

UNITED STATES NUCLEAR REGULATORY COMMISSION

IN THE MATTER OF:

DOCKET NO:

INVESTIGATIVE INTERVIEW

LOCATION: CHATTANOOGA, TENNESSEE

PAGES:

DATE: WEDNESDAY, FEBRUARY 11, 1987

ACE-FEDERAL REPORTERS, INC.

Official Reporters
444 North Capitol Street
Washington, D.C. 20001
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1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION

3
4 INVESTIGATIVE INTERVIEW

5 OF

6 RICHARD L. GRIDLEY

7 Director, Nuclear Safety and Licensing

8 Office of Nuclear Power

9 5N 157B Lookout Place

10 1101 Market Street

11 Chattanooga, Tennessee 37402-2801

12
13 Tennessee Valley

14 Lookout Point Building

15 1101 Market Street

16 Chattanooga, Tennessee 37402

17 Wednesday, February 10, 1987

18
19 The interview commenced, pursuant to notice,
20 at 1:32 p.m.

21 BEFORE:

22 LARRY L. ROBINSON, Investigator

23 DANIEL D. MURPHY, Investigator

24 F. MARK REINHART, Investigator

25 * * * * *

RLG

P R O C E E D I N G S

1
2 MR. MURPHY: For the record, it is now 1:32 on
3 February 11th, 1987.

4 This is an interview of Richard Gridley who is
5 employed by the Tennessee Valley Authority.

6 The location of this interview is Chattanooga.

7 Present at this interview are Larry Robinson,
8 Mark Reinhart and Dan Murphy.

9 As agreed, this is being transcribed by a
10 court reporter.

11 The subject matter of this interview concerns
12 the March 20th, 1986 letter by TVA to the NRC regarding
13 their compliance with Appendix B.

14 Mr. Gridley, would you please stand up.
15 Whereupon,

16 RICHARD L. GRIDLEY

17 having been first duly sworn by Investigator Murphy, was
18 examined and testified as follows:

19 MR. MURPHY: Mr. Gridley, before we start our
20 interview regarding this concern we are here to talk
21 about, would you please relate to us your educational and
22 job experience prior to coming to TVA and what you have
23 been doing since you arrived.

24 MR. GRIDLEY: Yes. I am a BS general
25 engineering graduate from the University of Portland in

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1 Portland, Oregon, 1957. Following graduation I interviewed
2 and accepted a job with General Electric Company at the
3 Hanford Atomic Products Operation in Richland, Washington.

4 At the outset of my career with GE, I have
5 been involved in nuclear power plant activities. My
6 experience base has been in operations, training and
7 licensing.

8 In terms of experience in each of those areas
9 I spent approximately 10 years in startup of power plants,
10 in both the United States and around the world, the
11 Garigliano plant in Italy in particular.

12 Training, responsibility for the training of
13 General Electric utility customers for 10 years. I was
14 involved in the first worldwide real time simulator
15 developed for the training of operators, GE's training
16 center in Morris, Illinois, and then 10, approximately 10
17 years leading up to this assignment in licensing activities
18 dealing with General Electric operating plants, services
19 and fuel.

20 At a time beginning early in '86, about
21 mid-January, January 15th I think was the date, I was asked
22 whether I was interested in a job supporting TVA's recovery
23 from the shutdown of all their nuclear plants. I accepted
24 the invitation to come out and interview for the job on the
25 week of January 20th, 1986.

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1 At the conclusion of those interviews on
 2 January the 24th, I accepted a job offered to me by Admiral
 3 White to head up the restructuring of TVA's licensing
 4 activity for the Office of Nuclear Power. I begin work
 5 immediately and have been involved in that activity
 6 throughout today's interview.

7 MR. MURPHY: Mr. Gridley, would you please
 8 relate to us your role in the preparation of the March
 9 20th, 1986 letter to the NRC and the technical review
 10 supporting that letter and your activities as coordinating
 11 the efforts between the technical staff and Mr. White's
 12 staff, if you will, please.

13 MR. GRIDLEY: Okay. In response to that
 14 question, let me see if I can do it by a chronological
 15 narrative. At the time that I arrived I became aware of the
 16 January 3rd letter sent to TVA dealing with the NSRS
 17 perceptions that were briefed, that were given to
 18 Commissioner Asselstine in a briefing that he held in
 19 December and a request in that in that letter for TVA to
 20 provide their position on compliance with Appendix B.

21 I was aware of the extension requested, became
 22 aware of the extension that was requested by TVA to respond
 23 to that letter. The activity in preparing TVA's technical
 24 response to the 11 perceptions was already completed when I
 25 got involved. That was being carried out under the

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1 supervision of Bob Mullin, Robert Mullin, head of TVA's
2 Quality Assurance Group with coordination by Jim Domer in
3 the TVA licensing organization of which I was Supervisor.

4 My first immediate involvement with the
5 response to that request was the responsibility to put the
6 final transmittal letter and the technical responses in a
7 package to be reviewed by Mr. White and concurred in by his
8 immediate managers, or I should say ^{by} ~~may be~~ his immediate
9 managers that were involved in the activity.

10 MR. MURPHY: Who were they?

11 MR. GRIDLEY: Primarily they were Dick Kelly
12 who was the Director of the Division of Nuclear Quality
13 Assurance, William Drotleff, Director of Nuclear
14 Engineering and adviser ~~to~~, Bill Wegner, Kermit Whitt,
15 Manager or Supervisor of the NSRS group and myself. Those
16 were the concurrences that Mr. White wanted on the
17 transmittal letter.

18 I might also add, and I think it is important
19 to know, that this was the first time a concurrence
20 requirement was initiated in TVA. Up until that time
21 letters were prepared for transmittal without concurrence
22 by managers reporting to Mr. White.

