
8 being in Charlotte.

9 Q. I understood from your description and other testimony  
10 that the QC function inspector function reported to  
11 Construction through the QC supervision that you outlined.  
12 Help me understand how that's reflected in this organization  
13 chart, if it is.

14 A. Of course, that's not reflected in here. The dotted and  
15 dashed lines are the functional responsibilities, and I  
16 believe we went over those in quite detail earlier.

17 Q. By functional, you have referenced to the manner in which  
18 QC reported to Quality Assurance in the three functions that  
19 you identified, is that right?

20 A. Yes.

21 Q. But there would be-- the functions identified as reporting  
22 to Construction would not be reflected in this organizational  
23 chart, is that right?

24 A. I believe I outlined for you those items for which QA was  
25 responsible and those items for which Construction was respon-

1 sible, and that was the way they were lined up. We'd call  
2 one administrative and one functional.

3 Q. Let me give you a piece of paper, if I can, and to the  
4 best of your recollection with reference to this diagram, and  
5 I'm talking particularly about Catawba now, draw for me the  
6 relationship between the Quality Control function that you  
7 have outlined and the Project Manager in Construction, the  
8 administrative reporting you have described earlier, if you  
9 would.

10 A. I don't know that I can from memory draw organization  
11 charts. I would be glad to describe it as best I recall.

12 Q. If you can draw it out as best you recall, I would  
13 appreciate the caveat that you're doing it from memory and to  
14 the best of your recollection, but I would like to try to,  
15 for comparison purposes, as best you can recall, Mr. Wells.

16 A. Let me explain this before I draw anything. As I recall  
17 at one point in time, we had what was called a Project Engineer  
18 who reported to the Project Manager and one of the jobs, the  
19 Senior QC reported to the Project Engineer, and then that  
20 title has been changed from time to time, and my recollection  
21 is that the Senior QC at least in the later stages reported  
22 directly to the Project Manager at Catawba. Now that's the  
23 best of my recollection. I can't be positive without seeing  
24 charts and reviewing them back, but I don't know there's much  
25 to draw. The matter of QC Engineer reporting to the Project

1 Manager is my recollection.

2 Q. If you could, I would like for you to show on that  
3 graphically the chain from the Quality Control Inspector  
4 up through the levels of supervision, as best you recall, from  
5 that.

6 A. I would be completely out-- because so many titles were  
7 changed, and so many-- as I said earlier, at one time, we only  
8 had first line supervision, and then we added a level as the  
9 project grew. I would be glad to review any charts you might  
10 give to me or anything, but I just don't feel comfortable  
11 drawing charts from memory when they are so voluminous, the  
12 charts are, and they changed quite frequently, the titles  
13 and that sort, so to draw an organizational chart from memory,  
14 I just don't feel comfortable, and I will be giving you the  
15 correct information because I just can't remember.

16 Q. My problem, I guess, Mr. Wells, is that none of the  
17 organization charts that I have seen reflect the relationship  
18 between Quality Control and Construction that I have heard  
19 you describe and has been described in testimony of others  
20 and that I understand to be the actual way that the Quality  
21 Control function was organized, and so I can't present you  
22 with an organization chart that reflects that because there  
23 isn't one to the best of my knowledge. That's why I'm asking  
24 you if you can to sketch one out for me. Your testimony is  
25 that you can't do that?

1 A. My testimony is that I'm a little rusty on it this long.  
2 It's been nearly ten years now. Some of these. And there have  
3 been a lot of changes, and my testimony is that this reflects  
4 the way it is and that this person here reported to the  
5 Project Manager or maybe earlier to a Project Engineer.  
6 Q. Who was this person here that you're indicating?  
7 A. The Senior QC Engineer, administratively to either the  
8 Project Manager or the Project Engineer.  
9 Q. As opposed to functionally to the Project Senior QA  
10 Engineer as shown on this chart?  
11 A. That's correct.  
12 Q. I want to show you a document, Mr. Wells, and ask if  
13 you can identify that. Have you seen that before, sir?  
14 A. Yes, I have seen this document.  
15 Q. Would you identify what that is?  
16 A. It's the NRC Licensing Assessment Report Nureg 0834.  
17 Q. Are you familiar with that document?  
18 A. I have seen it and was familiar with it. I see so many  
19 NRC documents, I don't think I can recite from memory what's  
20 in it, but I have seen it, yes, and I'm familiar with what it  
21 is.  
22 Q. I want to direct your attention to Appendix Page B1, and  
23 there's reflected the assessment of the Catawba Station, is  
24 it not, for that review period?  
25 A. That's correct.

1 Q. Catawba there is shown rated below average along with,  
2 I think, six other facilities, the Zimmer Plant, the Midland  
3 Plant--  
4 A. I can't testify about the others, because I don't recall.  
5 It's my recollection that Catawba did receive for that period  
6 the below average.  
7 Q. Take a look at that report, if you doubt my statement, the  
8 other plants are listed right along that way.  
9 A. Yes.  
10 Q. Yes and out of some fifty some plants under construction,  
11 Catawba Units 1 & 2 for that period were rated among the  
12 seven below average plants.  
13 A. I don't believe-- I can't testify to the numbers that you  
14 say. Of fifty, it was seven? I don't recall those numbers.  
15 Q. Would you accept that subject to change?  
16 A. Would I do what?  
17 Q. Would you accept that representation subject to change?  
18 A. No, I do not. That's not my recollection.  
19 Q. What's your recollection.  
20 A. That it was among the ones, but not seven out of fifty.  
21 I don't know how many. If they said it some place in there,  
22 than that would be an official document, but it's not my  
23 recollection that those are the right figures.  
24 Q. Let's see if I can refresh your recollection so we can be  
25 talking about it right. Here's Table 2 to this same report that



1 rates it. It lists the ratings of average facilities under  
2 construction. Would you accept there are fifty-four units  
3 set forth there as average, counting multiple unit sites as  
4 multiple units.

5 A. Well, the numbers, for example, Calloway Unit 2 has never  
6 been under construction. It was cancelled well before it  
7 even got underway. Cherokee Units 2 & 3 the same. Many of  
8 these units, your numbers, if it's on the record, then the  
9 record speaks for themselves, but I can't in this short period  
10 say that there was fifty because I know, for example, Calloway  
11 Unit 2 has never been a unit. It was committed, but it was  
12 never started, so it had no record. I know the same with  
13 Cherokee 2 & 3. I know the same with Phipps Bend, for example.  
14 A lot of the others. Sharon Harris 3 & 4 were never started,  
15 so I can't conclude that those numbers, if those numbers are  
16 part of the record, then that's the record.

17 Q. I guess my point is Catawba did real bad in that rating,  
18 and do you dispute that?

19 A. Yes, I absolutely dispute they did real bad. If you would  
20 read the report, the NRC, it was my recollection stated that  
21 Catawba was meeting all requirements of the NRC.

22 Q. By comparison, and that's the point of this document I  
23 want to ask you about, sir, it was among the seven facilities  
24 that rated below average; and as I counted, there are fifty-  
25 four individual units set out as average in the NRC's document,

1 not mine, and those represent twenty or thirty different  
2 facilities, and that's bad my any measure, isn't it?

3 A. No, sir.

4 Q. You disagree with that? You don't consider that a bad  
5 rating for Catawba?

6 A. No, I don't.

7 Q. I'm interested in your opinion. Turning to Appendix B  
8 Page 1, the first line of the rating, this is for an evaluation  
9 period 9-1-79 to 8-31-80, Catawba facility displayed evidence  
10 of weakness in the area of Quality Assurance including manage-  
11 ment and training. Were you aware of that rating?

12 A. Yes, I have read that.

13 Q. I want to understand what response did you, as head of  
14 Quality Assurance, make to this rating reflected in that  
15 finding by the Nuclear Regulatory Commission.

16 A. If you look at the dates of the periods covered, from  
17 my recollection, the periods covered were about-- ended about  
18 six months before that report was issued and covered the pre-  
19 vious year approximately.

20 Q. Yes.

21 A. Therefore, the items that were rated as needing corrective  
22 action were anywhere from one and one-half years old to a  
23 half a year old, somewhere in that range. It was Duke's position  
24 during the period that whenever we received a report from the  
25 NRC, we took immediate corrective action to get it back into

1 compliance or to resolve the matter with the NRC; so as I  
2 recall, there was no action dictated or necessitated by the  
3 issuance of this report because the items were six months to  
4 a year and a half old and had already been taken care of.

5 Q. So the response had already occurred prior to the issuance  
6 of the report?

7 A. Yes.

8 Q. Well, the deficiencies are identified and what I want to  
9 understand is what the response was to the deficiencies,  
10 whether it occurred at the time of this report or whether it  
11 occurred six months or earlier before that, particularly  
12 as they relate to the criticism of weaknesses in the area of  
13 Quality Assurance, your area, what response are you aware was  
14 taken, if any?

15 A. I believe I have said already that we took the responses  
16 as the reports came out from NRC during that period, and we  
17 corrected the items as they occurred. This is a historical  
18 report and required no action by the NRC and required no action  
19 by Duke because it was things that happened a year and a half  
20 to a half a year earlier and had already been responded to  
21 and action taken, so no action was taken as a direct result  
22 of this report.

23 Q. You said that already. That's not the focus of my line  
24 of questions. My focus now, Mr. Wells, is what you did in  
25 response to the underlying findings, if you did anything. If

1 you didn't do anything about those, tell me. What did you  
2 do to respond to Quality Assurance weaknesses that were  
3 characterized by inadequate design reviews, procedures not  
4 issued, specifications and commitments not translated into  
5 procedure, audit programs not established, numerous items of  
6 noncompliance, failure to follow procedures for activities  
7 involving welding, concrete placement, design, Quality  
8 Control inspections, records control, and electrical equipment  
9 installation. What did you do about those things?

10 A. I have repeated it twice again, but I will say it again.

11 Q. I don't want to know as a result of this report what did  
12 you do about the underlying findings?

13 A. We took corrective actions. There were many, many reports  
14 issued during the period of the year and whatever action was  
15 needed, we took it at the time it was found.

16 Q. I want you to tell me about the most significant actions  
17 you can recall; if you recall any actions at all, I want to  
18 know what they are. What did you do as head of Quality  
19 Assurance to respond to the pretty wide range of criticism of  
20 Quality Assurance at Catawba?

21 A. I guess to answer your question is that there were many  
22 actions taken during the year that these reports came out. I  
23 would not characterize any one of them as being more significant  
24 than most significant. I cannot recall specific actions. We  
25 could get back to the NRC Inspection Report. We have to answer

1 every one of them and they're a public record. NRC has those  
2 and they are in a public room, and every one of them had to  
3 be answered and we had to say what we did, so I cannot identify  
4 anything specifically nor can I identify the most significant  
5 one.

6 Q. Whatever action you took is reflected in the underlying  
7 inspection report?

8 A. In the response.

9 Q. Your response to that inspection?

10 A. Our response. We have to make a response to every  
11 inspection report that has an action.

12 Q. Were any significant changes made that you can recall,  
13 Mr. Wells, in the way the Quality Assurance program operated at  
14 Catawba during that period?

