

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

Rev. 10: VOGCOVER.R10 3/8/94

Docket No. 50-424  
License No. NPF-68  
EA 93-304, EA 94-036, EA 94-037, and EA 94-052  
Georgia Power Company  
ATTN: Mr. H. Allen Franklin  
President and Chief Executive Officer  
Post Office Box 1295  
Birmingham, Alabama 35201

SUBJECT: NOTICE OF VIOLATION [REDACTED] AND DEMANDS FOR INFORMATION (NRC  
OFFICE OF INVESTIGATIONS REPORT NO. 2-90-020 AND NRC  
INSPECTION REPORT NO. 50-424,425/90-19, SUPPLEMENT 1)

This refers to the investigation conducted by the Nuclear Regulatory Commission's Office of Investigations (OI) at Georgia Power Company's (GPC) Vogtle Electric Generating Plant (VEGP) which was completed on December 17, 1993. The investigation was initiated as a result of information received in June 1990 by Region II alleging, in part, that material false statements were made to the NRC by senior officials of GPC regarding the reliability of the Diesel Generators (DGs). The pertinent events involved in this matter are described below.

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.

Information in this record was deleted  
in accordance with the Freedom of Information  
Act, exemptions \_\_\_\_\_  
FOIA- 95-81

c/63

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 1, 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.

The NRC has carefully 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. [REDACTED]

[REDACTED] The VEGP General Manager was personally involved in the preparation of the data regarding the DG reliability and tasked the Unit Superintendent with collecting the number of successful DG starts for the 1A and 1B DGs. [REDACTED]

[REDACTED] In fact, the VEGP General Manager stated no criteria for successful starts, a term not fully defined, when he directed the Unit Superintendent to gather successful DG starts. The Unit Superintendent collected DG start data from the Control Room Log and the Shift Supervisor's Log [REDACTED]

[REDACTED] and orally conveyed totals to the VEGP General Manager for the 1A and 1B diesels. [REDACTED]

[REDACTED] Information was then presented to the NRC in an April 9, 1990 oral presentation by the VEGP General Manager and in an April 9, 1990 letter that since March 20, 1990, there were 18 and 19 successful consecutive starts on the 1A and 1B DGs, respectively, without problems or failures. [REDACTED]

[REDACTED] the 19 trouble-free starts for the 1B DG that GPC reported in the presentation and letter included three starts with problems that occurred during DG overhaul/maintenance activities (a high lube oil temperature trip on March 22, 1990; a low jacket water pressure/turbo lube oil pressure low trip on March 23, 1990; and a failure to trip on a high jacket water temperature alarm occurring on March 24, 1990). The correct number of consecutive successful starts was 12 for the 1B DG--a number

[REDACTED] less than that reported by GPC to the NRC on April 9, 1990.

[REDACTED]

[REDACTED] The air for starting a DG and operating its instruments and controls is derived from the starting air system. The starting air system contains dryers designed to maintain moisture content (i.e., dew point) at acceptable levels.

[REDACTED]

[REDACTED] A review of maintenance records and deficiency cards associated with Unit 1 would have revealed that high dew points were also attributable to system air dryers occasionally being out of service for extended periods and to system repressurization following maintenance, as documented in NRC Inspection Report No. 50-424,425/90-19, Supplement 1, dated November 1, 1991.

[REDACTED]

LER 90-006, submitted to the NRC on April 19, 1990, was based, in part, on information presented to the NRC on April 9, 1990 [REDACTED]

[REDACTED] During the preparation of the LER, the Acting VEGP Assistant General



Manager - Plant Support questioned the accuracy of the April 9, 1990 letter given that there were trips on the 1B DG after March 20, 1990.