23 ~~that~~ ^{the} I will add that ~~that~~ process was not easy ~~that~~
24 ~~that~~ ^{my} first attempt to have those people in a meeting
25 with Mr. White to obtain his signature was not successful.

RG

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MR. MURPHY: And why was that?

MR. GRIDLEY: It wasn't successful because, one, Mr. Wegner was not in the review cycle. I did not ask him to look at the letter and didn't ask him to review whether it was ready for transmittal. So when he was asked did he concur his answer was no because I haven't seen the letter.

~~OK~~ Another person, and I don't think he was in the concurrence, and maybe you might check that, or I can check that, was Robert Brodsky who was a BETA adviser. Brodsky did review the letter, the transmittal letter, now. I am not sure whether he reviewed the technical responses. And he would not concur because I changed the letter structure after he had reviewed it. So he says I can't concur because Gridley has changed the letter since I concurred in it.

So I was in a learning process on what concurrence means. Drotleff of course was ready to concur. He had no problems with it. [* Kermit, I might mention that kermit Whitt did not to concur in the letter, and the stated reason being that he was the Supervisor of the people who were responsible for the perceptions, and as the Supervisor of these people it would be difficult for him to concur in the letter that was responding or challenging their perceptions, and he felt it would be a problem for

* This incorrectly places Whitt's position concurrence at the first attempt to obtain concurrence (early March). *RAJ*
My statement in fact reflects the position he took at the time of the March 20 concurrence. *K. J. J. 9/12*

1 his continued success in managing that group.

2 However, he stated verbally that he concurred
3 in TVA's technical response and would be willing to
4 acknowledge that he had read the letter, but he did not
5 want to have to go back and tell his group that he had
6 concurred in and, if you will, a challenge to their
7 technical perceptions.]

8 Anyway, at the conclusion of that failure to
9 get concurrence all the way round, White kicked us all out
10 of his office and said go back and when you are all
11 satisfied that the letter and the technical responses to
12 perceptions are correct, come back and we will try this one
13 more time. That took, I would say, another week.

14 Now you might be asking when did all this
15 occur. Well, I got here on the 24th, which was a Thursday,
16 I'm thinking this was the first week of March when I was
17 first involved in trying to get this letter ready to send.

18 And my role, by the way, at that time was, at
19 least as I viewed my role, is I was responsible to Mr.
20 White to put together a transmittal letter that attached
21 the technical response and have it in the right format. He
22 held me accountable that ^{it was} ~~it~~ addressed to the right people
23 and has the right distribution and that sort of thing, and
24 I didn't see my role as being much more than that at the
25 time.

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I did go back and correct the concurrence process problem by talking with each one of these people. We met again with Mr. White, and at this time we obtained the concurrence on the concurrence sheet which, by the way, was developed during this process ^{of learning} what it meant, what the concurrence meant.

A lot of these managers, and in particular Drotleff and Kelly and myself in particular, not so much the advisers, were not sure what the concurrence sheet meant at that time. We now know pretty much what a concurrence sheet means because we are using it as part of our procedural process now in TVA.

The other thing that I was aware of at the time was that Mr. White was requiring the engineers involved in writing the technical response to the perceptions to also concur that what they had prepared was accurate and faithful as far as their knowledge was concerned, and they did.

As you know, each perception, there is a statement by the preparer of those technical responses where they have signed that what they prepared was to their knowledge accurate and correct.

The process of getting the technical response prepared by the engineer to a response that was manageable in terms of dealing with the perception and TVA's response

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1 went through a change at this time, and from a time-line
2 standpoint I am saying somewhere around the 1st week of
3 March through the 15th of March, and I'm just making a
4 rough guess now, we did two things.

5 One is that we took a fairly lengthy
6 technical response and asked the engineers to go back and
7 put those responses into an executive summary. That's No.
8 1.

9 Two, we brought in an outside consultant
10 expert to verify the technical response, and that process
11 took place concurrently. The engineers were working on a
12 executive summary of their technical response and the
13 outside expert was in the field verifying that the
14 technical response was correct.

15 MR. MURPHY: Who was this outside consultant?

16 MR. GRIDLEY: That was Craig Lundin, and he
17 brought in, and I don't know the names of the people he
18 brought in. The names are available. I just don't have
19 them. They are available in the QA document room here, in
20 recordkeeping.

21 At the conclusion of the rewrite of the
22 technical response and the independent verification, that
23 was when we went back to Mr. White with the concurrence
24 process that everybody had read and verified and concurred
25 in the response to the letter. And I think timing-wise that

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1 has led us up to March 20th.

2 MR. MURPHY: Mr. White signed the letter on
3 that date?

4 MR. GRIDLEY: I believe his signature was
5 placed on that letter on the 20th. Usually the way we
6 handle our letters is when the signature goes then we date
7 the letters. So I'm pretty sure that is correct.

8 MR. MURPHY: Were there various drafts? We have
9 been told by some people that various drafts were presented
10 that were ultimately changed or modified to ultimately
11 arrive at that March 20th letter. How many drafts ---

12 MR. GRIDLEY: Well, let me separate your
13 question into two parts. The transmittal letter itself,
14 when I got involved in the last week in February there was
15 already a draft transmittal letter, a pretty basic
16 licensing transmittal letter, per your request. [where is
17 what, you know, we have attached.] - ?

18 That transmittal letter went through several
19 draft revisions. We took the original draft letter, which
20 was prepared I believe by Kelly and Huston, Dick Kelly and
21 Jim Huston in QA, and we sent it to Drotleff, to Gridley
22 [and to ^{Wenger} ~~Wenger~~] to Brodsky, and I think that was about it,
23 and Kermit Whitt probably, and asked for their comments and
24 we got comments back from every one of them.

25 Then those comments were put back into what we

*For the record
this statement
involving Wenger
is not correct
at this time
R. Gridley
9/17/82*

RRG

1 thought what was a transmittal letter that incorporated
2 their comments that were received.

