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INVESTIGATIVE INTERVIEW  
OF  
CHARLES DEAN

APPEARANCES:

- DAN MURPHY
- LEN WILLIAMSON
- MARK REINHART
- LARRY ROBINSON
- DEBORAH BAUSER, ESQ.

TAKEN: April 23, 1987, at Knoxville, Tennessee.

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PDR ADOCK 05000390  
Q PDR

EXHIBIT 89

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1 MR. MURPHY: For the record, it is now 9:25 A. M., April  
2 23rd, 1987. This is an interview of Mr. Charles  
3 H. Dean, who is employed by the Tennessee  
4 Valley Association -- Tennessee Valley Authority.  
5 The location of the interview is TVA Headquarters,  
6 Knoxville, Tennessee. Present at that inter-  
7 view are Len Williamson, Mark Reinhart, Larry  
8 Robinson, Dan Murphy and Deborah B. Bauser, who  
9 is an attorney representing Mr. Dean. As agreed,  
10 this is being transcribed by a Court Reporter.  
11 The subject of this interview concerns TVA's  
12 March 20th, 1986 response to the NRC regarding  
13 TVA's compliance with 10 CFR 50 Appendix B.  
14 Mr. Dean, will you please stand and raise your  
15 right hand? Mr. Dean, do you swear or affirm  
16 the testimony you are about to give is the  
17 truth, the whole truth and nothing but the  
18 truth so help you God.

19 MR. DEAN: I do.

20 MR. MURPHY: Thank you.

21  
22 MR. CHARLES H. DEAN, after first being duly sworn,  
23 testifies as follows:

24  
25 DIRECT EXAMINATION BY MR. DAN MURPHY:

1 Q Mr. Dean, we'd like you to share with us your  
2 experience from an educational standpoint and  
3 how you came to become the Director of the Board  
4 of Directors for TVA?

5 A I graduated from the United States Naval Academy,  
6 served in the United States Marine Corps. I  
7 returned to Knoxville, entered business with my  
8 family which was subsequently sold. I went to  
9 work for the Knoxville Utilities Board as kind  
10 of an apprentice engineer, went back to school,  
11 became a licensed engineer, worked with Knoxville  
12 Utilities Board to the point where I was  
13 eventually made the General Manager of the  
14 Knoxville Utilities Board. I was prominent in  
15 local power distributor circles. The Knoxville  
16 Utilities Board handles all the water, gas and  
17 electricity for this area. Apparently, I had  
18 a decent record down there, and this came to the  
19 attention of Howard Baker, whom I had known over  
20 the years, and when a vacancy appeared on the  
21 TVA Board, he asked me to -- if I was interested  
22 in filling the vacancy, and after a couple days  
23 to think about it, that's about it. I agreed to  
24 have my name submitted. The President, therefore,  
25 nominated me. The Senate confirmed the

1 nomination. That's how I got to be Chairman of  
2 the TVA in 1981, in the summer of 1981. Does  
3 that cover it? I guess you wonder how I got  
4 here.

5 Q No, that's fine.

6 A I'm a professional engineer. I'm an engineer  
7 by profession. I'm licensed to practice  
8 engineering in the State of Tennessee.

9 Q We appreciate that. Thank you. As we explained,  
10 we're here -- we've been asked to look into  
11 the March 20th, 1986 letter from Mr. White at  
12 NCR regarding whether or not TVA was complying  
13 with 10 CFR 50 Appendix B. Also, responding to  
14 a series of NSR's perceptions that were posed  
15 by Mr. Sauer, a representative of NSR as to  
16 Commissioner Asselstine, I think, on December  
17 19th, 1985. During this period of time, I think  
18 TVA was undergoing some change, and we're not  
19 sure in our mind whether Mr. Sauer's presentation  
20 to Mr. Asselstine had anything to do with the  
21 hiring of Mr. White as your Manager of Nuclear  
22 Power. So what we'd like you to do if you would  
23 is as best you can recall summarize the  
24 conditions that existed here at TVA which led  
25 the Board of Directors to make the decision to

1 hire Mr. White.

2 A Oh, this would be in the Fall of 1985. We had  
3 at that point in time, all of our reactors were  
4 shut down. Now you have -- to get the picture,  
5 you have to almost go back to early 1985. When  
6 the year dawned, we had five licensed reactors,  
7 and four of those five reactors were running,  
8 and one of the Browns Ferry reactors was down  
9 for what appeared to be a normal outage. Now,  
10 that's how we entered the year. So we were --  
11 thought we were in pretty good shape. In the  
12 spring of 1985, the other reactors at Browns  
13 Ferry, the two reactors that were running, were  
14 pulled off the line for procedural reasons.  
15 They got into a situation about some water  
16 levels, some instruments that didn't record  
17 properly, whatever. You've got records on all  
18 that. But anyhow, it was decided that the  
19 procedures that were followed down there were  
20 not -- needed work. Let's just let it go at  
21 that. And those plants were going to have to  
22 stay off the line until that was all straightened  
23 up, even though a lot of physical modifications  
24 had taken place, the Taurus rings had been  
25 rebuilt and all those things that we know we

1 have to do with those boiling water reactors.  
2 Well, to make matters worse, in the summer of  
3 1985 we apparently -- well, we told NRC -- I  
4 say apparently. I'm trying to find the  
5 exact documentation. I'm doing a little bit  
6 of extra work on it that was not subject to your  
7 investigation, but let's just say we told NRC  
8 that we had environmental qualifications in good  
9 shape on Sequoyah plant with certain exceptions,  
10 which were listed.

11 Then we brought in Westec to look at this  
12 documentation, and they were not satisfied with  
13 it, and because -- well, let's put it this way.  
14 The manager of -- going back just a little bit,  
15 in the middle of the summer, in the middle of  
16 1985, the summer of '85, we had separated off  
17 the nuclear power from the office power,  
18 elevated it to office level. It was no longer  
19 a part of the officer power, and we talked  
20 Hugh Parris into taking over that operation,  
21 even though he really didn't much want to,  
22 and then we put somebody else in charge of the  
23 rest of the power system because we wanted  
24 Hugh to concentrate his time on getting the  
25 nuclear program back in shape. So Hugh came

1 to us at that point in time. It was August of  
2 1985. He came to the Board and said, "Look,  
3 we've told NRC that we'd meet these  
4 environmental qualifications, and we find -- the  
5 consultant says we really don't. So we're going  
6 to shut the plant down until we get it straight."

7 So one day in August we had two units  
8 running lickety split. The next day we start  
9 pulling them off the line, and this left TVA  
10 with no nuclear generation and brought --  
11 the understatement of the year would be to  
12 say it brought considerable attention on the  
13 agency because we were, along with Commonwealth,  
14 and are still one of the biggest -- had the  
15 biggest, potentially the biggest nuclear  
16 operation when things are running.

17 In the Fall of 1985 a Stone and Webster  
18 group came in to look at our nuclear operation,  
19 but they came in -- that deal was made by  
20 Paris himself. Apparently, they -- I really  
21 don't know the details of this. I just haven't  
22 had time to do the historical research, but  
23 apparently, they offered their services to  
24 Paris to come in and take a slice -- they refer  
25 to it as a slice of the nuclear operation, look

1           it over and report what they saw and what we  
2           needed to do to get everything back on track.

3           The first time that I saw White that I  
4           remember was in a report of that task force  
5           to TVA. I guess that was in December of 1985.  
6           Now, that doesn't really relate -- there's no  
7           relation that I know of between -- after that,  
8           we entered into some discussions with White  
9           which finally, the essence of it was, he told  
10          us that he could come on. We were at that  
11          point looking for a nuclear consultant, adviser  
12          to the Board. We had been told specifically  
13          by -- well, particularly, Sasser and Gore, but  
14          they were just part of it. We were also being  
15          told by people behind the scenes that are  
16          influential with us, Howard Baker being one  
17          of them, that we had best get an Inspector  
18          General in here or somebody was going to send  
19          us one if we didn't get it, and that we'd best  
20          get a technical adviser or a nuclear adviser  
21          to the TVA Board. And this is all a matter  
22          of public record. So we were in -- in the  
23          Fall of '85 we were in the process of doing  
24          those things with our reactors shut down and  
25          considerable confusion, not -- confusion maybe



1 is not the right word. It was a busy place.  
2 We were even then, in December of '85, we were  
3 interviewing candidates for the Inspector  
4 General. We had a man named Dempsey in here  
5 who was a consultant trying to help us get that  
6 office set up, and we did, in fact, employ  
7 Zigrossi I think right after the first of the  
8 year, but I'd have to go back and check that.  
9 So we got that mission accomplished. We were  
10 looking for a nuclear adviser, and White was  
11 brought to our attention by Dennis Wilkerson  
12 and perhaps others. I can't remember the whole,  
13 all of it now, but it was pointed out to us  
14 that Steve White would be an excellent nuclear  
15 adviser, but in talking with White, his version  
16 -- now, this was after the report I referred  
17 to after they'd come in here and looked things  
18 over. His recommendation was that he be brought  
19 in here as Manager of Nuclear Power on a contract,  
20 which a year before would have looked like  
21 almost an impossibility, but at that point in  
22 time we had already brought in a manager from  
23 MAC to be site manager at Browns Ferry under  
24 an arrangement just exactly like they  
25 contemplated for White. You pay a company the

1 cost of this person plus whatever overhead is  
2 built into the contract, and you give this  
3 person a line authority, and apparently,  
4 nobody could find any legal objections to it.  
5 In fact, it was even challenged in various  
6 ways which are germane to this discussion this  
7 morning.

8 So like I said, we already had this guy --  
9 I didn't name him. His name was Bibb, but  
10 that's a matter of record again, at Browns  
11 Ferry from MAC. So we knew we could go the  
12 contract manager route, and so when White  
13 suggested that he could do us a better job  
14 if he were Manager of Nuclear Power, why we,  
15 after some talk, we did, in fact, hire him as  
16 Manager of Nuclear Power after zillions of  
17 lawyers had fooled with lots of contracts all  
18 through the Christmas holidays as I remember it.

19 There's no relationship that I can tell  
20 you about that I know about between hiring  
21 White and the discussions that the certain  
22 people in NSRS had with Mr. Asselstine.  
23 My recollection of that is that Asselstine came  
24 to Watts Bar. Now, I have to back up a little  
25 bit. In the beginning of 198 -- well, at that

1 point in time, we were -- let's see now. When  
2 did QTC come to work here?

3 Q In April of '85, I believe.

4 A Well, that might be. Not -- okay. I get these  
5 -- that's right. That's right. In the spring  
6 of '85.

7 Q Yes, Sir.

8 A Okay. I didn't mention Watts Bar, but it fits  
9 into this thing. We were told by our nuclear  
10 people that Watts Bar was ready to license in  
11 1985, to field load, and a letter was filed  
12 by Paris to the NRC to that effect with a long  
13 list of the usual exceptions, things that we  
14 had to do. But anyway, that was filed. And  
15 then there was some complaints. Some employees  
16 were calling NRC and saying that this wasn't  
17 done right and that wasn't done right. So for  
18 better or worse, we, at the recommendation of  
19 Paris again, who had allegedly researched it,  
20 we hired QTC or he did to come in and interview  
21 our people at Watts Bar. And you know the  
22 results of that. It unearthed a long list of  
23 allegations of things that needed to be at  
24 least looked into before we could get that  
25 plant on line. So we had that going on.

