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To: "Victor Dricks" <vld@nrc.gov>, "Dave Lochbaum" <dlochbaum@ucsusa.org>
Date: 8/7/02 11:33AM
Subject: Safet Concern and Corruption: Cooper and the Missouri river

Mr. Dricks,

I wish you would add this to the Cooper's docket and Adams. I am debating whether to turn this into a 2.206.

What we got here is not a plant that has a long history of being a high industry performer. We are dealing with a very troubled plant. The NRC itself has mentioned this plant has been in a declining performance trend since 2000, with recent senior NRC executive interest. There is a lot of recent turmoil on just "who is going to manage the plant" and who is going to "fund" the operation of the facility and with intense employee turmoil within the site. From recent operational events, to the confusion on just who is going to manage the facility, this plant is sending out very troubling signals to the nation at large.

Just why does the NRC let these troubled facilities degrade to such a low level? The locale ratepayers are going to have to spend an enormous amount of money to recover from this jump off the cliff. You have threatened the economy of the region. The NRC waste large amounts of ratepayer monies by allowing these facilities to scrape bottom for years on end. These poor performing plants threaten the credibility of all the rest of nuclear plants and even the NRC. Consider the following excerpts from the Omaha World-Herald:

Omaha.com
BY NANCY GAARDER

OMAHA WORLD-HERALD STAFF WRITER

The shift to privately managing Cooper is under consideration at a time when the southeast Nebraska plant's problems are coming to a head. Federal regulators have given Cooper the lowest grade a nuclear plant can have and still continue operating. The two outside utilities that contract for about two-thirds of Cooper's power have said they aren't interested in underwriting the plant's expenses anymore. Cooper's costs are above average.

Longtime board members Darrell Nelson of Oconto and Ralph Holzfaster of Paxton favor adding Cooper to Nuclear Management's fleet. Nelson said the firm might be able to cut Cooper's costs and make it more competitive.

Holzfaster said Cooper could benefit from economies of scale by aligning with a company like Nuclear Management. Access to Nuclear Management's stable of executives also would allow the plant near Brownville to overcome some of the problems it has had with turnover among senior managers.

Excessive costs are one of the reasons that NPPD's chief partner at Cooper, MidAmerican Energy Co., has broken off talks on extending its contract past 2004. Lincoln Electric System already has decided to let its contract lapse in 2003. Together LES and MidAmerican underwrite more than half of Cooper's \$150 million annual production costs.

Turnover can be seen in the parade of plant managers. In the past six years, Cooper has had four.

Coyle and David Wilson can tick off reasons Cooper is struggling: Excessive turnover in management. An inability to solve problems. An insular attitude toward the industry. A lack of engagement from senior management. Poor communication with federal regulators.

"Every time you get a new one, a new set of priorities happens and the organization has to change," he said. "It's been kind of hard from manager to manager to stay on top of what really needed to be done."

An underlying problem, Coyle and Wilson said, has been that senior management at NPPD didn't stay connected enough to the plant, relying instead on the nuclear station's executives.

Coyle described the interaction that he found between Cooper and the NRC when he arrived last year as "not very healthy."

"The regulators were really frustrated," he said, "with trying to really understand what was going on at Cooper."

The problems confronting Cooper are myriad: Federal regulators have ranked Cooper as one of the

poorest performing plants in the country, although they hasten to add that it is operating safely. Constant churn among upper management has made it difficult for the plant to chart a solid course. And an inability to do the job right the first time has pushed costs up so much that Cooper's power is no longer competitively priced.

Costs that are running about 18 percent above the nuclear industry's average have been a drag on consumers' bills and have alienated Cooper's partners. If NPPD can turn Cooper around, it stands to gain millions of dollars. If it can't, it stands to lose millions.

The NRC hasn't gotten it yet, but when a plant becomes this troubled, and I might add becomes a threat to the whole industry, it is the agency that facilitated and is responsible for the decline of a facility. I might not be so structured to the NRC responsibility of a facility, if there was almost complete transparency of plant information. Anyway I know the NRC is "not" responsible for the efficient and safe operation of the facility- it's the responsibility of management... This is the ideology that campaign contribution have bought. I am trying to get the agency to give up that old fashioned dogma before you get into a very serious accident. It is absolutely insane that the NRC allows a plant to cycle down to this marginal condition. At the heart of these problems is the NRC doesn't believe they have the power to control utility behavior. It is right in their NRC regulatory philosophy- it's much like the regulatory mush that got California into so much trouble and allowed Enron to rape the public. It is a nationwide structured regulatory philosophy that campaign contribution bought, which talks them into thinking they are powerless to intervene in the market place. There is intensifying evidence of a deepening crisis.