3 I would say from that initial rewrite of the
4 basic boilerplate transmittal letter to something that went
5 beyond, and going beyond was a more strategic response than
6 the transmittal letter, as to whether or not we were in
7 compliance with Appendix B.

8 It went through several revisions and I think
9 reached a consensus right at, you know, and I'm not saying
10 maybe March 19th at midnight, but the consensus on the
11 transmittal letter was the last thing -- the technical
12 response, and that's the second point I want to say, is
13 that the technical response to the perceptions went through
14 this concurrence thing where the engineer rewrote it into
15 an executive summary, and the independent check by Craig
16 Lundin, and that meshed between the engineer and Lundin,
17 that meshed into a final product as to here is what the
18 package is going to be long before we completed a
19 transmittal letter. It was sitting there done.

20 I am talking from March 1st to March 18th. So
21 we are talking over a period of two weeks, or 10 to 15
22 days.

23 MR. MURPHY: So the technical reviews and the
24 Lundin review was completed a couple weeks before the
25 letter then?



1 MR. GRIDLEY: I'm saying it was done before the
2 final consensus on the transmittal letter. The transmittal
3 letter became the critical path in terms of sending the
4 response in. So to answer your question, I can't remember
5 how many. It was just I would send it up for comment and
6 they would send it back and say incorporate, and I would
7 incorporate and send it back again. I would say it got
8 iteration at least three or four times through this whole
9 loop of people that were involved in it.

10 MR. MURPHY: Certainly TVA must have maintained
11 all these copies.

12 MR. GRIDLEY: No.

13 MR. MURPHY: They didn't keep any of them?

14 MR. GRIDLEY: None of the comment letters were
15 maintained. I've never maintained, especially when you have
16 a lot of commenters, I never keep those things. The end
17 product is all I'm interested in.

18 MR. MURPHY: The drafts of the letters were
19 not maintained?

20 MR. GRIDLEY: The only known draft that I know
21 of is down in QA and I believe it is the original letter
22 that was prepared by Kelly and Huston, and all the in
23 between, you know, and let's say I had five people
24 commenting on the transmittal letter. I did not keep
25 ~~Wenger's~~ ^{Wenger's} comments and I did not Drotleff's and I did not

ALG

1 keep Kermit Whitt's, and I'm not even sure Kermit commented
2 on the letter to be honest with you.

3 The principal commenters were ^{Wenger} ~~Wenger~~, Brodsky
4 Drotleff and QA, Kelly and Huston, and I didn't keep those.
5 All we did was incorporate them, their comments and send a
6 new draft out for final -- you know, every time we sent it
7 out we were sending it out for final, you know, we hope
8 this satisfies you guys because we want to get this done,
9 but no.

10 MR. MURPHY: You didn't keep a copy of the
11 draft letters at all?

12 MR. GRIDLEY: You mean the ones they commented
13 on?

14 MR. MURPHY: Yes.

15 MR. GRIDLEY: Where are you? I think your last
16 question was if I have draft Rev. 0, which is the
17 Huston/Kelly, Rev. 1, Rev. 2 and Rev. 3?

18 MR. MURPHY: Yes.

19 MR. GRIDLEY: No.

20 MR. MURPHY: None at all. Then all you have is
21 the final product. All the letters leading up to that, what
22 happened to them? Did you just throw them away?

23 MR. GRIDLEY: I did that. No one asked me to
24 save them, and I didn't see a need to save them and I
25 didn't.

RIG

1 MR. MURPHY: Is that common practice?

2 MR. GRIDLEY: Sure. I never keep revisions.

3 MR. MURPHY: I mean the reason why I asked that
4 is there either have been some questions in the past
5 regarding letters from, you know, licensing to the NRC and
6 they have always maintained a file which kind of allows you
7 to look at the process of developing the letter which, from
8 our viewpoint, is very significant inasmuch as if there is
9 any questions to ask we can have a basis for asking some of
10 these questions, how you arrived at this point. It's the
11 backup material. So I kind of find that not typical for
12 TVA.

13 MR. GRIDLEY: Well, let me just share with you
14 for a minute. In my licensing job in GE it's common
15 practice not to save revisions of letters. I never did it
16 as a vender of licensing and vendor manager.

17 What you're hinting at is that every letter to
18 the NRC smacks of a need to have a trail of wrong-doing,
19 and I never approached my job that way. I approached my job
20 that I'm dealing straight up and ^{why} keep all these
21 comments. I don't need them. Half of them aren't worth
22 anything anyway.

23 MR. MURPHY: I don't view that as maintaining a
24 trail that would support any wrongdoing, but the opposite
25 of that. I think most of the documentation that I have

RG

arysimons 1 viewed within TVA supports the position that they finally
2 arrived.

3 MP. GPIDLEY: Don't misunderstand me. The
4 technical revisions, you know, you where an engineer puts
5 down a technical position and the it's reviewed by peers
6 and gets management review and there is revisions to a
7 technical position, and I can't say I know this for sure,
8 but I know in GE we typically keep, like we have done on
9 these performance plans, and we are up to Rev. 4 on Volume
10 1. I've got Rev. 0, 1, 2, 3 and 4. I might even have Rev.
11 4, draft 2 and I'll maintain that.

12 But on a draft letter transmitting something,
13 I've never kept it because a lot of times, you know, if
14 you've got five or six people commenting and then you go
15 through four or five comment cycles, you know, you've got
16 30 letters, and I don't really half the time care about the
17 fact that I didn't capitalize this and I didn't put an
18 "and" in there. Most of those comments are clerical type,
19 you know, it's that and not this.

20 Now the significant changes to this letter that
21 we are talking about, this March 20th letter, it was a
22 standard one-paragraph here is what you wanted letter to
23 more of a strategic letter, and that's what I think we are
24 dealing with here in this investigation.