15 A. No, during the eight years I was Quality Assurance Manager,  
16 we had many changes through the years, through the eight years.  
17 I would not characterize any one of them as being significant  
18 or great. It was a gradual change we felt we could do things  
19 a little more effective, or a little cheaper, or so on; but  
20 during that year, no, I can't say that we made any substantive  
21 changes that I would consider real significant.

22 Q. Catawba received a relatively large number of items of  
23 noncompliance when compared with other power facilities under  
24 construction. Most of the items of noncompliance were attrib-  
25 uted to weakness in the licensing Quality Assurance and



1 management overview process. How did you understand that  
2 finding by the Licensee Assessment Board of the NRC?  
3 A. I understood it that it was just a numbers game, that they  
4 counted the numbers of various reports and noncompliance  
5 items. You have got to remember just pure numbers are very  
6 misleading. For example, a plant with only five or six hundred  
7 people working at a particular stage may not have near as many as  
8 a plant with four thousand working. You can't conclude that  
9 the one with four thousand is a worse plant just because  
10 they have more noncompliances. That conclusion doesn't, in  
11 my view, it's not justified. Pure numbers.  
12 Q. That's what you're saying they were using as pure numbers?  
13 A. They are using primarily numbers, yes.  
14 Q. Were they using primarily numbers or exclusively?  
15 A. I don't know about exclusively. Most of what they were  
16 using was numbers like the number of noncompliance, the number  
17 of reportable instances that we reported, things of that sort  
18 that they counted up and used those numbers.  
19 Q. What did you understand they were comparing?  
20 A. There were, as my understanding, just raw numbers without  
21 taking into account the status of the job.  
22 Q. Raw numbers of what, sir?  
23 A. Things that are in there, nonconformances, reportable  
24 instances that we reported to them, anything that they require  
25 us to report to them.

1 Q. It's your opinion that this was an invalid comparison because  
2 it was based solely on raw numbers?

3 A. I would not want to call the NRC report invalid. I would  
4 say there was a lot of numbers reported and the fair rating  
5 or below average rating was based primarily on those numbers  
6 and in my judgment, the numbers don't tell the whole story,  
7 but I'm not going to accuse the NRC of a false report by any  
8 means.

9 Q. Well, what I really want to understand is-- I appreciate  
10 you being a tactful and not wanting to offend the NRC, but my  
11 question is, is it valid or not valid or sort of valid, did  
12 you take it as serious criticism or it's ridiculous, or it's  
13 invalid comparison?

14 A. Every report we received from the NRC during my tenure of  
15 work was seriously considered and not considered trivial,  
16 and we answered it to the best of our ability and changed things  
17 if it dictated it, so I don't want to imply I regarded it  
18 trivial. I do not believe that on balance that the Catawba  
19 Station is below average of all the power plants. I think it's  
20 a way they did the reports that made it show up below average,  
21 not the quality of the work at the job.

22 Q. Well, it either reflects-- let's understand this way.  
23 That conclusion and that comparison either reflects badly on  
24 Catawba, Mr. Wells, or it reflects badly on the NRC, don't you  
25 think? You can't have it both ways, can you?

✓  
1 A. Oh, yes, that's not a valid conclusion in my view. For  
2 this reason. NRC, the people that did this, had strict guide-  
3 lines put upon them, and they had very little discretion  
4 review or opinion. It was just they put down the numbers and  
5 if the numbers came out a certain way, then that's how they  
6 had to report it, and it was not a judgment based on their  
7 inspections that it was below average. It was just the numbers  
8 came out that way.

9 Q. How did you understand that?

10 A. Because that's the way I read the report, and I have read  
11 and discussed with them how they came up with it.

12 Q. Who did you discuss it with?

13 A. I have discussed it with the resident inspector down there  
14 and with several of the inspectors that came up from Atlanta  
15 office from time to time.

16 Q. That's what they told you?

17 A. They told me that it reflected the guidelines they received  
18 from the I and E in Washington on how to prepare the SALP  
19 report.

20 Q. They didn't think it was valid,

21 A. I did not say that.

22 Q. What did they think?

23 A. They were just following instructions of Washington. I  
24 don't know they expressed an opinion except somewhere in the  
25 report, they did state the opinion that Catawba was being built

1 in accordance with the regulations, and it was nothing there  
2 that did not meet the NRC regulations.

3 Q.. They said that about all the below average plants, is that  
4 right?

5 A. I don't know. I know they said it about Catawba.

6 Q. They say it specifically about Catawba?

7 A. I know they said it about Catawba. I don't know about  
8 the other plants.

9 Q. Do you know whether it was specifically about Catawba?

10 A. No, I don't.

11 Q. Below average does not mean a facility was unsafe, whether  
12 it's operation or construction should be stopped, the expected  
13 performance level for a nuclear facility is high and it  
14 should be rating of below average means the facility was not  
15 meeting the full measure of these high expectations and that  
16 relative to the population of nuclear facilities, performance  
17 was judged less than desirable than other facilities, is that  
18 the caveat you were referring to?

19 A. Yes.

20 Q. Of course, if they said otherwise, they wouldn't-- they  
21 would follow from that, that they wouldn't be in the business  
22 of licensing seven plants to operate, would they?

23 A. I don't know about that. It's beyond my capability to  
24 answer a question like that.

25 Q. But are you aware of the current status of some of these

1 other plants that Catawba was rated among below average with?  
2 Are you aware of what the status of Midland, for example?  
3 A. I'm aware of the number of plants through primarily hearsay  
4 or reading in the newspapers or the trade magazines.  
5 Q. You work for the Institute of Nuclear Power Operations  
6 and evaluate plants, don't you?  
7 A. Yes.  
8 Q. You learn from them what happens to plants like Midland?  
9 A. Yes, I have read various things.  
10 Q. Are you aware that Midland is under serious orders to--  
11 for significant reinspection because of Quality Assurance  
12 deficiencies?  
13 A. The word serious I would delete, but I'm aware they are  
14 under order to do reinspection.  
15 Q. How about South Texas similarly?  
16 A. I'm aware of the problems, as I said, primarily from  
17 reading trade literature that's available to anybody, the  
18 newspapers, the NRC reports, and so on that come out.  
19 Q. Zimmer Plant, are you aware of the Commission's stop work  
20 order at the Zimmer Plant?  
21 A. I'm aware.  
22 Q. One hundred percent reinspection of safety-related--  
23 A. I'm not aware of that detail whether it's a hundred or  
24 what.  
25 Q. Significant?



1 A. Some, yes, sir.

2 Q. Take a look, Mr. Wells, the same characterization the  
3 NRC applied to Catawba for that rating period, significant  
4 weakness in Quality Assurance applied to Zimmer and Midland  
5 and South Texas and others?

6 A. I will agree that the NRC rated them the same.

7 Q. And you just reject that as an invalid conclusion that  
8 they are in the same category?

9 A. I haven't said that. I don't know enough about all of  
10 these other plants. As I said, only what I have read in the  
11 papers. I do know up till the time I left of Catawba, and  
12 I feel that it's being built in full accordance with our  
13 construction permit, but as far as the other plants, whether  
14 it's better or worse, I have no way of knowing except what I  
15 read.

16 Q. Or accept the systematic assessment?

17 A. That's what I say, which I read, which is in the public  
18 domain. This is in the public domain, anybody can read this.  
19 You can read newspapers, and you can read--

20 Q. That's not a newspaper report.

21 A. No, that's NRC. As I say, I'm not in a position to judge  
22 these other plants and compare them with Catawba.

23 Q. Well, I guess I'm not really asking you to do that. What  
24 I'm asking you to do is either accept or tell me why I'm wrong  
25 in at face value seeing at that period of time when you were

1 in charge of Quality Assurance at Catawba, it was rated among  
2 the worst plants in the country. Those plants are terrible,  
3 not Catawba, I'm asking you to characterize your own plant  
4 as terrible. We all know, and it seems to be common knowledge  
5 these days, what's happened since those dates to Zimmer and--  
6 A. I don't know the TVA Watts-Barr Plant, it's rated in the  
7 same way.  
8 Q. That's true.  
9 A. Washington Nuclear Project 2 I've never heard too much.  
10 Q. It has its other problems.  
11 A. Money problems, but everybody has that, I guess. I can't  
12 conclude from this report that Catawba was in terrible shape  
13 and neither did the NRC conclude that.  
14 Q. They just put them in among some pretty rotten apples?  
15 A. No, they did not. They said they were being operated in  
16 accordance with requirements. It says here, all of them were.  
17 Q. All of them including Zimmer?  
18 A. That's what they said.  
19 Q. They later found Zimmer was shut-- they shut construction  
20 down there. You know that, don't you?  
21 A. Yes, I was aware of that. They didn't find that on  
22 Catawba though.  
23 Q. Not yet, they sure didn't. What I want to understand, I'm  
24 a lay person. I'm not in the business of building nuclear plants  
25 or running Quality Assurance Departments. I'm a lawyer, and

1 I'm representing a client and we're concerned about this, and  
2 I want the best of your ability, Mr. Wells, for you to tell  
3 me whether I should just rest on your earlier response, which  
4 says you don't think-- you think that's an invalid comparison  
5 for the reasons you stated and that any action that was taken  
6 was taken long before this report was issued and nothing  
7 was significant that stands out in your mind that responded  
8 to that finding, and if there is anything else you can tell me  
9 about what response you made that you know about, I would  
10 love to hear about it.

11 A. For example, one of the things that went into the SALP  
12 report, was how many items a utility reports to the NRC, and  
13 some utilities-- the law and regulations on this is at least  
14 leave some room for judgment, and some utilities report more  
15 than other utilities, but yet Duke has a practice of not hiding  
16 anything. We don't hide anything from anyone, and we reported  
17 things as reportable items to the NRC that perhaps some of  
18 the others may not, which made us show up in the final which  
19 really we were doing better reporting in some cases. I just  
20 can't conclude that by the numbers they came up with, that this  
21 indicated that Catawba Plant had serious deficiencies. That's  
22 just my conclusion.

23 Q. Let's focus on that observation for a moment. One of the  
24 indicators of deficiencies in construction are historically  
25 have been the use of the Nonconforming Item Report at Catawba,

1 correct?

2 A. What's that question?

3 Q. The Nonconforming Item, one of the devices that you have  
4 used to identify construction deficiencies at Catawba, is the  
5 Nonconforming Item Report?

6 A. Yes.

7 Q. And I understand from testimony of others that routinely  
8 now those NCI's are sent over to the NRC resident. Were they  
9 done that way at the time you were at QA?

10 A. It's my recollection that he had access to anything that  
11 he wanted to see, as he always does, but it's my recollection  
12 that we didn't routinely send them to him unless he asked for  
13 them. Then he could get anything he wanted.

14 Q. The identification of significant deficiencies provided  
15 for in the processing of Nonconforming Item Report, correct?

16 A. Yes.

17 Q. So one reviews the NCI to determine whether or not it's  
18 reportable under 55-E as a significant deficiency, correct?

