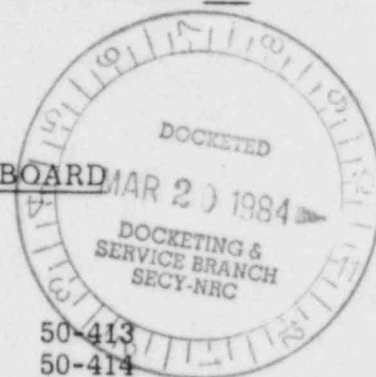


A-1
10/5/83

Applicants' Exhibit

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD



In the Matter of)
DUKE POWER COMPANY, et al.)
(Catawba Nuclear Station,)
Units 1 and 2))

Docket Nos. 50-413
50-414

TESTIMONY OF W. H. OWEN

1 Q. STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Warren H. Owen, and my business address is 422 South
3 Church Street, Charlotte, North Carolina.

4 Q. STATE YOUR PRESENT JOB POSITION WITH DUKE POWER
5 COMPANY AND DESCRIBE THE NATURE OF YOUR JOB.

6 A. I am Executive Vice President, Engineering & Construction. I am
7 responsible for the departments that design, construct and provide
8 the quality assurance for our generating facilities. I am also a
9 member of the Board of Directors of the company and serve on the
10 Executive Committee.

11 Q. DESCRIBE YOUR PROFESSIONAL EXPERIENCE AND
12 QUALIFICATIONS, INCLUDING YOUR PRIOR POSITIONS HELD
13 WITH DUKE POWER.

14 A. I graduated from Clemson University in 1947 with a Mechanical
15 Engineering degree and went to work for Duke Power in 1948.
16 After assignments at two of the company's coal fired generating
17 stations and the Production's Department General Office staff, I
18 moved to the Design Engineering Department in 1961. In 1966 I
19 was appointed the Principal Mechanical engineer in the Design
20 Engineering Department. I served in that capacity until 1972 when
21 I was appointed Vice President of the Department. In 1978 I

8405230580 831005
PDR ADOCK 05000413
PDR

1 became the Senior Vice President for Engineering and Construction
2 and was elected to the Board of Directors of the company. In 1982
3 I was appointed Executive Vice President, Engineering and
4 Construction, and remain in that position today.

5 I am a registered professional engineer in the States of North
6 and South Carolina.

7 I have served in responsible positions in industry-related
8 organizations such as the Electric Power Research Institute, the
9 Edison Electric Institute, the Atomic Industrial Forum and the
10 Institute for Nuclear Power Operations. Currently I am serving as
11 Chairman of the AIF Policy Committee on Nuclear Regulation.

12 Q. DESCRIBE THE CORPORATE ORGANIZATION OF DUKE POWER
13 COMPANY AS IT RELATES TO CONSTRUCTION, DESIGN
14 ENGINEERING AND THE QUALITY ASSURANCE PROGRAM.

15 A. I have attached to my testimony an organizational chart included as
16 Attachment 1 which shows those departments having a direct
17 bearing on the construction and operation of our power generating
18 facilities. The departments directly involved in the generation of
19 electricity report to Austin C. Thies. These departments are
20 responsible for the power generating facilities of the company,
21 which are divided into three types; fossil plants, nuclear plants,
22 and hydroelectric plants. Each plant type is within a department
23 managed by a Vice President reporting to Austin Thies. The Fossil
24 Production Department is responsible for the operation and the
25 maintenance of the coal-fired generating stations on our system; the
26 Nuclear Production Department is responsible for the operation and
27 maintenance of the nuclear plants on our system; and the Operating
28 Department is responsible for the operation and maintenance of the

1 hydroelectric plants on our system, and for dispatching all
2 generation on the system

3 The three departments which are responsible for the design
4 and construction of our generating stations all report to me. The
5 Design Engineering Department is responsible for the complete
6 design of generating facilities, including preparation of drawings,
7 specification of equipment, and detailed information showing
8 technical and quality requirements for construction of a station.
9 These quality requirements are developed by the Design
10 Engineering Department and reviewed by the Quality Assurance
11 Department. The Construction Department is responsible for
12 constructing the station in accordance with all the requirements
13 imposed by the Design Engineering and Quality Assurance
14 Departments.