It is like a parent who has a child with a prolonged high fever who won't take the kid to the doctors because of an insane religious belief. They are absolutely true to the dogma of their religious rules and laws- and they are absolutely incapable to respond to the health threats of the child and use the real world resources- and collect and measure the real world objective information- to reduce the threat to the child. It all dogma and their simplified view of world through their observance of the policies and beliefs of their bureaucracy.

Every mother knows that she must react to what she feels within her head and heart for the welfare of her child. Then she must validate the bureaucracy and the rules, to see if it meets the needs of her child. Every mother must ask if the medical bureaucracy is directly meeting the needs of the child or are the rules designed for the self-interest of the establishment and the insurance part of it. Every mother knows the rules and the bureaucracy characterized only a small proportion of her responsibility - and there is much more data, information and vital experience within her head than any of the information encapsulated within rules and the bureaucracy, which she will have to use to protect her child. What experiences this women has in her head and the her interaction with standards of the bureaucracy within her drive for understanding the conditions of the child; well there is not a more potent weapon for the welfare of the child on the face of the earth.

Do you see what I mean here? The bureaucracy and the plant management power structure created the poor performance by making the plant meets its needs instead of the bureaucracy meeting the needs of an efficient and safe plant. I will tell you want these dimwit executives default too because it is a simplified message that the outsiders seem to understand and it shift accountability away from the executives; that it's only a matter of making the employee follow the rules. An example of the NRC may be needed. Many times the NRC is diverted from it's responsibility because the utilities have force them into a strict set of bureaucracy. In other words, the NRC must have a very detained proof of an infraction and they must minutely follow the complex rules and regulations. So now the NRC has to meet the needs of the complex bureaucracy fostered on them by the utilities - and it's very expensive and time consuming- and thus the vision of the NRC is limited and resource starved, and the path that the utilities have allowed them to walk is very limited. These utilities and politicians have blinded the NRC with the mindless bureaucracy and simplified ideology.

The guys don't believe in a clean economic ideology either. They believe in deregulating and re-regulation at same time depending on their self-interest. They believe in tearing apart a bureaucracy and in building a bureaucracy for their self-interest. This happens concurrently, and depends on the elite self-interest, and who are their perceived enemies. It's whatever gives them an advantage. In the end this severely reduces the public participation in a democracy.

It is sleepwalking through their workweek. It is about selectivity and illusions, and they believe in their illusion, and it's all about the self-interest of the "me". The regulatory oversight with Davis-Besse- what the public was told in the NRC documents was nothing but a giant illusion. They got great regulatory grades, while the top to the vessel was loaded with boric acid crystals- rusting away for many years, while they knew what was going on and leaking. The regulatory regime and their public statements were nothing more than a self generated illusion. It's epidemic throughout the nation and is a grave safety concern.

Consider the recent issues with two senior Cooper operation's managers being caught on -going to shift being drunk since 2000. Let me be very clear, the NRC bureaucracy is highly trained and it is in their inspection procedures, to absolutely "not connect the dots" with the broad-based oversight of the facility. It takes an unexplained near miss at any of the plant's to sober up the NRC (to think clearly) officials- and the higher the officials, the more intoxicated they are. Here you got unprecedented plant turmoil from the operational events, to the senior corporate officials coming into work drunk, and there is nobody asking if there is a connection between two high level employees getting caught being at work drunk and the plant culture- let along a cover-up of one of the incidences? What you had here is a severe plant cultural crisis leading to the excessive use of alcohol. And could NRC put these issues together? Just how much alcohol abuse is going on at Cooper? We all know, that you drink excessively, many times to numb yourself from problems. The new IR 02-02 tells me, within the current confusion of the administration of the fitness for duty policy, that Cooper yet doesn't understand their responsibility to their employees and the public. I can't believe there would be any confusion in the fitness for duty policy with the very recent troubles on senior management drunkenness at work. This indicates the failure of the corrective actions from the past FFD problems and it is a grave error in that the NRC can't connect the dots.

Alcohol abuse is a very human problem within this crisis. It is a lot more than the violation of a policy or regulation. These executives want you to believe it all a matter of employees violating a moral rule or policy and thus it's an individual problem. They absolutely don't want you to see the sliver of light; that the magnitude of the plant and NRC mismanagement and incompetence is driving the internal cultural crisis leading to the need to numb. Believe me, I know the individual with drinking problems is always responsible for his behavior. But in this case, it is a lot more complicated than an individual responsibility. It is a symptom of massive and costly mismanagement by the NRC and Cooper senior- and it would be reduced if the whole thing were more professionally organized.

