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the southern electric system

W. G. Hairston, III
Executive Vice President
Nuclear Operations

May 27, 1994

Mr. James Lieberman
Director - Office of Enforcement
U.S. Nuclear Regulatory Commission
Washington, D. C. 20555

SUBJECT: Docket No. 50-424/License No. NPF-68; Nuclear Regulatory Commission (NRC) NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTIES, AND DEMANDS FOR INFORMATION (EA 93-304; EA 94-036; EA 94-037 and EA 94-052)

Dear Mr. Leiberman:

The purpose of this letter is to formally request a sixty (60) day extension for Georgia Power Company's response to the May 9, 1994 Notice of Violation and Proposed Imposition of Civil Penalties and responses to three Demands for Information. The Demands for Information address the actions of six individuals employed by Georgia Power or the Southern Nuclear Operating Company. My understanding is that on May 18, 1994, Arthur Domby, counsel to Georgia Power Company, spoke with Mr. Joseph Gray of your Office and orally requested an extension of 60 days for Georgia Power to prepare and submit the responses. This oral request was made at the earliest point in time when the resources available to prepare the responses were recognized as inadequate to meet the deadline set by the NRC. Mr. Gray notified Mr. Domby on May 20th that the oral request would not be granted, and that a written request would be required for consideration. This letter is in response to that conversation. The following sets forth the Company's basis for the requested extension.

The Notice of Violation and Demands for Information follow four years of NRC review and involves five different cited violations (A through E). Several of the violations require extensive additional factual review by Georgia Power, in part due to the finite factual development in prior inquiries. For example, although the events addressed in Violations D and E were investigated by the NRC's Office of Investigations, not all of the interviewed individuals were afforded an opportunity to review the conversations to which

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they were a party. Moreover, several participants in those conversations were never interviewed by that Office.

The responses represent Georgia Power's first meaningful opportunity to present its observations and conclusions on these events to the NRC with the benefit of the NRC's perspective. Furthermore, these are significant matters, both to the Company and the NRC, and any decisions based on incomplete information will not be just.

Several complicating factors justify the requested extension of time. First, the individuals subject to the Demands for Information are represented by independent counsel. Georgia Power has responded, and will continue to respond, to requests for information by these individuals and their attorneys. Although we have allocated significant resources to respond to the responses, that effort still requires an extensive amount of work.

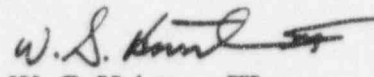
Second, the ongoing license amendment proceeding to date has not addressed all matters associated with the violations. This proceeding has increased Georgia Power's awareness of relevant facts and circumstances surrounding some violations. However, other matters addressed in the Notice of Violation, until recently, were not the focus of the license amendment proceeding. Consequently, the level of review of these matters to date is insufficient to permit complete responses. This will take significant time, as the NRC representatives who have reviewed the many relevant conversations know. Further, due to extensive discovery already under way, the resources available to Georgia Power cannot be fully directed to the responses. Georgia Power requested the Licensing Board to grant relief from some current discovery obligations and to limit the scope of the proceeding. This would have facilitated quicker responses, but these requests were rejected by the Board.

Thank you for your consideration of this request for an extension of time to submit the responses. If the extension is granted, please be assured that the responses will be submitted prior to the extended deadline if feasible. The earlier the responses are submitted to the NRC, the earlier a resolution of this matter can be reached. Early resolution is in the interests of the NRC, the affected individuals, and the Georgia Power

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Company. Please feel free to contact me or Mr. Domby (404 885-3130) if we can be of additional assistance in your review of this request.

Sincerely,

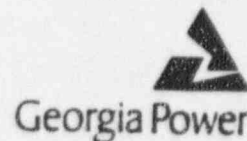

W. G. Hairston, III

WGH:sam

xc: Mr. Stewart D. Ebnetter
Mr. H. Allen Franklin
Mr. C. Kenneth McCoy and counsel
Mr. George Bockhold and counsel
Mr. Thomas Greene and counsel
Mr. George Frederick and counsel
Mr. Michael Horton and counsel
Mr. Harry Majors and counsel
Arthur H. Domby, Esq.