15 The Quality Assurance Department is responsible for
16 monitoring the work done in the Design Engineering and
17 Construction Departments in accordance with all aspects of our
18 quality assurance program. In addition the Quality Assurance
19 Department monitors the operation of our nuclear power plants in
20 accordance with the company's quality assurance program.

21 Q. DOES THIS CORPORATE ORGANIZATION DIFFER IN ANY
22 SIGNIFICANT MANNER FROM THE ORGANIZATION IN 1981?

23 A. This organization, as it pertains to the engineering and
24 construction functions of the company, does not differ in any
25 significant manner from the organization in effect during 1981. In
26 the Power Operations area, the Fossil Production and Nuclear
27 Production Departments were formerly one department called Steam
28 Production.

1 Q. DESCRIBE THE INTERFACE BETWEEN THE QA DEPARTMENT AND
2 THE CONSTRUCTION DEPARTMENT ON THE CORPORATE LEVEL.

3 A. As the Executive Vice President for Engineering and Construction,
4 I am the corporate officer with ultimate responsibility for quality
5 assurance. Although the Construction and Quality Assurance
6 Departments report to me, both departments function as
7 independent organizations, each with its own department head, who
8 is completely responsible for its work. The Construction
9 Department is responsible for building the plant according to
10 design, quality requirements, schedule, and budget. The Quality
11 Assurance Department independently verifies the quality through
12 tests and inspections, and is responsible for identifying and
13 resolving quality problems.

14 The Quality Assurance Department has complete independence
15 with respect to setting quality requirements and defining the tests
16 and inspections to identify problem areas if they exist, and has
17 complete independence with respect to monitoring the resolution of
18 any quality problems which develop.

19 The Quality Assurance and Construction Departments cooperate
20 in the development of procedural requirements and the training of
21 all employees so that these quality requirements are well
22 understood. The two departments also cooperate in scheduling
23 their work so that quality assurance inspection personnel will be
24 available when needed.

25 The Quality Assurance Department has direct access to me to
26 be sure that they have sufficient resources, both in number of
27 employees and in technical skills, to fulfill their responsibilities. In
28 addition the QA Department has direct and independent access to

1 me to discuss any problems associated with implementing the Quality
2 Assurance Program.

3 Q. DESCRIBE THE INTERFACE BETWEEN THE QA DEPARTMENT AND
4 THE DESIGN ENGINEERING DEPARTMENT AT THE CORPORATE
5 LEVEL.

6 A. At the corporate level the interface between the Design Engineering
7 Department and the Quality Assurance Department is very similar to
8 that between the Quality Assurance Department and the
9 Construction Department. The Quality Assurance Department works
10 with the Design Engineering Department in specifying quality
11 requirements for the plant and monitors the activities in the Design
12 Engineering Department to confirm that all requirements of our
13 quality assurance plan are met.

14 The Quality Assurance Department works with the Design
15 Engineering Department in providing the training necessary so that
16 design employees understand the quality requirements and the
17 responsibilities of each department.

18 Q. IS DUKE POWER CAPABLE OF DESIGNING AND CONSTRUCTING
19 SAFE ELECTRIC GENERATING PLANTS?

20 A. Yes. I believe that our plant experience amply demonstrates that
21 we are capable of designing and building safe plants. As a matter
22 of long-standing practice, Duke's management is committed to
23 quality and public safety as related to design, construction and
24 operation of its generating stations. Duke's design and
25 construction experience has included many projects whose daily
26 operations have a direct bearing on public safety. This experience
27 includes some of the largest dams in the southeast, fossil-fired
28 steam stations that continue to establish national efficiency records,

1 and two nuclear stations, McGuire and Oconee. These achievements
2 would not have been possible without Duke's commitment to quality
3 work. This same commitment to quality has been applied
4 throughout the design, construction and testing of the Catawba
5 Nuclear Station.

6 The organization for design of the Catawba Nuclear Station is
7 essentially the same as that which designed and placed into
8 operation both Oconee and McGuire.

9 Q. HOW LONG HAS DUKE POWER BEEN INVOLVED IN DESIGNING AND
10 CONSTRUCTING ELECTRIC GENERATING PLANTS?

11 A. Duke Power Company has over 75 years experience in the design,
12 construction and operation of electric generating plants.
13 Currently, Duke has in operation eight fossil-fired steam electric
14 plants, five nuclear units at two different plants, and 22 hydro
15 electric plants, all of which (with the exception of Cliffside Unit 5)
16 were designed and constructed by Duke.

