

The Light company

Houston Lighting & Power South Texas Project Electric Generating Station P. O. Box 289 Wadsworth, Texas 77483

January 12, 1994
ST-HL-AE-4673
File No.: G25
10CFR50

Mr. J. L. Milhoan
Regional Administrator, Region IV
U. S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8084

South Texas Project
Units 1 & 2
Docket Nos. STN 50-498; STN 50-499
Rex v. EBASCO Constructors, Inc. Litigation Record Review

Dear Mr. Milhoan:

HL&P has completed a review of the Rex v. Ebasco litigation record. As you may recall, this case was brought by Mr. Rex following his termination by Ebasco Constructors, Inc. Certain allegations were made in the case that relate to Heating, Ventilation, and Air Conditioning (HVAC) Systems at the South Texas Project (STP). Accordingly, HL&P initiated a review of the litigation record to assure that any information suggesting a potential safety issue at STP was systematically identified and evaluated.

To accomplish the review in a thorough and systematic fashion, a litigation record review plan was prepared (Attachment 1). The review consisted of three distinct phases. First, the litigation record documents were assembled and screened to eliminate from further review those documents that did not contain information related to the design or safety of STP structures, systems, or components, or to STP Quality Programs. Second, documents not eliminated were subjected to a detailed, line-by-line review to identify assertions of potential deficiencies. Finally, the assertions of deficiencies identified in the second phase were evaluated and dispositioned by a Discipline Reviewer and reviewed by a professional engineer familiar with the design of STP HVAC systems.

Coverlet.3

Project Manager on Behalf of the Participants in the South Texas Project

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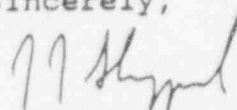
JJ 14

The review identified 53 assertions of potential deficiencies. However, most of these were restatements of five core assertions. By nature, many of the assertions did not call into question the quality of any safety-related equipment or paperwork, but instead involved matters such as tabulation of work completion for contract payment purposes (which was done separately from quality inspections and documentation). Assertions which did purport to address quality issues were, for the most part, vague and non-specific, and generally did not include supporting information such as dates, times, locations, identification of any particular equipment, or names of personnel involved. As a result, it was not possible in some cases to address these assertions in relation to specific pieces of equipment. Nevertheless, HL&P's review determined that these HVAC systems had been subject to extensive subsequent inspections, walkdowns, startup readiness reviews, and preoperational testing, and that during these activities, potential deficiencies similar to those alleged were systematically searched for, documented, and corrected. Accordingly, the evaluation demonstrated that none of the assertions contained in the Rex v. EBASCO litigation record raises a concern regarding current plant safety.

A final report has been prepared which documents the review process and explains the basis for disposition of each assertion of deficiency. The report also includes a description of the independent Quality Assurance verification of the adequacy of each phase of the record review program. This report and associated backup documentation is available at the STP site for review at your convenience.

Please call me should you require any further information regarding this matter.

Sincerely,



J. J. Sheppard
General Manager,
Nuclear Licensing

Attachment

Houston Lighting & Power Company
South Texas Project Electric Generating Station

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C:

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Revision 1
16 DEC 1993

Review of Litigation Records
Which May Contain Allegations Regarding
South Texas Project Structures, Systems and Components

Rex v. EBASCO was recently decided by a Texas court. The case involved alleged EBASCO retaliation against Mr. Rex, in part allegedly related to the identification of safety concerns during the construction of the South Texas Project (STP). Because of the nature of the case, it is possible that safety issues may have been identified in the course of the litigation that were not previously known to Houston Lighting & Power Company. As a result, the "Rex v. EBASCO Litigation Review Process," diagrammed in Attachment 1 and described below, will be used to identify and resolve, in an auditable fashion, any asserted deficiencies regarding South Texas Project (STP) structures, systems and components (SSC) raised in the litigation record.

The Litigation Record

The litigation record in Rex v. EBASCO consists of several types of documents which, by their nature, have varying relevance to a review for allegations of safety violation. A number of these documents may include information concerning the safety and quality of STP SSC; others do not. These documents include: Complaints and Answers; Motions; Interrogatory Answers;

Deposition Transcripts; Requests for Production of Documents; and the Trial Transcript.

