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Report of Interview

 Division of Reactor Safety (DRS),  
Division of Reactor Projects  
formerly  (DRP), Region II, U.S. Nuclear Regulatory Commission (NRC), was interviewed relative to the facts and circumstances concerning a September 23, 1983, meeting at Region II between Mississippi Power and Light (MP&L) and Region II officials. He was also interviewed with respect to the facts and circumstances pertaining to discrepancies in Reactor Operator (RO) and Senior Reactor Operator (SRO) training at Grand Gulf Nuclear Station (GGNS) and the related course of events which led to a restart of GGNS on September 25, 1983. He provided the following information:

Generally, the meeting between Region II and MP&L on September 23, 1983, concerned Agastat Relays and was characterized as a management meeting as opposed to an enforcement meeting. It is common practice for Region II in conducting management and enforcement meetings with the licensee, to remind the licensee of the necessity to submit accurate and factual information to NRC. He noted that NRC's enforcement policy regarding Material False Statements (MFS) is routinely discussed during enforcement meetings and other meetings involving corporate level personnel such as the September 23, 1983, meeting.

The thrust of Region II actions at the September 23, 1983, meeting was to identify potential safety problems and to have them resolved at the earliest opportunity. He noted that when Region II officials informed the licensee of NRC's increasing concern about the problems associated with reactor operator licensing examination applications, they did not consider that a possible future investigation of this matter could possibly be compromised because such actions are routinely practiced. He recently asked the Office of Investigations (OI) investigator who handled this matter if he believed Region II's actions at the September 23, 1983, meeting compromised or hindered the OI investigation. The OI investigator denied that Region II's actions compromised the investigation.

The events at the September 23, 1983, meeting concerning an MP&L letter addressing discrepancies in the Reactor Operator Training Program (ROTP) at GGNS were, as alluded to previously, secondary to the primary purpose of the meetings. Events relating to the presentation by MP&L of the letter concerning discrepancies in ROTP were precipitated by an August 19, 1983, meeting between MP&L and Region II. At that meeting, Region II officials had explained to the licensee that although qualification cards were not a regulatory requirement,

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by Mark E. Resner, Investigator, OIA DATE DICTATED August 18, 1984

per se, the licensee had committed in their Final Safety Analysis Report (FSAR) to complete qualification cards. Consequently, their actions, or lack of action in that regard was considered to be a deviation and potentially an MFS. Region II officials further advised the licensee that if Region II had known when the applications for the reactor operator examinations were submitted that MP&L had not accomplished the training as described in the FSAR, the operator exams would not have been conducted until the training had been completed. Region II also reminded the licensee that in accordance with NRC enforcement policy, an MFS is a potential civil penalty matter and they must devote prompt management attention (investigate) to determine the nature, scope, and cause of the discrepancies with the qualification cards as well as any other training deficiencies of licensed operators at GGNS.

Concerning the reliance of Region II upon the licensee to provide further details (an investigation) about the discrepancies on the qualification cards when Region II was considering the actions by the licensee or lack of actions to be a potential MFS, he noted that based on the information available at that time Region II did not believe MP&L management intentionally submitted the false applications. He learned from his conversations with James McGaughy, Vice President, Nuclear, MP&L, concerning this matter, that McGaughy signed the MP&L letter transmitting the false applications to NRC without verifying the information. McGaughy relied on his staff in this matter. Therefore, Region II believed that if they brought this problem to McGaughy's attention it would properly and promptly be resolved. He noted that when the overall MP&L training program for ROs and SROs became suspect, it was incumbent on MP&L to investigate and report any deficiencies to NRC as well as take necessary corrective actions.

Digressing to the August 19, 1983, meeting, he recalled that towards the close of the meeting, Region II advised McGaughy that they wished to again promptly meet with MP&L to review the results of MP&L's investigation into the licensed operator training discrepancies. McGaughy advised Region II that he would give the matter prompt attention, however, based on the findings of Region II's February 15 through 17, 1983, assessment and follow up inspection at GGNS, he had concluded that the situation was not that serious.

Digressing to the September 23, 1983, meeting, he recalled that as an after-thought to the meeting, McGaughy mentioned that he had a letter concerning MP&L's correction of the record regarding qualification cards for ROs and SROs at GGNS which had been prepared for submittal to Region II. Region II officials then advised McGaughy that the issue of the operator qualification cards was currently being discussed in Region II and that it was now being considered an MFS as opposed to a deviation as it had been described at the August 19, 1983, meeting. McGaughy said that in view of the significance that was currently being noted by Region II (primarily [REDACTED] Richard Lewis, Director, DRP, and David Verrelli, Chief, Reactor Projects Branch #1, DRP) on the issue concerning the qualification cards, he wanted to be absolutely certain that the information provided to him by his staff was correct. McGaughy removed the letter from his briefcase to demonstrate the fact of its existence and then put the letter back in his briefcase. Region II officials present at the meeting agreed to his proposal and indicated that it was a good idea in consideration of the seriousness of the matter. To [REDACTED] recollection, Region II personnel present did not read the letter nor did they make such a request from MP&L. He noted that MP&L representatives did not

offer or refuse Region II representatives the opportunity to read the letter. Later, in the hallway, McGaughy advised him( ) that he believed MP&L had been "sand bagged" by NRC about the seriousness of the qualification cards issue because previous discussions between MP&L and NRC had not represented this matter as a potential MFS. He recalled that this meeting was held in Lewis' office at Region II.