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C. K. McCoy
Vice President, Nuclear
Vogtle Project



the southern electric system

July 31, 1994

Docket No. 50-424
License No. NPF-68

Mr. James Lieberman
Director, Office of Enforcement
U.S. Nuclear Regulatory Commission
Attn: Document Control Clerk
Washington, D.C. 20555

GEORGIA POWER COMPANY
VOGTLE ELECTRIC GENERATING PLANT
REPLY TO NOTICE OF VIOLATION
AND PROPOSED IMPOSITION OF CIVIL
PENALTIES; EA 93-304

Dear Mr. Lieberman:

Pursuant to 10 C.F.R. § 2.201 Georgia Power Company ("GPC") submits the enclosed information which responds to the Notice of Violation ("NOV") issued to the Vogtle Electric Generating Plant ("VEGP") and forwarded by the NRC's May 9, 1994 letter to Mr. H. Allen Franklin, President and Chief Executive Officer of GPC. The NOV alleges five (5) separate violations of 10 C.F.R. § 50.9 "Completeness and Accuracy of Information." That regulation requires a licensee to assure that information provided to the NRC is "complete and accurate, in all material respects."

As an initial matter, please rest assured that GPC and its employees fully appreciate and support the goal of this regulation and recognize their ongoing obligation of full candor and accuracy in providing material information to the NRC. Moreover, GPC concurs with your statement in the NOV transmittal letter that, in the nuclear power industry, when errors are made, they will be promptly corrected, lessons will be learned, and corrections to procedures and training developed to improve future performance. The employees of GPC associated with its nuclear plant operations have learned from this experience and have spent the last four years since the event seeking to improve performance of its plants. We will continue to learn from our mistakes, or the mistakes of other licensees, and will implement our lessons learned in a safe, professional, and responsible manner.

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GPC is aware that these violations are of significant regulatory concern to the NRC. GPC is appreciative of NRC's recognition that the inaccuracies which are the subject of the violations did not have an effect on the safety of plant operation. Safety is paramount at GPC, as is regulatory compliance. Intent to comply with NRC rules, regulations or orders is not at issue here; GPC always intends to obey the law. What is at issue is whether mistakes were made, human mistakes by well-intentioned employees. As you will see in this reply, GPC admits certain of the alleged violations, but it is abundantly clear that at all times public health and safety was protected. GPC is committed to this overriding principle and nothing in this reply or its attachments should be construed otherwise.

GPC wants to assure that one central message is not lost in the NRC's detailed review of the enclosed responses. GPC recognizes fundamental failures in its performance in 1990. It failed to maintain and use a single source document for diesel generator ("DG") starts and runs containing correct, consolidated, retrievable data and defined terminology. Inaccurate information resulting from personnel error was included in the April 9 presentation to Region II. Three starts of the 1B DG were treated as "successful" and included in data provided to the NRC. While the problems experienced in these starts would not have prevented the engines from operating in an actual emergency, their inclusion was not supportive of GPC's intended message that the DG starts were reliable. GPC as a licensee also failed to identify the error in the April 9 presentation, as documented in its April 9 letter to the NRC, until August 1990. Concern had been expressed within the organization about the erroneous information on multiple occasions during this period of time, and two opportunities (April 19 and June 29) to identify the error were missed. GPC can do better, and it will.

On March 20, 1990, during a refueling outage at VEGP Unit 1, GPC lost off-site power and, when Unit 1's A DG failed, GPC declared a site area emergency ("SAE"). (The other Unit 1 DG was unavailable due to scheduled maintenance during the outage.) GPC immediately recognized the imperative need to identify the causes of the event prior to returning Unit 1 to operation, to coordinate recovery activities with the NRC, to obtain NRC concurrence in conducting major recovery actions, and to provide the NRC with all relevant and material information. This was done, in many ways, over many days and with acknowledged success. The record clearly reflects GPC efforts to provide material, relevant information concerning this event, including problems encountered in recovery and investigating the reasons for the 1A DG's failure. During the course of the events, the NRC met with GPC representatives, interviewed GPC personnel, directly observed recovery activities, requested and received specific documents and records, and discussed ongoing recovery activity with many workers. By April 3, 1990, with NRC team members providing objective oversight of GPC's technical review, high jacket water temperature sensors on the 1A DG were identified as the probable component which failed

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to perform their intended function.¹

GPC's open, candid and professional approach did not go unnoticed. By letter dated July 20, 1990, the NRC Region II Administrator said:

Plant VEGP was fully responsive with regard to quarantined equipment, preservation of records or damaged equipment that may have been related to the event, availability of individuals for questioning, and conduct of separate investigation. Letter of Mr. Stewart D. Ebner to Mr. W. G. Hairston, III, entitled "Completion of Confirmation of Action Letter Commitments".