1                    Apparently, Mr. Asselstine -- it's typical  
2                    for NRC Commissioners to visit nuclear plants.  
3                    At least it has been in the last few years.  
4                    In the first years when I came to TVA back  
5                    in the '81, '82 time frame, they didn't come  
6                    around much at all, but they -- but lately,  
7                    they've -- lately, they've shown more interest  
8                    in actually coming on site. And Asselstine  
9                    apparently came to Watts Bar in December of '85,  
10                   even though -- to my knowledge, I didn't even  
11                   know he was down there, though that's not all  
12                   that unusual. He would have been hosted by  
13                   the office of Nuclear Power, though the Board  
14                   members, we usually try to have one Board member  
15                   go and have lunch with this Commissioner or  
16                   whatever. It was just pretty much standard  
17                   practice for one of us to go and at least have  
18                   a meal and give them a chance to talk straight  
19                   to us without anybody else around. And I've  
20                   done that myself several times. But anyway, I  
21                   don't know that I knew he was coming. The  
22                   first I heard of it was that we heard the the  
23                   people in NSRS, Nuclear Safety Review, the  
24                   people in that staff had made this presentation  
25                   and that they had scrawled or written across

1 the bottom of one of the slides that we were  
2 not in compliance with Appendix B, and we found  
3 that interesting because these people had not  
4 said anything to the TVA Board that they felt  
5 we were not in compliance, even though one of  
6 them had come to us and talked to us about  
7 welding off and on, Jerry Smith. That's another  
8 long story, but he had been up to see us a time  
9 or two, but nobody had ever said we were not  
10 in compliance with Appendix B.

11 And so we asked -- Sauer was the main  
12 spokesman of that group within NSRS. He was  
13 not head of NSRS. He was a spokesman of the  
14 group that felt like we were out of compliance.  
15 So we asked him to come up and make a  
16 presentation that he did to Asselstine. It's  
17 a little bit reverse from what a professional  
18 engineer normally does. Normally, a professional  
19 engineer is supposed to tell his boss if  
20 something is wrong. If he can't get results,  
21 then he tells the world at large.

22 This time the world at large already had it.  
23 So we thought maybe it'd be a good idea for  
24 him to come and tell us. So he came up here  
25 to this room and set up his slide projector

1 and showed his slides, including the one that  
2 said we were out of compliance, and that was  
3 that. We thanked him. Nobody said anything  
4 that we ever lived to regret. We just thanked  
5 him for showing us the slides, and off he went.

6 And then about that time, everything was going  
7 on at once, mind you. This was about the time  
8 we were talking to White, about the time we  
9 got our report from Stone and Webster and  
10 bringing Zigrossi on broad. It was a pretty  
11 busy time to be Christmas holidays. There  
12 wasn't much Christmastime in there as I remember  
13 it, but the -- I'm trying to remember. After  
14 we saw that slide show, I don't remember thinking  
15 much about it, but apparently, Asselstine went  
16 back to Washington and got hold of Denton  
17 and said ask these people, in essence, in writing  
18 if they are in compliance or not. Ask TVA for  
19 some corporate position, I think is the word  
20 they used sometimes, which means an official  
21 position, I guess.

22 At any rate, I guess we got -- Denton wanted  
23 an answer pretty fast. Huh? He wrote Hugh  
24 Paris. Okay.

25 MR. WILLIAMSON: The letter for the record is the letter to

1 Mr. Hugh Paris from Harold Denton dated  
2 January 3, 1986.

3 A That's fine. Well, in other words, he -- yes,  
4 that's right. He asked for TVA's corporate  
5 position. It's right here. That's the words  
6 he used in this letter, to whether the  
7 requirements are being met. This was -- yeah,  
8 he doesn't even use Asselstine's name. It says  
9 during the Commissioner's recent visit. Well,  
10 it was the Asselstine visit obviously because  
11 it's got the right date and everything else,  
12 and everything in this letter, I guess, is  
13 factual, but he asked for it within thirty days.  
14 Well, we had to go up there -- yeah, they  
15 wanted to be provided in writing no later than  
16 January the 9th. But we had to go up there for  
17 a meeting with the NRC in early January, and  
18 I personally talked to Harold Denton, and  
19 I think Stello was in the room at the time,  
20 and I asked them for more time because we were  
21 in the process of bringing White on board. I  
22 think he was to come on board mid-January.  
23 Paris had decided to quit, and I think, as I  
24 remember it, Denton seemed to think like it  
25 was reasonable. I mean I said, "Let White and

1 his experts, whatever experts he wants to  
2 assemble, look this thing over and give you  
3 an answer on it," and -- yeah, okay. Denton  
4 says something to the effect about writing, and  
5 it's interesting because that's one of the few  
6 letters I guess I've ever written to the NRC.  
7 Yeah, "This refers to your letter to Paris,"  
8 which we discussed with you and Stello. That's  
9 got it, on January 7th. That's correct. The  
10 letter calls for a statement and so forth and  
11 so on in order to adequately respond, TVA Board  
12 in concurrence after consultation with staff.  
13 In view of this and the fact Steve White who  
14 will head up -- will not work -- you agreed.  
15 Yeah, this says you agree verbally in other  
16 words, to extend the due date. It doesn't  
17 say how much. The situation apparently involves  
18 different professional opinions within TVA.  
19 That's certainly the truth. We expect White to  
20 look into the matter and so forth and so on.  
21 Okay. And that's -- and they gave us -- this  
22 doesn't say how long, but apparently, they  
23 were -- I don't remember whether we were ever  
24 given another deadline or not, but it was  
25 agreed to let White bring his people in and



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look this matter over.

MS. BAUSER: Let's -- I want to make sure that you're answering their question.

A Have I drifted from the question?

Q No, but let me -- also, for the record, this is the letter that Mr. Dean just quoted from was a January 9th, 1986 letter from Mr. Dean to Mr. Harold Denton. Please.

A Oh, here it is here. All right. In my file, too, yeah. Have I drifted from the original question?

MS. BAUSER: Well, I think you've answered the original question, so I'm not sure where we are.

A Okay.

Q We're going to try to bring you back a little bit.

A I guess that's...

Q You've answered that question, my original question and...

A Well, I tried to recollect events in that period which seemed to be what you wanted.

Q Surely. And the next four questions I have.

A Good. I like that.

Q But anyway, let's get back to that assessment that was given to the Board of Directors by

1 the Stone and Webster people, can you tell us  
2 basically what that amounted to? I mean what  
3 did they paint the picture -- how did they  
4 paint the picture at TVA?

5 A They -- I don't remember a lot about it. I  
6 remember that the assessment, they didn't  
7 give us -- somebody finally found an outline,  
8 TVA study findings, but I don't remember a lot  
9 about it. I have a copy here that lists some  
10 of these things and some notes that I kinda  
11 scrawled on there to get some sense of what  
12 they were talking about. But anyway, they  
13 said we had a lot of problems. For instance,  
14 here's a good example. Q.A. role too weak,  
15 and I wrote on there in my own handwriting,  
16 "Compared with other utilities." In other words,  
17 I wanted to know what they meant by that. I  
18 guess I asked. And down here, "No method to  
19 measure documentation status," and I put,  
20 parenthesis, for my own information, "Old line  
21 focus on hardware," end of parenthesis. So  
22 they -- as I said, they pointed out some  
23 things that, in essence, we needed to get  
24 after. In fact, I have this thing. I wrote  
25 -- gave this to Lou Wallace apparently. This

1 was a December 19th meeting. My notes scratched  
2 on their sheets. This was in the IG's file.  
3 I had given it to them. Well, I don't remember  
4 now why the IG wanted it, but I'm glad he found  
5 it because my copy's probably buried in a stack  
6 of paper higher than I am. So...

7 Q Were you...

8 A So I was at the meeting, and they came up with  
9 all these things, see.

10 Q Did you ask for the meeting? Did you request  
11 the meeting? Do you know?

12 A I don't think we asked for the meeting. I  
13 think that they had been brought in here, as I  
14 said, not by the Board. As I recall, Paris  
15 brought them in here, and when it was finished  
16 -- I think they were reporting to Paris. I  
17 guess we were all together, but it was just  
18 felt like -- there wouldn't have been anything  
19 untypical about the Board attending a meeting  
20 of this type, but I don't recall -- I just  
21 don't recall who asked for the meeting.

22 Q You don't recall? Okay. Did they bring up any  
23 areas or was their presentation alarming to you?  
24 I mean did they tell you any things you didn't  
25 know?

1 A Well, we knew we had problems. When you've  
2 got five licensed reactors and all of them shut  
3 down, we knew we had problems. They underlined  
4 the fact that we had problems. I mean they  
5 listed their version of what our problems  
6 were, but...

7 Q But was there anything new about the presentation?  
8 I mean were you surprised by their presentation?  
9 Was there anything in their presentation and  
10 said, "Gees, I didn't know about it."

11 A It wasn't that much different from things that  
12 we had heard from other people. I don't  
13 recall -- I don't see anything here that -- like  
14 I said, this has been a while, but, you know,  
15 I don't see anything here that's that much  
16 different from things that we had heard.  
17 It wasn't -- it was not -- they did not paint  
18 a pretty picture.

19 MR. WILLIAMSON: Who made the presentation, Mr. Dean?

20 Do you recall?

21 A I don't recall.

22 MR. WILLIAMSON: Mr. Larry Nace was one of the presenters.

23 Was Mr. White there also during that  
24 presentation?

25 MS. BAUSER: Are you asking him whether Mr. Nace was

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one of the presenters?  
A I don't remember. I don't remember. I do not remember who all was at this meeting. I'm sorry. I just don't. I didn't -- somebody probably took a list down of who was there, but I don't have it, and I don't know who was there, and I'd just better not tax my memory to that extent. I don't remember who did the talking, whether White did or not. I mean we got to talk with White after all this, but that was a little bit different.

MR. WILLIAMSON: Do you recall that during this presentation that Mr. White made any recommendation or conclusions, drew any conclusions as a result of this management assessment? Did he make any recommendation to the Board?

A No, I don't think he did that I can remember. See, the recommendations regarding us hiring White as a nuclear adviser, as I said, I particularly remember Dennis Wilkinson talking about White because we tried to get Dennis to take it, and Dennis wouldn't do it. He had enough to do. So we've got two or three different things going on at once here. The

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1 Stone and Webster report is one deal, and us  
2 dealing with White was kind of another deal.