Methodology of the Litigation Review Program

In order to assure that potential safety issues contained in the Rex v. EBASCO record do not remain unidentified and uncorrected by HL&P, a three-phase review will be performed. First, the documents in the litigation record will be reviewed using the criteria outlined in Attachment 2 in order to screen from further review those documents with essentially no probability of containing allegations of safety concerns. For example, pre-trial motions which deal with procedural legal issues are unlikely to contain factual allegations, and therefore, should not be subject to further analysis. In other cases, depositions or other documents are on subjects that do not implicate the quality or safety of STP SSC, and do not contain information concerning safety or quality (the trial transcript will be reviewed for assertions of deficiency in its entirety, even though portions of it are unlikely to contain discussion of safety or quality issues). This screening review will be performed by one or more Screening Teams composed of one attorney and one HL&P professional employee familiar with the STP design and having at least three years experience in engineering, design, construction, or Quality Assurance/Quality Control at STP. The basis for elimination of any documents from further review will be recorded and signed by both team members.

Those documents not eliminated from further review by the screening team will proceed to the second phase, the

"Detailed Review" process. In the Detailed Review, each document will be reviewed in its entirety by a member of the Litigation Review Team (further described below) to determine whether it contains assertions of potential deficiencies in the design or construction of STP systems, structures or components (SSC). A "deficiency" for the purposes of this review is a defect that will or may impair the ability of a SSC to perform its intended function. These deficiencies may exist in the SSC itself, or in its associated design documents (e.g., design drawings, calculations or specifications), or in documents establishing the quality of the SSC (e.g., QA/QC documentation).

A list of documents subject to detailed review will be prepared based on the results of the Screening Review. These documents will be reviewed line by line to determine whether they contain any assertions of deficiency concerning STP SSC. The subject of each assertion and its location in the reviewed document will be recorded on an Assertion Form. Reviewers will use the criteria contained in Attachment 3, "Criteria for Identification of Assertions of Deficiency," for identifying assertions of deficiencies. These Assertion Forms will be collected by the Team Leader and sorted for assignment to Discipline Reviewers.

The third review phase, Discipline Review, is the cornerstone of the process. Discipline Review determines the final disposition of any assertions of deficiency made in the

litigation record. Discipline Reviewers will evaluate each assertion to determine whether the assertion involves or could affect Safety Related SSCs. If so, the Discipline Reviewer will determine whether the assertion has previously been identified by STP and been resolved or is in the process of being resolved. If not, the Reviewer will determine whether the assertion is factually correct. Assertions will be noted as newly identified potential safety issues if: a) the assertion describes a condition that could adversely affect the safety or reliability of safety-related SSCs; b) the subject of the assertion has not previously been resolved; c) the subject of the assertion is not currently in the process of being resolved; and d) the assertion is not demonstrably factually incorrect. Newly identified potential safety issues will be referred to the appropriate STP department for evaluation and resolution; the remaining assertions will be eliminated from further review. A second Reviewer who is a professional engineer familiar with the design of the part of STP that is the subject of the assertion will verify the disposition of each assertion.

Documentation

An integral part of the process is the documentation of the disposition of each safety assertion from the litigation record as it proceeds through the review process. The review team will establish an auditable records system such that the

process and the basis for disposition of any record or assertion can easily be retrieved and reviewed.