Unfortunately, being fully responsive did not result in being painstakingly complete and precisely accurate in all cases. Although each of the incidents of alleged incompleteness or inaccuracy arguably are not "material", the collective performance of site and corporate personnel was below the standards which GPC expects its employees to observe.

However, we do not agree that our faulty performance was as pervasive or as significant as the NOV alleges. This will be carefully demonstrated in the enclosed responses as we provide you with our perspective of these events and identify our differences to you. These differences reflect reasonable, contrary opinions of the responsibilities assigned to the involved individuals, and whether those responsibilities were fulfilled. In some cases GPC differs with the NOV's analysis, affirming our earlier opinion that certain mistakes made -- or not prevented -- were due at least in part to poor record keeping practices. In so doing, GPC has a broader view of the "root cause," and explains conditions, acts, failures to act, and surrounding circumstances which bear on the events and the way they interacted to produce the results at issue here.

~~GPC's [redacted] document for DG start and~~
~~run [redacted] and reviewed~~
~~by qualified personnel [redacted]~~
The use of such a document would have permitted reverification and review of base data over time and eliminated the need for repeated attempts at data compilation and interpretation.

¹The NRC's Incident Investigation Team (IIT) leader observed:

- * ① ^{in and out} "So as far as all these sensors that are currently in quarantine, the ones that are high jacket water temperature are the ones that are of the most interest to this event." (IIT Document 257, p. 58 and "Tape 30," April 3, 1990.)

IIT 257- Transcript of teleconference on 4/12/90

relative

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Its absence led to repetitive and compounding GPC reviews and NRC concerns. Simply put, different people used the same or different documents at different times to develop "start counts" with different terminology, covering different durations thereby producing a cavalcade of well-intentioned, but nonetheless ineffective communications. Record keeping should be recognized as a factor in these events, because the absence of an accurate single source document could lead to more problems in the future.

Importantly, GPC's attached responses also provide the NRC with additional, new information either not developed or not considered in prior NRC reviews. GPC requests that this new information be considered carefully, not only because of its significance but also, in some instances, its compelling nature. Three particular areas stand out: (1) the efforts of the Unit Superintendent in the development of the transparency used at the April 9, 1990 presentation at the NRC's Region II offices which is described in the response to Violation A; (2) information given to the NRC concerning "dew point measurements" of diesel control air between April 6 and April 12, 1990, which is described in the response to Violation B; and (3) the efforts of Technical Support personnel on April 19, 1990 to compile diesel start data for use by those site managers tasked with assuring the LER's accuracy, as described in response to Violation C. This additional information will also be useful in the NRC's analysis of the responses to Violations D and E.

The NRC's bases for Violations D and E are predicated, in large part, upon a limited number of surreptitiously recorded conversations in June and August, 1990. By their terms, these tape recordings do not reflect all of the facts and circumstances surrounding these events. Moreover, the physical nature of hiding a tape recorder oftentimes resulted in an expressed concern being captured on tape, and not the statements which address or resolve the concern. More extensively developed transcripts, therefore, are enclosed for your review and we urge that they be read fully. TRUE

Only one GPC employee knew of the tape recording. Despite opportunities to assure an accurate and complete information flow within GPC and, in turn, to the NRC, he did not do so. He clearly was not open and cooperative with his co-workers about resolving his own concerns. As the transcripts reveal, sometimes he was non-responsive to direct questions, or vague and indirect when he did respond. In June of 1990 he secretly taped GPC employees as they searched for complete and accurate data and analysis to give to the NRC, while simultaneously withholding relevant and material information he possessed. If, instead of withholding his information, he had fully shared it with his fellow employees, the result might have been an earlier resolution of these problems.

A few other comments are noteworthy to assure that GPC's responses are not misinterpreted or taken out of context. Four years have passed since these events. The NRC

