



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

MAR 10 1988

Docket No. 50-390/391
Licensee No. CPPR-91 and CPPR-92
EA 88-65

Tennessee Valley Authority
ATTN: Mr. S. A. White
Manager of Nuclear Power
6N 38A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

Gentlemen:

SUBJECT: INVESTIGATION NOS. 2-85-034 and 2-85-034S

This refers to an investigation conducted by the Office of Investigations (OI) at the Watts Bar Nuclear Plant concerning alleged harassment and intimidation of Authorized Nuclear Inspectors (ANIs) by the Hartford Steam Boiler and Insurance Company (HSBII). The investigation was initiated because of allegations that ANIs at Watts Bar had been pressured by their management to accept work at Watts Bar involving inspections of inaccessible welds on flued head piping penetrations that had not been conducted according to the American Society of Mechanical Engineers (ASME) Code.

Based on this investigation, OI has found that four ANIs, who are under contract with TVA to ensure that TVA performs work in accordance with the ASME Code as required by 10 CFR 50.55a, were either coerced, pressured, harassed, intimidated, and/or threatened by HSBII management. This included one ANI who was directed by his management to accept the disposition of an NCR which did not meet Code requirements. OI also found that it appears that responsible TVA managers searched for avenues to avoid the delay of fuel loading and the expense of inspecting the hidden welds, and may have pressured HSBII management to accept the disposition of this NCR that violated Code requirements.

Enclosed are synopses of the OI reports. We are evaluating the OI findings for possible enforcement action. An enforcement conference will be scheduled with you to discuss these findings. At that conference you should be prepared to discuss the findings, their causes, and your corrective actions. In addition, you should be prepared to explain what actions were taken in response to the April 1985 concerns raised to the TVA Board of Directors related to coercion of ANIs at Watts Bar that is noted in the first synopsis.

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In accordance with 10 CFR 2.790, a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

No reply to this letter is required. Your cooperation with us in this matter is appreciated.

Sincerely,

original signed by

Stewart D. Ebnetter, Director
Office of Special Projects

Enclosures:
As stated

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SYNOPSIS

On November 25, 1985, this investigation was requested by the Regional Administrator, U.S. Nuclear Regulatory Commission, Region II, Atlanta, Ga., based on information provided to Region II staff by the Office of Investigations Field Office, Region II (OI:RII), that allegations had been made that the Hartford Steam Boiler Inspection and Insurance Company (HSBII) Authorized Nuclear Inspectors (ANIs) at Tennessee Valley Authority's (TVA) Watts Bar Nuclear Plant (WBN), Spring City, TN, had been coerced and directed by HSBII management to accept resolutions to problems which they (ANIs) considered to be unacceptable. These allegations included assertions that TVA management personnel were applying pressure to the HSBII management to override decisions made by ANIs at the WBN which would require corrective action by TVA. These allegations primarily dealt with Non-conformance Condition Reports (NCRs) regarding the inaccessible vendor welds on flued head piping penetrations in Units 1 and 2.

During the initial phase of an unrelated TVA Nuclear Safety Review Staff (NSRS) investigation in August 1985, the allegor, a member of NSRS, learned that ANIs at WBN were, in their opinion, not being given the independence required by the American Society of Mechanical Engineers (ASME) Code. During the conduct of the NSRS investigation, four ANIs were interviewed by the allegor and documentation from their daily diaries was collected and provided to OI:RII for review.

On November 21, 1985, the allegor was reinterviewed and related that the problem of the ANIs with their management was not a new issue. He stated that in April 1985, in a letter to the TVA Board of Directors, an NSRS engineer informed the Board that the WBN ANIs were being coerced. The allegor provided a chronology of events to include dates and TVA personnel apprised, but indicated he was not currently pursuing any investigative leads.

The scope of this OI investigation included, but was not limited to, the allegation that ANIs were being coerced by their supervision to accept TVA's disposition of non-conforming conditions that failed to meet the requirements of the ASME Code. The investigation included the interview of nine current and former ANIs assigned to WBN; numerous TVA WBN site personnel; HSBII, Atlanta Regional Office, management personnel; and TVA's Codes, Standards and Materials (CSM) personnel in Knoxville, TN.

During the course of the interviews of nine ANIs, four acknowledged that they felt either coercion, harassment or intimidation from HSBII management, including one ANI who had been directed by his management to accept TVA's disposition for a non-conforming condition that failed to meet the requirements of the ASME Code. In some cases they felt this could have been a result of influence imposed on HSBII management by members of TVA's CSM group to accept TVA's disposition on deficient items or else lose their contract with TVA. The five remaining ANIs did not feel that they had been subjected to any coercion or pressure from HSBII management to accept any work they felt was deficient.