19 A. Yes, that's correct.

20 Q. That's how that report would be made to the NRC, correct?

21 A. That's not the only way of reportable items that are  
22 identified.

23 Q. Help me understand others. I'm aware of that. Are there  
24 other ways?

25 A. Well, anyone in Duke Power, if they feel there's a signifi-

1 cant safety item that should be reported, anyone is instructed  
2 to carry it up through their supervision to get a judgment  
3 made. For example, some items are reported are items that are  
4 in Design Engineering or come in from vendors that aren't  
5 put on an NCI, so it's my recollection, at least back when I  
6 was in there, that there were some items reported as 5055-E  
7 or Part 21 that were not NCI's.

8 Q. Would you agree that most of them were through the NCI  
9 process?

10 A. I think most of them were.

11 Q. There has been testimony that the number of the procedures  
12 have changed and that the number of NCI's used to be much  
13 higher than it is now, at least let's say in the welding area,  
14 are you aware of that?

15 A. No, that's happened since I left that the procedures were  
16 changed, and I have not been keeping track of whether they  
17 have gone up or down. I couldn't answer that.

18 Q. Well, did you trend NCI's when you were--

19 A. We had a trending program, yes.

20 Q. So you were aware from time to time whether the number of  
21 NCI's were going up or coming down when you were there?

22 A. Yes.

23 Q. Was that one of those measures, numerical measures, of  
24 the quality of construction of the Plant?

25 A. No, I don't think so. In fact, the Plant was a lot more--



1 a lot more NCI's might mean a better quality because that  
2 means you're picking up on the things that other plants might  
3 be missing; so if a plant has twice as many NCI's as another  
4 one, it doesn't mean it's worse. It may well be better.

5 Q. I heard you say that. I want to understand. Is that one  
6 of the numerical measures that is subject to misleading  
7 application because it's a numbers game that has to be con-  
8 sidered in the context of what the standard you are using to  
9 write something up, for example?

10 A. Any number, yes, any number is subject to interpretation  
11 and is subject to being misleading if you don't know the  
12 basis for which you use it, any number.

13 Q. But when you do a trend analysis of NCI's, you rely on  
14 numbers on the assumption that you're using a consistent  
15 basis of measurement, is that fair?

16 A. I guess, yes, we trend it, yes.

17 Q. If you make a change in the procedure that has an effect  
18 on the basis of measurement, you would expect that would be  
19 something external to quality that would affect the numbers,  
20 don't you?

21 A. I don't understand that question.

22 Q. Let's say you do something different because of procedure  
23 change, there are fewer items identified as NCI's and maybe  
24 more items identified as through some process control device.  
25 That wouldn't have anything to say about any change in the

1 quality of work, it would simply reflect the change in pro-  
2 cedure, and you want to know about change in procedure to  
3 understand the effect on the trend, wouldn't you?

4 A. Yes, if you change the method of counting, yes. I mean  
5 the criteria, yes.

6 Q. I guess what I want to understand since your time we  
7 talked considerably about changes and procedures that have  
8 changed numbers, now what I want to understand in your experi-  
9 ence when you were at the company working in this area, were  
10 there any changes in procedures that attempted to address this  
11 numbers issue, that attempted to deal with the question of  
12 whether or not you were simply creating a false impression to  
13 the NRC about the quality of the plant?

14 A. There were many changes made during my eight years. I  
15 can assure you that no change was made just to make ourselves  
16 look better. Frequently you change procedures to expedite  
17 getting the work done in a more expeditious and safer way and  
18 more economical way, and we all know that we're bogged down  
19 with a lot of paper work and we work hard in our procedures to  
20 cut down on the paper, hoping that would improve quality, and  
21 that was our goal, not to prove we had less of something. That  
22 never was a goal during the period I was there.

23 Q. Let's focus on the question of trying to be more efficient  
24 and cut down on paper work. What kind of changes were made  
25 in this procedure for identifying construction deficiencies that

1 accomplished that goal when you were there?

2 A. I don't believe we had made in that particular area much  
3 change during the period I was there. There were some changes  
4 in how the paper was routed, hoping to be a little more  
5 efficient, maybe cutting down on the numbers of copies that  
6 go around and things of that sort; but to my best recollection,  
7 during the period I was there, we made no substantive change  
8 to the NCI program.

9 Q. How about procedural changes to the NCI program that had  
10 any significant effect on the numbers of NCI's when you were  
11 there?

12 A. I don't believe that we had made any changes that would  
13 affect the numbers.

14 SHORT RECESS (2:35 p.m.)

15 CONTINUING EXAMINATION: (By Mr. Guild) (2:45 p.m.)

16 Q. Mr. Wells, were you aware of any opinion on the part of  
17 persons in management that Welding Inspectors at Catawba during  
18 the period of time you were in Quality Assurance were writing  
19 too many NCI's?

20 A. No, I was not aware that management was worried about them  
21 writing too many NCI's I don't believe.

22 Q. How about an opinion on the part of Mr. Davison in that  
23 Welding Inspectors at Catawba were writing too many NCI's?  
24 Were you aware of that?

25 A. I don't remember anything with Mr. Davison, no, not

1 especially.

2 Q. Anything generally about him expressing that opinion?

3 A. No. You know, you're asking in general, and everyone is  
4 worried when you get too many NCI's, and you want to do some-  
5 thing to reduce, so you don't have as many, but I don't recall  
6 anything about Mr. Davison or anybody.

7 Q. Well, there has been testimony subsequent to your tenure,  
8 Mr. Wells, that Welding Inspectors were writing Nonconforming  
9 Item Reports for minor deficiencies that were readily correctible  
10 by the craft identified in the course of a preplanned inspection.  
11 I think that's the best characterization I can remember.  
12 Perhaps Mr. Grier, were you aware of the opinion that that was  
13 an occurrence at Catawba?

14 A. Yes, and there's nothing wrong with that. The purpose  
15 of the inspectors in the QA program is to assure that the  
16 product that we build meets the requirements, and if we can  
17 develop ways that would cut down on paper or cut down on time,  
18 in my opinion, that makes the plant safer when you do that.  
19 No plant is safe just because you have tons of paper.

20 Q. But you're aware of an opinion that Welding Inspectors  
21 were writing too many NCI's?

22 A. No, I was not aware of that. As I said, I was aware of an  
23 effort to assure the quality and cut down on some paper and  
24 let them spend a good bit more of their time inspecting than  
25 generating paper because paper never buys you much quality, so

1 we work hard to try to say that if it can be fixed right on  
2 the spot, then there's no use to generate papers, and that's  
3 been a practice ever since 1974 when we set up the Department.  
4 Q. The paper we're talking about here is a Nonconforming--  
5 A. Any kind of paper.  
6 Q. I want to talk about this one.  
7 A. If it can be corrected without the necessity of writing a  
8 Nonconformance, this happens all the time, this happened all  
9 the way back.  
10 Q. Were you aware of efforts to try to get the Welding  
11 Inspectors to utilize other means to correct problems other  
12 than writing NCI's?  
13 A. I was aware of that no different than I was aware of  
14 concrete eight years ago. There has always been an effort.  
15 I was not aware of any effort to try to get them to pass over  
16 shoddy work. I have no-- I don't believe there has been any  
17 effort to try to convince them they ought to pass something  
18 that's unsafe or not right. If it's a matter of just correct-  
19 ing or eliminating paper, reducing paper, sure, I was aware of  
20 that all along.  
21 Q. Let's focus on this specific point now. NCI's in welding.  
22 Are you aware that as a matter of course, Welding Inspectors  
23 utilize Nonconforming Item Reports to document deficiencies  
24 in welding that were found during the preplanned inspection?  
25 A. I was aware that had been done, yes.



1 Q. And that they were not using process control devices  
2 to document those deficiencies or the R-2A Form, R-2 procedure  
3 to document those deficiencies, are you aware of that?

4 A. I don't understand the question. There are many ways for  
5 a Welding Inspector to inspect his work and get it corrected  
6 when it's not right. One of those ways would be simply to  
7 inform the welder and he makes the change and there's no  
8 paper work needed. This is common practice all over the  
9 country. It's done everywhere, and, yes, I was aware that's  
10 an effort to do that and, to me, that promotes quality. If  
11 an inspector can devote his time to inspecting instead of  
12 writing paper, and I was aware that is going on in the welding  
13 and as well as other areas.

14 Q. How about doing that at the same time with complying with  
15 the law, Mr. Wells, complying with the requirement to document  
16 the causes of deficiencies and determine the appropriate  
17 corrective action, Criterion 16 of Appendix B Quality Assurance  
18 Criteria.

19 A. There's nothing in the law that prohibits an inspector  
20 from correcting something on the spot and getting it fixed  
21 and going ahead. That's common practice, and NRC knows this  
22 happens, and it's used in every place I have ever seen and  
23 inquired. This is not against any law and not against  
24 Criterion 16 at all in my opinion.

25 Q. Your answer is you're not aware that Welding Inspectors were

1 believed to be writing too many NCI's at Catawba?

2 A. I was aware that Welding Inspectors were being trained  
3 to use other methods where it would increase their effective-  
4 ness as an inspector.

5 Q. And write fewer NCI's?

6 A. Generate any fewer paper. Now if you're by that trying  
7 to imply they were encouraged to cover stuff up, no, I was  
8 not aware of anything like that. To do good inspections and  
9 get it corrected with minimal amount of paper work and  
10 maximum amount of their eyes looking at the job to make sure  
11 it's right.

12 Q. Was that your policy that Welding Inspectors should write  
13 fewer NCI's and take care of the problems in other ways when  
14 you were there?

15 A. My position was that you should handle everything in the  
16 way to assure that it gets corrected and that nothing slips  
17 by without being corrected.

18 Q. How about answering the question?

19 A. I can't answer that question.

20 Q. What is your policy?

21 A. My policy was not per se you write fewer NCI's, no. My  
22 policy was, as I said. Get things done in a more expeditious  
23 way to assure quality is the main thing.

24 Q. That sounds fine, Mr. Wells, but what I want to understand,  
25 what was your policy with respect to this specific issue, that

1 is, whether Welding Inspectors should write NCI's, more NCI's,  
2 fewer NCI's, or whether they should identify problems in some  
3 other manner; and if in some other manner, I want to under-  
4 stand what it is, sir. I hear you telling me you think the  
5 plant should be built right and you don't agree with the  
6 implication that you read which is not intended that there  
7 is something nefarious about that necessarily, but I want to  
8 understand what you did, aside from the generalities and good  
9 intentions, what you did, if anything; if you didn't do any-  
10 thing, tell me. On the issue of NCI's did you or did you not  
11 have any policy on the question of whether Welding Inspectors  
12 should write fewer NCI's and take care of the weld deficiencies  
13 in some other manner?

14 A. That's a hard question to answer yes or no. My policy, as  
15 I have said three or four times now, is I want to take care  
16 of the problem in a way that assures it gets resolved. In  
17 some cases, they need to write NCI's. In other cases, they  
18 do not. And this is the judgment of their people and their  
19 supervision as to whether or not an NCI should be generated;  
20 but in no way do we say we are not going to write an NCI  
21 because we don't want work.

22 Q. Did you have any policy to address the situation of whether  
23 Welding Inspectors should write fewer NCI's?

24 A. No.

25 Q. Are you aware of whether Mr. Davison did while you were

1 there?