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has conducted a substantial and time-consuming review and has alleged that violations of NRC requirements occurred. It is important to recognize, however, that several of these violations resulted from GPC's attempts to provide information above and beyond the minimum. For example, GPC identified certain errors and informed the NRC of them, yet GPC has been faulted for the accuracy of its explanations of why those errors occurred. GPC identified conditions such as poor record keeping which "set up" personnel performance failures, yet GPC is faulted for not assessing personnel performance. GPC is faulted also because it failed to uncover information which was available only to the NRC as a result of allegations and tape recordings. What is at work here is a fundamental difference in perspective: during the course of these events, GPC concentrated its efforts on identifying and fixing problems with plant operations in order to satisfy itself and the NRC that the VEGP could be operated safely after the SAE. This was done and history has confirmed the wisdom of the restart decision and the continued improved performance of the plant. Now, however, the focus is on the performance of individuals.² We will always hold our employees accountable for their actions. But finding fault with good faith efforts by a licensee's employees to identify underlying causes, report them and fix them, has the potential to affect adversely open and effective communications between a licensee and the NRC. Some licensees may perceive that self-analysis that fails to find all "causes" brings with it a greater penalty than no self-analysis at all. Also, the failure to recognize that events have multiple primary causes may mislead future analysis.

²One member of GPC's Event Review Team was prophetic. Long after the Team had issued its report, on June 29, 1990 he saw the future, and said so, little realizing the accuracy of his words:

Team Member:

I recall sitting in the war room the night of the event recommending that we keep a detailed log of everything we do, then we can reconstruct it. And it worked for 24 hours and they decided that - somebody decided its too cumbersome, too much work. And I do see many of these events, when they get big and take more than 24 hours, you don't keep a record, you are doomed for disaster. Because "who shot John" becomes more of an issue than what really happened. You just continually spin your wheels on what you did and who said what and what was the real test that was performed; what were the perturbations put on the system and under what conditions was it done, and everybody forgets. People get tired and they don't take notes. [Tape 187, GPC transcript, page 31]

*our days 187
page 31 with
incident. He said
it.*

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Regardless of the outcome of the NRC's review, GPC will continue its policy of providing more than the minimum information required and of continuing its policy of learning from its mistakes. It will not permit this experience to chill the mutual trust and effective communications with the NRC which GPC has encouraged and enjoyed over the last several years.

GPC has taken extensive action to reinforce its policy of open, accurate and candid communications with the NRC. First, GPC officers responsible for VEGP operations up to and including the President and Chief Executive Officer, have been personally involved in the review of the NOV and GPC's response. A major lesson learned from this review is that internal openness, accuracy, and candor in communications is a prerequisite for accurate and complete statements to the NRC. This "lesson learned" reinforces and validates the efforts in the Summer of 1990, to strengthen internal communications between the corporate office and the VEGP site by, among other things, holding manager team-building meetings. The NRC's frank observations to GPC officers in May of 1990, concerning our operations contributed to the recognition at that time of this weakness.

Second, after the issuance of the NOV GPC's Executive Vice President-Nuclear Operations, sent a letter to nuclear operations employees which stressed the importance of effective communications and the effective resolution of concerns. A copy is attached. In addition to the required posting of the NOV, copies of 10 CFR § 50.9 were posted, and employees urged to read the documents.

Third, the Senior Vice President-Nuclear Operations, held meetings at both GPC plants and solicited comments and observations from large groups of plant employees. A copy of the outline for his prepared remarks is attached. These meetings were effective in providing a forum for open and self-evaluating communications, and were observed by NRC Resident Inspectors. By example, the meetings reinforced the "in full view" atmosphere which GPC strives to achieve in its relations with the NRC.

~~The Senior Vice President - Georgia Power Company (GPC), in addition to~~
~~consulting with the Vogtle Electric Generating Plant (VEGP) General Manager as~~
~~discussed in the Response to the Demand for Information regarding the VEGP~~
~~General Manager, has also met with the Unit Superintendent and discussed the~~
~~need to ensure that information is not misunderstood or misinterpreted. In~~
~~addition, on August 6, 1994, a meeting concerning a concern expressed by Southern~~
~~Nuclear Operating Company's Positive Discipline System was held with the Unit~~
~~Superintendent by his supervisor and the Senior Vice President - GPC. This~~
~~discussion did not discuss the superintendent's performance or the NRC's~~
~~focus upon ways in which he could improve his attention to detail to ensure that~~
~~his work is thorough and precise and that he can communicate with confidence.~~

Revision

Mr. James Lieberman

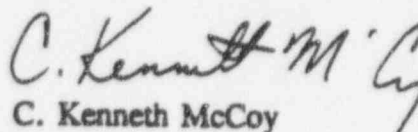
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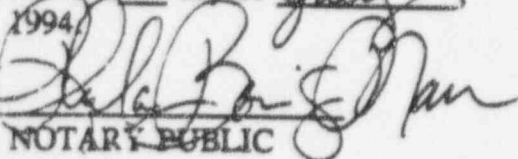
One final matter deserves comment. Because no enforcement conference was held prior to issuance of the NOV, this response is GPC's first real opportunity to give a complete explanation, from its perspective, of these events. It would be helpful for the parties to meet and confer, in person, to discuss the NOV and this reply. Mr. H. Allen Franklin, President and Chief Executive Officer of GPC, who has been involved in the preparation and review process of this reply, is available for such a meeting. This suggestion is not made lightly. GPC believes that the issues raised in the NOV and this reply can best be explained verbally so that neither the tone nor the content of this reply is misunderstood. GPC urges the NRC to hold such a meeting at a time and place mutually convenient to the parties.