17 Q. HOW LONG HAS DUKE POWER BEEN INVOLVED IN DESIGN AND
18 CONSTRUCTION OF NUCLEAR GENERATING PLANTS?

19 A. Duke's involvement in nuclear power began in early 1950s when
20 company personnel began receiving nuclear training. Since 1955,
21 Duke personnel have been involved full-time on nuclear projects.
22 Through Carolina-Virginia Nuclear Power Associates, Duke
23 participated in design and operation of the Parr Reactor in South
24 Carolina, which produced electricity from 1963 until 1967 as part of
25 a five-year operating research program. The Catawba Station is
26 very similar to the recently completed McGuire Nuclear Station
27 located northwest of Charlotte on the shores of Lake Norman. The
28 experience which was gained in the design, construction and

1 operation of the Oconee and McGuire Nuclear Stations has been
2 applied fully to the design and construction of the Catawba Nuclear
3 Station.

4 Key engineering personnel in the Duke organization have had
5 prior nuclear experience as well as extensive experience in the
6 electric power field. Duke has numerous engineers who have
7 completed undergraduate and graduate level courses in nuclear
8 engineering at major universities, and personnel who have been
9 extensively trained through Duke's own in-house programs. I
10 should note that Duke employs more than 400 registered professional
11 engineers. I would also point out that many of the senior officers
12 of the Company, such as Bill Lee, Doug Booth, myself, L. C. Dail,
13 R. L. Dick, George Grier, and others also are registered
14 professional engineers.

15 Q. HOW DOES DUKE POWER COMPANY FULFILL ITS
16 RESPONSIBILITIES TO THE PUBLIC, ITS INVESTORS AND ITS
17 EMPLOYEES TO DESIGN A SAFE PLANT?

18 A. We selected the Catawba design based on proven reliability and
19 design concepts. The design philosophy used by the Company is a
20 "defense in depth" concept. The first part of this concept is to
21 design for maximum safety during normal operating conditions.
22 This concept involves providing design features which are favorable
23 to safe operation, features which emphasize the quality of backup
24 systems, and a keen insight into the inspectability and testability of
25 the plant and its systems. Duke Power is unique in that it
26 designs, builds and operates its own power generating facilities.
27 We have been able to take advantage of that uniqueness in a total
28 integration of functions throughout the initial concept development,

1 design, construction, and start up testing of the plant. An
2 Operational Review Board, headed by the Nuclear Production
3 Department, provides feedback to Design Engineering concerning
4 operating experience. Through that feedback and the Nuclear
5 Production Department's involvement in reviewing each system
6 concept, components and structures, inspectability, maintainability,
7 and testability have been given due consideration.

8 The second part of the "defense in depth" concept requires
9 that we postulate that highly improbable accidents will occur. Some
10 of these assumed accidents are quite severe in their potential impact
11 on plant systems. However, the systems and structures required
12 to bring the plant to a safe condition following a postulated accident
13 are designed to withstand these scenarios. All safety-related
14 systems are designed to be redundant in that the accident is
15 postulated to occur with one system not functioning.

16 The third part of the "defense in depth" concept is to go
17 beyond that which might be called for under assumed accident
18 conditions. Bulletins from the Nuclear Regulatory Commission, and
19 a vast base of experience which has been gained from other utilities
20 are all part of our input for a safe design.

21 Q. HOW DOES DUKE POWER COMPANY FULFILL ITS RESPONSIBILITY
22 TO THE PUBLIC, ITS INVESTORS AND ITS EMPLOYEES TO
23 CONSTRUCT A SAFE PLANT?

24 A. Since the initial design work of nuclear power plants in the early
25 1950s, many national standards, codes and regulatory requirements
26 have been developed based on extensive government tests, industry
27 and university research programs, and actual experience at
28 operating nuclear stations.

1 Duke Power's philosophy regarding design and construction is
2 to produce a quality product. More than 75 years of experience in
3 designing and building generating facilities following this philosophy
4 has resulted in a record second to none. This philosophy is
5 carefully instilled in each practicing engineer to assure the
6 continuation of a fine tradition of engineering excellence. Duke is
7 also committed to fulfilling the requirements of various national
8 codes associated with nuclear power plant design.