3 MR. ROBINSON: Mr. Dean, the one little note that you said  
4 about -- the comment in that paper about the  
5 QA program being too weak. Do you remember if  
6 they explained what they meant by that to you?

7 A I just wrote -- I evidently asked the question,  
8 and I wrote after that in my own handwriting,  
9 "Compared with other utilities."

10 MR. ROBINSON: All right.

11 A Evidently, I asked the question, "What do you  
12 mean by that?", and they said, "Well, as  
13 compared with other utilities."

14 MR. ROBINSON: Okay.

15 MR. REINHART: Mr. Dean, to refresh your memory, if you'd  
16 look at that paper you have, there's a list  
17 of people that were involved in that study.

18 A Oh, okay.

19 MR. REINHART: Can you remember...

20 A The task force, but I said -- when I said I  
21 couldn't remember who was doing the talking,  
22 who was actually there at that meeting.

23 MR. REINHART: What I'm asking is by looking at that list,  
24 would that recall to your memory anyone who  
25 was there?

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1           **A**           **No. Heavens, no. You have to -- you have to**  
2                           **understand that I have meetings all day every**  
3                           **day, and my calendar will attest to that. I**  
4                           **have phone calls every few minutes all day long.**  
5                           **Our lives are, for better or worse, a**  
6                           **kaleidoscope, just an endless bunch of pictures**  
7                           **flying by, and we have to do the best we can,**  
8                           **but if I had to recollect, I wouldn't have**  
9                           **probably remembered taking all these notes or**  
10                          **having this in my file. I'm glad that Mr.**  
11                          **Zigrossi had them.**

12           **MR. ROBINSON: Do you pretty much have minutes recorded**  
13                           **of these daily meetings that you have?**

14           **A**           **No, no, not -- it depends on whose meeting it is.**  
15                           **Sometimes we do; sometimes we don't. When there**  
16                           **are assignments made, they have to be recorded,**  
17                           **so somebody has to carry out the assignment.**  
18                           **And these are kept by the -- by Willie McClain,**  
19                           **who's on the staff here on the twelfth floor.**

20           **MR. ROBINSON: Okay.**

21           **A**           **She would not have been -- I don't -- I'm sure**  
22                           **she wasn't at that meeting. It was in**  
23                           **Chattanooga, if you're talking about this one.**  
24                           **If Nuc Power kept any notes, I haven't seen**  
25                           **them.**

1 MR. REINHART: Do you remember how long that meeting took?

2 A Not really. It was not an all day affair, but  
3 that's about all I can remember. Maybe an hour  
4 or two. That's just a general recollection.

5 Q Mr. Dean, let me ask you one more question  
6 about that meeting. At any time during that  
7 day, do you recall having a private session  
8 with Steven White regarding his possible  
9 employment as the Manager of Nuclear Power?

10 A No, I don't think -- I don't think that -- I  
11 don't think that took place that day in  
12 Chattanooga. The first time I remember we  
13 talked seriously with White about him coming  
14 in, not as an advisor but as Manager of Power,  
15 I believe that was right here in this room.

16 Q Okay.

17 A And it was a different day, but I don't remember  
18 which day..

19 Q Okay. And you don't...  
20 I'd have to go back to my calendar. It might  
21 show when White was coming in here. You know,  
22 I might be able to reconstruct the date by  
23 looking at my calendar "Appointment with Steve  
24 White" or something like that.

25 Q Okay. But it wasn't at that meeting as you



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recall?

A I don't recall it that way.

MR. REINHART: Do you remember during that meeting a time when maybe some of the people that were originally present left and you had a more private or closed session with only some of the people present?

A I don't remember it. It could have been. That's been a while.

Q You said that Mr. Sauer -- do you recall Mr. -- you heard that he'd given a brief and then called Mr. Sauer up here to brief you and to give you...

MS. BAUSER: I'm sorry. Could you just start again? I didn't hear the beginning.

Q Yeah. Mr. Sauer, the NSRS guy who gave the briefing...

MS. BAUSER: Yes.

Q ...to Commissioner Asselstine, he gave a briefing to the Board of Directors.

A Well, we heard about it. I've forgotten how we heard about it, but I guess somebody said or maybe Denton called me. I don't know how -- I really don't remember how we heard about it, whether it was through the NRC or what. So we

1           said we'd better see what this is all about.  
2           It may have been after, after Denton got hold  
3           of us.

4           Q           Uh-huh.

5           A           But anyway, we did have Sauer come up here in  
6           this room and show us what he showed Mr.  
7           Asselstine.

8           Q           Did you direct any action to be taken as a  
9           result of that briefing?

10          A           No. I don't recall any. We thanked them for  
11          presenting it to us, but no, like I say, to  
12          the best of my knowledge, it was really no  
13          connection at all between what went on with  
14          Sauer, Asselstine and all and White. The only,  
15          the only connection that I can give you is  
16          that by the time this thing had come to a head  
17          and Denton had asked us for an answer, we  
18          definitely asked Denton, said, "Well, let's  
19          give White and his people time to take a look  
20          at this thing," and that's the way it was.

21          MR. ROBINSON: Do you remember whether or not your  
22          briefing by Sauer or the re-presentation of the  
23          presentation was before or after you got the  
24          letter of request from NRC?

25          A           That's a matter of record. I don't -- I don't

1 know. I'd have to go back and look. I don't  
2 know that that's -- it's whatever it is, it is,  
3 you know. I mean it's a matter of record.  
4 We got a letter -- well, we got the letter  
5 January 3rd, NRC letter to TVA. I'm told that  
6 Sauer then came up here about the 8th or 9th  
7 of January.

8 MR. ROBINSON: Did you ever get any indication...

9 A Now, that, again, would be a matter of record.  
10 My calendar will show that. It's no secret.  
11 Everybody else looks at it.

12 MR. ROBINSON: Sure. Did you ever get any indication that  
13 after Sauer had made that presentation to  
14 Commissioner Asselstine that another member of  
15 NSRS had indicated that that was not necessarily  
16 a corporate position?

17 A It's my understanding that the manager of NSRS,  
18 Witt, said it wasn't our corporate position.  
19 I'm sure we discussed it with Witt. I don't  
20 remember the details of the discussion.

21 MR. REINHART: To maybe refresh your memory, I believe  
22 that Mr. Witt told Mr. Asselstine that it was  
23 not necessarily TVA's corporate position?

24 A Well, whatever he told him, he told him. I  
25 wasn't there, I'm sure.

1 MS. BAUSER: You have a question?

2 MR. ROBINSON: One more, and this may have already  
3 been asked. After that presentation to the  
4 Board of what was presented to Commissioner  
5 Asselstine, did you or any other members of the  
6 Board give any specific direction to the  
7 Manager of Nuclear Power regarding how the  
8 NRC request should be answered?

9 A No. I can't -- no, we did not.

10 MR. ROBINSON: Or assign any responsibilities as far as  
11 preparing an answer?

12 A See, by that time, we had -- maybe I didn't make  
13 it clear. We had made a deal with White during,  
14 over the Christmas holidays, and what we were  
15 -- all we asked for was -- all we asked Denton  
16 for was to give us time to let White and his  
17 people look at this thing, and we'll give you  
18 an answer, or they will prepare an answer  
19 based on an expert opinions on it.

20 MS. BAUSER: Can I ask a clarifying question? When you  
21 say you made a deal with White, what are you  
22 talking about?

23 A We had agreed to hire White. That's what I  
24 mean. Yeah. Thank you. That could be read  
25 all kinds of ways, couldn't it? Anyway, we had

1                   agreed to hire White under specified conditions.

2           Q           You got -- you explained to us that once the  
3                   January 3rd letter got here, the responsive  
4                   date was really kind of short. You said thirty  
5                   days originally, but you corrected it and said  
6                   it really amounted to seven days, I think, six,  
7                   seven days.

8           A           That he asked for -- what Denton asked for, you mean?

9           Q           Yes, Sir.

10          A           Oh, I can't remember.

11          Q           He asked for a corporate response as to whether  
12                   you were in compliance with Appendix B I think  
13                   within six or seven days.

14          A           I remember going up there and talking to him  
15                   about it. I think we were up there for another  
16                   meeting as I remember it.

17          Q           Yes, Sir. In that letter of January 9th,  
18                   request for extension, there's two areas that  
19                   I'd like to ask you a couple of questions about.  
20                   One, is what's the Board's position on the  
21                   resolution of differing professional opinions?  
22                   I know I've read documents associated with TVA  
23                   that says that not only does TVA welcome them,  
24                   but they expect that they will be resolved, and  
25                   that there, you know...

1 A Well, obviously...

2 MS. BAUSER: Excuse me. Can I ask you, are you asking  
3 what their position is today, or what their  
4 position was at the time of that letter?

5 Q I would think the position at the time of the  
6 letter. I don't know that...

7 MS. BAUSER: Okay.

8 A Well, we've had a policy that's been on the books  
9 for many years before I got here as far as I  
10 know, that relates to differing professional  
11 opinions, and obviously, I don't have it here  
12 in front of me. The idea is that, as you stated,  
13 to encourage people to speak up and to allow  
14 some process for resolving differing  
15 professional opinions. As a matter of fact,  
16 this was the kind of thing that happened all  
17 the time back with the Nuclear Safety Review  
18 Staff. Sometimes they'd bounce letters back  
19 and forth from the operating people for days  
20 until they finally agreed on a -- they resolved  
21 their differences, and obviously, the best  
22 way to resolve differing professional opinions  
23 is at the lowest possible level that can be  
24 done satisfactorily. But they would -- Culver  
25 and Paris would bounce letters back and forth

1 about, you know, different professional opinions.  
2 the NSRS guy would say this was not right. We  
3 had -- this welding investigation that's going  
4 on at Watts Bar is about the umpteenth welding  
5 investigation. People are always raising questions  
6 about this and that and the other, and they  
7 would bring in some experts or whatever it took,  
8 and they would try to resolve it. Everybody  
9 would sign off on it, and maybe it'd pop up  
10 again, but it's always been in this agency and  
11 I'm sure anything as big as TVA differing  
12 professional opinions, and as far as I know,  
13 there's always been an orderly way to resolve it.  
14 As far as Board's policy goes, what policy could  
15 you have that would make any sense but that  
16 they will be aired out and resolved?

17 Q Okay. Let me be a little more specific. In  
18 those instances where the NSR staff disagreed  
19 with the line organization, who is the ultimate  
20 authority on the resolution of those policies?  
21 Is that the responsibility of the Board of  
22 Directors?

23 A Usually they were a -- usually they were worked  
24 out between either Culver or later Witt and the  
25 line organization. That is, they would just --

1 they worked them out between them, but if it  
2 had to go to a higher authority, it would  
3 probably go to the general manager. I don't  
4 remember the Board getting involved in it, but  
5 I'm not saying it never happened. We might  
6 have gotten involve' in some of them, but I  
7 don't remember it. It could go all the way  
8 to the Board, and, of course, if necessary,  
9 I guess the Board could get outside expertise.  
10 That's exactly what we've done having EG&G  
11 go over all this welding down at Watts Bar.  
12 Occasionally, the only way to handle a  
13 differing professional opinion is to get other  
14 qualified professionals to come in and take a  
15 look, and I say, that's what we have with this  
16 EG&G crowd down there now, as an example. There  
17 have been others.

