

DRAFT
PREDECISIONAL INFORMATION
NOT FOR RELEASE WITHOUT THE APPROVAL OF THE DIRECTOR, OE

Rev. 4: VOGDFI.R4 2/22/94

UNITED STATES
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
GEORGIA POWER COMPANY)	
(Vogtle Electric Generating)	Docket Nos. 50-425/50-425
Plant, Units 1 & 2))	License Nos. NPF-68/NPF-81
)	EA 94-036

DEMAND FOR INFORMATION

I

Georgia Power Company (Licensee) is the holder of Facility License Nos. NPF-68, and NPF-81 issued by the Nuclear Regulatory Commission (NRC or Commission) pursuant to 10 CFR Part 50. The licenses authorize the operation of the Vogtle Electric Generating Plant (VEGP) Units 1 and 2, in accordance with conditions specified therein.

II

On December 17, 1993, an investigation of licensed activities was completed by the NRC's Office of Investigations (OI) at Licensee's VEGP facility. The investigation was initiated in response to information received in June 1990 by NRC Region II alleging, in part, that material false statements were made to the NRC by senior Licensee officials regarding the reliability of the Diesel Generators (DGs). The pertinent events involved in this matter are described below.

Information in this record was deleted
in accordance with the Freedom of Information
exemptions

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On March 20, 1990, during a refueling outage at VEGP Unit 1, GPC declared a Site Area Emergency (SAE) when offsite power was lost concurrent with the failure of the only Unit 1 DG that was available (1A). The other Unit 1 DG (1B) was unavailable due to maintenance activities.

The NRC immediately responded to the SAE at the VEGP site with an Augmented Inspection Team (AIT). The NRC effort was upgraded to an Incident Investigation Team (IIT) on March 23, 1990. The IIT was composed of NRC Headquarters technical staff and industry personnel. The results of this investigation are documented in NUREG-1410, "Loss of Vital AC Power and the Residual Heat Removal System During Mid-Loop Operations at Vogtle Unit 1 on March 20, 1990."

On March 23, 1990, the NRC issued a Confirmation of Action Letter (CAL) to GPC that, among other things, confirmed that GPC had agreed not to return VEGP Unit 1 to criticality until the Regional Administrator was satisfied that appropriate corrective actions had been taken, and that the plant could safely return to power operations.

On April 9, 1990, GPC made a presentation to the NRC in the Region II offices in support of GPC's request to return VEGP Unit 1 to power operations. As part of this presentation, GPC provided information on DG starts in response to a specific NRC

request that GPC address DG reliability in its April 9 presentation. GPC submitted a written summary of its April 9 presentation in an April 9, 1990 letter, "Vogtle Electric Generating Plant Confirmation of Action Letter."

On April 12, 1990, the NRC formally granted permission for VEGP Unit 1 to return to criticality and resume power operations.

On April 19, 1990, pursuant to 10 CFR 50.73, GPC submitted Licensee Event Report (LER) 50-424/90-06, "Loss of Offsite Power Leads to Site Area Emergency."

On June 29, 1990, GPC submitted a revised LER, 50-424/90-06-01. The purpose of the submittal was to clarify information related to successful DG starts that were discussed in the April 9, 1990 letter and the April 19, 1990 LER, and to update the status of corrective actions in the original LER.

From August 6 through August 17, 1990, the NRC conducted a Special Team Inspection at VEGP, as a result of NRC concerns about, and allegations related to, VEGP operational activities. This inspection examined the technical validity and safety significance of the allegations, but did not investigate alleged wrongdoing. The Special Team informed GPC that the June 29, 1990 submittal failed to address the April 9, 1990 data and requested that GPC clarify DG starts reported on April 9, 1990. Results of

this inspection are documented, in part, in NRC Inspection Report No. 50-424,425/90-19, Supplement 1, dated November 1991.

On August 30, 1990, GPC submitted a letter, "Clarification of Response to Confirmation of Action Letter." The purpose of the submittal was to clarify the diesel start information that was addressed in the April 9, 1990 submittal.

III

The NRC has reviewed the evidence associated with these events, submittals, and representations to the NRC. Specifically, the NRC reviewed information gathered as part of the OI investigation, information gathered during the IIT, NUREG-1410, Supplement 1 of NRC Inspection Report 90-19, discovery responses in the Vogtle operating license amendment proceeding (Docket Nos. 50-424 OLA-3, 50-425 OLA-3), and other related information.