9 The Nuclear Regulatory Commission includes in its regulations
10 certain general design criteria which all nuclear power reactors
11 must fulfill. The Catawba Nuclear Station fulfills each general
12 design criterion as described in Duke Power's application for an
13 operating license.

14 Q. HOW DOES THE COMPANY ASSURE THAT THE PLANT IS BUILT IN
15 ACCORDANCE WITH THE DESIGN SPECIFICATIONS, AND THAT
16 VARIATIONS FROM DESIGN SPECIFICATIONS DO NOT AFFECT THE
17 QUALITY OR SAFETY OF THE PLANT?

18 A. The company assures that the plant is built in accordance with
19 design specifications in several ways.

20 The Construction Department has in place an approved QA
21 program which requires procedures and training to "build in"
22 quality. The Quality Assurance Department inspects work to assure
23 construction is in accordance with design drawings and
24 specifications. The QA Department has in place approved
25 procedures and personnel to independently inspect for quality and
26 identify construction deficiencies. The Design, Construction, and
27 Quality Assurance Departments see that the identified deficiencies
28 are resolved. A thorough system of independent audits to assess

1 quality throughout the construction period is carried out by a
2 Corporate QA Audit group, NRC resident and visiting inspectors,
3 ASME programmatic surveys and onsite insurance agency inspectors.
4 In addition, there is an Annual Management Audit conducted by
5 experienced quality experts from other utilities.

6 During construction there are several formal programs to
7 document changes in, or deviations from, design specifications
8 necessary for one reason or another during plant construction.
9 Variation Notices are written by Technical Support Engineers in the
10 field with prior approval from Design Engineering when a deviation
11 from design drawings is necessary because of interferences, the
12 need for additional information, the desire to use a different option
13 to facilitate construction, or for other reasons. These Variation
14 Notices are reviewed in Design Engineering for concurrence with
15 the change and to identify any adverse trends in particular areas
16 of their work.

17 Design Engineering also uses the Design Nonconformance
18 Procedure to document situations where designs released for
19 construction do not fully conform with approved design criteria.
20 The documentation, review, and corrective action resulting from
21 these processes are trended, and action is taken to correct adverse
22 trends. Occurrences of this nature at other Duke plants which
23 involve nuclear safety are reviewed for potential impact on Catawba.

24 Safety-related mechanical systems in the plant undergo an
25 extensive verification program, code stamping, and review by an
26 authorized nuclear inspector from the American Society of
27 Mechanical Engineers, (ASME). This process is designed to assure
28 that the constructed condition of the safety-related mechanical

1 systems in the plant is correctly represented by the mathematical
2 models which have been used to analyze the performance of the
3 mechanical systems under associated operating and postulated
4 accident conditions. The code stamp, or N-stamp, is a designation
5 which is applied only after all the assemblies and components of a
6 system have been certified to meet the rigorous standards of the
7 American Society of Mechanical Engineers. In addition, systems and
8 components require a rigorous startup and operational testing
9 program which provides a final check prior to operating the plant.

10 Safety related electrical systems similarly undergo a rigorous
11 inspection and functional testing program to confirm the constructed
12 condition of each system. This program coupled with the startup
13 and operational testing program assures that electrical systems
14 consistently perform in accordance with specified design
15 requirements.

16 Finally, because Design Engineering is an in-house
17 organization of Duke Power Company, there is a close professional
18 relationship between those who design the plant, those who build
19 the plant, and those who operate the plant. The near geographical
20 proximity of the design organization to the site permits frequent
21 visits to Catawba by Design Engineering personnel to gain
22 first-hand information about the progress of construction, to
23 witness implementation of the design, and to review circumstances
24 which could impact current or future design concepts.

25 Q. DOES THE DESIGN ENGINEERING DEPARTMENT HAVE A PROGRAM
26 IN PLACE TO IDENTIFY AND CORRECT SYSTEMATIC DESIGN
27 DEFICIENCIES?

1 A. Yes. Design Engineering is responsible for trending Variation
2 Notices and reporting results to responsible groups. The collection
3 and dissemination of data is coordinated for the department by the
4 Projects Management Division. Design Engineering is also
5 responsible for taking corrective action on all adverse trends
6 identified by QA through construction Nonconforming Item Reports
7 and Design Nonconformances.