2 A. I was not aware.

3 Q. How about Mr. Baldwin?

4 A. I'm not aware of a policy.

5 Q. How about a practice?

6 A. You don't want me to say it, but I would say the same  
7 thing. They had a practice to inspect the job with a minimal  
8 amount of paper to get the job done and if that meant you  
9 should cut down on some NCI's where another method was better  
10 or more successful, that's what they were encouraged to do.  
11 If that's the case, yes, they cut down on NCI's, but that  
12 in no way detracted from the quality of the plant or their  
13 inspection efforts.

14 Q. Was it consistent with your policy that Mr. Davison and  
15 Mr. Baldwin had the authority to verbally void Nonconforming  
16 Item Reports that had been originated by Welding Inspectors?

17 A. Yes, any supervision in management has the responsibility  
18 to exercise their judgment authority and make certain decisions  
19 because they are technically qualified to make those decisions;  
20 and in some cases, they voided NCI's, yes, within the  
21 allowance of their job.

22 Q. How about whether it was consistent with your policy for  
23 those gentlemen or others to verbally void NCI's and not  
24 document that they had made those decisions or any decisions  
25 regarding that nonconforming item?

1 A. Yes, that was fine, if they did it in a proper way.

2 Q. What do you mean by that, sir?

3 A. Well, what I mean, if it was a valid NCI and they voided

4 it and tore it up, threw it away, that's not proper. But

5 if it was an invalid one, one that should be handled another

6 way, they would have that authority.

7 Q. Without documenting it?

8 A. Yes. If it was handled in another way. They didn't have

9 the authority to tear one up and throw it away and not do

10 anything. They had to get the problem resolved.

11 Q. Did they have to document that they got the problem

12 resolved?

13 A. If it required documentation.

14 Q. What if it didn't?

15 A. If it didn't require documentation, then it would not have

16 to be.

17 Q. It was consistent with policy under you, Mr. Wells, or

18 Mr. Davison, or Mr. Baldwin, or others, to verbally void

19 NCI's that had been originated by inspectors without documenting

20 they verbally voided them and before those NCI's had a number

21 issued for them or they had been logged in?

22 A. If there was another way to handle the problem, yes.

23 Q. Even if that problem wasn't documented in any way?

24 A. Yes, if there's no requirement to document that problem.

25 Q. Why were the positions of Welding Inspector reclassified in



1 July of '81?

2 A. Duke Power has a very extensive pay analysis program that's  
3 handled by our Personnel Department, and this is very extensive  
4 and I don't understand all that they do, but it's external  
5 competitiveness and internal equity within jobs and Personnel  
6 Department recommendations to a committee who further  
7 recommends to the Salary Committee of the company the wages,  
8 and I had no direct input as to what the wages would be. I  
9 had input as to what the content of the job was, so the question  
10 you asked, why was it done, I guess it was done because the  
11 Personnel Department made a study, and they is what it indi-  
12 cates.

13 Q. How about the job qualifications, the part you did know  
14 about?

15 A. Yes.

16 Q. Why was the job qualification of Welding Inspector changed?

17 A. I was not aware that the qualification was changed.

18 Q. You didn't know that formerly Welding Inspectors had, as  
19 a matter of practice, two years' experience as welders and  
20 after the change, they were required to have no experience  
21 as welders?

22 A. This is a long story.

23 Q. Is that true, first of all? Is that the case?

24 A. I have to tell you the story. It's not yes or no.

25 Q. Fine. Do.

1 A. I was at Oconee in 1967 when there was not even Appendix B,  
2 and the NRC made us commit at that time to have Welding  
3 Inspectors who either had a certain number of years as  
4 inspectors or certain number of years as welders. During that  
5 period, we had nobody around that had any years as inspectors  
6 because we had no Welding Inspectors prior to that time, so  
7 the only choice we had to meet the regulations was to put  
8 welders in the job of Welding Inspectors, and, therefore, we  
9 wrote up the qualifications along that line. As the years  
10 grew along and we got people with Welding Inspector experience,  
11 we changed the procedure because we could now find people that  
12 we couldn't find in 1967, '68. That's the whole reason behind  
13 it.

14 Q. So, where did you find people who had experience as  
15 Welding Inspectors but hadn't been welders if all your Welding  
16 Inspectors were required to have previous craft experience?

17 A. You found them because there's a great mobility in the  
18 nuclear industry. People move here and there and everywhere,  
19 and we got some infusion from other jobs, we had our own  
20 training program being instituted also to set that up. In the  
21 interim since 1967, there's various standards by the American  
22 National Standards Institute and ASME that set qualifications  
23 for inspectors, and these standards were adopted by the  
24 NRC or adopted by Duke and approved by the NRC, and these did  
25 not require you to be a welder in order to be an inspector; but

1 they did require a certain amount of training and so on, so  
2 we adopted those standards and then gradually changed over  
3 to where we could now have inspectors who had not previously  
4 been welders.

5 Q. So your testimony is you substituted training for experi-  
6 ence in terms of qualifying?

7 A. Substituted training and experience in inspection for a  
8 welder, for example, a Level 1 inspector follows along with  
9 another one for a certain period of time under his direct  
10 guidance and helps him and assists him; and in that way, he  
11 takes courses, study, and examinations, and in that way he can  
12 build himself up to be an inspector without having gone through  
13 a route of a welder, and this is allowed by the standard.

14 Q. You started doing this.

15 A. We started doing that.

16 Q. When did you start doing that?

17 A. We started real early, but I believe that it was in '81  
18 when we finally changed the procedures overall; I think that's  
19 correct.

20 Q. What I want to understand is when did you start putting in  
21 Welding Inspectors at Catawba who were not required to have  
22 prior welder experience?

23 A. I can't recall the date. It was in the period of '81, I  
24 think.

25 Q. So it was when the job got reclassified, right?

1 A. Right, at one of our other jobs we had been doing it because  
2 we had adopted that procedure there at one of our other  
3 nuclear jobs and then extended it to Catawba. I don't know  
4 the time frame whether it was before or after the classifi-  
5 cation, no.

6 Q. But at Catawba, they were all formerly welders; and it was  
7 at some other facility, that you gained the experience that  
8 you could substitute experience as Welding Inspector and  
9 training for welding experience, is that right?

10 A. At one time at Catawba, there were all welders. I can't  
11 recall the date when that shifted over.

12 Q. You reduced their pay at the same time, the reclassification?

13 A. The pay program had nothing to do with whether they were  
14 welders or not. The pay program evaluated the job and set a  
15 just pay for that job.

16 Q. It set that pay on the basis of lower experience require-  
17 ments for craft?

18 A. I don't know. I did not participate in how they set the  
19 pay.

20 Q. You don't know?

21 A. I don't know.

22 Q. You don't know whether the pay followed the reduction and  
23 experience requirement that you do go by?

24 A. No, I don't know the time frame there.

25 Q. What was the significance of experience as an NDE Inspector

1 with respect to qualifications to be a Welding Inspector?

2 A. Would you ask the question? I'm not sure I know how to

3 answer it. I don't know what the question is you're asking.

4 Q. Did you credit experience with use of nondestructive

5 examination techniques to be a Welding Inspector?

6 A. Well, nondestructive is a method of inspecting welds.

7 There is visual and radiography.

8 Q. We're talking Welding Inspectors when we're talking about

9 visual inspectors, correct? That's what you call someone

10 that does visual inspection of welds, you call them a Welding

11 Inspector at Catawba?

12 A. Yes.

13 Q. NDE uses nondestructive techniques to examine welds? They

14 are not called Welding Inspectors, they are called NDE or

15 radiographers?

16 A. I think that's correct.

17 Q. Do you understand the question now?

18 A. You said can you use some time as an NDE to qualify for

19 Welding Inspector.

20 Q. Is that what you said when you said prior experience as an

21 inspector, does that qualify?

22 A. I would have to read in the ANSI standard carefully. I

23 have not been involved in that for almost two years now and

24 I do know it requires certain number of months' experience,

25 whether or not you can count NDE, I can't answer that without



1 reading the standard.

2 Q. You don't remember whether or not at Catawba you gave credit  
3 for NDE experience when you reclassified the Welding Inspector  
4 position?

5 A. No, I don't know, I just don't remember.

6 Q. Do you agree that someone who has not only had experience  
7 as an inspector but who has also served as an experienced  
8 craftsman in an area he is inspecting is a more qualified  
9 inspector than someone who has never performed craft work and  
10 only learned in classroom out of a book how to inspect?

11 A. No, I wouldn't make a sweeping statement as that. Any  
12 experience along the line helps someone, and certainly, being  
13 a welder helps a person to be an inspector. It gives him a  
14 little more experience. However, so does a high school  
15 education give them more. So if an excellent welder that could  
16 not read or write and may not make as good an inspector as  
17 someone who never held a welding stick, but had the experience  
18 to do the inspection, so, no, I couldn't make the broad state-  
19 ment that the welder makes a better inspector.

20 Q. How about if you hold all other things equal. What I want  
21 to focus on is experience as a craftsman. I'm sure you have  
22 some real stupid people who have been welders who wouldn't be  
23 qualified as a smart person that would be somebody or some-  
24 body who had been to high school and someone who is blind, but  
25 I want to hold all those things equal and I want your opinion.

1 A. My opinion is that everything being equal, a welder--  
2 everything being equal, a person who had been a welder would  
3 probably make a better inspector, but that does not at all  
4 mean the person who has not been a welder is not an acceptable  
5 inspector. I mean I hope that's clear. That experience  
6 adds to their knowledge, yes, and everything were equal, I  
7 would have to say that he would be a better-- you really find  
8 everything equal, though.

9 Q. Almost never, I will agree with that; but if Duke is  
10 committed to quality, as you say it is at Catawba, Mr. Wells,  
11 why wouldn't you want the most qualified people doing something  
12 as important as inspecting welds? Why wouldn't you want some-  
13 one who has experience as a welder over someone who only  
14 learned how to inspect in a classroom or out of a book?

15 A. In my opinion, the welder making the weld is just as  
16 important, maybe more important, than the inspector inspecting  
17 the weld. Therefore, to pull a good welder out and make him  
18 an inspector may indeed harm the project instead of helping  
19 it, so what we try to do is get the best qualified people for  
20 all the jobs, and you could use the analogy that if you have  
21 all Ph.D. teachers teaching first grade, you would have better  
22 instructors; but still there are many fine first grade teachers  
23 that only have Bachelor Degrees. Many fine Welding Inspectors  
24 that never touched a welding stick, and I don't see anything  
25 wrong with that.

1 Q. I'm trying to understand the talk about the excellence  
2 in the context of reducing what I perceive as reducing a very  
3 concrete, tangible standard of an important job. What's the  
4 problem you had that you didn't have enough qualified welders  
5 and you wanted qualified welders serving as Welding Inspectors  
6 to go back and be welders?

7 A. That wasn't the problem. There was no problem. You say  
8 was that the problem? I wasn't aware there was a problem. We  
9 were simply trying to get the people to be inspectors that  
10 met the ANSI standards and who could do the job.