[REDACTED]

In later discussions regarding the draft LER, the General Manager, Technical Support Manager and Acting VEGP Assistant General Manager - Plant Support acknowledged that they could not identify the specific DG start that represented the starting point for the count presented to the NRC, i.e., the first start following completion of the CTP. There were also different interpretations about what testing the term CTP encompassed. The General Manager - Plant Support (Vogtle Project), the VEGP Technical Support Manager, and the Acting VEGP Assistant General Manager - Plant Support were aware that the VEGP General Manager had earlier stated that his April 9 count began after instrument recalibration. The Acting VEGP Assistant General Manager - Plant Support stated that his understanding of the CTP was that it would be a test program to determine root causes and restore operability.

[REDACTED]

In fact, the Unit Superintendent who collected the original April 9th data advised the Acting VEGP Assistant General Manager - Plant Support and the VEGP Technical Support Manager that he started his counts on March 20, prior to the time when a CTP could have been completed.

[REDACTED]

the 1A and 1B DG start counts reported on April 19, 1990 overstated the actual counts by including starts that were part of the test program.

[REDACTED]

the DGs--the failure of which was the very issue that caused an extended shutdown. GPC was aware of the NRC's interest in the DGs, in that the NRC specifically asked GPC to address DG reliability as part of its restart presentation for April 9, 1990.

[REDACTED]

Georgia Power Company

- 6 -

[REDACTED]

On April 30, 1990, the Acting VEGP Assistant General Manager - Plant Support gave the VEGP General Manager a listing of 1B DG starts, [REDACTED]

After being informed that the April 19 DG start counts were in error, the Senior Vice President - Nuclear Operations informed the Regional Administrator that a revision to the April 19 LER would be submitted, in part, to correct the DG start counts. After being provided conflicting data for the second time, the Senior Vice President - Nuclear Operations again notified the Regional Administrator. He also requested that an audit be conducted by GPC's Safety Audit and Engineering Review (SAER) group to establish the correct data and to determine why the errors were made. The audit, completed June 29, narrowly focused on a review of diesel records (Test Data Sheets, Shift Supervisor's Log, and Diesel Generator Start Log) to verify the number of DG starts. The audit did not identify any specific cause for the error in the number reported in the LER. The audit stated, however, that the error appeared to result from incomplete documentation. The audit also noted that there apparently was some confusion about the specific point at which the test program was completed. [REDACTED]

[REDACTED]

On June 29, 1990, the draft cover letter for the LER revision was being reviewed at the site. The draft had originated in GPC corporate headquarters and included language personally developed by the Senior Vice President - Nuclear Operations and the Vice President - Vogtle Project. During the site review, a VEGP Technical Assistant (TA) (formerly the Acting VEGP Assistant General Manager - Plant Support) noted that the letter was incomplete and challenged the accuracy of the reasons stated in the draft cover letter in conversations with the Supervisor - SAER, the VEGP Assistant General Manager - Plant Support, the VEGP Manager - Engineering Support, and a Licensing Engineer - Vogtle Project. The VEGP TA 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 was available when the counting errors were made, and (3) the erroneous counts resulted from personnel errors in developing the count.

[REDACTED]

[REDACTED]

[REDACTED]

The Vice President - Vogtle Project and the Senior Vice President - Nuclear Operations were actively involved in the preparation of the June 29 cover letter. The VEGP General Manager and Vice President - Vogtle Project reviewed, and the Senior Vice President - Nuclear Operations signed, the June 29 cover letter which stated that its purpose was, in part, to clarify information provided to the NRC on April 9.

[REDACTED] the April 9, 1990 letter. The letter stated that the errors in the April 9 letter and presentation and the April 19 LER were caused, in part, by confusion in the distinction between a successful start and a valid test.