8 The purpose of this review is to detect unfavorable trends as
9 early as possible and to determine if additional corrective action is
10 needed. This corrective action assures the cause of the problem is
11 identified and appropriate steps are taken to preclude future
12 problems.

13 Q. DOES THE CONSTRUCTION DEPARTMENT HAVE A PROGRAM IN
14 PLACE TO IDENTIFY AND CORRECT SYSTEMATIC CONSTRUCTION
15 DEFICIENCIES?

16 A. Yes. Each of the QA procedures used at the Catawba Construction
17 site provides a clear method to identify and correct discrepancies.
18 In addition, there are several procedures written specifically to
19 identify, resolve and correct discrepancies. These are the
20 Nonconforming Item Report, the Variation Notice, and Construction
21 Discrepancies Procedures.

22 Q. HAVE YOU BEEN INVOLVED IN THE PROCESS WHICH SET THE
23 PAY CLASSIFICATION FOR INSPECTORS?

24 A. I was not actually involved in the evaluation process, though I
25 understand how it works. The evaluation process is described at
26 greater length in the testimony of Mr. Grier, who was involved in
27 the evaluation process. I was, however, the one who made the
28 decision on the pay reclassification.

1 As background, I should mention that when we originally set
2 up the welding inspector program, we recruited the inspectors from
3 the crafts. That is, they were actually welders. We offered them
4 more money than they made as craft, primarily because at that time
5 we wanted persons with at least two year's experience as welders to
6 be welding inspectors. Later, it became clear that the welding
7 inspection job did not require experience as a welder. Instead, it
8 required training in techniques being developed for welding
9 inspection. It was then that, using techniques provided to us by
10 our salary administration consultant, we began to reevaluate the job
11 requirements for the welding inspectors, along with all other quality
12 assurance inspectors.

13 Q. WERE YOU INVOLVED IN THE PAY RECOURSES BY WELDING
14 INSPECTORS AFTER THE PAY RECLASSIFICATION?

15 A. No, I was not directly involved. However, as the recourse
16 procedure was carried out, Gail Addis kept me advised of
17 developments.

18 Q. WHEN DID YOU FIRST BECOME AWARE OF THE SAFETY
19 CONCERNS EXPRESSED BY WELDING INSPECTORS AT CATAWBA?

20 A. I first became aware of potential safety concerns expressed by the
21 welding inspectors at Catawba in early December of 1981. These
22 concerns were brought to my attention by Gail Addis, who had been
23 involved with the employee recourse procedure filed as a result of
24 the pay adjustment for QA inspectors.

25 Q. WHAT DID YOU DO AFTER THESE CONCERNS CAME TO YOUR
26 ATTENTION?

1 A. When Ms. Addis came to me to report these concerns, I immediately
2 asked her to write a memorandum to set out all the concerns as
3 they had been reported to her. I also informed Bill Lee of the fact
4 that these concerns had been raised during the pay recourse
5 process. We decided that a task force should be appointed to
6 investigate the situation. Within a day or two I appointed a Task
7 Force to determine whether technical inadequacies existed at the
8 plant and what the scope of the problem was. This Task Force
9 subsequently has become known as Task Force I. I instructed this
10 Task Force to complete their assignment and report back to me by
11 the end of the year. This they did.

12 Q. DID YOU ADVISE NRC OF THE ACTIONS BEING TAKEN BY THE
13 COMPANY WITH RESPECT TO THESE CONCERNS.

14 A. Yes, NRC was notified in January 1982 by J. R. Wells.

15 Q. PLEASE EXPLAIN THE MANAGEMENT DECISIONS TO INITIATE THE
16 VARIOUS TASK FORCE INVESTIGATIONS.

17 A. As I indicated above, when I appointed Task Force I, I wanted a
18 judgement by experienced people to determine whether a problem
19 existed and, if so, its magnitude and potential scope. When I
20 received the report from Task Force I, it was clear to me that
21 there were technical concerns which should be investigated.