Let me tell you, many of these high level corporate and NRC officials are many "filters" distanced from the troubles of a facility. There are many levels of professional structured deniability to the high officials. They only hear it from the telephone, in sterile written reports and from worthless micro trips on conditions of these plants. They intentionally let the lower level inspectors and plant employees swim around in a dirty rotten swamp. They don't have one little care on what the turmoil is doing to these employees. They want to be up in there sterile protected offices and the within the protection of their friends who they promoted, and within the confines of the potentiality of declaring that they are not in the loop- with there enormous pay and there less than forty hour work weeks. A troubled plant is not only more costly and increases risk to the outside communities. It cannibalizes its employees. You get into these horrendous employee, middle management, upper management and NRC wars. It all a matter of pointing fingers. It almost turns into gang warfare. Those that fall may be more victimized than you think. They have to eat part of the limbs in order to survive. Only a small proportion of the nightmare ever gets told to the outside -it's all engrained protection of the industry.

Many of the managers know what the game is. They will always tell you the rosy story. You have to understand, its never in the interest of the plant and NRC officials to tell the complete story of how a plant came to so much trouble. They never were truthful with themselves in the decline, to the governmental officials and to the public on the front end of the problems, and they won't be to you as they power out of the crisis. It mostly an illusion that the public sees and much like making hotdogs. The truth is, this untransparency drives this deepening crisis and allows the high officials to ride out the storm. Untransparency protects the regulators, and protects you from seeing the political influences from campaign contributions to the regulator.

It all begins with an increase need to shade of the truth, a turning of your back away from a problem, a fear to create a controversy, a dreaded fear not to accepted by your peers and an increasing need to keep the facts within the plant. It becomes nothing more than a big soap opera- with huge consequences to the employees. Many kids loose their fathers for years at a time, for decades, because the plant cause them to be so tense at home. Drinking does numb it. It is the kids who suffer the most. It is the wives who are abandoned to the plant. It is the lives and careers lost to alcoholism.

It like a concurrent game of chess for all of the players; the bureaucracy, the NRC, the executives, the utilities, the employees, the politicians and all the other regulatory authorities. Everyone knows the blocks that they may travel on, take turns, which moves can be made by the different figures, and what team they are on and what direction they may move. Many times individual player will make a move creating no risk for themselves, for no other reason than their own self interest. Everyone knows the Kings and Queens. The majority of the moves are made like that. There is no grand strategy about winning the game for the team or for the greater world. Everyone is just mechanically doing their individual moves and trying not to violate any seen and unseen rules. Heaven forbid that all the players become organized into an orchestra - and begin playing their hearts out in the spirit of their being and beyond sterile professionalism.

The issue of an exigent or a denial of emergency request is passed interesting. It looks like the NRC is telegraphing to Cooper that the emergency request will be to burdensome-"why they could not avoid this situation" and it would be quite problematic to the industry if you made a plant explain why they were not responsive to an increasing trend of the heat sink. It looks like the NRC just said; the emergency request is too problematic for the industry- but we will still treat your regular exigent request as an emergency- that way we can remain untransparent. You will notice the NRC focused it to the "increasing water temperatures of the Missouri river are beyond the control of Cooper", which makes Cooper a powerless victim of nature and the river, are deserving of a special request, and we should just ignore the reduction of safety margins. Of course, the way to handle this with responsibility and integrity, would be for Cooper to be aware years ago of the river water trending, and plan for a way to maintain plant safety margins before the emergency. Buy they were in their self generated turmoil and confusion in the last few years. It's incompetence from both the federal agency and the plant, and the only way to keep the plant in the short term functioning, is to change the rules in midstream. These types of rules change is epidemic in the industry- it is addictive- and it facilitate the incompetence of the system and it prevents the natural resolution of the crisis.

Imagine what would be the consequence within the economic troubles if the plant were shutdown because of high river temperature- seeing how they are already termed as an expensive source of electricity. Every threat of safety shutdown is now a threat to the life of the plant. Long future refueling and maintenance outages are a threat to the life of the plant. Conservative judgements and safety are the threat to the economic life of the plant and the loss of the plant will cause grave consequences to the locale economy. These guys are in a very dangerous death spiral. It is in many people's interest to reduce transparency at this point.

If you don't know what the NRC is up to- it's a strategy to make any future heat sink issues of any other facility -as a future predefined victim of the big bad river or nature; never mention global warming. It's the; don't even pay attention to the heat sink trends until the emergency- and if you respond proactively, you will have to explain why it is happened- and that will be politically incorrect for the industry. As I have asked for in the past; just why has there been an enormous increasing trend with license amendment request asking for higher water limits in the last few years. Why have the majority of the fixes been inexpensive rule changes?