11 Q. Why not the best?

12 A. We think we have the best. I'm sure that Duke has the  
13 best in the country.

14 Q. Why not the best with respect to the Welding Inspectors?

15 A. I'm not sure a welder would be the best.

16 Q. Tell me why not.

17 A. Because a welder may not have other characteristics you  
18 need.

19 Q. Was that a case of the Welding Inspectors at Catawba?

20 A. I don't know. We had good Welding Inspectors at Catawba,  
21 both before and after the policy. I don't conclude that it  
22 was really any better before or after.

23 Q. But you do agree you reduced the qualification?

24 A. No, I do not.

25 Q. You cut the pay of the Welding Inspectors?

1 A. I agree that due to Duke's Personnel Department analysis  
2 of the pay, that there was an adjustment made in the pay.  
3 Q.- It went down?  
4 A. It's my understanding, yes, sir.  
5 Q. It didn't go up as fast or something like that?  
6 A. Something like that.  
7 Q. It looks like it went down to the person?  
8 A. You could say it went down. If they didn't get as much  
9 raise as the next guy, it went down.  
10 Q. As part and parcel of that, you required less experience  
11 in the sense you didn't require them to be welders.  
12 A. We didn't require less experience. We required different  
13 experience, not less.  
14 Q. The market value for that position or the price you put  
15 on that job was reduced, I mean, you were able to draw people  
16 out of the market that you could pay less money, isn't that  
17 true, to do that job?  
18 A. That's the Personnel Department's job. I don't know.  
19 That's one of the things they consider in setting pay, not  
20 the only thing.  
21 Q. They saved some money?  
22 A. But only one of the things. It's the external competitive-  
23 ness. It's one issue that the Personnel uses. I'm not  
24 familiar with that. I'm out of my field when I talk about  
25 pay analysis, so you should ask someone else that.

1 Q. The internal equity business, what was the explanation  
2 for the reclassification on that score, Mr. Wells, if you know?

3 A. All I know is that we compare the job description of what  
4 the people would have to do and the Personnel took it from  
5 there, and I don't even know what other people make, so I  
6 don't know the internal competitiveness. I knew within QA,  
7 but as far as other parts of the company, I don't keep track  
8 of what they make. We have a department to handle that.

9 Q. How about internal equity as comparison with the Welding  
10 Inspectors to the welding craft?

11 A. The welding craft was not under me, and I tried to keep  
12 my nose out of that because that's not my job what they make.

13 Q. You were aware, weren't you, that the welders in many  
14 instances, that the welders had the qualifications as welders;  
15 that the Welding Inspectors in many instances had equal  
16 qualifications to the welders to the craft they were inspecting  
17 plus they had the time and the grade as inspector, experience  
18 as an inspector, and you add those two things together, in  
19 anybody's books, and that requires you to pay them more if  
20 they have more qualification.

21 A. I don't agree with that. I may have the qualifications to  
22 be the Chairman of the Board of Duke; but if I'm not there,  
23 just because you have the qualifications doesn't mean you get  
24 the pay. We pay them for the qualifications for the job. If  
25 they had more, that's good; but you can't pay somebody for



1 more than what they're doing.

2 Q. That's why you paid them less?

3 A. We paid them for the job that was analyzed by professional  
4 people who knew what they were doing to analyze the job to  
5 determine what a fair pay for that job, and that is what they  
6 were paid.

7 Q. The same people, the same qualifications, the job was  
8 just written to call for less qualification than they had,  
9 so their pay went down, isn't that what happened, or they  
10 left the job?

11 A. Some of them, you say, were more qualified. Some of them  
12 had different qualifications. In every job, you will find  
13 some that are over-qualified for the job, and I'm sure we  
14 had inspectors who were qualified to be supervisors or even  
15 higher level, but that was their job, and you paid them for  
16 that job.

17 Q. You held the opinion, did you not, that a number of Welding  
18 Inspectors were over-qualified?

19 A. I feel a lot of-- many Welding Inspectors are qualified to  
20 be supervisors, certainly.

21 Q. Over-qualified for the job?

22 A. They are qualified for a higher job, if that's what you  
23 mean by over-qualified.

24 Q. Yes.

25 A. If you look around Duke, many people are qualified for the

1 next level. In fact, we have an extensive program to get  
2 people qualified to be ready to move up when openings occur,  
3 so, certainly, they were qualified for higher jobs.

4 Q. Mr. Wells, what was your opinion of the work of Mr. Larry  
5 Davison when you were at QA in Duke Power?

6 A. I feel Larry is a very competent individual. I worked  
7 with him over a number of years, both in Construction and QA,  
8 and feel he was very qualified.

9 Q. Are you aware of any criticism of Mr. Davison's work when  
10 you were in QA?

11 A. I can't recall anything. I guess all of us are criticized  
12 from one time to another, but I can't recall anything.

13 Q. You don't recall any criticism of Mr. Davison?

14 A. No.

15 Q. Any criticism of Mr. Davison by Welding Inspectors?

16 A. No, I don't recall any.

17 Q. How about Mr. Baldwin, what is your opinion of Mr. Baldwin's  
18 work?

19 A. I feel he is very qualified. I have known him for a number  
20 of years. In fact, I hired him at Oconee.

21 Q. Are you aware of any criticism of Mr. Baldwin?

22 A. No, I have never heard any criticism. I have made a prac-  
23 tice during my term to go out and talk to people around the  
24 job, and I'm not aware of anything. I'm sure somebody at some-  
25 time said something about him, but I don't recall anything.

1 Q. How about by Welding Inspectors at Catawba?

2 A. No, I don't recall any.

3 Q. When did it come to your attention that Welding Inspectors  
4 at Catawba had a number of concerns about the effectiveness  
5 of the management support by Quality Assurance and various  
6 concerns regarding their work?

7 A. I first became aware of it at the time of the pay announce-  
8 ment situation. I don't recall the dates. I believe that was  
9 in July of '81 whenever that pay situation.

10 Q. Do you recall announcing that pay reclassification to the  
11 Welding Inspectors yourself?

12 A. I'm not sure right now exactly how it was transmitted to  
13 them. I know it was announced to them, but exactly whether I  
14 wrote a letter or told them or somebody else did, it's a little  
15 fuzzy in my mind exactly how it got to them.

16 Q. That's been described as first level recourse letter.  
17 There are many more like that in the stack, Mr. Wells, have  
18 you seen that before?

19 A. Yes.

20 Q. Addressed to you, wasn't it?

21 A. Yes.

22 Q. From Welding Inspectors?

23 A. Yes.

24 Q. Many Welding Inspectors?

25 A. Several.

1 Q. More than two, more than three, many?  
2 A. Yes. Many is your word. You say so. We had in the whole  
3 department maybe over a hundred, and this may be ten or twelve.  
4 Q. Maybe fifty?  
5 A. I don't recall the number. The number is here, I mean,  
6 whatever it is.  
7 Q. But you don't remember it being two or three, do you?  
8 A. I don't remember it being two or three.  
9 Q. If not--half of the entire department a substantial  
10 number of people? Many Welding Inspectors?  
11 A. My words are some Welding Inspectors.  
12 Q. I'm not trying to split hairs. You know as well as I know  
13 it wasn't two or three.  
14 A. That's correct.  
15 Q. And that talks about a July 1st, '81, meeting with you?  
16 A. Yes.  
17 Q. And do you remember that meeting?  
18 A. Yes, I remember the meeting. I had a number of meetings.  
19 Now I can't remember from one meeting to the other just exactly  
20 what was discussed.  
21 Q. Look at that letter and see if that doesn't come back as  
22 an unusually significant meeting in your memory.  
23 A. I remember it.  
24 Q. What happened at that meeting?  
25 A. Well, they were just explained the pay program and what was

1 done to adjust the pay.

2 Q. Who explained that?

3 A. Well, it says here that I was there, so I guess I did. As

4 I say, I held so many meetings, sometimes somebody from

5 Personnel, Ms. Addis, or sometimes I would, or sometimes

6 Bob Morgan would talk to them, and I may be there, but I

7 suppose, based on this letter, that I did. I don't recall

8 the specifics of, you know, two years ago.

9 Q. That meeting doesn't stick in your mind?

10 A. It sticks in my mind, but I held a number of meetings

11 with them, and that one doesn't jump out any more than a lot

12 of others.

13 Q. What was the circumstance of the meeting, if you can

14 recall?

15 A. Could you explain what you mean?

16 Q. How did it happen? Did you happen to be wandering around

17 the site?

18 A. No, we had made arrangements with Bob Morgan, who is the

19 man at the job, to set a time and place and we would meet

20 with him.

21 Q. You explained it to him?

22 A. Yes.

23 Q. How did they respond?

24 A. Well, there were a number of questions asked, and they sin-

25 cerely felt that they were deserving of more pay. I think



1 they were sincere in it.

2 Q. What was your response to those questions?

3 A. I tried to explain to them the route it had gone through,  
4 what we wanted Duke Power wanted to pay all of its employees  
5 a fair rate of pay for the work they did, and I think I  
6 explained to them we had great confidence in all of their work.  
7 We had no problems with that, but that a pay analysis had been  
8 made and this is what came out, and we were obligated to pay  
9 them this.

10 Q. Did you tell them you would try to see if you could do  
11 something about their concern?

12 A. Well, I told them that I would. No, I don't believe at  
13 that time I told them I would try to do something about it.  
14 I recognized within Duke we have a department that's very  
15 qualified to analyze and set pay, and I think they have done  
16 a fair job. I have never known them to be unfair, so I tried  
17 to explain to them that this was done, and that it was the  
18 way it was, and I don't believe I said at that time, I would  
19 try to do something for them.

20 Q. You said the decision had been made, and it was final in  
21 your opinion?

22 A. Yes.

23 Q. Were they angry?

24 A. I would characterize it more disappointment than anger.  
25 Everybody was disappointed. I am, and everyone else, at any

1 adverse circumstances maybe, but I don't believe they were  
2 angry. I wouldn't characterize it as angry.

3 Q. Was this all Catawba Welding Inspectors together?

4 A. I can't recall whether we called them all together or had  
5 separate meetings. At some time, it was such a large group  
6 we held several meetings because it was a large number. I  
7 can't remember whether they were all assembled at one time  
8 or not.

9 Q. What happened with respect to the concerns by the Welding  
10 Inspectors after this July 1st meeting?

11 A. Well, they filed that appeal there. I mean the recourse,  
12 and I wrote them a letter in answer to it, and then, I  
13 believe, after that they went to third level appeal. I  
14 remember talking to a number of them, and they said they are  
15 not mad with me or Duke Power, but they feel the appeal process  
16 is there, and they honestly felt they ought to get more money,  
17 and they were going to take advantage of the appeal process.  
18 They didn't seem angry to me, more disappointed.

19 Q. This was the second level of recourse? It went to whom  
20 first?

21 A. First level was what I answered. Second level goes,  
22 if I recall the Duke recourse process, goes to the Personnel  
23 Department, and they look into it and answer that. Third level  
24 goes to the President of the company.

25 Q. You wrote them and responded to the first level, correct?

1 A. Yes.

2 Q. You basically told them to confirm the earlier decision  
3 with regard to the pay?

4 A. Yes.

5 Q. What was the response from the Welding Inspectors to that?

6 A. Here again as I said, one of them mentioned to me they  
7 don't blame me, they understand the system; but they honestly  
8 felt that their pay should be more and were going through the  
9 third level appeal or second level and finally the third level.  
10 I think it was a sincere feeling on their part.

