

|                                  |         |                  |   |                               |
|----------------------------------|---------|------------------|---|-------------------------------|
| FOR                              | NAME    | Bent R. MARQUARD | DATE                                    | 8/4/86                        |
|                                  | ADDRESS | E10B 42 C-K      | <input type="checkbox"/> DAY            | <input type="checkbox"/> N.Y. |
| ----- Fold here for return ----- |         |                  |   |                               |
| FROM                             | NAME    | R. J. Mullin     | EXTENSION                               | 3418                          |
|                                  | ADDRESS | LP 4N 50A-C      | <input checked="" type="checkbox"/> DAY | <input type="checkbox"/> N.Y. |

RE: MATERIAL PERTAINING TO Appendix "B"  
Response to R. Sauer Case.

In response to your 8/2 phone request, I re-searched our files and came up with the attached notes and draft material. Please xerox what you need and return the originals to me.

Please note that our division recently supplied some information as part of an ODP response to interrogatories and document request from OGC in the Terry D. Smith case. The material attached to this 45D had not been furnished and was not included in that response. If the information is applicable, please see that it gets included also with the T.D. Smith case discovery material.

REV 1

Dear Mr. Denton,

Your letter of January 3, 1985, requested TVA to finish the corporate position with respect to whether or not 10CFR50, Appendix B requirements are being met at the Watts Bar Facility.

The TVA position regarding the conclusion that Appendix B requirements are not being met is that <sup>the</sup> by statement, <sup>is</sup> not inaccurate, but was oversimplified and, without clarification, could permit the erroneous conclusion of a complete, continuing and willfully tolerated QA program breakdown. That is not the case, nor was it the intent of the NSRS presentee <sup>to</sup> to present it as such.

As a result of the 370 investigations conducted under the <sup>E</sup> employee ~~S~~ concern ~~P~~ program many problems of varying significance have been identified and reported to TVA management for evaluation and correction. Those problems, regardless of significance indicate violations of one or more Appendix B criterion. <sup>a</sup> As you are aware, not all of those problems have been corrected yet. Many of the more significant ones are still being evaluated to determine the corrective action to be taken.

T6 into  
revisions



*Additional*  
Additionally, over 1200 employee concerns remain to be investigated or reviewed by the Nuclear Safety Review Staff and/or Quality Technology Company, and we <sup>at this level</sup> fully expect to discover <sup>Level</sup> ~~many more~~ problem areas. In this context, <sup>it is</sup> that uncorrected and as yet unsubstantiated problems exist, <sup>that the USRS report to the Board concluded</sup> TVA ~~acknowledges~~ that 10CFR50, Appendix B criteria are not currently being met at Watts Bar, <sup>while at the same time monitoring</sup> but ~~emphasizes~~ that the intent of this program is to identify and resolve those problems. No activity <sup>adversely</sup> affecting quality or nuclear safety is known to be currently in progress in violation of Appendix B criteria.

<sup>site related</sup>  
The level of ongoing <sup>work</sup> at the Watts Bar facility is minimal. TVA recognizes and accepts the risk that <sup>some</sup> source of the construction and design activities in progress may later be verified as having problems requiring correction.

Rev 0.

Dear Mr. Denton,

~~In response to your letter of Jan 3 1985~~  
~~in which you requested TVA to furnish the~~  
TVA corporate position with respect to whether  
or not 10 CFR Part 50, Appendix B requirements  
are being met at the Watts Bar Facility.

The TVA position regarding the conclusion  
that App. B requirements are not being met  
is that ~~the~~ <sup>the</sup> statement ~~not~~ <sup>was</sup> ~~untrue~~, <sup>but was</sup>  
~~and~~ <sup>was</sup> ~~oversimplified~~ <sup>oversimplified</sup>  
and ~~requires~~ <sup>requires</sup> clarification without clarifica-  
tion <sup>could</sup> ~~permitted~~ <sup>permitted</sup> the erroneous conclusion  
of a complete, continuing and willfully  
tolerated QA program breakdown. That is  
not the case, nor was it the intent of  
the NRC presenter to present it as such.