On June 29, 1990, the draft cover letter for the LER revision was being reviewed at the VEGP site. The draft had originated in GPC corporate headquarters and included language personally developed by the Senior Vice President - Nuclear Operations (George W. Hairston, III) and the Vice President - Vogtle Project (C. Kenneth McCoy). During this review, a VEGP Technical Assistant (TA) (formerly the Acting VEGP Assistant General Manager - Plant Support) (Alan L. Mosbaugh) noted that the letter was incomplete and challenged the accuracy of the reasons stated in the draft cover letter in conversations with the Supervisor - Safety Audit and Engineering Review (SAER) (Georgie R. Frederick), the VEGP Assistant General Manager - Plant Support (Thomas V. Greene), the VEGP Manager - Engineering Support (Michael W. Horton), and a Licensing Engineer - Vogtle Project (Harry W. Majors).

Mr. Mosbaugh stated that: (1) the letter failed to clarify the DG starts reported on April 9, (2) DG record keeping practices were not a cause of the difference in the DG starts reported in the April 19 LER because adequate information to formulate an accurate count was available when the counting errors were made, and (3) the erroneous counts resulted from personnel errors in

developing the count. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Mr. Majors had staff responsibility for preparing the cover letter for the LER revision and was specifically instructed by the Senior Vice President - Nuclear Operations to work closely with the site to ensure that the submittal was accurate and complete. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Mr. Horton was responsible for the Diesel Start Logs and agreed with the audit report findings regarding deficiencies in their condition. Given that his logs had not been used to collect the DG start data, he pointed out that it was wrong to state that the condition of his logs caused errors in the information initially provided to the NRC. [REDACTED]

..

Mr. Frederick was made aware by Mr. Mosbaugh on June 12 that, to identify the root cause of the error in the April 19 LER (i.e., personnel errors), the audit scope would need to include an assessment of the performance of the Unit Superintendent and the VEGP General Manager, the individuals that developed the initial count. Yet, the audit report did not include either of these individuals in the list of persons contacted during the audit. Mr. Frederick was again made aware by Mr. Mosbaugh that the root cause for the difference was personnel error. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Mr. Greene was apprised of concerns regarding the June 29 letter by Mr. Mosbaugh (an individual who had been involved in preparing the April 19 LER and had been involved in developing an accurate DG start count). Mr. Mosbaugh identified to him the failure of the June 29 letter to address the inaccuracies in the April 9 letter that it referenced and Mr. Mosbaugh pointed out the erroneous causes stated for the reasons for the difference in the June 29 DG start counts. [REDACTED]

[REDACTED] Mr. McCoy was actively involved in the preparation of the June 29 cover letter and reviewed it prior to forwarding it to the Senior Vice President - Nuclear Operations for signature and issuance. The June 29 cover letter stated that its purpose was, in part, to clarify information provided to the NRC on April 9. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] Mr. McCoy committed during the August 17 meeting with the NRC special inspection team to provide clarification to the NRC regarding the

- 9 -

April 9 letter. [REDACTED]

- 11 -

- 12 -

FOR THE NUCLEAR REGULATORY COMMISSION

James L. Milhoan
Deputy Executive Director
for Nuclear Reactor Regulation,
Regional Operations, and Research

Dated at Rockville, Maryland
this ____ day of ____ (Month) 19 (XX)

DRAFT
PREDECISIONAL INFORMATION
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Rev. 6: VOGPAPER.R6 2/22/94

March XX, 1994

SECY-94-XXX


FOR: The Commissioners

FROM: James M. Taylor
Executive Director for Operations

SUBJECT: PROPOSED ENFORCEMENT ACTION AGAINST GEORGIA POWER
COMPANY AND SOUTHERN NUCLEAR OPERATING COMPANY, VOGTLE
ELECTRIC GENERATING PLANT
(EA 93-304, EA 94-036, and EA 94-037)

PURPOSE:

To consult with the Commission regarding the issuance of a Notice of Violation



BACKGROUND:

On March 20, 1990, during a refueling outage at Vogtle Electric Generating Plant (VEGP) Unit 1, GPC declared a Site Area Emergency (SAE) when offsite power was lost concurrent with the failure of the only Unit 1 Diesel Generator (DG) that was available (1A). The other Unit 1 DG (1B) was unavailable due to maintenance activities.

The NRC immediately responded to the SAE at the VEGP site with an Augmented Inspection Team (AIT) which was subsequently upgraded to an Incident Investigation Team (IIT) on March 23, 1990.