18 Q In your mind, because in the letter you state  
19 that there is a differing professional opinion  
20 in the January 9th letter, do you know if that  
21 differing professional opinion was resolved  
22 to the satisfaction of Mr. Sauer prior to  
23 the submission of the March 20th, 1986 letter  
24 by Mr. White?

25 A I don't recall ever seeing Sauer again. I



1 really -- he showed up at a hearing in  
2 Washington I think Flippo had. I'm trying to  
3 remember too much. I'd better just -- I don't  
4 recall talking to Sauer about it. It was -- the  
5 Board would never been involved in resolving  
6 one of these things unless it got to be  
7 something they couldn't handle down at a lower  
8 level. I don't recall getting back into it.

9 Q So in your mind, at least you thought the problem  
10 was handled at a lower level; it had not been  
11 elevated...

12 A Oh, I'm not -- if you're saying do I think Sauer  
13 was -- Sauer's objections were overcome, I think  
14 that -- I would have to think that Sauer stuck  
15 with his opinion.

16 Q But you don't know if it was ever elevated to  
17 the Board level for a decision? Did Sauer...

18 A I don't get the drift.

19 Q Okay. Let me. Did Sauer's contention that TVA  
20 was not complying with Appendix B, was that ever  
21 resolved, do you know?

22 A I don't know whether it has been or not. I mean  
23 about Sauer's opinion. I don't know what's  
24 happened to his opinion. I know that the Board  
25 would not be an expert on -- were not Appendix B

1 experts. That's why we referred it to White  
2 and his people, and then that's how it would  
3 ultimately have to be resolved, just like we're  
4 doing the welding down there. We got EG&G in  
5 to check the welding because they're welding  
6 people, plus three other outside experts on  
7 welding.

8 Q Let me tell you why I've asked you this question.  
9 This is a TVA Code, Office of General Manager  
10 to the Safety Nuclear Facilities and Activities.  
11 It says, "The Board of Directors approved the  
12 following policy and reservations up to the Board  
13 on April 6th, 1983, and I believe this is also  
14 the current policy within TVA." And Number 8,  
15 under the Reservations of the Board, it says,  
16 "Staff handling of employee views which have  
17 not been resolved by either the line organization,  
18 the Nuclear Safety Review Staff or general  
19 manager to the satisfaction of concerned employees..."

20 MS. BAUSER Could we read that?

21 Q Yes, Ma'am.

22 A Because you read it so fast. Number 8, staff  
23 handling, let's see. Board of Director reviews  
24 enacts on major staff proposals having nuclear  
25 safety significance. Staff proposals. Well, that

1 means we take staff recommendations about this  
2 and that and the other, including staff handling  
3 of employees views which have not been resolved  
4 by either the line organization, the Nuclear  
5 Safety Review Staff or general manager to the  
6 satisfaction of concerned -- well, you're saying  
7 that -- I'm not sure what the question is. If  
8 you're bringing Sauer into this as though we  
9 would have personally decided whether Sauer had  
10 been satisfied or not, I don't think -- it's like  
11 I said. He appeared at a hearing sometime  
12 during that year in Washington saying that he  
13 still held his views as I remember it, but I  
14 don't remember the details of that. That's  
15 another subject.

16 Q Okay.

17 A So this is the way it is. What is the question?

18 Q The question is, was this issue ever resolved  
19 once brought to the Board's attention for  
20 resolution? Maybe that's a better way of  
21 putting it.

22 A The Board would not have determined whether  
23 that plant was in compliance or not with  
24 Appendix B.

25 Q I understand that.

1           A           And that's what Sauer claimed. He claimed it  
2                       was not. The Board would never determine that.  
3                       We are not technically qualified in any sense  
4                       to make that determination. We have to depend  
5                       on experts just like we do welding and things  
6                       like that. Sauer said we were not in compliance,  
7                       he and his people, he and his group if you want  
8                       to call them that. He said we were not. The  
9                       only way the Board could ever resolve an issue  
10                      like that would be to bring in somebody that  
11                      knew about Appendix B and have them state whether  
12                      we are in compliance or not. The Board has no  
13                      expertise in that field.

14          Q           I guess I was -- when I read this policy, it  
15                       would look to me like in those instances where  
16                       that there's a major discussion, and I think  
17                       compliance with Appendix B surely falls within  
18                       that category, that the Board might render a  
19                       decision on whether that's...

20          A           The Board might -- the Board might decide which  
21                       group of experts to believe if that's what  
22                       you're saying?

23          Q           That's what I'm -- that's exactly what I'm saying.

24          A           But I don't remember any formal discussion  
25                       like you're...

1 Q Okay. Then it was...

2 A I don't remember any deal where we had Sauer  
3 and his group on one side of the table and  
4 another group on another side of the table,  
5 each saying -- I mean I think that we told  
6 Admiral White to resolve the issue. I mean I  
7 don't think we did. We told him to resolve the  
8 issue, that is, to find out whether we were in  
9 compliance or not, using whatever expertise he  
10 saw fit to bring around, which was -- which is  
11 typical. He brings in the best he can get.

12 Q Okay.

13 A But I mean for -- okay. That's fine.

14 Q That's fine.

15 A That's enough. Yeah, of that.

16 Q The second section of the letter it says here,  
17 "This situation apparently involves" -- it says  
18 TVA Board concurrence would be needed in -- it  
19 says, "In order to adequately respond to the  
20 inquiry, TVA Board concurrence would be needed  
21 after consultation with the staff." This is,  
22 I assume, is in response to the January 3rd  
23 letter. Did the TVA Board concur with the  
24 March 20th letter?

25 A About all I can tell you about that is that we

1 would have known it was being sent, but we did  
2 not get into the technical end of the thing  
3 because, as I said earlier, we're not technical  
4 experts.

5 Q Okay. Then do I understand the answer to mean  
6 then you did not formally concur with the letter?

7 A We did not -- to the best of my recollection,  
8 we did not actually sign off and say send this  
9 letter just like it's written because -- well,  
10 like I said, I don't feel like we're really  
11 experts.

12 Q Okay. Did Mr. White or any member of his staff  
13 present that letter to you in its final form  
14 prior to it being sent to the NRC?

15 A To the best of my knowledge, I don't think I saw  
16 the letter till after it had been mailed. We  
17 would have been told it was being mailed, but  
18 that's about it.

19 Q Okay.

20 A Because my, my records show that it was mailed  
21 the 20th, and my copy came in here the 27th in  
22 my office.

23 Q Okay. Was it read to you over the telephone?

24 A I don't remember. I really don't. I tried. So  
25 many people have asked me that before.

1 MR. WILLIAMSON: Had you been briefed between the time Mr.  
2 White came aboard and the time this letter was  
3 sent out on the status of Watts Bar with regard  
4 to being in compliance with Appendix B?  
5 A All I can remember is that White had brought in  
6 Dick Kelly from Stone and Webster as head of  
7 quality assurance and that Kelly, among others,  
8 all of whom I couldn't name to save my life, were  
9 assigned the task of making this determination.  
10 MR. WILLIAMSON: Were you briefed by Mr. Kelly as to any...  
11 A As to what he's finding? I don't recall if I  
12 was.  
13 MR. WILLIAMSON: Or any other advisers by Mr. White or  
14 consultants hired by Mr. White?  
15 A I don't remember, but we were in constant  
16 -- you know, we talk on the phone all the time,  
17 and we see each other when possible. White  
18 called me about something last night. So I  
19 recall can't remember about what you're talking  
20 about.  
21 MS. BAUSER: When you say "we talked," you mean you and  
22 White?  
23 A Yeah. Yeah, he called me at home last night,  
24 which is typical.  
25 MR. WILLIAMSON: Any other members of his staff? Do you

1 routinely talk with any other members of his  
2 staff?

3 A Not very often.

4 MR. WILLIAMSON: In this time frame, in January through  
5 March, '86 when he had a group of SWAC employees,  
6 consultants and other advisers working for him,  
7 were you routinely talking with any of those  
8 individuals?

9 A No, I don't believe that would have been likely  
10 at that point in time. It was mostly with  
11 White himself. I'm trying to -- we had --  
12 occasionally we had meetings with groups of  
13 people like they'd have a task force report  
14 from this plant or that plant, and we would go  
15 down, the Board -- if the whole Board was  
16 available, whoever was available in the Board  
17 would go down and listen to the task force,  
18 usually all of us. But that would be the  
19 typical presentation. I don't recall any  
20 meetings just about this letter.

21 MR. ROBINSON: When you read the letter, Mr. Dean, after  
22 it had gone out, did you agree with it?

23 A I don't consider myself an expert on Appendix B.  
24 If White and White's experts felt like we were  
25 in compliance, that wouldn't have -- I wouldn't



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have taken exception to it. So I don't recall any reaction of the kind you're referring to there.

MR. ROBINSON: Neither an agreement or a disagreement reaction?

No.

MR. ROBINSON: Did you have any inclination to maybe tell Mr. White or ask Mr. White that on issues such as that in the future, that it might be a good idea if he ran that by you before he sent it to the NRC or before...

A We didn't have any conversation like that.

MR. ROBINSON: Okay.

A Because, as I said earlier, this is a matter requiring considerable expertise, and we had, we had delegated him the task. By him, I mean the entire -- whoever he wanted to get that was experts in this business. And we delegated him this task of preparing a proper response.

MR. REINHART: Mr. Dean, in your letter dated January 9th, 1986 to Mr. Harold Denton, you acknowledged this Appendix B issue. You acknowledged that Steve White is coming on board, and you say, "In order to adequately respond to the inquiry, the NRC's requirement regarding meeting the

1 requirements of Appendix B" -- you say, "In  
2 order to adequately respond to inquiry, TVA  
3 Board concurrence would be needed after  
4 consultation with staff." What I'm hearing you  
5 say, I just want clarification. Are you telling  
6 me that there was no consultation with the  
7 staff on this issue?

8 A The only, the only concurrence we would have had  
9 would have been that the process that was  
10 followed was to get White to assemble whatever  
11 experts he wanted to get from anywhere in the  
12 nuclear industry, look this matter over and  
13 prepare a reply. I guess the implication that  
14 you're reading into that letter is that somehow  
15 the TVA Board would be qualified to -- I know  
16 what it says. Would be qualified to determine  
17 whether we were or were not in compliance with  
18 Appendix B. The TVA Board, at least as far as  
19 I'm concerned, my part of it, has never claimed  
20 to have that kind of expertise nor will we ever  
21 claim to have that. So we have to rely on other  
22 people. The process was followed the way we  
23 asked that it be followed. "White, you answer  
24 the letter. Get whatever experts you want.  
25 We'll pay for them." That's what he did.