As a result of the <sup>370</sup> investigations con-  
ducted ~~by~~ under the employee concern  
program, many problems of varying signif-  
icance have been identified and reported to  
TVA management for evaluation and correction.  
~~All of~~ Those problems, ~~are~~ <sup>are</sup> regardless of significance  
indicate violations of one or more Appendix B  
criteria. <sup>As you are aware,</sup> Not all of these problems have been  
corrected ~~to~~ yet. Many of the more signif-  
icant ones are still being evaluated to deter-  
mine the corrective action to be taken



Additionally, over 1200 employee concern  
remain to be investigated or reviewed  
by the N-S-R-S and/or O-T-C, and  
we fully expect to discover <sup>additional</sup> ~~more~~ ~~problems~~  
problem areas. In <sup>that</sup> ~~our~~ ~~context~~, TVA <sup>is</sup> ~~is~~

acknowledges that 10 CFR 50 App-B  
? criteria ~~are~~ <sup>in some cases</sup> are not currently being  
met at Watts Bar, but emphasizes that  
our ~~the~~ intent of ~~the~~ program is to identify  
and resolve those problems. ~~It~~

The level of ongoing <sup>substantiated</sup> ~~work~~ ~~is~~  
the Watts Bar facility is minimal. ~~as~~ TVA  
~~is~~ recognizing and accepts the risk that  
some of the <sup>construction & design</sup> activities in progress may  
later be <sup>found</sup> ~~found~~ <sup>to have</sup> ~~to have~~ problems re-  
quiring correction.

To our knowledge,

~~knowledge~~ No activity affecting quality or nuclear  
safety is, ~~currently~~ <sup>currently</sup> in progress in violation of  
Appendix B criteria

Lincoln  
concerning

1/16/86

Alts on App "B" Issue ...

M.H. <sup>on 17.2</sup> doesn't have a problem  $\pm$  17.1 Amt. App B requires  
" just have a problem to meet lower tier, <sup>i.e. the</sup> NOAM.

\* Resolve issue of match traceability for safety-related  
suspense

\* Resolve " " DC review for loading on  
embedded plates



11/16/86 - [unclear]

WRC [unclear] of WBN  
WRC SACP [unclear]  
NSRS Review of WBN (No [unclear])  
WRC [unclear] of TWA [unclear] (2 [unclear])  
INCO Insp at WBN

Content, meaning, consequences of that that "App B requests are not being met at WBN" (See TEL comment)

1. Get out by having NSRS explain what they intend by "Stop"
2. Ask NSRS what should be done by line mgmt in response to that stat, i.e., stop all work, stop some work, continue as we are and let the CIA process remedy the situation.

[Refer to NSRS stat as of 11/4/86.] "attached"

3. Read Sections XVI

4. Read last draft produced by NSRS (11/14/86)

5. Read NSRS position ltr 11/4/86 & respond & comments directed on that version.

W.B. & Villon 1/8/86 372

Mr. Harold R. Denton, Director  
Office of Nuclear Reactor Regulation  
U. S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Mr. Denton:

Your letter of January 3, 1986, requested TVA to furnish the corporate position with respect to whether or not 10CFR50, Appendix B, requirements are being met at the Watts Bar facility. This letter was sent regarding the December 19, 1985, presentation by Nuclear Safety Review Staff personnel to Commissioner Asselstine on the Employee Concern Program.

TVA has established and implemented a Quality Assurance Program to meet the requirements of 10CFR50, Appendix B. As required, this program is documented by written policies, procedures, or instructions and is carried out in accordance with these documents. An integral part of the Quality Assurance Program is the establishment of processes which allow for the identification, documentation, and correction of deviations. In addition to TVA's traditional, established program for identifying deviations, the Employee Concern Program conducted at Watts Bar has been instituted to aggressively solicit the identification of deviations.

Problems identified during the employee concern interview process, through telephone notification, other sources, or during the course of an employee concern investigation are documented and evaluated for potential safety significance. If appropriate, they are promptly communicated to line organizations for review for stop-work, generic applicability, and evaluation for reportability in accordance with the TVA Quality Assurance Program. Substantiated concerns are evaluated for actions to prevent recurrence as well as to resolve discrepant conditions.

Of the 370 safety-related investigations conducted under the Employee Concern Program thus far, problems of varying magnitude have been identified and reported for evaluation and correction. Some of these problems indicate failures to properly implement the requirements of the TVA Quality Assurance Program.

As you are aware, not all of those problems have been corrected yet. Many of the more significant are still being evaluated to determine the appropriate corrective action to be taken. In areas deemed warranted, stop-work orders have been issued until quality requirements are reviewed and improved control processes established.