On March 23, 1990, the NRC issued a Confirmation of Action Letter (CAL) to GPC that, among other things, confirmed that GPC had agreed not to return VEGP Unit 1 to criticality until the Regional Administrator was satisfied that appropriate corrective actions had been taken, and that the plant could safely return to power operations.

Information in this record was deleted
in accordance with the Freedom of Information
Act, exemptions
FOIA- 95-87

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On April 9, 1990, GPC made a presentation to the NRC in the Region II offices in support of GPC's request to return VEGP Unit 1 to power operations. As part of this presentation, GPC provided information on DG starts in response to a specific NRC request that GPC address DG reliability in its April 9 presentation. GPC submitted a written summary of its April 9 presentation in an April 9, 1990 letter, "Vogtle Electric Generating Plant Confirmation of Action Letter." The NRC formally granted permission for VEGP Unit 1 to return to criticality and resume power operations on April 12, 1990.

On April 19, 1990, pursuant to 10 CFR 50.73, GPC submitted Licensee Event Report (LER) 50-424/90-06, "Loss of Offsite Power Leads to Site Area Emergency."

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From August 6 through August 17, 1990, the NRC conducted a Special Team Inspection (STI) at VEGP, as a result of NRC concerns about, and allegations related to, VEGP operational activities. This inspection examined the technical validity and safety significance of the allegations, but did not investigate alleged wrongdoing. The Special Team informed GPC that the June 29, 1990 submittal failed to address the April 9, 1990 data and requested that GPC clarify DG starts reported on April 9, 1990.

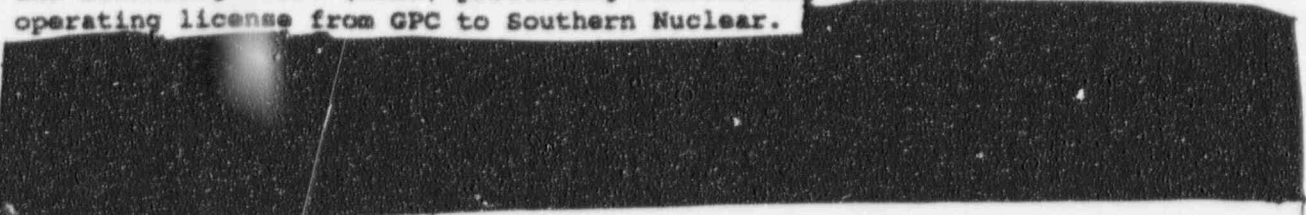
On August 30, 1990, GPC submitted a letter, "Clarification of Response to Confirmation of Action Letter." The purpose of the submittal was to clarify the diesel start information that was addressed in the April 9, 1990 submittal.

On December 17, 1993, an investigation of licensed activities was completed by the NRC's Office of Investigations (OI). The investigation was initiated in response to allegations received in June 1990 by NRC Region II asserting, in part, that material false statements were made to the NRC by senior licensee officials regarding the reliability of the DGs at VEGP as reflected in the series of communications on the issue described above. The OI Report of Investigation (Case No. 2-90-020R) is enclosed (Enclosure 1). Because of the nature of OI's preliminary conclusions, OI discussed the matter with the Department of Justice (DOJ) on January 9, 1992. By memorandum dated April 12, 1993, DOJ notified the NRC that it was closing its criminal investigation of the matter and recommended that the NRC continue its administrative proceeding. DOJ also advised the NRC to contact DOJ in the event subsequent NRC investigation identified additional evidence of criminal activity. OI discussed the final results of its investigation with DOJ on December 16, 1993, and DOJ verbally declined criminal prosecution of the matter.

[REDACTED] on September 16, 1993, the staff formed a special task force composed of representatives from the Office of Enforcement, Region II, the Office of Nuclear Reactor Regulation, and the Office of General Counsel to conduct a detailed review of the evidence

collected by OI on the allegations. The Vogtle Coordinating Group (Group) was also tasked with identifying any violations and developing a detailed analysis of the evidence in support of its conclusions.

In addition to this enforcement proceeding, there is an ongoing Atomic Safety and Licensing Board (ASLB) proceeding considering the transfer of the operating license from GPC to Southern Nuclear.