1 MR. REINHART: Well, the letter doesn't really say  
2 anything about qualifications. It just says  
3 that the Board would consult with the staff  
4 and concur.  
5 A Uh-huh.  
6 MR. REINHART: And I'm wondering why that did not happen?  
7 A I don't know. I mean if you're talking about  
8 having a big meeting to go over this letter...  
9 MR. REINHART: Big meeting, little meeting, any kind of  
10 a concurrence with the staff, consultation  
11 with the staff.  
12 A I can't tell you for sure whether or not it  
13 was read to me over the telephone. I just don't  
14 remember. I did not attach that much  
15 importance to it. Now, don't misunderstand me.  
16 The letter was important, but as far as my  
17 personal feelings on it.  
18 MS. BAUSER: I'd like to clarify something now. It's  
19 your statement that that didn't happen?  
20 MR. REINHART: I'm asking did that happen, and for the  
21 record, I'm being told no, that did not happen.  
22 A Well, I'm telling you that I do not recall any  
23 meeting to discuss the contents of this letter.  
24 MR. REINHART: Or consultation with the staff?  
25 A Now, I'm also saying that I do not know what we

1           talked about on the telephone. I talk to White  
2           almost every day on the telephone. So there's  
3           no way -- I do not keep logs of telephone  
4           conversations. And I might have had that entire  
5           letter read to me over the telephone, and I  
6           cannot tell you for sure whether I did or not,  
7           because I don't remember what happened in March  
8           a year ago.

9           MR. REINHART: When it says TVA...

10          A           To that extent.

11          MR. REINHART: ...TVA Board concurrence after consultation  
12                      with staff, would that, would that be just you,  
13                      or would that be the whole Board that would  
14                      consult and concur?

15          A           It could be any of the above. Typically, quite  
16                      often we'll go in somebody's office and turn  
17                      on a speaker phone, and we'll have the Board  
18                      and the General Manager on the phone talking to  
19                      White. We do this quite frequently.

20          MR. REINHART: Okay. Do you recall any consultation with  
21                      the staff with regard to this specific letter  
22                      and any form of Board concurrence prior to that  
23                      letter being issued?

24          A           See, that's what I'm telling you. We talk  
25                      every day on the telephone. There is no way on

1 earth -- and I want to emphasize this. There's  
2 no way on earth, when you're talking to somebody  
3 every day unless you keep a phone log, which I  
4 don't, that I can tell you what White talked to  
5 the Board about during that period of time.

6 MR. REINHART: So is your answer no, you don't remember?

7 A I just -- he could have said -- he could have  
8 said, "The letter's ready for the NRC. You know,  
9 we are advising them that we are in compliance  
10 with Appendix B at Watts Bar," and we said,  
11 "That's fine. Send us a copy," and which he did.  
12 But, you know, he sent one to Willis, which is  
13 to us, and then one to our attorney and so forth  
14 and so on. And nobody really took any particular  
15 note of it. Its important has elevated - you  
16 can't imagine how much - in recent months.  
17 Nobody took note of it. He said we appear to be  
18 in compliance. If we find anything out, we'll  
19 tell you about it. It was a very...

20 MR. REINHART: Okay. I'm having a hard time really  
21 understanding what you're saying.

22 A I'm saying there was no formal meeting.

23 MR. REINHART: Informal meeting, any meeting?

24 A ...that I can recall -- I don't...

25 MS. BAUSER: He does not recall.

1 A I'm telling you I do not recall what we talked  
2 about on the telephone.

3 MS. BAUSER: Whether there were discussions on the  
4 telephone, and he doesn't recall there being  
5 any meeting. He has no recollection of any  
6 meeting.

7 MR. REINHART: So let me repeat back what I think you've  
8 said.

9 A All right.

10 MR. REINHART: That as far as you can recall, there was  
11 no consultation with the staff and TVA Board  
12 concurrence on that letter before it was sent  
13 to the NRC? Is that what you're telling me?

14 A Well, I'm saying that I don't recall any formal  
15 meeting. I'm also saying there's no way I  
16 can remember all of the things we talk about  
17 on the phone. Therefore, I can't say yes or  
18 no about this particular matter.

19 MR. REINHART: Does the phrase...

20 A The way you word it is -- the way you word it  
21 is different from the way I would word it.  
22 You have to help yourself, you know. I mean you  
23 can word it any way you want to.

24 MR. REINHART: Does the phrase, "There's no way I can  
25 remember," mean I do not remember?

1 A I do not remember a specific phone conversation  
2 relating to this matter.

3 MR. REINHART: Okay.

4 A That's what you're wanting. That's the truth.  
5 I do not remember a specific phone conversation  
6 relating to that matter.

7 MR. REINHART: That's just the straight answer I really am  
8 trying to get.

9 A You've got it.

10 MR. REINHART: Okay.

11 MS. BAUSER: I'd like to ask a question. When you talk  
12 about Board concurrence, Mr. Dean, you were  
13 talking earlier about what you would have asked  
14 White to do and what you talked to Mr. Denton  
15 about White doing. Could you -- I think this  
16 may be redundant, but could you repeat for the  
17 record what would have been important to the  
18 Board in terms of Board concurrence?

19 A We would have expected White to have gather  
20 around him the best QA people he could get his  
21 hands on and for them to look at the records  
22 and decide whether or not we were in compliance.  
23 In other words, do they agree with the people  
24 in the NSRS staff, or don't they? That's the  
25 essence of it, and to so advise the NRC.

1 MS. BAUSER: And would the Board have taken a position  
2 itself on the correctness or incorrectness  
3 of whatever the outcome was by a group of  
4 experts?

5 A No. The Board -- I couldn't, I couldn't  
6 emphasize this more. The Board has never held  
7 itself up to be experts on Appendix B. That's  
8 very important. We have to rely on other  
9 people for that kind of...

10 MR. REINHART: Am I understanding the result of the  
11 dialogue you two just had to mean that Board  
12 concurrence means you tell somebody to do a  
13 job and they do the job and that's fine with  
14 you?

15 A The concurrence would be with the process used.  
16 How do you go about getting this information  
17 to the NRC? We certainly concurred with the  
18 process that we used. It's the same process  
19 we would use today if we had to do it all over  
20 again. We say, "Go get the best you can find.  
21 We'll pay them. See what they say and tell  
22 the NRC what they say" without any -- that's it.  
23 That's what happened.

24 MR. ROBINSON: I would also assume that the Board  
25 concurrence would be with the stated corporate



1 position with respect to Appendix B?

2 A There is an implication in here that you folks  
3 are trying to draw out that somehow we are  
4 able to say technically whether we were in  
5 compliance or not. That was not meant to be.  
6 If I had known the importance all this would  
7 take, I guess I would have written another  
8 paragraph to explain what I mean by concurrence.  
9 But it has to deal with the way we go about  
10 something. The Board has never held itself up  
11 as being qualified to say whether we were in  
12 compliance with Appendix B or not.

13 MR. ROBINSON: And I'm not saying that the Board should  
14 hold itself up as being qualified.

15 A Okay. Okay.

16 MR. ROBINSON: I'm just saying that Board concurrence to  
17 me in the case of a corporate position being  
18 presented to the NRC would be that the Board  
19 has satisfied themselves independently by the use  
20 of other experts; that the corporate position  
21 that is being expressed to NRC is, in fact, the  
22 corporate position.

23 A We did not -- we did not -- the facts -- we did  
24 not hire other experts to check experts White  
25 hired if that's what you're asking.

1 MR. ROBINSON: No, no, no, no, that's not what I meant.

2 A Well, that's what I got out of it.

3 MR. ROBINSON: No. Let me ask the question another way.

4 If Mr. White and his experts would have come  
5 up with the corporate position that TVA is not  
6 in compliance with Appendix B, would you have  
7 accepted that as readily as the opposite?

8 A Well, I guess my reaction would have been  
9 what do we do to get in compliance? What else  
10 could I -- what other position could I have  
11 taken? And then I would have been told, I guess,  
12 what we'd do to get into compliance. That's the  
13 only reason I could have had. But if you're  
14 implying that we tried to steer the results of  
15 this inquiry into Appendix B, there was no such  
16 -- let me assure you, that's an important thing  
17 to have on the record. This Board would never  
18 under any conditions -- we don't have that much  
19 at stake. I mean we want the plant to run if it  
20 can run, but we, we want it to run safely.  
21 We have stated over and over that our plants  
22 have to run safely and in compliance with NRC  
23 regulations. If they had come at us and said it  
24 was not in compliance, we would have said,  
25 "What's it going to take to get it in compliance?"

1           Somebody eventually would have given us a number,  
2           whatever it was, anything from who knows how much,  
3           and then we would have said, "Is it worth that  
4           money for the rate payers to get it all out?",  
5           and then we would have had to make that decision.  
6           We did not have to make that series of decisions,  
7           but I'll tell you what would have happened since  
8           you seem to want to know if they said we  
9           weren't in compliance. That's exactly what  
10          would have happened. What else could have  
11          happened?

12       MS. BAUSER: But I think his question is, if they had  
13          said -- if that letter had said that TVA was  
14          not in compliance, would you have...

15       MR. ROBINSON: Would you just as readily have accepted  
16          that answer?

17       A           We would have had to accept that answer, and we  
18          would have had -- then the next question I'd  
19          say would have been, "What do we do to get into  
20          compliance?" But we wouldn't have jimmied the  
21          letter.

22       MR. ROBINSON: But it -- I'm not in any way intimating  
23          that you would jimmied the letter.

24       A           I know. That's fine. I want to make it clear  
25          that's just not our style.

1 MR. ROBINSON: But I'm -- you know, all I'm trying to  
2 clarify is not your technical qualifications to  
3 make a judgment on whether you're in compliance  
4 with Appendix B or not, but a Board concurrence  
5 on a corporate position?

6 A Well...

7 MR. ROBINSON: Okay? That's -- so, you know, you  
8 indicated that maybe we're trying to read or  
9 imply something here that I don't think we're  
10 implying, and I think maybe you're trying to  
11 read a little too much into our questions.

12 A Well, I think I said it right when I said this  
13 has taken on so much significance since that was  
14 written that I would have probably, if I had to  
15 do it over again, then I'd write about four more  
16 paragraphs explaining exactly the procedure we  
17 planned to use.

18 MR. ROBINSON: All right.

19 Q Do you know if any TVA employee, and I'm  
20 excluding contractor, consultants, approved or  
21 concurred with the letter that Mr. White sent  
22 out?

23 A I do not know who was involved in preparing that  
24 letter. I just don't know.

25 Q Okay. Would you be surprised if, say, Mr. Mason

1 or Mr. Caudle were not on the concurrence list?

2 A I do not know who was on the group that wrote  
3 the letter.

4 Q I'm going to show you who was on it, but I'm  
5 asking you if that would disturb you at all, the  
6 fact that maybe the two senior TVA employees  
7 at the time were not on the concurrence list?