11 Q. When did you first become aware that the Welding Inspectors  
12 had concern about more than just pay reclassification?

13 A. Fairly soon after the pay. It was nothing that I recall  
14 before the pay issue, but after that and subsequent to that.

15 Q. How did those concerns come to your attention?

16 A. Well, I'm trying to think if we had any letter or anything,  
17 Primarily it was through personal interviews with them during  
18 the second level when Ms. Addis and I went and talked to some  
19 of them and up through Bob Morgan and Larry Davison, who were  
20 telling me. Most of it was by word of mouth, and I don't  
21 recall anything in the way of documented letters or anything  
22 addressed to me.

23 Q. How about the word of mouth that came through Mr. Davison  
24 and Mr. Morgan, how did that happen? What did you hear through  
25 them?

1 A. Well, I heard through them some of the things that they  
2 told me later that they felt-- primarily, what I heard is  
3 that they were more qualified than the welders, had more  
4 experience, and, therefore, deserved more pay. That was the  
5 major theme. As far as concerns, it didn't really come forth  
6 very much until the second level when we went and talked to  
7 them and then those began to come out.

8 Q. So through Mr. Morgan and Mr. Davison, you heard more of  
9 the same, you heard already, which was they were concerned  
10 about the reclassification?

11 A. Yes.

12 Q. Any technical concerns through Mr. Davison or Mr. Morgan?

13 A. Yes, through them, you know, some of the concerns that  
14 they expressed later we had heard they weren't getting support,  
15 that they were-- Construction was really ruling the job, and  
16 things of that sort, but not very specific at those meetings.  
17 I had meetings along before this, and I would emphasize every-  
18 body in Q. that my total job was quality; and at any time they  
19 felt the quality of that job was suffering, I wanted to  
20 personally know about it, and they had my home phone number  
21 and my office, and they could write me and bypass any level  
22 if they felt something was unsafe on that job, and I would  
23 personally look into it and everyone of them was told that  
24 in meetings and all along, so, you know, I didn't really hear  
25 a whole lot except just these generalities. You can handle

1 generalities, you know, it's very difficult.

2 Q. Nobody ever came to you and said they had safety concerns?

3 A. Nobody.

4 Q. Call you at home?

5 A. Nobody called me at home or the office.

6 Q. How did you first learn of those safety concerns?

7 A. I say through Bob Morgan. They would come up with  
8 generalities and then we would say we can't handle that, but  
9 if it's a safety concern, get them to put it down and we'll  
10 answer it. And then at these meetings on the second level  
11 where we talked and they came out with a few specifics, but  
12 even there it was very general, such as we don't get support  
13 or Construction has the upper hand; things like that. Well,  
14 we kept asking if there's anything out there that's not right  
15 we want to get it right, and very few specifics. I don't  
16 remember any.

17 Q. How did the second level recourse come to your attention?

18 A. Through Ms. Addis in the Personnel Department.

19 Q. The letters from the inspectors?

20 A. Yes, she got a letter, I believe. I'm a little fuzzy on  
21 how the second, but I believe it's addressed to the Personnel;  
22 but I know she called me and we talked and got together at  
23 the second level.

24 Q. She called you and why did she call you? Why were you  
25 involved at that point?



1 A. Because it was the second level, and she wanted to discuss  
2 it with me and find out what had gone on. We had many dis-  
3 cussions over that period of time.

4 Q. How did you determine that you should participate in  
5 interviewing the inspectors?

6 A. I believe it was her suggestion because once it gets to  
7 the second level, the Personnel Department's job is to handle  
8 it; but they can ask whatever expertise, and as I recall now,  
9 she asked me to go with her and we interviewed a good number  
10 of them. I would do some, and she would some, and we would  
11 discuss it afterwards so that we interviewed a good number. I  
12 don't know if we did all of them, but a good number.

13 Q. Did you share the results of your interviews with Ms. Addis  
14 and she with you?

15 A. Yes.

16 Q. Did you communicate those concerns expressed in the inter-  
17 views to your manager?

18 A. Yes, I believe there's a letter in the file. I was  
19 reviewing the letters I had written and prepared for coming in  
20 here, and I believe there's a letter I wrote Mr. Owen  
21 summarizing some of the concerns that they had.

22 Q. And one from Ms. Addis?

23 A. Yes, and she wrote one and I wrote one because we talked  
24 to different people, you see.

25 Q. I will show you a document December 11, 1982, memo.

1 A. Yes.

2 Q. Does that document the interviews you conducted?

3 A. Yes.

4 Q. Is that the documentation you were referring to?

5 A. Yes, that's the documentation. It was just a memo to the  
6 file instead of a letter to Mr. Owen, but he received a copy  
7 of it.

8 Q. Let's mark that as Exhibit 2. That's a December 11, '81,  
9 memo to the file. Its subject QA Department Employees, Second  
10 Level Recourse. I want to show you a December 3, 1981, letter  
11 to Mr. Owen from Ms. Addis. Is that the letter you referenced  
12 to that was from her that reflected her interviews with the  
13 inspectors?

14 A. Yes.

15 Q. Are we talking about the same kind of communication,  
16 Mr. Wells, Ms. Addis is down here; Burr, Mr. Burr is a Welding  
17 Inspector at Catawba or was, do you remember the name?

18 A. B-U-R-R?

19 Q. Uh-huh.

20 A. I don't recall that name, but he may. He was obviously  
21 if she put it in there.

22 Q. I have had the feeling like I would be fired in order to  
23 see the work was done right. I caught a bad weld and wrote a  
24 NCI due to lack of fusion; technical support said no, but ANI  
25 and NRC saw it and agreed. Then I heard Davison and Wells

1 were going to investigate who talked to the NRC, and I didn't  
2 talk to the NRC. That's the first one. Is that generalities  
3 in your opinion? Is that what you meant when you said they  
4 were generalities?

5 A. Well, what I mean by that, I don't recall anything where  
6 they said this is a bad weld and they have told me to accept  
7 it, and I have got to accept it even though I know it's bad.  
8 To me, that's specific, and we would do something about that;  
9 but I don't see any of that in there.

10 Q. That's not specific in your mind?

11 A. Well, specific as in the eyes of the person, not specific  
12 as the way I was talking about.

13 Q. It's not specific as far as you are concerned in the con-  
14 text you were using?

15 A. Yes.

16 Q. That's just talking about pay. That's reclassification?

17 A. That's what we were down there to talk about. They chose  
18 to talk about other things.

19 Q. This guy is talking about a weld, lack of fusion, and  
20 the NCI.

21 A. Let me see if I could--

22 Q. You and Mr. Davison and the NRC.

23 A. I don't see anything in there where an inspector was told  
24 by his supervision to inspect a bad weld. It said tech  
25 support. That's in Construction Department. Said no. But they

1 have no authority to say no. They can say no all day, but  
2 the Welding Inspector-- if Davison or I had told them to  
3 accept the weld even though it was bad, I would consider that  
4 specific, but I don't see that in here.

5 Q. That's not a technical concern in your opinion?

6 A. It's a technical concern of his, but it's rather general.  
7 It doesn't get down to the kind of things that you can handle,  
8 just technical support said no. They don't have the authority  
9 to say no or yes. They can say no all day, but the weld still  
10 has to be fixed if the inspector thinks it does.

11 Q. Mr. Kirkland, he has shown at Catawba 11-24-81

12 Ms. Addis' notes say lack of support criticism of over-  
13 inspection. Last week I had a valid NCI. Five procedures  
14 violated. I tagged the work and slipped the paper work in  
15 my box on the way out. The work was wrong. My foreman has  
16 been instructed if there is a way out, he gives in.

17 Construction raised cain, and I was criticized. Is that  
18 specific enough?

19 A. I don't see there where a weld was accepted over his  
20 objection. I don't see that. A lot of generalities about  
21 Construction did this or that, but, you know, I worked  
22 Construction eighteen years. They are all going to raise cain,  
23 I mean, put up a fuss when their work is turned down, but  
24 that doesn't mean a thing. Everybody does that. But the fact  
25 is that no bad work was accepted. Nothing in there to indicate

1 that bad work was accepted.

2 Q. Your memo on Exhibit 2 is what you communicated to your  
3 supervision, Mr. Owen, about your results of your interviews?

4 A. Yes.

5 Q. You don't have anything in here about NCI's?

6 A. I can't recall.

7 Q. Well,--

8 A. Do you see anything?

9 Q. No.

10 A. No, I don't see anything.

11 Q. Did they say the same kind of things to you as Ms. Addis  
12 reported in her notes here?

13 A. That was done, you know, a year and a half ago, and that's  
14 my recollection of what they said to me.

15 Q. A little different about her recollection of what they said  
16 to her and what they said to you, at least if you compare  
17 the synopsis of remarks?

18 A. No, I don't see any great difference, different styles of  
19 writing.

20 Q. This is December 11, 1981, and this reflects your inter-  
21 views. What happened with the second level recourse? I'm  
22 sorry, what happened with the third level recourse?

23 A. Third level recourse?

24 Q. Yes.

25 Q. That's the letter that goes to the President, and he looked



1 into it and wrote them an answer, and it's in the record. I  
2 don't have a copy myself.

3 Q. Are you aware at the time you wrote your December 11, '81,  
4 memo to Mr. Lee, had directed Mr. Owen to appoint the first  
5 Task Force to investigate the Welding Inspector concerns?

6 A. I was aware of the Task Force. I don't know that I was  
7 aware Mr. Lee directed Mr. Owen to do it or Mr. Owen did it  
8 on his own nor do I remember the dates, but I did know there  
9 was a Task Force appointed.

10 Q. Are you not aware that Ms. Addis met with Mr. Lee, this  
11 memo of hers dated December 3rd, she met with Mr. Lee on  
12 either December 3rd or 4th, and Mr. Lee issued a memo on  
13 December 4th directing Mr. Owen to appoint a Task Force to  
14 investigate the concerns?

15 A. Right now, I can't recall that. I may have seen that let-  
16 ter, but at the present time, it's a little hazy in my mind  
17 as to what triggers the Task Force.

18 Q. What was your responsibility with the Task Force?

19 A. I had no responsibility except to respond to any questions  
20 that they came and interviewed me, but I had no-- they were  
21 strictly reporting to Mr. Owen on that.

22 Q. Did you have any further responsibilities with regard to  
23 investigating the inspector concerns?

24 A. Just responding to Mr. Owen or to Gail Addis or to  
25 Mr. Lee on questions and so on; but when it goes to the third

1 level, then it's up to the President to take whatever action  
2 he deems appropriate and it's out of the responsibility of  
3 me at that time.

4 Q. Take a look at this memo now. It's dated the 12th of  
5 December, 1981, but I think you will find that its date is  
6 a mistake. Look at the attachment there, if you would. Look  
7 at the last page of that and there is a date at the bottom,  
8 isn't there, what's the date at the bottom of the last page,  
9 Mr. Wells?

10 A. Well, obviously, in the letter here I said as requested  
11 in the meeting of the 23rd and the letter is dated the 12th,  
12 obviously one of those dates is wrong.