25 The whole issue of Appendix B is what was in the

narysimons 1 minds of TVA to develop a strategic response in the
2 transmittal letter. We would have better off if we had
3 just said here is the response and not try and fool around
4 with being strategic on the transmittal letter.

5 That was a little bit over my head. I'm a vendor
6 guy and all the sudden I'm in a utility environment and I
7 don't know all the subtleties. So I didn't really have a
8 problem with what they were trying to do. It made sense to
9 me from Mr. White's viewpoint to clearly do two or three
10 things, three things that I can think of.

11 One is he had this review, and it was a damned
12 quick review when you consider that he came onboard on
13 January 13th. On January 13th he arrives and he has
14 already been asked to assess whether TVA is in compliance
15 with Appendix B. That's a big question.

16 So I felt what he was trying to do when I arrived
17 was to quickly assess whether these 11 perceptions did in
18 fact represent any significant breakdown in the Appendix B
19 program, in the quality assurance program and did we comply
20 with Appendix B.

21 In that limited review, even though we didn't put
22 the word "limited" in the letter, that was a very short
23 review, and he's saying based on what I know now, it's my
24 position that we don't have an Appendix B breakdown, or I
25 think as he turned it around he says we are in compliance

arysimons 1 is what he said. He didn't say we weren't. He said that
2 we had a breakdown. He said that TVA is in compliance.

3 Then he went on to say, the second thing was,
4 hey, I just got here and I think they've asked a good
5 question. I've heard him say that two or three times that
6 the NPC was right on in asking the question, and he says
7 I'm going to go look and if I find something I'm going to
8 tell you about it.

9 Now the question we're all asking ourselves a
10 year later is why did it take so long for us to tell you
11 about it, because we certainly found problems in specific
12 areas.

13 So to answer your question, the strategic part of
14 that letter, which I didn't appreciate at the time, was
15 White's commitment to deal with the problem, and not just
16 that problem, but the way he was going to manage TVA was to
17 assess -- remember, we were going through assessment at
18 that time also. We had the Larry Nace report which I think
19 you guys are familiar with.

20 We were doing several things at that time. We
21 were in a very crisis situation at the time and we were
22 trying to identify the problems in TVA and prepare a fix
23 for those problems, which was Volume 1, institute a
24 restructure of the organization, find the people that could
25 manage it, and White was giving a message out to everybody.

arysimons 1

2 Maybe he used this as a way to get a message
3 out. This, by the way, was his first letter to the NPC.
4 Navy for 33 years, and all the sudden Steve White has to
5 deal with a licensing process that he's not familiar with.
6 This is his first, if you will -- it's like standing up in
7 front of a college class and giving a State of the Union
8 message or something.

9 I can't say that he didn't tell me, but I believe
10 that he wanted to in his first external communication
11 establish a style. If there is a problem, and the NPC
12 identified a problem and they were on target, I've looked
13 at it, I'm going to keep looking, and when I find the
14 problem I'm going to report it and I'm going to fix it.

15 If you go from that point on, March 20th on,
16 right on down through, you'll see that that has been his
17 approach every time in every situation I've been involved
18 with, and that's the way he's approached things.

19 Now I guess how this whole thing got started is
20 why didn't we keep all of these. I didn't because that
21 wasn't my mode and I didn't see a need to keep Wegner's
22 comments and what he input in as strategy or what Drotleff
23 put in as strategy and the other people that commented on
24 the letter. I didn't see any need to keep those things.

25 MR. ROBINSON: Let me interject with just one
thing. Even though you didn't keep the written comments on



arysimons 1 it, you also didn't keep, once you incorporated those
2 comments into the next draft, you didn't keep the copies of
3 the next draft.

4 MR. GRIDLEY: I ended up with a final letter.

5 MR. PEINHAPT: Did you keep copies of any earlier
6 concurrence forms?

7 MR. GRIDLEY: I never got a concurrence until
8 that last, until that final -- they wouldn't sign it.

9 MR. PEINHAPT: I mean did you have any where some
10 people signed it and others didn't and made footnotes?

11 MR. GRIDLEY: I may have, yes. When I went in to
12 White the first time, and I had the -- well, see, that was
13 a signing ceremony. The concurrence sheet was there blank
14 just with the person's name typed in, P. Gridley and Bill
15 Drotleff.

16 And White says, okay, are you ready to sign?
17 That's how Kermit Whitt got trapped. On the final
18 concurrence meeting his name is on it, Kermit Whitt. So it
19 went around and I signed it. Then he passed it to Drotleff
20 and he signed. He passed it around to Wegner and he signed
21 it, and around to Dick Kelly and he signed it -- I think
22 Kelly signed it. And it got to Kermit, and he signed it.

23 Then after the meeting was over he came to me and
24 he says, Dick, I told you I didn't want to sign that
25 thing. It's going to cause problems. I said you're going

arysimons 1 to have to go and talk to Mr. White. So he did.

2 He went and talked to Mr. White and explained to
3 Steve his problem, to Mr. White his problem, and White
4 agreed, because at that time see Mr. White was thinking
5 Kermit Whitt and NSPS, that that group was still going to
6 be an important part of our nuclear safety review and Whitt
7 was the Supervisor and he didn't want create problems later
8 on. So he agreed that we could qualify Kermit's
9 concurrence to say that it really wasn't -- I said why did
10 you sign it, and he says I was afraid not to.

11 I mean he's in this meeting with all these high-
12 powered managers and it was shoved at him and he didn't
13 want to refuse to sign the sheet at the time, at least I
14 believe that was my recall of what he told me, and I said,
15 okay, I'll fix it for you.

16 So I put a little footnote on that concurrence
17 sheet that said, look, it's my handwriting. I said, you
18 know, this -- I forget what I said. I said something that
19 qualified it, that he read it only or something like that.
20 I know that caused some question, that footnote.