This reply has been developed after substantial inquiry under my supervision and other GPC officers. The reply was reviewed by certain individuals familiar with these events and by the VEGP Plant Review Board for accuracy and completeness. While I do not have personal knowledge of all the facts as stated, I and others have thoroughly reviewed and evaluated the information. Based on all these efforts, I have a high degree of confidence in the reply's accuracy. The information provided in this reply is true and correct to the best of my knowledge and belief. We are available to provide any clarification, expansion or verification which you should require. Mr. C. Kenneth McCoy states that he is the Vice President-Nuclear (Vogtle Project) of GPC and is authorized to execute this letter on behalf of GPC.

Yours very truly,


C. Kenneth McCoy

SWORN TO and subscribed before
me this 31st day of July,
1994.


NOTARY PUBLIC

My Commission Expires:

Notary Public, Fulton County, Georgia
My Commission Expires January 29, 1996

[NOTARIAL SEAL]

Mr. James Lieberman

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xc: Georgia Power Company
Mr. J. Beasley, Jr.
Mr. M. Sheibani
NORMS

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

Enclosures:

1. May 11, 1994 letter from W. G. Hairston, III to employees (example)
2. Remarks of Jack D. Woodard, May, 1994
3. Executive Summary - Reply to Notice of Violation; EA93-304
4. Responses to Violations A through E
5. Answer to Notice of Violation

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The Southern Electric System

W. G. Hairston, III
Executive Vice President
Nuclear Operations

May 11, 1994

TO ALL GEORGIA POWER EMPLOYEES

By now each of you have been made aware of the recent Notice of Violation and proposed imposition of a \$200,000 civil penalty against Georgia Power Company. The Company is still evaluating this document, both its factual conclusions and the legal options, and will prepare an appropriate response. The purpose of this letter, though, is to assure all of our employees that Georgia Power Company remains firmly committed to a full, open, complete and accurate communications policy with the Nuclear Regulatory Commission, any of the Company's regulatory authorities, and with each other. Regardless of the outcome of the Notice of Violation, all of us should consider it our personal responsibility that when called upon to communicate with the Nuclear Regulatory Commission or its staff, whether orally or in writing, we will do our best to ensure that the information provided is complete and accurate in all material respects. This is our obligation by law, this is our obligation by the terms of our licenses, but more importantly, it is the right thing to do.

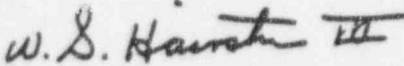
We should all remember, and take seriously, that the policy of Georgia Power Company is to conduct its business affairs in an honest, ethical manner and to comply with all laws and regulations affecting the Company. Important to our success as a company is our success at compliance with our legal obligations.

If you have a concern which you wish to raise, then you are encouraged to do so. Georgia Power Company's policy is to encourage its employees, and employees of its contractors, to communicate their concerns to their supervisors, which they are free to do at any time. If an employee concern cannot be resolved through this traditional channel, or if the employee wishes to pursue the matters through the concerns program, then use of that program is encouraged. In short, the Company wants you to feel free to raise any concern which you may have and has provided

All Georgia Power Employees
May 11, 1994

multiple ways for you to do so. You will be treated with respect, you will be treated with courtesy, and a fair and reasonable response will be provided promptly and completely. Of course, you may always go directly to the Nuclear Regulatory Commission if you wish and the way to do this, as well as the relevant phone numbers, is posted on numerous bulletin boards throughout the work areas. Rest assured that you may raise your concerns without any fear of penalty or retaliation.

Let's all work together as a team, and dedicate ourselves to safe and efficient nuclear plant operations. We all have a community of interest in the success of our company, we all have a community of interest in full, open, complete and accurate communication with ourselves and with our regulatory authorities. Let's pursue these goals to the best of our individual abilities.


W.G. Hairston, III