13 Q. What's the date on the letter?

14 A. The 29th, so probably that was the 29th or, you know, I  
15 can't answer why that date-- I can assure you there's no  
16 deliberate intent to put any wrong date.

17 Q. I didn't suggest there was.

18 A. Just an error.

19 Q. And I think the dates probably of the cover letter is the  
20 29th?

21 A. I would assume or either the next day or two days after.

22 Q. Does that reflect your recommendations to Mr. Owen, I  
23 believe?

24 A. Yes.

25 Q. Your recommendations on how to respond to the Welding

1 Inspector concerns?

2 A. Well, it was some of our thoughts on it. There is some  
3 choices here, and it reflects at the time, yes, it reflects  
4 my views of what should be done and a couple of cases there  
5 is alternatives here.

6 Q. Let's mark that as Exhibit 3. You set up certain Task  
7 Force findings here, and the parenthetical is, assumptions  
8 my part, I have not seen reports. The first one was no  
9 evidence of unacceptable work being passed. You didn't know  
10 they were going to find that, did you?

11 A. Well, as I recall, they discussed with both me and Larry  
12 Davison, and we could draw certain conclusions from what they  
13 talked to us about, but till they made their report and we  
14 read it, I guess it would have to be an assumption.

15 Q. Sure enough they found no evidence of unacceptable work  
16 being passed.

17 A. That's what the report said. I think what they had given  
18 us the results of the report and just hadn't formulated it.

19 Q. They told you what they were going to find?

20 A. No, no, they told us what they had found, but they just  
21 hadn't written the letter yet. They didn't presume ahead of  
22 time what they were going to find. This was a very competent  
23 group of people.

24 Q. Who told you what they found?

25 A. We had several discussions. I don't recall, but they dis-

1 cussed with me on several occasions, and they discussed with  
2 Bob Morgan and Larry Davison on other occasions, and we kept  
3 right abreast of what they were doing. We were right con-  
4 cerned and interested in what they were doing.

5 Q. Item 5 on the second page. I'm sorry, Item 6. Discontinue  
6 practice of verbally denying NCI's; if NCI is voided, do so  
7 on copy of NCI. Did you say that?

8 A. Yes.

9 Q. I thought you thought the practice of verbally voiding  
10 NCI's was okay?

11 A. I do think it's all right, but to arrest any concern, it  
12 would just be another piece of paper to file, and I don't think  
13 it's necessary but we were willing to go the extra mile if  
14 it takes it, to make sure everything is right.

15 Q. That was a concern of the inspectors?

16 A. Yes, I think it was; and in their mind, it may have been  
17 valid in order to arrest any fear in their mind, then we'll  
18 do somethings that, really, I don't feel are necessary.

19 Q. Organizational management, Number 1, Beau Ross. Transfer  
20 to Oconee as Welding Inspector or transfer to QA to Tech  
21 Services Group in Charlotte possibly Construction Welding,  
22 question mark. Are those your words?

23 A. Yes, I signed the letter.

24 Q. Mr. Ross was a supervising technician at the time?

25 A. Supervising technician.

1 Q. The first level welding inspector's supervisor?  
2 A. Yes.  
3 Q. Why did you recommend transferring Mr. Ross?  
4 A. We just felt that for the management of the job, that it  
5 would be better to make that transfer. The transfer is made  
6 all the time in the jobs for the good of the people involved  
7 in the job and everything.  
8 Q. This is for Mr. Ross' own good?  
9 A. We felt so, yes.  
10 Q. Reasoning, it says remove Beau who management see as  
11 block to communications. Did you see him as a block to  
12 communications?  
13 A. Beau Ross is a very talented person, but there was a certain  
14 lack of communication between the people above him and the  
15 people below him who were trying to resolve that as best we  
16 could and still be fair to him because he was and is, in my  
17 opinion, a competent person.  
18 Q. Any connection between that recommendation and Mr. Ross  
19 having filed a large number of technical concerns?  
20 A. I was not aware that Mr. Ross filed a large number of  
21 technical concerns.  
22 Q. You didn't know that?  
23 A. No.  
24 Q. No relation to that?  
25 A. No.



1 Q. You didn't know?

2 A. No.

3 Q. Did you know he was outspoken?

4 A. Oh, yes, all of us are that way, a lot of us.

5 Q. Mr. Ross was that way?

6 A. Yes, sir.

7 Q. And you had authority to transfer him?

8 A. I have authority to be-- somebody has authority to transfer

9 anybody.

10 Q. But in this case, Mr. Ross was outspoken, and you had the

11 power to recommend that he be transferred? You were his boss

12 and he was outspoken and you said that his communications leave--

13 he was a block to communications, and you were going to transfer

14 him?

15 A. I don't think you draw the conclusion that because he was

16 outspoken, that was the reason. We didn't do it. But the

17 reason we even proposed his transfer, it appeared to be a

18 block, some block of communication. If we transferred every-

19 body that was outspoken, we would be transferring nearly

20 everybody because a lot of us are outspoken, so I don't think

21 that was the reason.

22 Q. He wasn't more outspoken than anybody else?

23 A. Probably more than some, but a lot of people are outspoken.

24 Q. C. R. Baldwin transfer to Tech Supervisor RT and NDE.

25 Replace with A. E. Allum. Then the reasoning under that one,

1 says, removes Charles who inspectors see is a block to communi-  
2 cation. Inspectors had a lot of criticism of Mr. Baldwin,  
3 don't you remember that now?

4 A. I don't remember. Larry Davison was at the time in charge  
5 of that and made some of those recommendations to me, which I  
6 accepted, and he was closer to Charles Baldwin than I was, and  
7 he and I discussed these and I take full responsibility for  
8 that, but I was basing it on the management levels under me  
9 and their recommendation.

10 Q. That was Mr. Davison's recommendation is what you're saying?

11 A. It was my recommendation based on Mr. Davison's input.

12 Q. But it was his idea that you're saying you relied on his--

13 A. I relied on it, but as many people that worked for me over  
14 the years, I don't always take offhand what everybody says. I  
15 studied it and considered it.

16 Q. You did that here, but it was Mr. Davison's--

17 A. I believe it was his initial recommendation.

18 Q. That happened, didn't it? Mr. Baldwin was transferred?

19 A. If it happened, it was after I left.

20 Q. I understand that.

21 A. I understand some change was made, whether it was a direct  
22 swap or not, I can't be sure.

23 Q. You understand Mr. Allum has been put over Mr. Ross?

24 A. I believe that I understand that. I can't say for sure  
25 that I understand that. That's my understanding.

1 Q. So you wrote that set of recommendations towards the end  
2 of December, and what happened next with respect to response  
3 to the Welding Inspectors' concerns?

4 A. Well, I don't-- that was-- nothing particularly on that.  
5 I guess the next thing is Mr. Lee's letter to them. I don't  
6 recall the date of that, but I believe it was after that,  
7 sometime in early or sometime in January.

8 Q. I want to show you a letter, well, there's some marks on  
9 it probably not your marks, but it's a January 21, 1982,  
10 letter, do you recognize that?

11 A. Yes, I remember it.

12 Q. Is that your response to their second level recourse?

13 A. No, that is not the response. The second level recourse  
14 response was already earlier than January, '82.

15 Q. What is that document then?

16 A. This is in response to a letter to Bob Morgan from Carriker  
17 and maybe others, I don't know, but it says here in receipt  
18 of your letter to Bob Morgan, so that's a response to that.  
19 It has nothing to do with the second level recourse.

20 Q. That's not recourse?

21 A. No.

22 Q. How about another one here. The same date. It's got some  
23 marks on it. I suspect they aren't yours, but--

24 A. That's the same letter, essentially the same letter,  
25 isn't it?

1 Q. Take a look.

2 A. Yes, it may be a word or two changed and the first is to  
3 him specifically where this is to all the inspectors, but it's  
4 the same context.

5 Q. That's a communication you sent to all of the Welding  
6 Inspectors, right?

7 A. Yes.

8 Q. Let's mark this as Number 4. The January 21, 1982, to all  
9 the Catawba Welding Inspectors; and another letter can you  
10 identify that?

11 A. That's a letter Mr. Lee wrote to me at the same time he  
12 wrote the third level response and sent it to the inspectors.

13 Q. What does it communicate?

14 A. It communicates to me that he has looked into it and felt  
15 that pay decision as made by Personnel is proper, and that  
16 he wants us to support the inspectors and try to explain to them  
17 why and try to continue the good relations with them is the  
18 way I read that.

19 Q. How do you understand the reference as follows that  
20 special consideration will be given to any transfer request  
21 initiated this week to Construction craft?

22 A. As I recall, a lot of inspectors made a point, if I'm not  
23 going to get paid anymore, than I would rather be a welder.  
24 And what Mr. Lee was saying to us, that if there was an opening  
25 and they were qualified, we would transfer them to the welding

1 if that's what they wanted to be. That's no different than  
2 Mr. Lee's policy on any people. If there's an opening and  
3 the person wants to go there, that's Duke's practice, to try  
4 to get them there.

5 Q. He says special consideration will be given.

6 A. That means we would make an extra effort. We have got  
7 hundreds of welders and, say, we don't have a slot, we have  
8 three hundred, so what's 301? We make room for them because  
9 we have turnover anyway, that's what I meant, I think, by  
10 special consideration.

11 Q. Did the Welding Inspectors take him up on that?

12 A. I left about that time, and it was my understanding that  
13 one or two did, but I can't be sure.

14 Q. Not many?

15 A. Somebody could answer that right off. I just am not  
16 qualified to answer it because I was gone.

17 Q. I will mark this one as Exhibit 5. Mr. Wells, within  
18 your January 21st communication to the Welding Inspectors,  
19 help me understand what you mean by this first paragraph. I  
20 regret any misunderstandings that may have occurred about our  
21 concerns of past lack of support. What I intended and stated  
22 through myself and Larry Davison was that any specific concerns  
23 about work items being incorrect was most certainly investi-  
24 gated and proper action taken as well as answered to you. What  
25 about that?



1 A. I guess what I was trying to say to them, it's very  
2 difficult to handle broad generalities about we don't get  
3 support, but I was certainly interested in quality and if they  
4 would bring anything to my attention, that I could do anything  
5 about, I would certainly do it all I could.

6 Q. What do you think they misunderstood?

7 A. I think they felt honestly that they deserved more pay  
8 and we weren't supporting them to get them more pay. That's  
9 my opinion as to what they thought.

10 Q. But, nonphysical acts such as statements or expressions of  
11 opinion, could not be changed now by the very nature of them  
12 and the fact they are already passed. How about that?

13 What did you mean by that?

14 A. If a person a year ago said something to them that all  
15 inspectors are stupid or something that, you know, that  
16 Construction workers generally say to anybody out there looking  
17 over their work, I don't know how they can handle that. If  
18 something is current, we can do something about it. We'll  
19 be glad to handle that. That's what I meant. Generalities  
20 of the past, I don't know how to handle.

21 Q. How about statements by you that they were over-qualified?

22 A. Well, I think they probably took that out of context or  
23 what I have said the same as I say to you. Many of them are  
24 fully qualified to be the next level up. Many of them do have  
25 more qualifications than is a minimum required for the job.