In addition to those investigations completed, over 1200 safety-related employee concerns remain to be reviewed or investigated by the Nuclear Safety Review Staff and/or Quality Technology Company; and we fully expect to discover additional problems. However, as indicated above, the TVA program for resolution of these problems will provide for prompt evaluation of the condition and its potential impact to ongoing activities.



Harold R. Denton

Inasmuch as outstanding corrective actions remain to be implemented and the investigations of employee concerns are continuing, TVA acknowledges that some quality requirements have not been met or may yet be identified as deficient. However, since it is the purpose of the TVA corporate program to control and resolve identified deviations, it is the TVA corporate position that the requirements of 10CFR50, Appendix B, are being met.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

J. W. Hufham  
Manager of Licensing

Sworn to and subscribed before me  
this \_\_\_\_\_ day of \_\_\_\_\_ 1986

\_\_\_\_\_  
Notary Public

My Commission Expires \_\_\_\_\_

1/8/85  
Jm Whit

Dear Mr. Denton,

Your letter of January 3, 1985, requested TVA to furnish the corporate position with respect to whether or not 10CFR50, Appendix B requirements are being met at the Watts Bar Facility. This letter was sent regarding the December 19, 1985 presentation by Nuclear Safety Review Staff personnel to Commissioner Asselstine on the Employee Concern Program. During this presentation, a slide was presented (see the last page of the enclosure to your January 3, 1985 letter) which contains the following statement. "10CFR50, Appendix B Requirements Are Not Being Met."

The TVA corporate position regarding its ongoing process for compliance with Appendix B is as follows: Because of the present status of identified deficiencies, some Appendix B requirements currently are not being met. Some quality achieving activities, <sup>(e.g., exercising, change problems)</sup> are currently ongoing which do involve identified problems or concerns potentially affecting quality or nuclear safety. ~~White - the programs controlling those activities are~~ <sup>white - the programs controlling those activities are</sup> ~~in these isolated situations, controls have been~~

2  
Jm

~~established to maintain traceability regarding the work activities.~~  
~~Those problems which are discovered during the course of an investigation,~~  
~~they are evaluated for their potential safety significance and, if~~  
~~appropriate, are promptly communicated to the organizations for stop~~  
~~work, generic applicability, and reportability evaluations. The problems~~  
~~are subsequently documented and entered into the formal resolution~~  
~~process. Current substantiated concerns will be evaluated for actions to~~  
~~prevent recurrence as well as to resolve past discrepant conditions.~~

being evaluated or investigated or evaluated to determine what, if any, action should be taken.



As a result of the 370 safety-related investigations conducted under the employee concern program many problems of varying significance have been identified and reported to TVA management for evaluation and correction. Those problems, regardless of significance indicate violations of one or more Appendix B criterion. As you are aware, not all of those problems have been corrected yet. Many of the more significant ones are still being evaluated to determine the corrective action to be taken.

In addition, over 1200 safety-related employee concerns remain to be investigated or reviewed by the Nuclear Safety Review Staff and/or Quality Technology Company, and we expect to discover additional problem areas. In this context, (i.e., that uncorrected and as yet unsubstantiated problems exist), TVA acknowledges that 10CFR50, Appendix B criteria are not currently being met in some cases at Watts Bar, but we emphasize that the intent of this program is to identify and resolve those problems. We will provide the additional information you requested no later than February 3, 1986.

1/1/86: Contains RJA's Kite  
Comments

Dear Mr. Denton,

Your letter of January 3, 1985, requested TVA to furnish <sup>its</sup> ~~the~~ corporate position with respect to whether or not 10CFR50, Appendix B requirements are being met at the Watts Bar Facility. This letter was sent regarding the December 19, 1985 presentation by Nuclear Safety Review Staff personnel to Commissioner Asselstine on the Employee Concern Program. During this presentation, a slide was presented (see the last page of the enclosure to your January 3, 1985 letter) which contains the following statement. "10CFR50, Appendix B Requirements Are Not Being Met."