DISCUSSION:

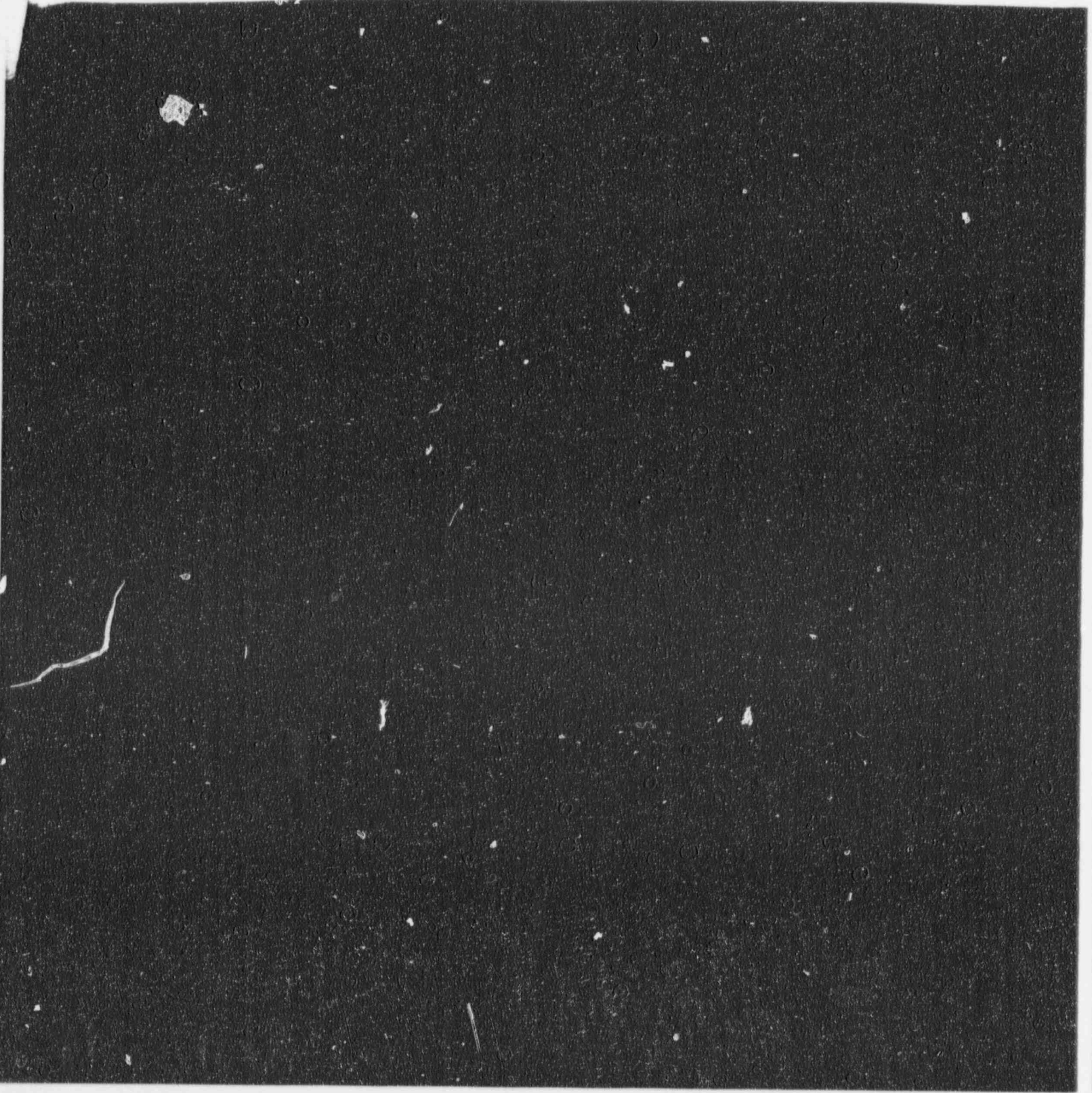
The OI investigation concluded that evidence uncovered by OI supports a finding of deliberate failures on the part of GPC officials to provide the NRC with information that is complete and accurate in all material respects. OI concluded that:

- G1 {
- (1) the VEGP General Manager¹ (George Bockhold, Jr.) deliberately presented incomplete and inaccurate information regarding the testing of the VEGP Unit 1 DGs during an oral presentation to the NRC on April 9, 1990,
 - (2) GPC submitted inaccurate and incomplete information regarding DG test results in a letter to NRC dated April 9, 1990, as a result of deliberate actions by Mr. Bockhold,
- G2 {
- (3) GPC submitted inaccurate and incomplete information regarding DG air quality in the April 9 letter to the NRC, as a result of deliberate actions by Mr. Bockhold,
 - (4) the Senior Vice President - Nuclear Operations (George W. Hairston, III), with, at a minimum, careless disregard, submitted a false statement of diesel test results to the NRC in Licensee Event Report (LER) No. 90-006, dated April 19, 1990, as a direct result of deliberate actions by a group of senior managers including Mr. Hairston, the Vice President - Vogtle Project (C. Kenneth McCoy), the Corporate General Manager of Plant Support (William B. Shipman), and Mr. Bockhold,
 - (5) Mr. Hairston, with, at a minimum, careless disregard, submitted a false statement to NRC in the letter of transmittal of a revision to LER 90-006, dated June 29, 1990,
 - (6) Mr. McCoy, with, at a minimum, careless disregard, submitted both a false statement and a misleading statement in the GPC clarification of Confirmation of Action response letter to NRC dated August 30, 1990, and


¹Licensee organizational charts are included in Enclosure 2.

- (7) GPC provided inaccurate information in its response to a 10 CFR 2.206 petition, dated April 1, 1991.

OI also concluded from the combination of the above findings, and the overall review of numerous audio tape recordings of internal GPC conversations regarding their communications with the NRC on a range of issues, that, at least in the March-August 1990 time frame, there was evidence of a closed, deceptive, adversarial attitude toward NRC on the part of GPC senior management.



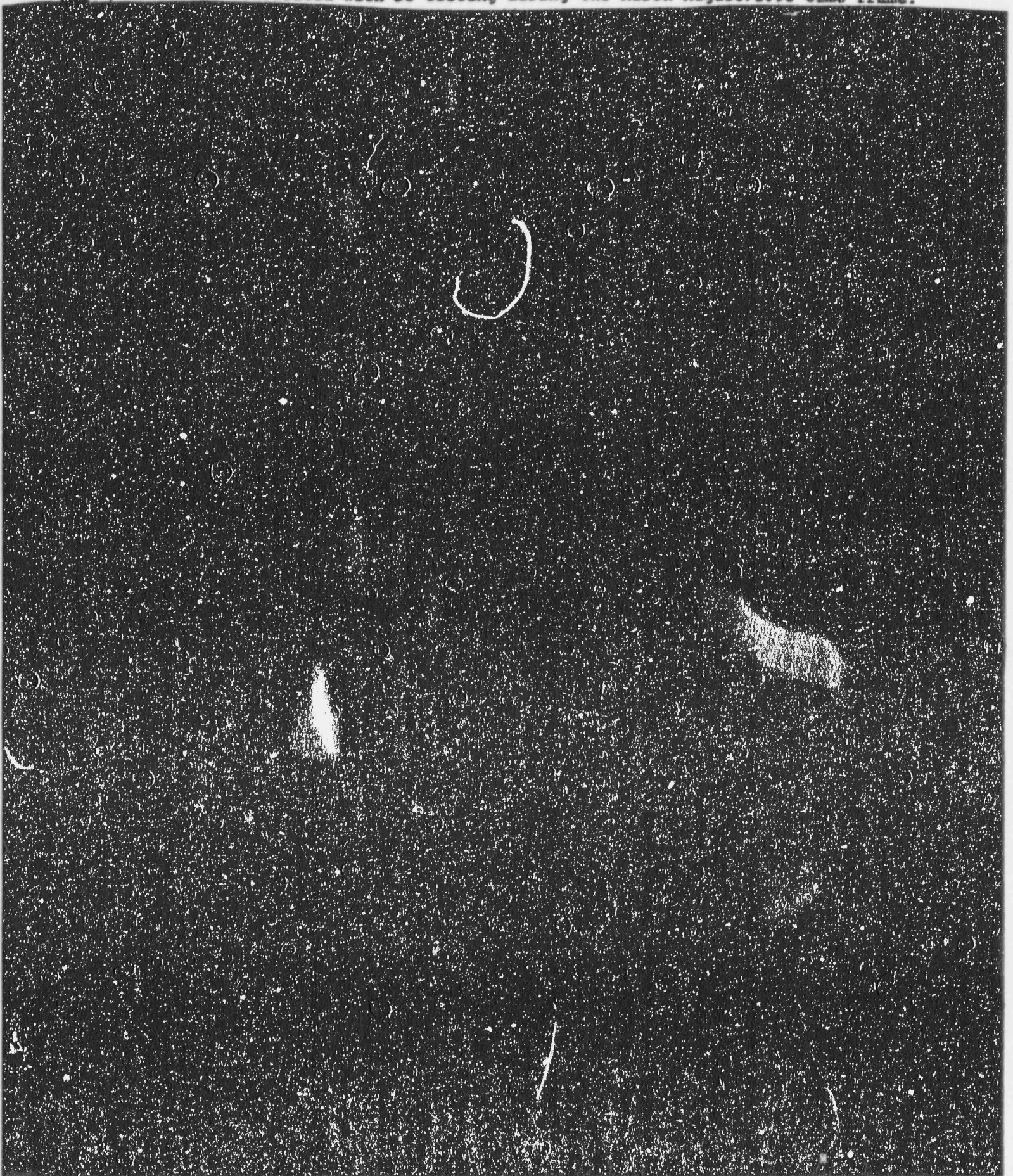
Finally, the Group reviewed numerous audio tapes and other evidentiary materials associated with DG testing during the March-August, 1990 time frame.