1 Q. They may have misunderstood that statement?

2 A. They may have. I can't ever tell how anybody takes some-  
3 thing.

4 Q. Finally, it's true in any work relationship, trust is  
5 essential in accomplishing our objective in building Catawba  
6 in a safe and efficient manner. I hope any trust you may have  
7 lost in your supervision can be restored, and I intend to do  
8 my best to do so. I want you to understand this and do your  
9 part in helping me to accomplish this. J. R. Wells. Mr. Wells,  
10 you state there that you intended to do your best to do so.  
11 This is January 21, 1982. You left two weeks later.

12 A. I left on February 8th.

13 Q. Three weeks later.

14 A. That's when I left, yes.

15 Q. Why weren't you there to do as you said here? To help  
16 to try to restore that trust you said was important in Quality  
17 Assurance work at Catawba?

18 A. Why wasn't I there?

19 Q. Yes.

20 A. Because I received a new assignment from the company, a  
21 new job, a new assignment.

22 Q. Did you leave voluntarily?

23 A. Yes, certainly. I came to work with Duke voluntarily, and  
24 I've been assigned-- you have a list there of all of the jobs;  
25 I have taken all of them voluntarily. Otherwise, you have got

1 the privilege in this country of going somewhere else if you  
2 don't like the company you're with.

3 Q.. What I want to understand, Mr. Wells, and I will use  
4 nautical analogy. The ship is sinking and you're the captain  
5 of the ship, Quality Assurance Department, all cain is breaking  
6 loose here. You have Welding Inspectors all over the place  
7 having big problems, and you write a letter that sounds real  
8 sincere, and you're committed to do something about it, and  
9 you abandon ship two weeks later. Why?

10 A. That's what I was assigned to do my job. I didn't abandon.  
11 You have some misstatements.

12 Q. I want to understand that.

13 A. Your understanding, it wasn't about sinking. We have  
14 four hundred and something employees. We have a few that were  
15 concerned about their pay. I would not characterize that as  
16 a ship sinking. Over the eight years, I have trained excellent  
17 people in management roles under me, and I could have been gone--  
18 if I could have dropped off today and it would run right along  
19 as anyone else in Duke, if you don't have it that way, you're  
20 not a good manager. If you don't have it such that you could  
21 drop away today and it would run right along, you haven't done  
22 a very good job. So it was certainly nothing unusual about me  
23 being reassigned. I have been reassigned ten times in my  
24 twenty-six years with Duke, so I consider nothing unusual about  
25 that. I was sure that my successor who got all the files would

1 follow through, just as I have done on jobs that I have taken  
2 over from people. That's the nature of the work at Duke. You  
3 commit to the department and then who takes your place follows  
4 through on it. There's nothing unusual at all about that.

5 Q. Did you request an opportunity to work this problem through  
6 as you committed to do in the memo to the Welding Inspectors?

7 A. I didn't. When the job is assigned to me in Duke, I assume  
8 that management has looked at it and feel I am the best for  
9 that job, and I didn't make any request one way or the other.  
10 I took a job that was assigned and went with it, like I have  
11 always done.

12 Q. How was that job assigned? Tell me the circumstances.

13 A. Like all other eight or ten jobs. My boss called me over  
14 and said they had a very important job at the Institute of  
15 Nuclear Power and that he and Mr. Lee both were deeply involved  
16 in setting up the new program. That they needed someone with  
17 broad, not only Quality Assurance, but Construction background,  
18 which I have, and he felt in looking around in the company,  
19 that I was the best one to do that job.

20 Q. Mr. Owen you're talking about?

21 A. Mr. Owen, yes.

22 Q. Did you talk about any of the unfinished business with the  
23 Welding Inspectors?

24 A. Certainly we talked about that. Well, after that, then I  
25 stayed around during the whole month of February. I was back

1 in and out. I spent probably more than half of my time at  
2 Duke during that month assisting my successor and talking to  
3 Mr. Owen and so on, and from the transition, I didn't just drop  
4 it and walk out.

5 Q. Are you aware of any criticism of your handling of the  
6 Welding Inspector concerns?

7 A. No.

8 Q. Would you consider your transfer a promotion?

9 A. No, I have had many transfers within the company; about half  
10 of what I have had have not been promotions.

11 Q. Is it a demotion?

12 A. I got some more pay and I got very good consideration, and  
13 I consider it a very good opportunity.

14 Q. So they paid you more in the position you hold now?

15 A. I'm not free to discuss pay. I have not been at any time  
16 in the twenty-six years with Duke, been treated unfairly in  
17 pay let me say it that way.

18 Q. That's not my question. You said you got more pay?

19 A. Well, I did not get more pay as a direct result of that job.  
20 I did not regard it as a promotion. The annual increase that  
21 we get generally each year at a certain time, I received a  
22 pay increase as a result of that. It was not due to promotion.  
23 This was not considered by me or Mr. Owen, I'm sure, as a  
24 promotion, but just a lateral assignment. Certainly not a  
25 demotion.



1 Q. Did you remain at the same, I don't know what you call it,  
2 Mr. Wells, but necessarily number job classification in Duke  
3 like in the government, G.S. 15?

4 A. No.

5 Q. Did you remain at the same lateral level?

6 A. No, there's no numbering system like that in Duke. Every  
7 job is analyzed and paid its own basis. There's no numbering  
8 system with the management level people like there is with the  
9 inspectors and craftsmen.

10 Q. But you got more pay when you got your annual raise there-  
11 after?

12 A. I would say this. I don't believe, and I will consult  
13 with the attorney, I don't believe the subject of pay is  
14 germane in my opinion, I would say that I was not hurt at  
15 all in pay by this transfer. It was not a promotion. I did  
16 not get a promotional increase, but as my time for increase  
17 came up, I was treated just as fairly as I have ever been  
18 treated in the company; beyond that, I just don't believe it's  
19 appropriate to get into pay.

20 Q. I want to respect you and respect your privacy, but there's  
21 maybe some interest that overrides your interest in privacy  
22 in this matter, and I would ask you if you would tell me what  
23 your rate of pay was before the assignment and after the  
24 assignment?

25 MR. GIBSON: Objection. I will instruct him not to

1 answer.

2 Q. Counsel, I think it's clearly germane. I will be happy to  
3 work out any way of having the information available in a way  
4 that looks out for Mr. Wells' privacy, but the point is,  
5 Counsel, for the record, that Mr. Wells' credibility and truth-  
6 fulness and voracity, the validity of his opinion, his level  
7 of interest in the proceeding, all of those matters are going  
8 to be of central focus in the licensing case, and his rate of  
9 pay and whether or not-- what level of remuneration he was  
10 receiving before and after his transfer out of QA Corporate  
11 Manager position bears on all of those points.

12 MR. GIBSON: Mr. Guild, I think he testified that his  
13 pay was not reduced or increased and that he got an increase  
14 at the next general increase that was as far as it had ever been  
15 as far as he was concerned. Is that a fair statement of what  
16 your testimony was?

17 A. Exactly.

18 MR. GIBSON: So I instruct him not to answer that. If  
19 you have other questions, move on.

20 Q. Mr. Gibson, again, I appreciate your expressing the opinion  
21 about what that represents, but unfortunately Mr. Wells is not  
22 the end of the matter on anything, and for the record, sir, I  
23 would expressly request that he respond to the question as  
24 precise as I can frame it, and that is, what was his rate of pay  
25 before when he held the position of Corporate Quality Assurance

1 Manager and after his transfer.

2 A. It was exactly the same.

3 MR. GIBSON: And I will instruct him not to answer  
4 any further unless you want to ask him again whether there was  
5 an increase or decrease, although I think he's answered.

6 A. It was exactly the same in the new job as the old job. Not  
7 one penny difference.

8 Q. Mr. Wells, when were you assigned to the position, the  
9 permanent position, with Duke you now hold?

10 A. At the time that I was assigned to go to INPO, Mr. Owen  
11 indicated at that time that my official title-- everybody has  
12 to have a title, I guess, would be Assistant at that time  
13 Vice-President. He was later promoted, so it was Assistant  
14 to the Executive Vice-President, and that was on or around  
15 the first of February plus or minus a day or two.

16 Q. Did someone hold that position prior to you holding that?

17 A. No.

18 Q. This was a newly created position for you?

19 A. It was a new position, yes.

20 Q. Is there a plan for you to return to full-time work at  
21 Duke, assignment at Duke, in that position?

22 A. Yes.

23 Q. When is that?

24 A. The first of August.

25 Q. Of?

1 A. Of this year.

2 Q. Is there a job description of what your job will be when  
3 you return to Duke?

4 A. I have not seen a job description.

5 Q. Have you discussed one? Do you know what your duties will  
6 be when you return?

7 A. I have discussed with Mr. Owen over the year various things,  
8 and I will return in that position, but exactly what my  
9 specific duties will be, I imagine it will change day to day,  
10 so I don't know right now.

11 Q. Give me whatever understanding you have now of what your  
12 job title will be when you return.

13 A. I have no understanding except I will return on the first  
14 of August.

15 Q. Will you return to the position of Corporate Quality  
16 Assurance Manager?

17 A. I have no idea what I will return as eventually. I don't  
18 believe that's the plan. I think the plans are for me to  
19 return in the same job I now have.

20 Q. But you don't know what that job is going to be?

21 A. I don't know what specific duties of that job will be.

22 Q. Mr. Wells, are you related by blood or marriage to any  
23 other manager with Duke Power Company?

24 A. No, I'm not related to anyone at Duke Power Company.

25 Q. Thank you. I appreciate your taking the time to answer

1 my questions.

2 EXAMINATION: (By Mr. Gibson)

3 Q. Mr. Wells, were you scheduled to have any meetings with  
4 Duke Power Company officials regarding your job assignment on  
5 this visit to Charlotte?

6 A. Yes, Mr. Owen had indicated that he wanted to talk to me  
7 during the time I was up here about the specifics of the job.

8 Q. Were you able to have those meetings with Mr. Owen?

9 A. No, I was not.

10 Q. Are you aware of anything that would cause you to question  
11 whether the Catawba Nuclear Station was safely built?

12 A. Absolutely nothing.

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JAMES R. WELLS

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1 STATE OF NORTH CAROLINA )  
2 COUNTY OF MECKLENBURG )

CERTIFICATE

3  
4  
5 I, the undersigned Commissioner and Notary Public, in and  
6 for the State of North Carolina, do hereby certify that  
7 James R. Wells was duly sworn prior to the taking of his  
8 deposition.

9 I do hereby certify that the foregoing one hundred and  
10 fourteen pages constitute a true and accurate transcript of  
11 the evidence given by the said witness as taken down by me  
12 and transcribed under my supervision.

13 This the third day of August, 1983.  
14  
15

16 BARBARA V. HAAS  
17 Commissioner and  
Notary Public

18 My Commission Expires:  
19 April 23, 1987  
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22  
23  
24  
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INDEX

Exhibit 1	Page 38; Line 24
Exhibit 2	Page 91; Line 8
Exhibit 3	Page 97; Line 6
Exhibit 4	Page 103; Line 8
Exhibit 5	Page 103; Line 11