

CASE No. 2-86-002

**United States
Nuclear Regulatory Commission**



Report of Investigation

Watts Bar Nuclear Plant:

Possible Material False Statement Regarding
Certification for Fuel Load

Office of Investigations

Reported by OI: RII

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SYNOPSIS

On February 12, 1986, this investigation was requested and initiated by the Director, Office of Investigations (OI), based on information provided to OI, that the Manager, Office of Power, Tennessee Valley Authority (TVA) made a material false statement when he submitted to the Nuclear Regulatory Commission (NRC) two letters dated February 20, 1985, and April 5, 1985, certifying that TVA's Watts Bar Nuclear Plant (WBN) was ready to load fuel. Specifically, the February 20, 1985, letter stated "This is to certify that, to the best of my knowledge, the design, construction, testing, and preparation for operation of Watts Bar Nuclear Plant Unit 1 have essentially been completed in accordance with descriptions contained in the Watts Bar Final Safety Analysis Report (FSAR) and other licensing documents." The April 5, 1985, letter updated the enclosure to the February 20, 1985, letter and stated that the fuel load date was scheduled for April 23, 1985.

NRC Staff reviews of the submitted letters and technical issues at WBN concluded that WBN was not essentially completed in accordance with the FSAR and other licensing documents. Additionally, it was determined by the staff that the TVA letters represented material false statements as WBN was clearly not ready for licensing. The basis for the decision became available in March-August 1985 as a result of numerous allegations brought to the staff's attention. NRC Staff confronted TVA on April 12, 1985, with their concern over the allegations and it was suggested that TVA hire an outside, independent contractor to specifically address employee concerns at WBN. This was done by TVA and as a result, numerous safety and quality issues were revealed that have impacted on WBN not being licensed to operate.

The OI investigation was to determine if the false statements were made knowingly and willfully by the Manager, Office of Power, or anyone on his staff. An effort to learn when the Manager and his staff became aware of the employee concerns and associated allegations was included in the investigation. The investigation consisted of interviewing 12 current and former TVA employees, 8 current and former NRC employees, and a review of voluminous documentation regarding the certification for fuel load issue.

During the course of the interviews, the former Manager, Office of Power, stated the two letters sent to the NRC were based on information presented to him by his staff. He said, he felt confident that WBN was on a course that would lead to fuel loading, with the correction of outstanding problems, listed as enclosures to the letters. Other staff managers acknowledged they had verbally concurred in the response to the NRC, based on information provided to them from their subordinates. Interview of NRC managers revealed that the NRC Licensing personnel had worked closely with TVA on the licensing of WBN and felt WBN would load fuel when scheduled and receive an operating license. All of those interviewed expressed surprise to learn of both the number and magnitude of the employee concerns/allegations that surfaced in April 1985. A review of the documentation regarding this issue revealed that numerous "punch list" and Outstanding Work Items List (OWIL) were maintained with items that had to be addressed and resolved both before and after fuel load. An employee survey conducted at TVA sites prior to scheduled fuel load, to determine employees' willingness to discuss concerns with management, indicated that many employees did not feel free to discuss concerns with their

supervisors. This information was not properly evaluated or distributed in such a way as to alert management of potential problems at WBN.

In conclusion, the Manager, Office of Power, did make material false statements to the NRC regarding TVA's readiness for fuel load and licensing in these two letters to the NRC. However, the evidence developed during the OI investigation did not substantiate willfulness/intent on the part of the Manager, Office of Power to make a false statement or to deceive or mislead the NRC.