SYNOPSIS

This supplemental investigation was initiated on January 2, 1987, by the Office of Investigations Field Office, Region II (OI:RII), in coordination with a verbal request by the Director, Office of Investigations, Headquarters, U.S. Nuclear Regulatory Commission (NRC). The purpose of the supplemental investigation was to determine if final N-5 data reports on flued head containment penetration, manufactured by Tube Turns, Inc. (TTI), had been falsified or signed by the responsible Authorized Nuclear Inspector (ANI) under pressure from either management of the Hartford Steam Boiler Inspection and Insurance Company (HSBII) or the Tennessee Valley Authority (TVA).

Additional information was subsequently developed by the Senior Construction Resident Inspector at Watts Bar Nuclear Plant (WBNP) that the TTI containment penetration assemblies had been N-stamped by the vendor even though they did not perform the hydrostatic testing that was required prior to N-stamping.

On January 21, 1987, the WBNP N-5 supervisor was interviewed and provided the final N-5 data report on all containment penetrations (System 64). These data reports included the final Certification of Compliance signed by the WBNP Construction Engineer, the ANI, and the Office of Engineering and Design. Subsequent interviews were conducted on February 3 and 5, 1987, with the WBNP Construction Engineer, Design Representative, and the ANI who signed the Certification of Compliance, indicating that all the containment penetrations in the final N-5 data reports were installed and inspected as per the ASME Code requirements. These interviews disclosed that because of the volume of supporting documentation contained in these data reports, their review before signing was "somewhat" perfunctory. They related that they relied on an "open item/punch list" to identify any incomplete items/outstanding discrepancies, such as open Non-Compliance Reports (NCRs), incomplete valve lists, or required hydrostatic tests.

Additionally, all the final N-5 data reports were requested and received from the WBNP N-5 Group. A review of these final N-5 data reports revealed that all the required Certificates of Compliance had been signed by the WBNP Construction Engineer, ANI, and Design personnel, as required.

The Region II technical staff was asked to respond to a Commission request on December 16, 1986, to determine why the TTI containment penetration assemblies were N-stamped at the vendor without being subjected to required hydrostatic testing by the vendor. The inspection effort disclosed that TTI maintained that they were not required to hydrostatically test the flued heads and the decision was made to refer the issue to the ASME National Code Committee for code inquiry concerning hydrostatic testing and application of the NPT stamp.

Investigative efforts by OI:RII did not identify any pressure or coercion by TVA management or HSBII management personnel to force any of the signatories, especially the ANI, to accept the final N-5 data reports without adequate and acceptable review.

Interviews with the WBN Project Manager and personnel from the TVA N-5 group produced testimony that with some minor exceptions, a good working relationship existed between the TVA site personnel and the ANIs. They claimed any problems that arose were adequately resolved between the parties involved.

HSBII regional management personnel were interviewed and denied that they coerced or pressured any ANI to accept a condition that the ANI did not feel met the requirements of the ASME Code. They also denied HSBII had received or succumbed to any pressure from TVA. However, HSBII management personnel were not able to logically explain why two nearly identical NCRs were handled very differently by HSBII.

Interviews of TVA CSM group personnel disclosed that the two aforementioned NCRs on separate units were dispositioned differently; one to "use as is", while the second required additional examination efforts of systems during hydrostatic testing. According to CSM personnel, these NCRs were dispositioned differently because of WBN scheduling. In the spring of 1984, WBN was preparing to load fuel and efforts to inspect inaccessible welds during hydrostatic testing was not considered because, in the opinion of TVA, the welds were determined through evaluation to be technically adequate and posed no threat to public health and safety. However, none of those individuals could deny that without visual inspection as required by code, the welds in question were anything other than indeterminate with regard to leakage.

A sample review of the Tube Turns, Inc. final weld documentation packages, weld maps and radiographs was conducted by Region II Engineering Branch personnel. The review disclosed that the required welding and NDE documentation appeared to be in order and the radiographs did not reveal any defects that would adversely affect the structural integrity of the welds.

In conclusion, a preponderance of testimonial, documentary, and circumstantial evidence established that four of nine ANIs were either coerced, pressured, harassed, intimidated, and/or threatened by HSBII management. This included one ANI who was directed by his management to accept the disposition of an NCR which did not meet code requirements. Furthermore, it appears that responsible TVA managers searched for avenues to avoid the delay of fuel loading and the expense of inspecting the hidden welds, and may have pressured HSBII management to accept the disposition of this NCR that violated code requirements.