An October 3, 1983, documented summary of the September 23, 1983, meeting (Exhibit 1) does not indicate the discussions and actions relative to the MP&L letter in question. Because, as previously alluded to, events regarding the letter occurred after the formal meeting had adjourned. The October 3, 1983, summary was written by ( ), a former Region II ( ), assigned to GGNS.

Generally, with respect to the discrepancies in ROTP and the related course of events at GGNS which led to the restart of GGNS on September 25, 1983, the magnitude of the problems regarding the training progressed over a period of time. Initially, Region II believed that the deficiencies were a matter of missing documentation resulting from poor file maintenance by MP&L. As time progressed from Region II's initial training assessment of RO and SRO training in February 1983 to a second training assessment conducted in November 1983, the problems associated with the training program expanded. They included not only missing documentation, but also indications that some of the POs may not have had all of the required training as described by MP&L in the RO exam applications.

More specifically, during a training assessment inspection 50-416/83-06 conducted from February 15 through 17, 1983, Region II first became aware that all of the supporting records for previous licensed operator training could not be located. MP&L advised Region II that they were aware of the missing documentation and showed Region II a number of MP&L Plant Quality Deficiency Reports (PQDR) documenting the problem. The PQDR characterized the problem as missing or misplaced documents. MP&L committed to Region II that they would resolve the problem by February 23, 1983. Region II gave credence to the licensee's explanation because the records were in a state of disarray. In accordance with NRC practice, because MP&L had identified the problem in the PQDR and had committed to resolve the problem, Region II considered the matter to be an unresolved inspection item pending a further review of the licensee's actions in a follow up NRC inspection. He is aware that resulting discussions within Region II involving James P. O'Reilly, Regional Administrator, John Olshinski, Director, DRS, ( ),

( ) Operations Branch (OB), DRS, and Albert Gibson, Chief, OB, DRS, explored the possibility that MP&L made an MFS with respect to the discrepancies in the operator training. It was resolved from these discussions that based on the information known at that time, it could not be concluded that MP&L made an MFS.

The unresolved item concerning the missing documentation was next reviewed by Region II during an Operational Readiness Inspection (50-416/83-38) from August 15 through September 1, 1983. Concerning a six month delay in following up on this matter, he noted that the safety significance of this problem was negligible in that the reactor (GGNS) was in a state of cold shutdown for a maintenance outage since August 18, 1982, and was not expected to restart for approximately six to nine months. He explained that Region II had issued



a Confirmation of Action (COA) letter on October 20, 1982, in connection with the shutdown, and it prevented MP&L from restarting GGNS without Region II's concurrence. Also, Region II's work load included activities associated with other reactors that were operational and required more attention than GGNS which, as noted, was in a state of cold shutdown.

During this operational readiness inspection, Region II found that the purported missing documentation concerning RO and SRO training could not be located and that some of the training had been abbreviated. The focus of the inspection was then on incomplete RO qualification cards because of the discrepancies in them concerning previous applications for operator licensing examinations to NRC. The failure by MP&L in this regard was considered a deviation by Region II and so stated to MP&L management during an exit conference on August 19, 1983. At that meeting, he [REDACTED] advised the licensee that when they found that the information previously submitted to NRC was not correct, it was incumbent upon them to assure its accuracy. He further advised them that this matter could be considered by NRC as an MFS. The MP&L representatives present were Jack Richard, Senior Vice President, Nuclear, and James McGaughy, Vice President, Nuclear, and they verbally committed to Region II that they would correct the record by way of a formal letter to NRC. During the weeks following the exit conference, Region II discussed the inspection findings thoroughly and again entertained the possibility that the licensee committed an MFS in this matter. There was some discussion as to whether or not the matter should be referred to the Office of Investigations (OI), NRC, for a formal investigation.

On September 23, 1983, as described above, there was a meeting at Region II between MP&L and NRC.

On October 4, 1983, MP&L and NRC representatives met at the Region II offices to discuss other issues concerning GGNS. At the conclusion of the meeting, the licensee advised Region II that they wished to update the NRC about progress in their investigation concerning the deficiencies in the licensed operator training program. They informed NRC that in addition to the problems of incomplete qualification cards, it was possible that some of the ROs had not received some of their training because no record of some of the training could be found. Region II advised the licensee of their increasing concern with the problems regarding ROTP.