[REDACTED]



[REDACTED] During the August 29, 1990 Plant Review Board meeting, the VEGP Manager - Technical Support questioned if the Unit Superintendent (the individual who originally collected the DG start data) was confused in the distinction between a successful start and a valid test. The VEGP General Manager admitted that the Unit Superintendent was not confused about the distinction when he collected the data which was used to prepare the April 9 letter, but stated that the sentence was not in error because other people were confused. The VEGP General Manager acknowledged that there was confusion among individuals after April 9, but admitted that the Unit Superintendent was not confused when he developed the information. [REDACTED]

[REDACTED] The August 30 letter states that the error in the April 9 letter and presentation and the April 19 LER were caused, in part, by an error made by the individual who performed the count of DG starts. [REDACTED]

[REDACTED] While GPC undertook efforts to correct the April 19 LER, it narrowly focused only on that submittal. For example, GPC conducted an audit, the scope of which was limited to review of DG records, in an attempt to correct the start count reported in the April 19 LER. Furthermore, in its June 29 submittal, while GPC referred to both the April 9 letter and the April 19 LER, it attempted to explain only the reasons for the error in the April 19 LER. The Senior Vice President - Nuclear Operations and the Vice President - Vogtle Project were directly involved in the development of the June 29 letter. [REDACTED]

[REDACTED] Subsequently, the NRC requested that GPC make a submittal addressing the April 9 letter. [REDACTED]

The Vice President - Vogtle Project committed during the August 17 meeting with the NRC special inspection team to provide clarification to the NRC regarding the April 9 letter.

[REDACTED]

GPC forwarded a submittal regarding the April 9 letter on August 30 that was drafted at corporate headquarters under the direction of the Vice President - Vogtle Project, without an assessment of the actions of the VEGP General Manager and the Unit Superintendent who developed erroneous information for the April 9 letter.

Georgia Power Company

- 11 -

[REDACTED]

[REDACTED]

[REDACTED] Although OI's investigation primarily  
focused on actions and communications involving the DGs, OI also  
reviewed other communications within a particular time-frame and  
made a general observation that GPC exhibited a closed,  
adversarial attitude toward the NRC. [REDACTED]

Georgia Power Company

- 13 -

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. No. 96-511.

Sincerely,

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

Enclosures:

1. Notice of Violation [REDACTED]
2. Demand For Information Regarding Messrs. Thomas V. Greene, Georgie R. Frederick, Harry W. Majors, and Michael W. Horton
3. Demand For Information Regarding Mr. C. Kenneth McCoy
4. Demand For Information Regarding Mr. George Bockhold, Jr.



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

Rev. 8: VOGPAPER.R8 3/8/94

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, VOGTLE ELECTRIC GENERATING PLANT  
(EA 93-304, EA 94-036, EA 94-037, and EA 94-052)

PURPOSE:

To consult with the Commission regarding the issuance of a Notice of Violation  
[REDACTED] and Demands for  
Information to the Georgia Power Company (GPC). [REDACTED]  
[REDACTED]

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.

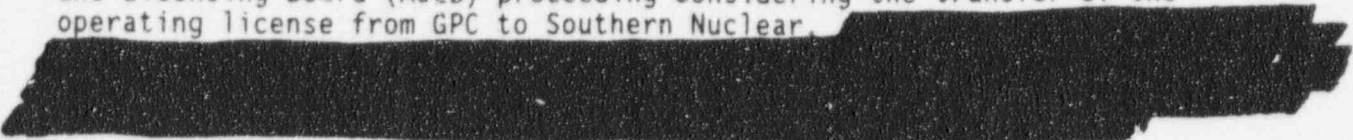
On March 23, 1990, the NRC issued a Confirmation of Action Letter (CAL) to GPC that, among other things, confirmed that GPC had agreed not to return VEGP Unit 1 to criticality until the Regional Administrator was satisfied that appropriate corrective actions had been taken, and that the plant could safely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

Information in this record was deleted  
in accordance with the Freedom of Information  
Act, exemptions 5  
FOIA- 95-87

C164

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:

- (1) the VEGP General Manager<sup>2</sup> (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,
- (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

---

<sup>2</sup> Licensee organizational charts are included in Enclosure 2.

The Commissioners

- 5 -

[REDACTED]

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

The Commissioners

- 6 -

The Commissioners

-7 -



The Commissioners

-8 -

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 [REDACTED]  
[REDACTED] and Demands for Information