The Litigation Review Team

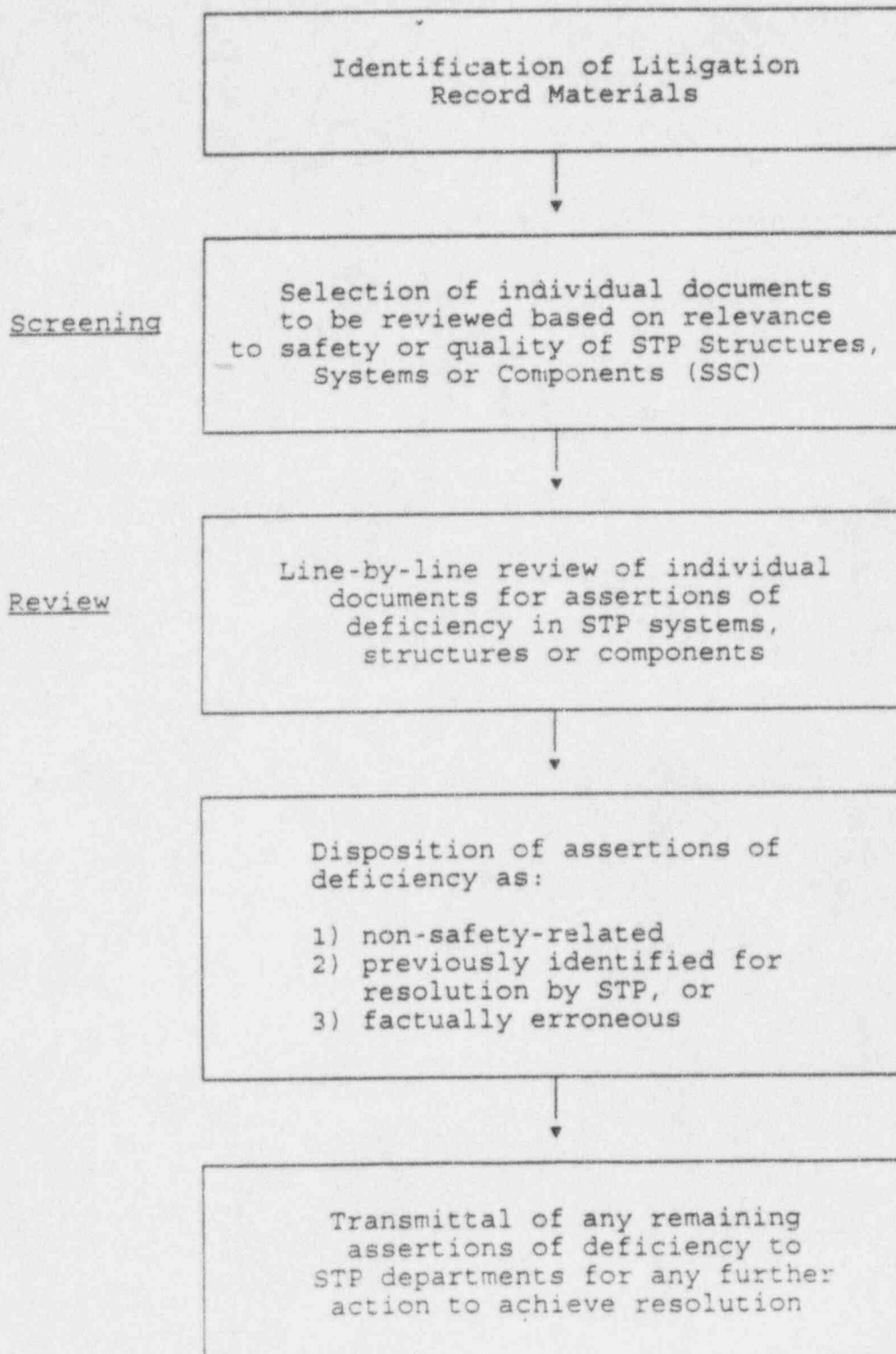
The Litigation Review Team will consist of a Team Leader and Reviewers who are experienced with the design and construction of Commercial nuclear power plants. Reviewers will be professional engineers familiar with the STP design or will be professional employees with a minimum of three years experience in engineering, design, construction, or Quality Assurance/Quality Control at STP. The Team Leader will have a minimum of five years of technical management experience related to engineering, design, construction, or Quality Assurance/Quality Control at STP.

Quality Assurance

In order to verify the effectiveness of the Litigation Review Program, each phase of the program will be audited by the Quality Assurance personnel. These Program Overviews will examine 10 % of the records completed by the Reviewers against the Criteria contained in Attachment 4 to provide an assurance that the reviews are being properly performed and that assertions are being properly dispositioned.

Approved for this specific application
[Signature] 12/14/93

ATTACHMENT 1
FLOW CHART
SUMMARIZING REX v. EBASCO LITIGATION
REVIEW PROCESS



Revision 1
16 DEC 1993



Closure Documentation

ATTACHMENT 2:
SCREENING REVIEW CRITERIA

This document sets forth the guidelines to be followed to ensure that all litigation documents possibly containing assertions related to the design or construction of STP systems, structures or components are reviewed.

I. Criteria

- A. Where there is any reasonable doubt as to whether a document or set of documents should be included, it should remain on the list of documents to be reviewed.
- B. If the document contains information on the following subjects, that document must be included for review:
 - 1. STP design related information, including engineering analysis for any system, structure or component;
 - 2. The quality or safety of construction work at STP;
 - 3. QA or QC activities, documentation, or programs for STP; or
- C. Litigation documents which can be eliminated from review.
 - 1. Documents involving only legal procedural issues, such as pre-trial motions not involving issues of fact.
 - 2. Documents not falling within I.B. above.

II. Methodology

- A. Persons conducting the screening.

The initial screening to identify the documents to be reviewed will be performed by a team(s) of one attorney and one STP professional meeting the qualifications for a Reveiwer.