On October 12, 1983, MP&L again met with NRC at Region II to discuss MP&L's investigation of the discrepancies with ROTP. Region II had requested that investigators from OI attend that meeting. James Y. Vorse, Director, OI, Atlanta Field Office, and [REDACTED] of his (Vorse's) staff attended the meeting. Region II advised MP&L that OI was in attendance at that meeting because of the expanding scope with the training discrepancies and Region II's heightened concern about the problem. The licensee was also informed that during the preceding week Region II had discussed with OI the possibility of requesting a formal OI investigation of this matter. On the following day Region II management met and decided to request a formal investigation by OI. On October 17, 1983, Region II verbally requested that [REDACTED] OI, and Vorse begin an investigation of this matter. This verbal request was followed by a formal letter of request dated October 18, 1983.

From October 31 through November 4, 1983, Region II conducted another Training Assessment Inspection (50-416/83-53) of ROs and SROs at GGNS. The purpose of the inspection was to determine what corrective measure by MP&L had been taken to preclude future errors in licensed RO applications and also to verify that all previously licensed operators possessed sufficient knowledge to safely operate the reactor. He [REDACTED] noted that as a result of the inspection, it was found that four licensed operator candidates examined in September 1983 for SRO licenses had been rushed through their training. For example, one of the qualification cards had over 100 sign offs on oral examination of knowledge on reactor systems accomplished in one day. This raised serious questions in Region II about the adequacy of training at GGNS. Only portions of the normal NRC simulator and plant walk through examinations had been given to 13 operators. Three licensed operators, upon questioning by members of the NRC inspection team, exhibited inadequate knowledge of the plant. Ten operators examined by the NRC inspection team were deemed to be fully adequate. Three licensed operators who exhibited inadequate knowledge of the plant were removed from their respective duties on November 4, 1983, following the exit interview between MP&L and Region II. MP&L subsequently documented these actions by way of a November 10, 1983, letter to Region II. Because low power testing had almost been completed, and based on Region II's observations of the licensed operators at the plant, GGNS was permitted to operate until November 8, 1983, when the plant was taken to a cold shutdown. He noted that on November 7, 1983, former Commissioner Victor Gilinsky visited GGNS and toured the facility with Lewis, O'Reilly, and himself. Prior to the Commissioner's tour of the plant, he was briefed by Region II (O'Reilly, Lewis, and [REDACTED]) concerning the discrepancies with ROTP and the fact that some licensed operators had been removed from their duties as a result of Region II's training assessment/inspection. Gilinsky expressed his concurrence with Region II's actions regarding ROTP at GGNS.

Although cold shutdown of GGNS was effected by NRC through a verbal agreement with MP&L on November 4, 1983, stipulating MP&L would be allowed to operate at five percent power or less for two more days (this actually proved to be four days) in order to complete low power testing, the COA letter of December 5, 1983, regarding this action does not state that GGNS should not be operated. However, it did specify certain conditions to include that MP&L would complete a recertification of the training program for the operating staff at GGNS prior to exceeding five percent power. He also noted that there was a meeting held in Region II on November 14 and 18, 1983, between NRC and MP&L wherein MP&L described the recertification program that they had committed to for the GGNS operating staff. The December 5, 1983, COA letter to MP&L confirms those commitments.

With respect to the December 5, 1983, COA letter, he [REDACTED] recalls discussions with Region II management (he does not recall who the discussions were with) wherein the question was asked if the operation of GGNS should be prohibited until such time that the commitments, specifically, the recertification of the operator training program identified in the COA letter were fulfilled. He noted that despite the fact no formal restriction was placed on GGNS with respect to it operating below five percent power, the recertification of ROTP restricted operator manpower which resulted in insufficient availability of licensed operators to meet the technical specifications of shift manning requirements. Therefore, the plant could not operate. He recalled that he had drafted a version to the December 5, 1983, COA wherein it

specifically stated that GGNS shall not be restarted until licensed operator recertification was completed. This draft letter was discussed at various levels of management in Region 11 and a decision on its finalization was never reached. Instead, the December 5, 1983, COA letter stated "prior to exceeding five percent power"... The issuance of the letter was delayed until December 5, 1983, because Region 11 staff resources were involved in other activities concerning GGNS.

In February 1984, MP&L completed the recertification of the licensed operators at GGNS. NRC has subsequently conducted walk through and simulator examinations for all operators scheduled to perform operator duties at GGNS. The purpose of the examinations was to verify the adequacy of MP&L's recertification. As a result of these examinations, NRC considers the licensed operators at GGNS to be fully trained and competent.