8 A Oh, not particularly. I don't know that Mason  
9 or Caudle would have been experts in that matter.  
10 I mean I really figured that he was getting,  
11 oh, what's his name from Stone and Webster,  
12 Dick -- who is it?

13 MS. BAUSER: Kelly?

14 A Kelly. I figured Kelly would be the main one  
15 just to draw this matter up because Kelly was  
16 an acknowledged, world class QA expert. At  
17 least, that's the way he was explained to me.  
18 And so I really figured that Kelly would have  
19 done most of it by himself or with whatever  
20 help Kelly thought he needed after Kelly got the  
21 records and looked at them to try to determine  
22 what shape we were in on that plant. So I  
23 would have -- I wouldn't have been surprised if  
24 Dick Kelly had, in essence, drawn the letter  
25 up himself, though I know things like that

1 aren't done by one person. So I don't know that  
2 Mason or Caudle have ever been considered to be  
3 Appendix B experts, though they're good nuclear  
4 guys, but that's another subject.

5 Q Okay. Well, let me...

6 A I run a water plant, too, but that's...

7 Q For the record, this is -- what is it? Identify  
8 this. A concurrence sheet. It says the document  
9 name is the Watts Bar Appendix B QA NRC  
10 Submittal; originating organization, Nuclear  
11 Safety and Licensing, document prepared by J. A.  
12 Gilmer dated 3-5-86, and this shows a list of  
13 individuals who did concur with the letter -  
14 R. L. Gridley...

15 MS. BAUSER: Could we see that?

16 Q Sure. I'm going to show them.

17 MS. BAUSER: Okay.

18 Q Wagner, that's William Wagner, R. Kelly, W.  
19 Drotlof and Kermit Witt, and on the Kermit  
20 Witt concurrence it says, "Signature attests  
21 that the letter was read by Witt," and the  
22 dates of concurrence are Mr. Gridley was 3-6-86,  
23 and the rest of the gentlemen were 3-20-86.

24 A What am I supposed to do with this?

25 Q As you stated before, there's -- what I'm asking

1           you is do you -- in your opinion, would you  
2           think that Mr. Mason and Mr. Caudle should be  
3           on the concurrence list based on their positions  
4           in the office of Nuclear Power at the time?

5           A           What I told you was it wouldn't have surprised  
6           me to find that Kelly himself had prepared  
7           the whole letter since he was, he was the guy  
8           that was brought in here to be QA -- in fact,  
9           he was going to be head of QA, Contract Manager,  
10          and I guess he was for a while.

11          Q           So you're not at all alarmed by the fact that  
12          there's no...

13          A           I told you they're not, they're not QA experts.  
14          If we're writing a QA letter now, I wouldn't  
15          have Mason write it, and Mason's a good man.  
16          Don't misunderstand. I might have him -- if  
17          Mason was in charge of Nuclear Power, which he  
18          was for a while and may be again some day, I  
19          might say Mason would get it done and answer it.  
20          Domer at the time -- Domer signed most of the  
21          letters we sent to NRC for a long period of  
22          time. He was signing all through '85. Domer,  
23          he signed a lot of the letters. He didn't just  
24          prepare documents, but he signed them.

25          Q           Do you know if any of the other individuals

1                   there with the exception of Mr. Kelly have  
2                   extensive backgrounds in Quality Assurance?

3           A           No. Gridley -- I'm trying to remember Gridley's  
4                   a licensing person. Wagner's got all kinds of  
5                   -- a variety of nuclear experience. Kelly is  
6                   supposed to be quite a QA expert. Drotlof,  
7                   I don't know. I don't remember that much about  
8                   it.

9           Q           Okay.

10          A           I mean Kelly was obviously -- he was made a  
11                   manager of QA as Contract Manager here for a  
12                   while.

13          MR. WILLIAMSON: I want to go back one. At the conclusion  
14                   of your briefing, your Board briefing in  
15                   December by the SWEAT employees regarding the  
16                   management assessment...

17          A           Uh-huh.

18          MR. WILLIAMSON: ...did you provide the results of this  
19                   to any of your managers, any of your line  
20                   managers?

21          A           Some of them were there. I don't remember which  
22                   ones, but Paris -- I don't believe they were  
23                   shut out of it. I'd have to go back and get  
24                   the -- I can't remember who all was there, but  
25                   I think Paris was sitting right there, who was



1 the Manager of Nuclear Power. I can't remember  
2 who all was there. It's probably a matter of  
3 record somewhere. I don't recall -- go ahead.  
4 You can find out who was there.

5 MR. WILIAMSON: And as a result of this presentation, you  
6 indicated earlier that there wasn't in many  
7 regards anything particularly new coming out of  
8 this. Some of these things had surfaced as a  
9 result of QTC allegations and other concerns,  
10 but as a result of this presentation, was this  
11 the driving force behind hiring Mr. White or  
12 someone to take over...

13 A No. I think I said earlier that we tried to  
14 get Dennis Wilkerson to be our nuclear adviser.  
15 He recommended that we talk to White because he  
16 knew he was available and felt like he'd make  
17 a good one for us. That's the first time I  
18 recall hearing White's name used in that context.  
19 And I don't remember whether that was before  
20 or after this report. I really don't. I think  
21 it was after.

22 MR. REINHART: Was that presentation the driving force  
23 between having the then Manager of Nuclear  
24 Power, Mr. Paris, step aside?

25 A No. He quit -- no. The answer is absolutely not.

1 White convinced us he could come in here and do  
2 the job if we'd put him in charge of Office of  
3 Nuclear Power, and so we told Paris we wanted  
4 him to look after everything else.

5 MR. REINHART: And what did that mean "look after everything  
6 else"?

7 A Be Manager of Power. We have them separated now.  
8 We wanted him to go back and manage the power  
9 system, and we wanted White to come in and fix  
10 up our nuclear plants.

11 MR. REINHART: So Mr. Paris would have your fossil fuel  
12 hydro?

13 A Yeah. He was -- that's what we tried to get him  
14 to do, and he kinda -- he said he would, and  
15 then he decided he'd leave.

16 MR. REINHART: I see. Mr. Dean, do you know what Mr.  
17 White's experience was regarding commercial  
18 nuclear power licensing dealing with the NRC  
19 prior to this March 20th matter?

20 A White was -- we hired him as a manager, an  
21 experienced, high level manager with the  
22 understanding that most of his management had  
23 been in the U. S. Navy over large projects. We  
24 did not hire him as a manager of commercial  
25 nuclear power plants. As you know and I know,

1 he had not come from that field. We assumed  
2 that being a good manager, Mr. White would  
3 quickly find the people he needed to look at  
4 various segments of the operation and keep tab  
5 on it and get it done right.

6 MR. REINHART: Are you aware of any letters that he may  
7 have personally written in the commercial  
8 nuclear field regarding licensing or dealing  
9 with the NRC prior to this March 20th letter?

10 A I'm not aware of any, no.

11 MR. REINHART: Well, with that in mind, I guess just a  
12 question I have, it appears that the March 20th  
13 letter was possibly the very first letter Mr.  
14 White ever did write regarding the interface  
15 between a commercial licensing and the NRC,  
16 and with that in mind and such an issue, why  
17 didn't the Board take more of a personal interest  
18 in that letter?

19 A The Board assumed, and I think correctly, that  
20 White would get the best experts on QA that he  
21 could get, and that's exactly what he did, to  
22 review this matter and answer your question to  
23 the best of their ability, and that's what they  
24 did. The Board did not assume that White was a  
25 QA expert, and we certainly knew we weren't

1 QA experts. Management -- the way it works is  
2 managers have to depend on expertise within the  
3 organization to do technical things, and this  
4 is certainly a technical matter.

5 MR. REINHART: When Mr. White came on board, what was Mr.  
6 Mason's position to be under that arrangement?

7 A Oh, let me think. We got Chuck Mason back in  
8 the Fall of '85. I guess he was Paris' Manager  
9 of Operations. That's a matter of record. You  
10 can check it. I think that sounds about right.  
11 He might have been Deputy Manager of Nuclear  
12 Power in Charge of Operations. I can't remember  
13 exactly how that worked. When White came aboard,  
14 he, I think, kept the same title for Mason,  
15 Deputy Manager of Operations. I mean Deputy  
16 Manager of Nuclear. It might have changed.  
17 I'm sure he changed his job assignment.

18  
19 (Changed tapes. Changed typists)

20  
21  
22  
23  
24  
25

1 MR. REINHART: I believe the organization chart does show  
2 him Deputy Manager of Nuclear Power.  
3 A He is now, I know. He and Fox both are.  
4 Q Okay, in line with your reasoning of managers  
5 doing manager work and getting other technical  
6 expertise, and Mr. Mason being Mr. White's  
7 deputy, why wasn't Mr. Mason more involved  
8 with that March 20th letter as a TVA employee  
9 as opposed to just contract...  
10 A As I said before, I do not think that Mason  
11 considers himself to be an expert on NSB  
12 matters.  
13 Q I understand. And you said Mr. White didn't either.  
14 A IT was a job for experts.  
15 Q But a minute ago...  
16 A That's why they brought Kelly in here. He's  
17 a QA expert.  
18 Q But a minute ago, a minute ago you  
19 told us that Mr. White didn't really need  
20 any expertise because he had Mr. Kelly, so  
21 I'm asking you with that same reasoning,  
22 Mr. White, Mr. Kelly, Mr. Wagner,  
23 literally everybody on the concurrence except  
24 for Mr. Witt, why wasn't Mr. Mason more involved,  
25 being in the Deputy position, but being the

1 Senior TVA Representative.

2 MS. BAUSER: I don't understand your question at all, and  
3 I think he has answered your question. If you  
4 could, restate it.

5 Q Okay. I don't agree that he's answered it. I'll  
6 try to restate it.

7 MS. BAUSER: Then I don't understand what it is.

8 Q Okay.

9 A I'm afraid I don't either. I have said that I do  
10 not consider Mason an expert on QA matters .I  
11 don't think he is an expert on QA matters. If it is  
12 it is an expertise that has never been brought to  
13 my attention. I would not expect him to write a  
14 letter about our compliance with a QA document.

15 Q Okay, let me clarify...

16 A And it doesn't surprise me a bit that Mason's  
17 name is not on that piece of paper. If that's  
18 what you are saying.

19 Q The question, isn't Mr. Mason's expertise in  
20 QA, the question isn't Mr. Mason's authoring  
21 of the letter. Using the same reasoning that  
22 you have used with Mr. White being the Manager,  
23 not needing any QA expertise, my question is,  
24 Mr. Mason, being the Senior Nuclear experienced  
25 TVA employee, as Mr. White's deputy, why wasn't

1 Mr. Mason in his managerial function, Mr. White's  
2 understudy, if you will, more involved with the  
3 March 20th letter, because all the other people  
4 involved on the concurrence list were not TVA  
5 employees, with the exception of Mr. Witt.