21 To that, Mark, to your question, there was never
22 a concurrence sheet signed until ---

23 MR. PEINHART: Okay. So there weren't some
24 intermediate ones that were maintained?

25 MR. GPIDLEY: No.

arysimons 1

2 MR. PEINHART: You said that Whitt himself went
in and talked to Mr. White about that?

3 MR. GRIDLEY: Yes. I wasn't going to let him off
4 the hook on it. You know, that was up to him to explain to
5 Mr. White his problems with the NSPS and what it meant to
6 him to manage and supervise that group.

7 MR. ROBINSON: Were you present during that
8 conversation?

9 MR. GRIDLEY: No. I think Mr. Wegner was, but
10 I'm not sure.

11 MR. MUPPHY: How do you know that this was the
12 final? Did one of them call you and tell you that ---

13 MR. GRIDLEY: Mr. White told me that it was okay
14 for me to qualify Kermit's -- he told me, he says, I
15 understand what he's saying and he says if you want to
16 qualify his concurrence go ahead.

17 MR. ROBINSON: Going back to when you first
18 reported here at TVA, Dick, when you were first briefed
19 about the requirement of answering this NRC letter on
20 Appendix B, was it Mr. White that did that briefing of your
21 or who talked to you about it?

22 MR. GRIDLEY: No, Jim Domer.

23 MR. ROBINSON: Domer?

24 MR. GRIDLEY: Yes. Domer told me what my job was
25 when I got here, and one of them was to prepare a response

arysimons 1 to the January 3rd letter. Then he told me what the status
2 was. Quite frankly, I ignored it for about a week. I
3 figured it was Jim's job. Well, it only took about a week
4 for Mr. White to point out that that was my responsibility
5 and he wanted me personally involved in it. So that's when
6 I personally got involved in it.

7 MR. ROBINSON: OF the three or four or two or
8 three drafts that went through the process, first of all,
9 was the mechanics of that sending one copy around to each
10 of the guys so that all of their comments would be on one
11 draft, or would you send a separate copy of the draft to
12 each guy?

13 MR. GRIDLEY: A separate copy. The reason our
14 process is so difficult around here is that any letter
15 where I need concurrence, and I have one here now, and a
16 good example is we just prepared a 50.55(e) procedure, a
17 corporate procedure, and I send that out to every site
18 involved, Bellefonte and Watts Bar to their Engineering
19 Superintendent and ask them to comment on it, and they all
20 write their comments.

21 Then I have to figure out how to incorporate,
22 either accept their comments or not, incorporate them and
23 get them to agree that the ones I didn't accept, why I
24 didn't accept them and get them to agree that they are not
25 appropriate.

arysimons 1

2 That's the process we go through on all of the
3 TVA documentation that needs a total corporate concurrence,
4 and that's exactly the way we handled this letter was that
5 I sent a telecopy, one up to Brotleff in Knoxville and took
6 one downstairs to Bob ^{Muller} ~~Morland~~ and Kelly and Huston.

7 They would do a sufficient markup and get it back
8 to me, and then I have to deal with incorporating those
9 comments and rejecting or adding, or, you know,
10 incorporating or rejecting their comments.

11 I would say the only difference in this letter in
12 that process that we normally follow is that when the final
13 -- when the engineering, QA and licensing comments were all
14 satisfied, then that was the end of our involvement in
15 further additions to the letter.

16 Then the next one was a Bill Wegner/Brodsky
17 final, this is the way we want the letter. But that's the
18 only difference in this letter in terms of it being
19 finalized.

20 MR. ROBINSON: When you sent Rev. 0 out for the
21 first round of comments hoping that that was going to be
22 the final letter, Whitt got a copy of this?

23 MR. GRIDLEY: I'm going to have to say I don't
24 know whether Whitt did or not. I don't know. We could
25 probably find out the answer. I could ask Domer or even
26 Jim Huston. It wouldn't be Jim ^{Huston} because he wasn't -- Jim

marysimons 1 was up at Sequoyah at the time and Jim Huston really wasn't
 2 involved after the [Jim was involved in this clean,
 3 here's the way to transmit it, and then he went to
 4 Sequoyah, Huston.] - ? *Doesn't make sense*

5 I would say that either Mullin or Domer could
 6 tell us whether or not Whitt was involved in the -- you
 7 know, saw every Rev. and had a comment on every revision.
 8 I'm not sure he did to be honest with you.

9 MR. ROBINSON: At the early stages were you aware
 10 of who was going to be on the concurrence list at the end
 11 of the line?

12 MR. GRIDLEY: No. That concurrence sheet was
 13 determined by Mr. White.

14 MR. ROBINSON: Was that later on in the game?

15 MR. GRIDLEY: Toward the first, you know -- I
 16 told him the letter is ready, and he said has everybody
 17 concurred in it? And I said, yes. And he says where is
 18 the concurrence sheet? I said, I don't have one. He says,
 19 get one. So we prepared that concurrence sheet, which is
 20 the one we are using now on all of our letters.

21 So I said who do you want on it? Then he says,
 22 you know, I want you, I want Kelly, I want Drotleff, and I
 23 don't even think he asked for Wegner, but I think I put
 24 Wegner on because he was involved in preparing the letter.
 25 I don't think Brodsky is on there. I can check it. Whitt,

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arysimons 1 and I think that's it, if I remember right who is on that
2 concurrence sheet.

3 MR. ROBINSON: I assume you had to wait for all
4 of the drafts that you sent out to come back before you
5 prepared the next rev.

6 MR. GRIDLEY: Yes.

7 MR. ROBINSON: Do you remember at any time during
8 that process a draft coming back to you with Whitt's
9 comments or it that you had to incorporate into the letter?

10 MR. GRIDLEY: No, and that's the reason I don't
11 think he -- no. I would say Kermit never commented on that
12 letter, that draft transmittal or the technical response.