- B. Steps in screening.

Each document or set of documents will be examined under the criteria set forth in I above. If any document within a set is determined to be reviewable, e.g., a set of interrogatory questions, that set will be further reviewed to determine what portion actually requires further review.

- C. The screening team(s) will prepare a list of all documents and portions of documents to receive a detailed review. In addition, the team(s) will prepare a list of documents and portions of documents that are not to receive further review, which contains a statement explaining the reasons why each listed document or portion of a document will not be reviewed. This document will be signed by both members of the review team signifying their concurrence with the conclusions in the document.
- D. The list of documents and portions of documents to be reviewed will be forwarded to the Detailed Review Team Leader.

ATTACHMENT 3:
CRITERIA FOR IDENTIFICATION OF ASSERTIONS OF DEFICIENCY

In order to be recorded, an assertion must satisfy each of the following criteria:

1. The assertion must pertain to at least one of the following or to their associated design or quality control documents:
 - 1.1 STP systems, structures, or components (SSCs).
 - 1.2 Classes of STP SSCs (i.e., valves, supports, ducting).
 - 1.3 Processes relating to specific STP SSCs (i.e., welding, installation, coatings).
 - 1.4 Adequacy of the SSC to perform its intended functions.
2. The assertion must either:
 - (a) describe a deficiency (a deficiency is defined as a defect which will or may impair the ability of an SSC to perform its intended function); or
 - (b) pertain to documents providing objective evidence of the quality of design or construction for specific SSCs at STP. (Absence of calculations for system X, lack of verification documents for component Y, incomplete QC records for weld N, etc.)
3. The assertion must satisfy one of the following criteria:
 - 3.1 It was made by a witness in a deposition or at trial.
 - 3.2 It was confirmed by a witness accepting a statement by a lawyer.
 - 3.3 It was included in an expert report.
 - 3.4 It was made by a party in an interrogatory answer.

ATTACHMENT 4:
CRITERIA FOR DETERMINING THE DISPOSITION OF ASSERTIONS

The following criteria will be used to determine how assertions shall be dispositioned during the Discipline Review and shall be used by the Quality Overviews as acceptance criteria in providing assurance that the reviews are being properly performed and that assertions are being properly dispositioned:

- I. Criteria for Determining an Assertion is Non-Safety Related.
 - A. The assertion must not involve systems, structures, or components that are identified as safety related or subject to quality controls under the STP Quality Assurance Program.
 - B. The assertion must not involve equipment that might prevent a safety related system, structure or component from fulfilling its intended functions.
 - C. The basis of the Detailed Reviewers conclusion must be clearly documented.
- II. Criteria for Demonstrating Prior Project Identification for Resolution.
 - A. The STP documents cited by the Detailed Reviewers as evidence of prior identification of the substance of an assertion by STP must completely cover the specific assertion of deficiency.
 - B. The STP documents cited by the Detailed Reviewer must show that the asserted deficiency has been resolved, is in the process of resolution, or has been identified for resolution.
 - C. Documents cited as reflecting corrective action or identification for resolution of the asserted deficiency must be part of an auditable STP program.
 - D. The reason why the STP documentation shows adequate identification or corrective action must be clearly stated by the Detailed Review.
- III. Criteria for Determining Assertion is Factually Erroneous.
 - A. STP documentation must provide positive evidence demonstrating the assertion is factually erroneous or, whether or not the assertion may have been true at one time, is no longer true. Unless STP documentation provides such positive evidence, the Detailed Reviewer may not classify the assertion as factually erroneous.

- B. The referenced STP documentation must describe the system, structure, or component as designed or constructed at or after the time the deficiency is asserted to have existed.
- C. The basis of the conclusion that the assertion is factually erroneous must be clearly articulated by the Detailed Reviewer.

IV. Documentation Supporting Disposition of Assertions

- A. Copies of appropriate portions of STP documents relied upon for disposition of an assertion shall be assembled into a closure package supporting the disposition. The closure package shall also explain the basis for the disposition.

STATEMENT OF CONCERNS

Reference: Allegation No. RIV-92-A-0065

1. About 18 months ago, a weapon was improperly removed from availability because the weapon was disassembled in the changeout room.
2. Approximately 1 year ago, an officer turned in ammunition that had been modified (notched).
3. An officer left "her" post when directed to stay, occurred in late March 1992.
4. All of the above concerns were identified to security management and placed in the tracking system. However, no specific action was taken in any case.

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Refer to RIV