22 Consequently, I appointed a second Task Force, which we
23 refer to as the Technical Task Force. I instructed the Technical
24 Task Force to assure that they had all the technical concerns
25 expressed by the welding inspectors. I directed them to evaluate
26 thoroughly each of these concerns. My intent in appointing this
27 Technical Task Force was to assure that all the technical concerns

1 the welding inspectors had were brought out so that they could be
2 investigated and evaluated fully, and, if necessary, corrective
3 action could be taken. My aim in doing so was to determine if any
4 of these concerns represented the possibility of unsafe or
5 inadequate construction at Catawba.

6 Q. DID YOU INDICATE IN YOUR INSTRUCTIONS TO THE TECHNICAL
7 TASK FORCE THAT YOU EXPECTED THEM TO REACH ANY
8 PARTICULAR DECISION?

9 A. Absolutely not. My instructions to them were consistent with what
10 I mentioned above. I told them I wanted all the concerns out and a
11 complete evaluation of each.

12 Q. WHY DID YOU RETAIN LEWIS ZWISSLER OF MANAGEMENT
13 ANALYSIS COMPANY.

14 A. I retained the Management Analysis Corporation (MAC) to review
15 the activities of the Technical Task Force in order to provide an
16 independent view of their investigation, evaluation, and
17 recommendations. I asked Mr. Zwissler, whom MAC assigned to the
18 matter, to review the approach and methods used by the Technical
19 Task Force to assure that it obtained all the concerns; to review
20 their approach and method in evaluating and resolving the
21 concerns; and to review the qualifications of the individuals
22 involved to assure that they were qualified to make the sorts of
23 determinations they would have to make. I asked Mr. Zwissler to
24 review the Task Force resolutions to ensure completeness and
25 quality of work and to prepare a written report on the entire
26 process as an independent report for Duke Management. I also

1 asked Mr. Zwissler to conduct his work so that he would be
2 prepared, if necessary, to testify in the licensing proceedings for
3 Catawba.

4 Q. WERE YOU INVOLVED WITH THE NONTECHNICAL TASK FORCE?

5 A. Not directly, but i did review the recommended actions from that
6 Task Force.

7 Q. WERE YOU INVOLVED IN THE IMPLEMENTATION OF THE
8 RECOMMENDATIONS ISSUED BY ANY OF THE TASK FORCES?

9 A. Not directly. However, I was kept fully advised of corrective
10 actions planned.

11 Q. DESCRIBE YOUR ROLE IN IMPLEMENTING THE RECOMMENDATIONS
12 OF THE TECHNICAL TASK FORCE.

13 A. My primary role was to provide my full support to department heads
14 who were assigned actions by Task Force.

15 Q. DID IMPLEMENTATION OF THE TASK FORCE RECOMMENDATION
16 AFFECT THE DEPARTMENTS UNDER YOUR SUPERVISION?

17 A. Yes, to some extent. No major organizational changes were made in
18 any of the three departments. The majority of the changes, of
19 course, were made in the Quality Assurance Department, and the
20 testimony of Mr. Grier discusses those in some detail. So far as
21 the Construction Department was concerned, changes were made in
22 procedures, and training programs in the area of communications
23 and interpersonal relationships were implemented. Design
24 Engineering changed certain of its procedures to conform with
25 changes in procedures made by the Construction Department.

26 Q. HOW WOULD YOU DESCRIBE THE PRIMARY CONCERNS OF THE
27 WELDING INSPECTORS?

1 A. I believe that the welding inspectors felt they did not have
2 adequate management and supervisory support in doing their jobs.
3 I attributed that feeling to a failure to achieve adequate
4 communication on the part of management and supervision. The
5 task of the welding inspectors is to document variation from
6 procedures. Resolution of those variations is in many instances not
7 their responsibility; it is the responsibility of others within the
8 organization. This should have been more clearly communicated to
9 the welding inspectors by management and supervision. It
10 apparently was not, and in instances where welding inspectors
11 documented variations, and it was subsequently determined that
12 work was acceptable as performed, the inspectors believed this
13 constituted a lack of support primarily because questions they
14 raised were not satisfactorily answered. The reasons for the
15 decision that the work was acceptable should have been clearly
16 communicated to them.

17 I base my conclusion in this regard on the involvement and
18 oversight I had with the welding inspector concerns. As I have
19 mentioned above, that involvement began with the pay recourse
20 matter and though I was not involved directly in the recourse, Ms.
21 Addis kept me informed of events. In addition, I am of course
22 thoroughly familiar with the reports of the Task Forces. I have
23 reviewed each and have discussed the findings and conclusions with
24 the members.