The TVA corporate position <sup>and situation</sup> regarding ~~its~~ <sup>the</sup> ongoing process for compliance with Appendix B is as follows: ~~Because of the present status of identified deficiencies some Appendix B requirements currently are not being met.~~ Some quality achieving activities <sup>(e.g., ~~walking and saddle pulling~~)</sup> are ~~currently ongoing~~ which do involve identified problems or concerns potentially affecting quality or nuclear safety. <sup>are currently routine while the programs controlling these are being ~~substantiated~~</sup> ~~In these isolated situations, controls have been established to maintain traceability regarding the work activities. These problems which are discovered during the course of an investigation they are evaluated for their potential safety significance and, if appropriate, are promptly communicated to line organizations for stop work, generic applicability, and repairability evaluations. The problems are subsequently documented and entered into the formal resolution process. Current substantiated concerns will be evaluated for actions to prevent recurrence as well as to resolve past discrepant conditions.~~

*Mr*  
*Kite*

investigated or evaluated to determine what, if any, actions should be taken.



As a result of the 370 safety-related investigations conducted under the employee concern program many problems of varying significance have been identified and reported to TVA management for evaluation and correction. Those problems, regardless of significance indicate violations of one or more Appendix B criterion. As you are aware, not all of those problems have been corrected yet. Many of the more significant ones are still being evaluated to determine the corrective action to be taken.

In addition, over 1200 safety-related employee concerns remain to be investigated or reviewed by the Nuclear Safety Review Staff and/or Quality Technology Company, and we expect to discover additional problem areas. In this context, (i.e., that uncorrected and as yet unsubstantiated problems exist), TVA acknowledges that 10CFR50, Appendix B criteria are not currently being met in some cases at Watts Bar, but we emphasize that the intent of this program is to identify and resolve those problems. We will provide the additional information you requested no later than February 3, 1986.

1/7/86

|      |             |
|------|-------------|
| KHED | K. Hansen   |
| WTC  | W. Brown    |
| JHD  | B. Brown    |
| RJM  | M. Harrison |
|      | L. Wallace  |

(1)

WTC: NRC's concerns are we containing activities which violate

KW: App B. Is the any on-going work not allowed stop?

MN: <sup>due to</sup> [ECG vllc OTC in 1559] Not willful disregard.

RJM: Mention that some 'stop work' were issued when necessary table welding into line slope works in progress ECG for welding.

MN: Normally given time to address non-compliance when found - part of corrective action process - App B provides for this "process".

BS: Is QA program adequate? Hardware deficiencies indicate QA controls process may not be adequate.

WJ: Our focus is timeliness/completeness distinction vs. breakdown. There is evidence that overall the system is working; ECP, audit, reviews are identifying problems

Inconsistency: Degree of scrutiny at WBS has been inconsistent =>

LW: Some which may look bad, but actually may be in good or other category, which also would look badly examined at closing.

BS: Don't need to stop work on anything!  
M.H. agrees. Consensus!



Get OTC's  
view of this position:

1/7/86 cont'd

(2)

To the best of my knowledge, whether TWD time impact  
on the WSKS is aware of any on going work  
Issues: which fails to meet the requirements of  
App B.

RC: Cable pulling is most significant. <sup>Will</sup> Comfortable because  
he knows it will be resolved before Fuel loading

\* RWC needs him some info

Pgm in place

Might risk to pull Part 3%; believe it's a prudent risk

RB: Concerned abt long tray loading of cables also because  
of heat dissipation.

• Very little welding is going on

WTC: Need to have specifics on steps working/welding

BB: Would have to get OTC staff in in order to have  
specifics.

WTC Fully expect will find add'l problems at WBA  
Part C/A pgm has failed! Add'l emphasis has been  
placed on C/A recently.

-WTC Recognize that configurations & conditions exist in the  
plant that are not in brought in the "B" They are  
being identified & corrected by ELP, alt audits, review  
No on going work in violation.

✓ MH: Ed Perkins should mention that it's a prudent  
risk to proceed, but concerns will be resolved  
before Fuel load.

WKB: Very limited work is on going on WBA 2; Permanent  
operational work is being done on WBA 1.

11:10 - 1:30

① Are we <sup>in</sup> <sup>the</sup> <sup>CP</sup> <sup>program</sup>

④ <sup>Deliberations</sup> exist

Program & Implementation

② Committed to App B for <sup>disc</sup> <sup>disc</sup>

③ Things generally <sup>was</sup> above IAW  
App B; ⑤ when questions have  
been raised <sup>actions</sup> <sup>will</sup> <sup>be</sup> <sup>taken</sup>

will be taken. ⑥ A response to end  
of the items will be provided <sup>before</sup> <sup>by</sup>  
Feb 3. [Some seems to be

whether work is going on now which  
is not in compliance].  
None is!