6 A Now you have to remember that I told you earlier  
7 that I didn't know who wrote the letter.

8 I would have assumed that Kelly would have been  
9 very much involved in the letter, because he was  
10 brought in here as an expert in these matters.

11 It does not surprise me - I repeat, that Mason  
12 had no involvement in it. White was, in essence,  
13 a TVA employee. He was the senior TVA employee  
14 at the time this letter was drawn up. For all  
15 intents and purposes, in the eyes of the law  
16 and everything else, he is a TVA employee. He  
17 is....

18 Q Permanent TVA employee?

19 A Well, what difference does it make? Whoever is  
20 drawing pay from us had better be working for  
21 us.

22 Q Well, I believe that the question has come up to  
23 TVA a number of times from the Commission that  
24 they are looking to TVA to have permanent  
25 employees on their staff for the continuous

1 operation of the nuclear facilities.

2 A That's right. That's one of our biggest  
3 responsibilities, to make sure that we have  
4 good continuation.

5 Q And it appears that Mr. Mason would be the  
6 senior individual that would be looked to now  
7 and to carry on in the future of that role, both  
8 by the organizational chart the way it was  
9 set up and its previous....

10 A I said, I do not find it surprising that Mason  
11 did not sign off on a QA type letter, and I still  
12 don't find it surprising.

13 Q I don't think the issue is QA type letter.  
14 It's the management oversight that I'm trying  
15 to get a feel for.

16 A Well, you have the right to derive any opinion  
17 you want to of the matter. I'm just saying that  
18 I don't find it surprising that Mason didn't  
19 sign off on the letter, though I didn't know  
20 who all did sign off.

21 And I don't know yet who all wrote it. I presume,  
22 as I said, that Kelly would have written most of  
23 it.

24 EXAMINATION BY MR. ROBINSON:

25 Q Mr. Dean, did you ever have any conversations



1 internally within TVA regarding the possible  
2 ramifications of telling NRC that TVA was not  
3 in compliance with Appendix B at Watts Bar?

4 A At some point in time I have been told, and I  
5 can't tell you when - at some point in time I  
6 have been told that the downfall of the Zimmer  
7 plant was the QA apparently broke down to such  
8 an extent that they couldn't re-create all the  
9 documentation they needed. Therefore, like I said,  
10 I don't know exactly when I picked up that tidbit  
11 but apparently it's the truth. Does that answer  
12 your question?

13 Q Somebody mentioned Zimmer to you...

14 A Somewhere along the line I have been told by  
15 somebody, and I can't tell you who, that it was a  
16 QA breakdown at Zimmer to the extent that the  
17 documents could not be re-created. In other words,  
18 the plant was built without proper documentation,  
19 therefore they decided that it would cost too  
20 much money to continue with it. Now that I have  
21 been told, and I guess its the truth.

22 Q And was the thought just kinda left at that or  
23 was a parallel drawn as to the ramifications  
24 of TVA, TVA said you're not in compliance.

25 A If, if - let me assure you that no TVA Board

1 would try to claim a plant was in compliance  
2 at the risk of perjuring themselves just to save  
3 that plant. That's a ridiculous assumption.  
4 We wouldn't do it uunder any condition.

5 Q I'm not assuming that.

6 A Okay. Good. Then we are all on the same  
7 frequency.

8 Q All right, I'm just asking you if that thought,  
9 the ramifications....

10 A We would never consider jimmying the truth to  
11 save the plant. And I have, as I said, I was  
12 quite aware of the fact that Zimmer was apparently  
13 lost because of lack of this type documentation.  
14 Maybe others. I don't know.

15 Q I don't have anything else.

16 MS. BAUSER: Do you recall whether that, uh, this conversation  
17 that you recall, took place before or after  
18 the March 20 letter was sent to you?

19 A No, the most vigorous preparation that we ever  
20 got for answering QA type questions was before  
21 we went to appear before Mr. Dingle's subcommittee  
22 which was, I think, a couple of months after  
23 that. Maybe a month or two after that. That  
24 I remember. I remember going up there. I remember  
25 we did have some discussions in preparation of

1           that, because we didn't know what it was all  
2           about. We talked about various and sundry things.  
3           Like Mr. Dingle publicly called me a, said I was  
4           either a liar or something because we had sent  
5           a letter in March saying that Watts Bar was  
6           ready, in March of '85, a year ago, saying that  
7           the plant was ready for fuel loading, with  
8           certain exceptions. He took issue with that.

9  
10           EXAMINATION BY MR. REINHART:

11  
12           Q           Mr. Dean.....

13           MR. ROBINSON: Do you have any other questions you would  
14           like some clarification on that issue?

15           MS. BAUSER: No.

16           Q           This is a new issue. We are going a little  
17           further on that. Mr. Dean in May of 1986, you  
18           received a letter from QTC, Mr. Owen Thero,  
19           and in it he questioned TVA's response to the  
20           commission as stated in the March 20th, 1986,  
21           letter. What action did the board take to  
22           reconcile that question, if any?

23           MS. BAUSER: First of all, do you have the letter?

24           A           I started to say, I don't remember the letter.  
25           I don't question that there was such a letter,

1 but there again, you should see the stack of  
2 letters I get every day. And There is no  
3 exception, because he was struggling to, anyway.

4 Q I don't have it with me. It is a 86 page letter,  
5 fairly well known...

6 A I'm sure I wrote something on the front of it  
7 that says stamp it out and look it over. If it  
8 was an 86 page letter, you can bet I did not  
9 peruse it to any great extent.

10 Q Are you aware of an activity performed called the  
11 Systematic Analysis, which was basically a  
12 Stone & Webster document review of TVA?

13 MS. BAUSER: When?

14 MR. ROBINSON: External correspondence.

15 Q Early 1986.

16 A Early, what?

17 Q Early 1986. Oh, this is (reading) - no, I don't  
18 believe I ever saw this before. Hasn't got my  
19 initials on it. I'm sure I wouldn't have seen  
20 this. This is way down there in the nuclear  
21 crowd. If you are asking me if I've ever seen  
22 this document, I can almost bet forsure that  
23 I haven't.

24 Q Are you aware of the results of that being related  
25 to you in any way?

1 A No, I don't - No. This is a new one on me.  
2 And I would not have - you said Systematic  
3 Analysis. I wouldn't even know what they were  
4 talking about. However, now that I see this, the,  
5 I know that the way we have explained it - I say  
6 we, the TVA has explained it from the very  
7 beginning to the NRC is that our job was to find  
8 out what needed to be done, put it all down and  
9 take off after it, one item at a time.  
10 Or whatever, In other words, until we get it all  
11 fixed.

12 Q Mr. Dean how did you view the Board's  
13 responsibility toward the nuclear activities  
14 at TVA?

15 A The Board, there is no way the Board can evade  
16 the responsibility for anything that goes on at  
17 TVA. We are, in essence, the CEO.

18 Q So what level of involvement do you see yourself  
19 having with the nuclear activities?

20 A You have, the Board is responsible for keeping  
21 the nuclear activities in the hands of people that  
22 are competent to manage it, and to go through  
23 whatever checks are necessary to make sure that  
24 it is being properly managed which means staying  
25 in close communications with the people that are

1 doing the job, and of course there are other  
2 ways to get information besides just what you  
3 are told by the nuclear managers. You've got  
4 a very complex, we have put in place a very  
5 elaborate employee concerned program to where  
6 employees can get things in essence all the way  
7 to the Board without going through channels.  
8 We've put in place an extensive inspector  
9 general's network to where employees can go  
10 through them, so we have ways of hearing  
11 concerns that rise up so we have what you might  
12 call traditional lines of reporting, and then  
13 we have the more informal lines of reporting, so  
14 the answer to your question is put good people  
15 in charge and keep tab. We've also hired a  
16 Nuclear Advisor, Bill Derickson to advise just  
17 the Board. He's not involved in the management  
18 of nuclear power at all. He's just to advise  
19 the Board on nuclear matters. So we've tried to,  
20 I guess we've spent, if time were any measure,  
21 I guess we've spent the bulk of our time in  
22 nuclear matters since we started running into  
23 trouble. As I said earlier, in the Spring of '85,  
24 we entered the Spring with everything running  
25 lickety split, and by the time summer was over

1 we obviously had some problems, so our level  
2 of involvement has had to go up exponentially  
3 as, as we started running into these various and  
4 sundry problems.

5 Q As an example of your employee concerns program  
6 that you've put in place, how frequent do you  
7 get, currently, say, this year, and last year,  
8 how frequently do you get employee concerns  
9 elevated to the Board level?

10 A Well, see theres literally, at least on the Watts  
11 Bar thing with the QTC interview and everything,  
12 there were literally thousands of those. They  
13 had to be handled in a systematic fashion. If  
14 you are implying that we went over each one of  
15 those concerns, there is no way. They had to be  
16 grouped into concerns such as welding, for a good  
17 example, and then they had to be dealt with  
18 by proper experts.

19 Q Thats not what I'm asking. I'm just asking how  
20 frequent is a given issue elevated to the Board  
21 level?

22 A We meet with the Inspector General every week .  
23 He would present to us concerns that he thinks  
24 relate to our end of the business, which is  
25 policy, things of that level.

1 Q About how frequently does he bring one of those  
2 to your attention?

3 A Well, I wouldn't be surprised, he usually comes  
4 in there with a little list every Monday, and  
5 I wouldn't be surprised if he didn't have one or  
6 two every, every week.

7 Q Okay.

8 A But I can't give you detail on that.

9

10 EXAMINATION BY MR. ROBINSON:

11

12 Q Mr. Dean, does the name, Craig Lundeen mean  
13 anything to you?

14 A No. What is it supposed to mean?

15 Q Mr. Lundeen assisted Mr. Kelly in, in verifying  
16 that the information that they were getting while  
17 they were researching this Appendix B question  
18 was accurate and adequate.

19 A No, I haven't heard of him, that I can recall.

20 Q You are not aware of the results of any study  
21 that he did like that?

22 A No, I don't - that doesn't ring any bells with  
23 me.

24 Q Okay.

25 MR. REINHART: Could you explain to us , at least to me,



1           how Mr. Willis functions between the Board and  
2           the nuclear part of TVA?

3   A        He's the, he's the Chief Operating Officer of the  
4           Agency. The Board is a chief - the Board  
5           constitutes a, a, a committee of the Chief  
6           Executive, if you want to call it that. Its kind  
7           of a strang arrangement compared to corporate  
8           America. We are the Chief Executive, the Board is.  
9           It takes two members of the Board to change  
10          anything or do anything, and Willis is in charge,  
11          he's the Chief Operating Officer, and in that case  
12          his position is more traditional with what you  
13          would find in industry. He carries out the  
14          policies and instructions. He runs the Agency  
15          on a day to day basis. That's the way it is.