13 MR. ROBINSON: And Domer would be able to tell us
14 whether or not he even got a copy of the draft?

15 MR. GRIDLEY: I think we could start with Jim and
16 ask him, yes. And whenever you want to do that, he's
17 available. He's just down the hallway.

18 MR. ROBINSON: You said in the beginning of the
19 interview that this Appendix B letter was the first letter
20 in TVA, to your knowledge, that required management
21 concurrence.

22 MR. GRIDLEY: To my knowledge, there was no, and
23 I think I'm on safe ground, there was no such thing as
24 having a concurrence to letters. Usually you prepare a
25 letter and if it was for my signature I would read the

arysimons 1 letter and I'd sign it. I don't ask whether or not
2 engineering agrees with it or anybody else agrees with it.

3 Mr. White initiated the requirement that managers
4 that have inputs to TVA submittals, letters or otherwise,
5 concur that what goes into the submittal is accurate and
6 correct.

7 MR. ROBINSON: Do you agree that that is probably
8 a pretty good procedure?

9 MR. GPIDLEY: I agree with it because it is now a
10 part of our procedure. I've got an NPC communication
11 procedure and it's in there and everybody has to do it. In
12 fact, I'm having problems with it because the Browns Ferry
13 site people don't know why they have to get corporate
14 review and concurrence for letters that Browns Ferry is
15 sending to the NPC, and I said because I said so, that's
16 why.

17 It absolutely is the right thing to do because
18 TVA is so large and there is so much activity going on that
19 has generic implications that if you allow independent
20 organizations to communicate outside, and to the NPC in
21 particular because of the mandate, the regulatory mandate,
22 we would really be in big trouble.

23 MR. ROBINSON: Do you think that the reason this
24 happened to be the first letter requiring concurrence was
25 because this was the first letter that Admiral White sent

narysimons 1 out or because of the importance of this letter or why?

2 MP. GRIDLEY: I was never in the Navy, but I got
3 the impression that this is not atypical of the way that he
4 ran his business in the Navy.

5 I believe that he also recognized the importance
6 of it from a regulatory requirement. I think his position
7 was (a) I'm new and I'm as innocent as the rest of you
8 about how to run a utility. I know how to manage big
9 organizations and I know how to make people perform certain
10 tasks, but I think the regulatory process was new and he
11 wanted assurance that what he was doing was backup up by
12 experienced people.

13 I think he felt comfortable seeing somebody's
14 names on a line saying this is the way, you know, if I was
15 doing this myself -- that's what that signature means -- if
16 I was doing this myself, I concur this is the way I would
17 do it, and certainly that's the view I took at the time
18 because I saw nothing in that submittal that I wouldn't
19 have -- if he hadn't been here, I would have sent that
20 submittal, and maybe the transmittal letter would have been
21 a little bit different, but I would have sent that package
22 without any question.

23 MP. ROBINSON: When you sent a draft out for
24 comment and received the drafts back, who actually
25 physically prepared the next letter incorporating those



arysimons 1 comments?

2 MR. GRIDLEY: It was either one of my people or
3 Bob Mullin's QA downstairs. Now let me think about it a
4 second. I didn't physically do it myself.

5 MR. ROBINSON: Domer didn't do it?

6 MR. GRIDLEY: Well, if anybody did it in my
7 organization it would have been Domer. That's No. 1,
8 Domer/Dave Lambert who is my two-way interface. Just put
9 that down as another question to answer. I think it was
10 Domer in Licensing who incorporated the comments and then
11 sent them down to QA. But I think the letter was mine, and
12 I think my people incorporated the comments.

13 MR. ROBINSON: That's what I'm talking about, the
14 cover letter.

15 MR. GRIDLEY: Yes. I think it was mine and I
16 incorporated -- my people did, and I think it was Domer.

17 MR. ROBINSON: Did the draft with the comments
18 physically come back to you or did they come back to Domer
19 or did you ---

20 MR. GRIDLEY: They came back to me, but they
21 didn't physically end up in my box. When they came in they
22 just went to ---

23 MR. ROBINSON: So once you got the drafts, and
24 once you were satisfied that you had gotten comments from
25 everyone that you sent them out to, you gave the stack to

arysimons 1 Domer and he rewrote the next draft?

2 MR. GRIDLEY: Yes. The physical manipulation of
3 comments was not done by me personally. I think the
4 sequence was somebody prepares a letter for me to sign and
5 sends it out that says please comment by. It comes back in
6 to me, and the responsible person, let's say it was Domer,
7 would integrate the comments, give it to me to read and
8 then send copies to the people that were involved for their
9 comments, you know, Rev. 1, Rev 2 and Rev. 3.

10 MR. ROBINSON: And we can find that out
11 definitely you think from Domer?

12 MR. GRIDLEY: We can ask Jim, and the only thing
13 that I think could -- I don't know whether he begged off on
14 doing that incorporation to QA or not, but I don't think
15 so. That was our letter and I think we were doing the
16 incorporation of the comments.

17 MR. ROBINSON: Was it you or Domer's language as
18 far as pervasive breakdown in the overall QA program? I'll
19 give you this. This appears to me to either be a last
20 draft of the letter or the letter itself without a
21 signature. I'm assuming the PLG initials are ---

22 MR. GRIDLEY: That's me.

23 MR. ROBINSON: The language in that letter would
24 have either been Domer's or ---

25 MR. GRIDLEY: See, there's a pretty good

arysimons 1 indication. PLG is me, JD is Domer and KS is Kathy
2 Stevens, secretary. The way TVA works is that's the
3 secretary, that's the manager requesting the work and
4 there's the approving manager. So that pretty much answers
5 the question that we did it in Licensing and we were the
6 ones that were responsible for incorporating the comments.