25 Q. THE CONCERNS EXPRESSED BY THE WELDING INSPECTOR WERE
26 INITIALLY CHARACTERIZED AS CONCERNS AFFECTING THE
27 QUALITY OF WORK OR THE SAFETY OF THE CATAWBA PLANT.

1 IN YOUR VIEW, DID THE CONCERNS EXPRESSED BY THE WELDING
2 INSPECTORS AFFECT THE QUALITY OR THE SAFETY OF THE
3 CATAWBA PLANT?

4 A. No. They did not express any concerns which would adversely
5 affect either the quality or the safety of the plant.

6 Q. IN YOUR VIEW, DID THIS EXPRESSION OF CONCERNS BY THE
7 WELDING INSPECTORS INDICATE THAT THERE WAS A
8 BREAKDOWN IN THE QA PROGRAM AT CATAWBA OR THAT THE
9 QA PROGRAM WAS NO LONGER WORKING AT CATAWBA?

10 A. No. Quite the contrary. The discussions and communications
11 between management and employees that took place in late 1981 and
12 1982 clearly showed that employee recourse procedures were in
13 place and working. As I noted above, the concerns voiced by the
14 inspectors centered on communications problems, in that questions
15 they raised were not being fully answered. All of the review
16 clearly showed that our QA program was in place and working.

17 Q. ARE YOU FAMILIAR WITH THE 1981 SALP REPORT?

18 A. Yes.

19 Q. THE 1981 SALP REPORT RATES THE CATAWBA PROJECT "BELOW
20 AVERAGE", BASED IN PART ON CRITICISM OF THE QA PROGRAM.
21 IN YOUR VIEW, DOES THIS SALP REPORT INDICATE THAT THERE
22 ARE SIGNIFICANT OR SYSTEMATIC DEFICIENCIES IN DESIGN OR
23 CONSTRUCTION, OR THE QA PROGRAM, AT CATAWBA?

24 A. No. The 1981 SALP report covered a period from September 1979
25 through August 1980. Based on an analysis of the basis for the
26 1981 SALP report, I concluded that all the items leading to that
27 1981 rating were satisfactorily corrected prior to issuance of the

1 report. The 1981 SALP Report was based on data generated months
2 before the report was issued. The period covered by the 1981
3 SALP Report happened to coincide with a period of extremely heavy
4 construction activity at Catawba. Naturally during such a period
5 there were more violations recorded. The 1981 SALP Report based
6 its ratings on the number of violations with little attempt to account
7 for other factors, such as construction activity. Therefore,
8 Catawba was given a "Below Average" rating. Under such
9 circumstances the "Below Average" rating does not indicate either
10 systematic or significant deficiencies in the QA program at Catawba.

11 In our view the rating was not justified and we have told the
12 NRC this. Among other things, the 1981 SALP Report does not
13 take into account corrective action taken by Duke. In any event, a
14 "Below Average" rating does not indicate systematic or significant
15 deficiencies. The NRC itself has said that "[a] rating of below
16 average does not mean that a facility was unsafe or that its
17 operation or construction should be stopped." So the NRC's own
18 words preclude drawing that conclusion. In addition, I do think it
19 is significant to note that two subsequent SALP reports have given
20 Catawba very high marks, particularly in the Quality Assurance
21 area.

22 Q. DESCRIBE WHAT WAS DONE IN RESPONSE TO THE VIOLATIONS
23 COVERED BY THE 1981 SALP REPORT.

1 A. No response was necessary at the time of the report because as I
2 noted above, the nonconformances covered by the report had all
3 been resolved previously. As I mentioned, the report was issued
4 long after the data on which it was based was generated.

5

6

7

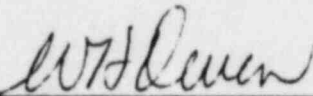
8 I hereby certify that I have read and understand this document, and
9 believe it to be my true, accurate and complete testimony.