- (7) GPC provided inaccurate information in its response to a 10 CFR 2.206 petition, dated April 1, 1991.

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Finally, the Group reviewed numerous audio tapes and other evidentiary materials associated with DG testing during the March-August, 1990 time frame.




Mr. Bockhold is currently working for Southern Nuclear as the General Manager of Nuclear Technical Services.



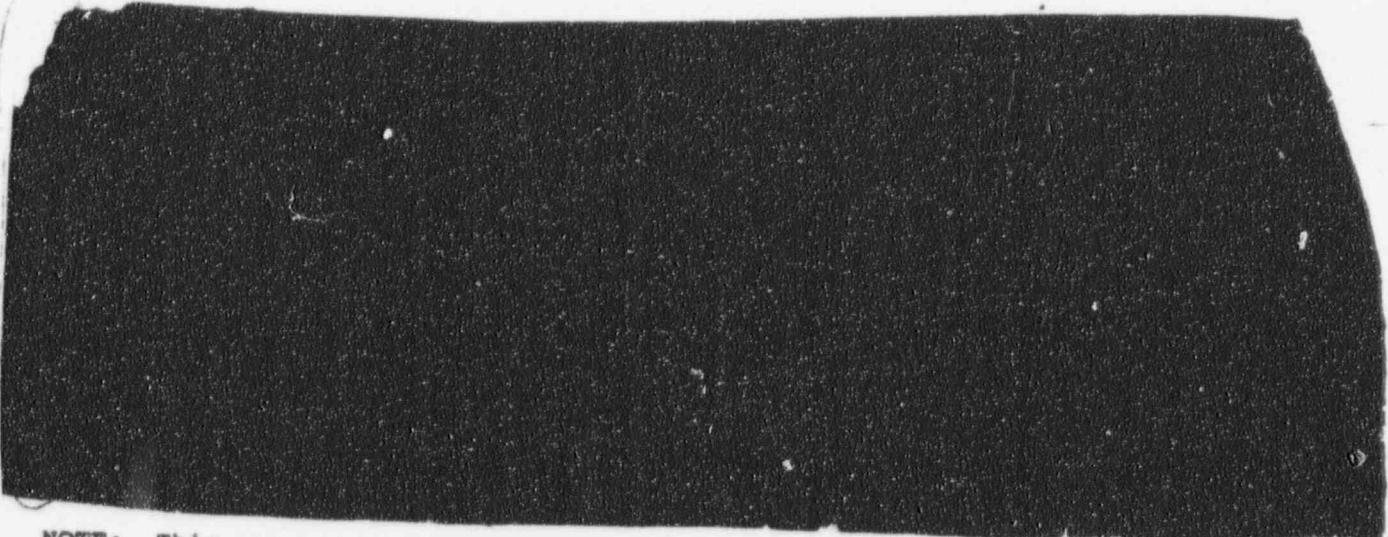
NOTE: This paper and its issues should not be publicly disclosed because the matter involves sensitive as well as predecisional enforcement issues.

James M. Taylor
Executive Director for Operations

Enclosures:

1. OI Report 2-90-020R
 2. Licensee Organization Charts
 3. Vogtle Coordinating Group Analysis
 4. Notice of Violation
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Mr. Bockhold is currently working for Southern Nuclear as the General Manager of Nuclear Technical Services.



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James M. Taylor
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