7 MR. ROBINSON: Are you aware of any meetings that
8 Domer attended with anyone like Kelly or Huston or Wegner
9 in which the language of that letter was discussed?

10 MR. GRIDLEY: I'm not aware of any, no. I doubt
11 very much that Jim did.

12 To your question on the language itself, I can
13 tell you for sure that no one in Licensing originated the
14 "pervasive." No one in my organization, including myself
15 initiated the language "pervasive."

16 MR. ROBINSON: So it's possible that someone
17 other than Domer -- well, okay. Domer may have just used
18 the word "pervasive" as suggested by one of the reviewers?

19 MR. GRIDLEY: No. I can tell you exactly what
20 happened. You take a letter like this, and let's say there
21 was one preceding this, and let's say it didn't have, and I
22 won't mark on this, but let's say it didn't have -- where
23 did I see the word -- oh, here it is.

24 Take the second paragraph. "On the basis of a
25 review. . . ." I would suggest that the letter before this

arysimons 1 didn't even have that in there, and I would suggest that
2 that was written in by one of the commenters ---

3 MR. ROBINSON: By one of the people that had the
4 draft.

5 MR. GRIDLEY: Yes, and then Jim gets it and he
6 says, okay, I'll incorporate that comment. In fact, I
7 would suggest if this is the final one, and I'm not sure it
8 is, that the letter just before this, which I said before
9 this, the letter just before this one, if this is the last
10 one, had all of the comments from Licensing, CA and
11 Engineering and this is the final product of Mr. White's
12 advisers. This is how we want the letter to be. [You now,] ?
13 it came down and it said put these in, get it typed in and
14 bring it up to Mr. White. I would suggest that is probably
15 the final.

16 MR. ROBINSON: I'm going to try to word this
17 question as clearly as I can. To your knowledge, is the
18 final draft of this letter a result of Domer putting
19 together input from separate individuals or is it a result
20 of Domer putting together input from a meeting of
21 individuals that all made comments on the letter at the
22 same time?

23 MR. GRIDLEY: Neither. If that's the final
24 letter, I suggest that the -- to my knowledge, that the
25 letter just before that was a markup by one of Mr. White's

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narysimons 1 advisers. We are pretty with the letter -- let's go back
2 one step.

3 Domer takes the round of comments and
4 incorporates them. Then we give that letter to Mr. White
5 and say this now has all the comments from Engineering, CA
6 and Licensing. And he says pretty close, and I don't know
7 this for sure, but he may have said, hey, I want to change
8 this sentence, and Mr. Wegner could have said, hey, let's
9 add this word. What came back down to us from Licensing
10 was okay now it's right and go ahead and get it in final
11 form and get it up to me and let's have the meeting and
12 I'll sign it.

13 MR. ROBINSON: So you're not sure of where the
14 final changes came from? You just got the letter?

15 MR. GPIDLEY: I know the final changes came from
16 Mr. White and his advisers, yes. Whatever those final
17 changes were, that's what we're having trouble dealing
18 with. If we could look at the revision just prior to the
19 revision to that one, then we could see how much Mr. Wegner
20 and Mr. White changed words or sentence structure or added
21 or deleted, but I don't have that and I can't tell how much
22 it was.

23 MR. ROBINSON: From your dealing with the drafts,
24 which, if any, of Mr. White's advisers was the primary
25 contributor to the letter?

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MR. GPIDLEY: Mr. Wegner.

2

MR. ROBINSON: Initially when we were talking you indicated that at first there might have been a difference in definition over just exactly what concurrence with the letter meant. I don't know whether you meant something different than the incident with Kermit Whitt or whether there was an initial problem with the definition of concurrence. Can you kind of elaborate on that for us?

9

MR. GPIDLEY: Let me start with my own. I can't speak for the other people. The concurrence to me meant -- when Mr. White said I want you to sign that you concur in this letter, I didn't have any problem with it. I had read the letter and I had read the technical response.

14

What I was concurring in is that, Mr. White, this letter meets all the requirements for a transmittal letter. It's addressed to the right party, it has the right distribution. That's the No. I think I would say.

18

Two is, I've read the letter and it makes sense to me. It doesn't read dumb. There's no sentence in there that I don't understand. And, two, that I had no knowledge that the responses to the perceptions -- I personally had no knowledge that there was any error, that there wasn't something being said that wasn't correct.

24

I was willing to concur in that. So that's what it meant to me. So I concurred.

25

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I would suggest that some of the other people had trouble with the concurrence because they didn't know what their signature meant. They didn't know what ---

4

MR. ROBINSON: For instance, who of the other people would have had trouble?

5

6

MR. GRIDLEY: Well, I'm not so sure that Dick Kelly had any trouble with it, but I think that Bill Drotleff might have had some problem. He might have said to himself what does this signature mean? Does it mean -- and let me give you a perception.

10

11

Being an Engineering Manager he might have been concerned that his signature of concurrence meant that he had technically verified that all of the technical responses were correct, and he said I can't do that.

12

13

14

15

MR. ROBINSON: Did he ever say that, to your knowledge?

16

17

MR. GRIDLEY: I remember his concern about whether or not his signature meant that he had knowledge that the response was technically correct. Yes, he had a problem.

18

19

20

21

My view was was that wasn't what the concurrence meant at all. The concurrence meant to me personally, and Kelly I think as I remember had no problem concurring in the letter.

22

23

24

25

MR. ROBINSON: Do you have any idea of what Mr.

arysimons 1 White means by concurring with the letter?

2 MR. GRIDLEY: Mr. White, I believe was following
3 a practice that he may have used in his job in the Navy.
4 I'm not sure. I'm not familiar with it, but I believe that
5 there is an inspection verification statement where you go
6 out and physically verify that a modification has been
7 completed where it says this is to verify that I have
8 physically checked and found that the work has been
9 completed.