10

11

12

13


W. H. Owen

14

15


16 Sworn to and subscribed before me
17 this 24th day of September, 1983.

18

19

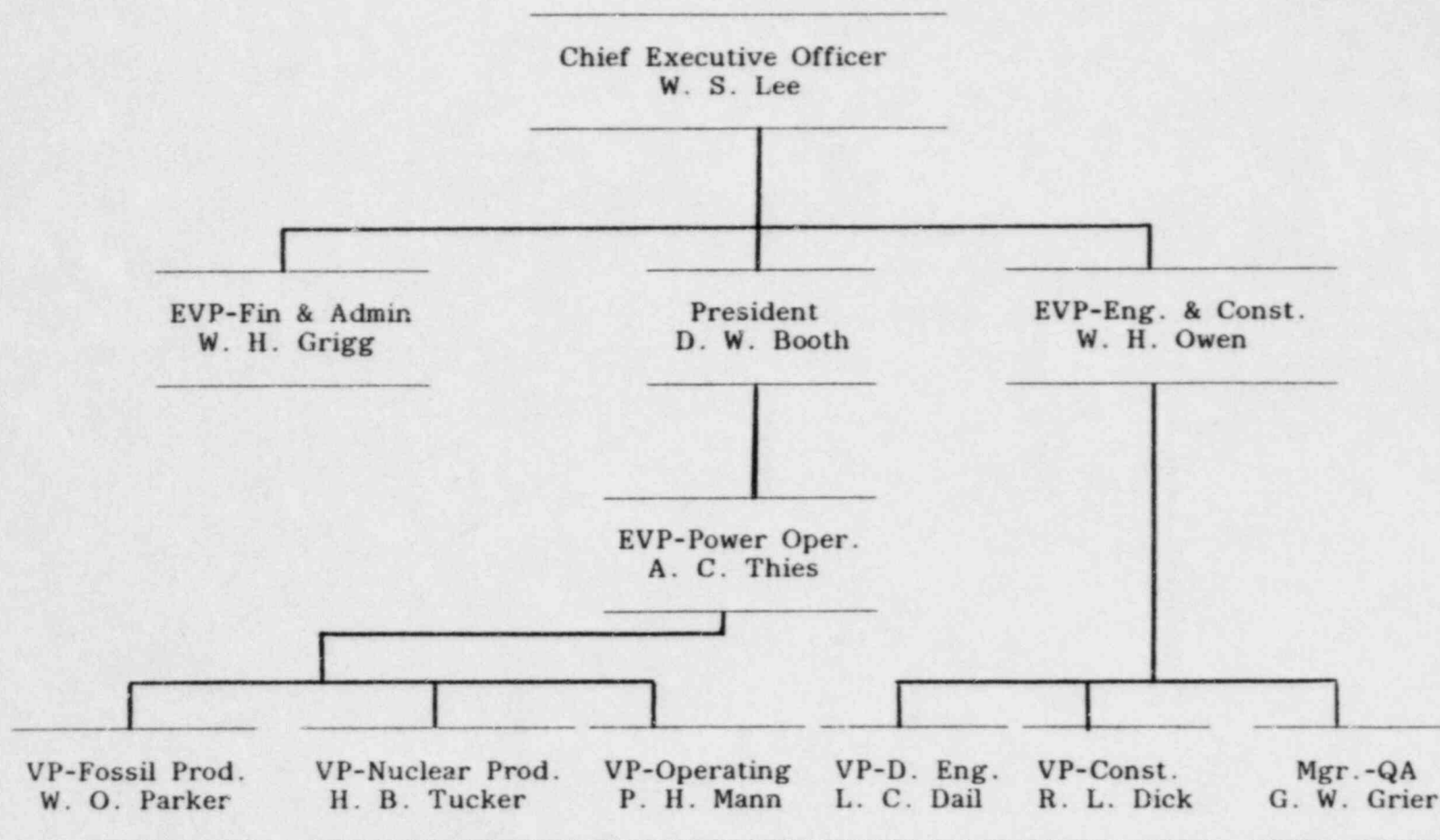
20

21


Notary Public

22

23 Commission Expires 7-28-86



Order No. 50-1413
to the matter of Catalpa
Staff _____
Assistant _____
Interviewer ☒ _____
Cont'g. Dir. _____
Contractor _____
Other _____
Reporter _____
DATE 10/5/53
NAME Bm Graham
NOC DAY KLED AGENCY CONFUSION
PH 44 P. 86
DRAFTED _____
RECEIVED _____
REFUSED _____