We all know very fine meals were charged on the corporate credit cards and in many of the professional (lawyers, financial) credit cards, within the issue of who was going to manage and fund the facility - and being held responsible for the past mistakes. What we have noticed is there is a large cottage industry of who benefits from the troubles of a plant like this. It is a golf mine for the lobbyist, lawyers, consultant's economist, and politicians. What we are concerned with is that when there is a large economic interest to powerful individuals, then it's in their self-interest to drive the crisis or at least not solve them promptly. You would be astonished about how much ratepayer monies get diverted away from the initial problem

from these professionals. An enormous amount of resources can get diverted - and it doesn't fix one problem at the plant.

There was an intensifying crisis in the last months. I believe the NRC purposely didn't include my initial comments within the license amendment requests. They wanted to lose any controversial voices- to selectively administer the public process of the license amendment request. I am wondering if by accepting a comment in heat sink license amendment- would that have started another administrative clock delaying the issuance? The statement of "No public comments were received" on the issuance tech spec change is factually inaccurate- and it derives from incompetence or purposefully bureaucratic selectivity.

It should never be forgotten that I challenged how the NRC generically handled the issues of the heat sink along with the local issues of the Cooper plant. It should be seriously noticed, that the heat sink limit changes echo through other derivative safety limit changes. Cooper is changing the containment design NPSH limits on the ECCS pumps, the safety relief valve local temp limits, using 102% power instead of 104% and changing the REC limit to 100 degrees from 95. A further serious concern is in IR 02-02. The steam tunnel has had heat degraded electric cables caused by repetitively exceeding the environmental temperature throughout the years.

Didn't the License amendment speak of the REC as being sinless? What that about the Buchanan 0241 terminal blocks in the drywell, which you infer, had excessive temperature damage last year? This indicates there were at least suspicions of excessive temperatures in the steam tunnel and drywell, and there was no mention of this in the license amendment. I can't find anything on the characterization of the steam tunnel temperature limit problems and if it was corrected. Is it problems with steam leaks or inadequate cooling water to the drywell and steam tunnel? Peak summertime heat sink temps would drive drywell and steam tunnel temps. Does the heat sink temperatures play any role in keeping the steam tunnel and drywell cool? We know of the significant condition report 2001-733, that speaks of a drywell temperature problem, and CA notification 10114113, that speaks of a fully opened drywell cooling return valve that was throttled in the past. This indicates an increase drywell cooling load or reduced cooling efficiency- and at the least it indicated cooling flow to the drywell coolers is maxed out. What is this in IR 00-11, with the drywell exceeding (July 2) the 148 temp limit (PIR 4-1038) and questions of instrument inaccuracies? These guys operated the plant outside the design drywell temp limits because of inadequate drywell cooling.

There are serious questions if Cooper and the NRC facilitated the falsification of the heat sink license amendment. This is a national issue if the NRC can't be trusted to give the public a full factual representation on license amendment changes.

You know if there is so much over-design and massive safety margins within the engineered limits, why does multiple down-stream limits additionally have to be changed out for such a marginal 5 degree change with the heat sink limits. I don't get it. Why couldn't the heat sink get changed, and we discovered that there so much safety margins entrained with these other related limits, that no additional changes are needed? Many safety systems are sitting on the edge of their design engineering limits- and the NRC is burying this problem. The NRC is in the business of creating an illusionary again.

I am appalled that the 102% max power limit is used in you plant analysis instead of the normal 104%. Generally, the 104% max power limit was used based on the typical accuracy/ inaccuracy of the plant protection system devices. I don't see that these plant protection devices were evaluated as being more accurate. See significant condition report 2001-733, IR 00-11/1R22 and PIR 4-1038. It is highly suspicious, when you think of the need to have the backpressure with the ECCS pumps in an accident. We know that many limits are approached normally at the plant through the years and this license amendment changes challenges those limits sitting near the cliff. I wish I could move the edge of the cliff at will. You people are eating crumbs from the table. I believe you are "gaming" this accident analysis.

Can anybody tell me what the mombo -jumbo sentence means: "Assuming the 102% power level is typical and consistent with what the NRC considers to be acceptable with design bases applications, we consider

this assumption to be acceptable"(Page 2). Does that sound a ringing positive endorsement from the NRC writer? It sounds like a good guess from the NRC. The NRC in the license amendment on Page 3 even speaks of the need of Cooper to check for measurement uncertainties in the future- which makes me feel good about the 102/104% guess.

The last issue I think. I called the OIG about this at 9:45AM in the morning (7/22/02), wanting to make a complaint. A recording said they were open between 9am and 4PM, and I could leave a message if it was outside normal business hours. I was appalled that I couldn't get a human voice from this important number on reporting governmental corruption and abuse. Most amazing, I was within business hours. I left a message and my telephone number. I have never got a call back. The NRC OIG has an ineffectual phone reporting system. This inhibits the potential disclosure of potential NRC fraud and abuse. Does the lack of resources for the OIG protect the NRC from the disclosure of fraud and abuse?

Thank You,

mike mulligan

Hinsdale, NH

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