16   MR. REINHART: Would he be expected to be closely involved  
17          in nuclear activities?

18   A        He has done a lot - he has been closely involved  
19          in, in different phases of it. For example, we had  
20          to make sure that we had a procedure that would  
21          satisfy the Office of Government Ethics where we  
22          can have contract managers and them have people  
23          from their same companies on board, and yet not  
24          have either the fact or the appearance of  
25          impropriety. That is, of undue use of their

1 position to favor their own company. Willis, the  
2 General Manager, was responsible for putting in  
3 place these procedures that would satisfy the  
4 Office of Government Ethics. I mean he has had  
5 intensive involvement in certain things that were  
6 not, shall we say, technically nuclear in nature.  
7 As far as lines of reporting, because of the  
8 importance of nuclear problems, generally speaking,  
9 the reports that White gives to the Board or to the  
10 General Manager, they are to everybody, and very  
11 typically we will, the three of us, Waters, Dean  
and Willis, will meet with White somewhere or the  
12 other, or talk to White on speakerphone, as I  
13 said earlier, but technically, Willis is the Chief  
14 Operating Officer. But as I said, in the nuclear  
15 business, well, we deal with all the office  
16 managers on a regular basis. We are not isolated  
17 from them. We see them all at least weekly, and  
18 more often in many cases, so we deal with the office  
19 managers, but properly done, and its the way we've  
20 been pretty rigorous about it, the instructions  
21 that we give are passed through the proper chain,  
22 through Mr. Willis' hands. And he is the General  
23 Manager, the Chief Operating Officer.

24  
25 MR. ROBINSON: I just have one more, Mr. Dean. When Mr. Kelly

1 was tasked as the QA expert to probably be the  
2 main force in, in looking into this issue of the  
3 compliance with Appendix B, and the NSRS perceptions,  
4 was it assumed by you that whatever his findings  
5 would be would, in fact, be correct as opposed  
6 to the findings of the NSRS?

7 A I have made no, no judgments that I can recall  
8 on that. I would, I would assume that Kelly -  
9 Kelly, being typical of industry experts, was  
10 more of an expert than the minority group within  
11 NSRS that raised the issue to begin with. Yes,  
12 I would assume that, though I've never been asked  
13 to discuss it with anybody, but I would assume  
14 that today, because that's Kelly's business.

15 MR. REINHART: Mr. Dean, are you aware of Mr. White's seeking  
16 any legal counsel regarding the March 20th  
17 letter?

18 A White has a lawyer of his own and he deals with  
19 him frequently.

20 MR. REINHART: That's who?

21 A Aw, shoot, who is White's - its a matter of record.  
22 You will just have to find out. I'm temporarily....

23 MR. REINHART: Is it Mr. Egger?

24 A It's Dave Egger. Not Dave - George Egger.

25 MR. REINHART: Is that in your....

1 A George Egger is White's lawyer And he probably  
2 consults with him, for all I know, every day.  
3 I don't know how often he talks to him.  
4 MR. REINHART: Is that in your firm?  
5 MS. BAUSER: No.  
6 MR. REINHART: A different firm. Would you expect Mr.  
7 White to go to a personal lawyer on matters relating  
8 to TVA?  
9 A I couldn't speculate on that. I mean I don't  
10 know what he goes to his lawyer for.  
11 MR. REINHART: Would that be perfectly okay with you?  
12 A He could talk to his lawyer every day, every  
13 hour, if he wants to.  
14 MR. REINHART: On matters relating to TVA, that would be  
15 permissible?  
16 A I don't care. Why would it make any difference?  
17 MR. REINHART: I'm asking.  
18 A It doesn't make any difference to me, then.  
19 MR. REINHART: Okay.  
20 A The answer is, I don't care who he consults with.  
21 MR. REINHART: Okay.  
22 MS. BAUSER: I would like to, if you are through, break  
23 for a minute, and have a minute to talk to Mr.  
24 Dean, make sure there is nothing else we want to  
25 put on record.

1 MR. WILLIAMSON: Okay, we are not quite through.

2 MR. MURPHY: You will be given that opportunity.

3 MS. BAUSER: Okay. All right.

4 MR. WILLIAMSON: I have one other question. At anytime  
5 did you review a subsequent June 5th, letter,  
6 1986, which I have, to Mr. Denton from Mr. White?  
7 Did you, or other members of the Board, that you  
8 are aware of, or a January 11, 1987, letter to  
9 Mr. Stello from Mr. White? These letters were  
10 in response to requests from NRC for clarification  
11 with regard to March 20th, 1986 response?

12 A I remember the letter. I don't remember the  
13 extensiveness of our review, if thats what you  
14 mean.

15 MR. WILLIAMSON: Would you normally review or see  
16 correspondence from Mr. White to the NRC, not  
17 for concurrence, but for reading, in a reading  
18 file, or being in distribution?

19 A Well, its just like this letter that - typically  
20 it would be handled just like this March 20th,  
21 letter was. It was ; a copy was sent to the  
22 General Manager who immediately copied it to us  
23 and it was put in our files. In fact it says  
24 "To complete your file."

25 MR. WILLIAMSON: Did Mr. White advise you that he was sending

1                   these letters to NRC....

2   A                I'm sure I don't remember the details of the  
3                   discussion, but we talked about that.

4   MR. WILLIAMSON: Do you remember the details of either one  
5                   of these...

6   A                I can remember him, I can remember him saying -  
7                   I can remember some discussion of having to  
8                   write another letter about this letter. But the  
9                   details of the discussion, there is no way I  
10                  can remember that.

11                  First off, I've got to look and see if my  
12                  copy - go ahead.

13   MR. MURPHY: I apologize for, one, not giving you the  
14                  opportunity, as we had talked about earlier, to  
15                  tell us who you are representing, you know, and  
16                  your basic function. I apologize for that.  
17                  And if you would, you could go ahead and do that  
18                  now, and then we will take a short break and  
19                  you can discuss whatever you would like with your  
20                  client before closing remarks.

21   MS. BAUSER: Thank you. My name is Deborah Bauser. I'm a  
22                  partner with the Law Firm of Shaw, Pittmon, Potts  
23                  and Trowbridge in Washington, D.C. I am here today  
24                  on behalf of Mr. Dean. Shaw, Pittmon has been  
25                  retained by TVA in order to provide legal

1 assistance on NRC regulatory matters. I have  
2 nothing else to add.

3 MR. MURPHY: Will you be representing other clients?

4 MS. BAUSER: I anticipate representing other members of the  
5 Board, and Mr. White, but that isn't really - well,  
6 I will clearly be representing other members of the  
7 Board today, and Mr. White.

8 MR. MURPHY: Mr. Willis?

9 MS. BAUSER: And Mr. Willis. Excuse me.

10 MR. MURPHY: It is now 11:05 and we are going to break  
11 for whatever time it takes.

12 MS. BAUSER: Three minutes.

13 (Break)

14 MR. MURPHY: It is now 11:12 and we are back on the  
15 record. Just one final - excuse me, did you  
16 have anything else?

17 MS. BAUSER: No, I have no further questions.

18 MR. MURPHY: Just one other question. Prior to the departure  
19 of Mr. Parris and the hiring of Mr. White, did  
20 you direct Mr. White to get in touch with Parris  
21 to discuss the problems that Parris had observed  
22 over the last few years that he was in charge?

23 A Well, in the first place you've got your  
24 chronology a little bit wrong. I think you said  
25 prior to Parris leaving and White coming on board,

1 well, well in a way - the way it worked is,  
2 we decided, the chronology is that we decided  
3 we would hire White, not as an advisor, but as  
4 Manager of Nuclear Power, Contract Manager, which  
5 I said we had a sample of once before so we  
6 didn't think we would have any trouble with it.  
7 We told Parris we wanted him to look after everything  
8 else, that is, be Manager of Power. That's all the  
9 rest of the generation, transmission, et cetera,  
10 et cetera, et cetera. Parris thought about it.  
11 Well, he said he would, then he kicked it around  
12 over the weekend, and he didn't like that, so  
13 he said he was leaving, and we said we were  
14 sorry, and we were. I do not know of any  
15 conversations between Parris and White and as a matter  
16 of fact I would say that the relations were probably  
17 strained and Parris packed his things - no,  
18 Parris stayed around here for a couple of months,  
19 technically as a Consultant to the General Manager  
20 on power matters. I don't know what all he was  
21 doing at that time, because there was enough  
22 chaos around here, but anyway, Parris stayed around  
23 here for a while, until April, I believe - yeah,  
24 it was April, but I don't believe he and White  
25 had any, any conversations during that period to



1 amount to anything. I think things were kinda  
2 strained. Parris saw White as bumping him out of  
3 his job. Parris and White had conversations back  
4 in December, back, I mean, back when - I know  
5 they talked back in December, back when Stone &  
6 Webster was in here looking at the Nuclear System.  
7 That, I know they did. I don't know what the  
8 nature of the conversations were. I just know  
9 they talked.

10 MR. MURPHY: Let me get my - I need a little clarification.  
11 I'll give this question one more shot.

12 A All right.

13 MR. MURPHY: Parris, on 3 January, is the testimony we  
14 received, ceased to be the Manager of nuclear  
15 power, at least in his mind.

16 A I don't know technically when it was.  
17 There would have to be some paper.

18 MR. MURPHY: Sure, and then Mr. White comes in on January  
19 13th.

20 A Something like that.

21 MR. MURPHY: And the question is, did you, as Chairman of the  
22 Board, direct Mr. White to get together with  
23 Parris and discuss any problems that Parris  
24 knew about during the period of time that he was  
25 Manager of Nuclear Power?

1 A Well, I don't recall the details of what we  
2 might have told White, and there's no sense in  
3 me trying to recall something I can't recall.  
4 We had, as I said, endless conversations with  
5 him, but I don't really think, as a practical  
6 matter, that he and Parris talked very much.

7 MR. MURPHY: Okay.

8 A I would say White got most of his information from  
9 people like Mason and Caudle and those kind of  
10 people.

11 MR. MURPHY: Fine. Any other questions?

12 We have a couple of little closing remarks here.  
13 Mr. Dean, have I or any other NRC representative  
14 here threatened you in any manner or offered  
15 you any reward in return for this statement?

16 A Not that I recall.

17 MR. MURPHY: Have you given this statement freely and  
18 voluntarily?

19 A Yes.

20 MR. MURPHY: Is there any additional information you would  
21 like to add to the record?

22 A None that I can think of right now.

23 MR. MURPHY: This interview is concluded at 11:16 A.M. on  
24 April 23, 1987. And we appreciate your taking the  
25 time.

CERTIFICATE

I, Betty B. Neal, Notary Public for the State of Tennessee at Large, hereby certify that the foregoing is a true and complete transcript of the Investigative Hearing as taken at TVA, Knoxville, Tennessee, of Mr. Dean, to the best of my knowledge, hearing and ability..

WITNESS my hand and official seal at office at Gray, Tennessee, this the 23rd of April, 1987.

  
NOTARY PUBLIC

My Commission expires: April 27, 1988.

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