10 When he first started off he wanted something
11 like that, and we said -- Kelly in fact, Kelly said no, I
12 won't sign that. Kelly wouldn't sign that. No one would
13 sign that. That's where your signature meant that you had
14 done something to verify the technical response.

15 So Mr. White then, to give you a feel for his
16 attitude, he said, okay, you write down what you feel
17 comfortable with, because everybody rebelled. Everybody
18 says if that's what you want, we're not going to do it. So
19 he says then you write down what you are comfortable with.

20 MR. ROBINSON: As far as the definition of
21 concurrence.

22 MR. GRIDLEY: And everybody did that, and he
23 says, give it to me. I can tell you for a fact that no one
24 gave it to him, but they did -- I suppose those individuals
25 probably have that stuffed away somewhere, but then they

arysimons 1 were willing to sign the concurrence sheet.

2 So all White was looking for, as I remember the
3 situation, all that Mr. White was looking for was people to
4 back him up that he was doing the right thing. He says, am
5 I doing the right thing, and I want your assurance that I'm
6 doing the right thing. Will you assure me that what we are
7 going to send is the right thing and I'll sign it. I
8 really believe that is what he was driving at when he asked
9 for the concurrence.

10 MR. ROBINSON: So in White's mind, and I'm not
11 going to belabor this any further, in White's mind when he
12 sees that concurrence sheet, Drotleff's initials may mean
13 something different in the way of concurrence than Kelly's
14 initials and your initials??

15 MR. GPIDLEY: It would be, yes. But let me give
16 you, just to amplify a little bit more. We're smarter with
17 the concurrence. I take a letter up to Mr. White now,
18 which is for my signature and not his, and let's say it
19 deals with TVA's technical response to NRC's question on
20 the concrete testing at Sequoyah. So the concurrence sheet
21 will be there and he'll look, and what he's interested in
22 is did DNE review ^{TVA's} TDA's response on the NRC question on
23 concrete testing at Sequoyah.

24 If he doesn't see that I have an engineering
25 signature on there, then he won't sign the letter, or he

marysimons 1 won't allow me to sign the letter. If there's a QA
2 involvement, he wants to see that the QA Director has
3 reviewed the letter that is going and has had an input to
4 it and agrees that it's right.

5 So concurrence has evolved from that March 20th
6 time frame to where now it provides him the assurance that
7 his responsible managers are involved in what TVA is
8 sending to the NPC, and that's been healthy because as you
9 remember some of the early criticism of TVA prior to Mr.
10 White coming was that the top managers didn't get involved
11 in what their engineers and managers were doing and things
12 were like floating over their heads.

13 Now I can assure you that every manager reporting
14 to White knows what his division is doing because Mr. White
15 insists on seeing their signature.

16 MR. ROBINSON: Now pertaining to the technical
17 responses. When we went from the original technical
18 responses or at least the final technical responses prior
19 to the executive summaries, why was it decided to go to
20 executive summaries?

21 MR. GRIDLEY: Well, I thought it was my ideas,
22 but I've been told by Mr. Kelly that it was his idea.

23 (Laughter.)

24 So who are you going to believe.

25 (Laughter.)

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2 I have always in my job as a vendor licensing
3 manager never sent the NRC a response that required them to
4 go through a fairly detailed technical response. I always
5 believed in executive summaries. If you look at the GE
6 reports that have been submitted over the years, all of
7 them had -- Browns Ferry partial scram, Duane Arnold safe-end
8 ~~Henry~~ replacement report -- all of them had executive
9 summaries so that ^{NRC} management could look real quick at the
10 response, and if they wanted to read the report, they
11 could.

12 I read through the technical responses to the
13 perceptions, and some of them were several pages long, and
14 I'm saying this is a disaster. Let's summarize this thing
15 in a page or two. Kelly says it was his idea, and if he
16 wants to credit for it, he can. But in any case, between
17 Kelly and I we insisted that they be boiled down to concise
18 responses with the understanding that we kept the original
19 engineering report.

20 So, like I say, if it was my doing it was because
21 that's the way I do business, and I can't speak for Kelly.
22 I don't know why he thought it was his idea in the first
23 place, but if it was, why I think he probably felt like I
24 did, that it would be difficult to read through the
25 engineering response to the perception and really know if
the guy ever answered the question.

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2 The main reason for an executive summary, in my
3 mind, is to make sure that you've answered -- that you've
4 dealt with the question. Quite often I find that we still
5 find some responses to the NRC where we have never answered
6 the question that they asked in their letter.

7 So my purpose is to boil it down and make sure
8 we've answered the question. The perception was that we
9 did not have design control over the engineering process.
10 If you read that original engineering response to that,
11 you'll never know whether we did or didn't.

12 So the attempt was to get the executive summary
13 to deal with the question.

14 MR. ROBINSON: Did the people that prepared the
15 original lengthy technical papers also prepare the
16 executive summary?

17 MR. GRIDLEY: Yes.

18 MR. ROBINSON: Did anyone review the executive
19 summaries and see that they were an accurate compilation or
20 condensation of the technical response?

21 MR. GRIDLEY: Yes.

22 MR. ROBINSON: Did you do that?

23 MR. GRIDLEY: I didn't do it personally, but it
24 was done both by Kelly, in particular by Dick Kelly, and by
25 Drotleff in Engineering.

In fact, I think that that was the basis for the

arysimons 1 individual concurrence. You'll notice that there are two
2 signatures on almost every one of those technical
3 responses, and the idea behind that was not only did the
4 individual who condensed it down agree that it properly
5 translated the original engineering response, but the other
6 signature was an overview that both had read and it was
7 correct.

8 MR. MURPHY: We're going to take a short break.
9 It's now 2:35 p.m. and we'll resume in about 10 minutes.

10 (Recess taken.)

11 MR. MURPHY: It's now 2:48 p.m. and we are back
12 on the record.

13 Mr. Reinhart.

14 MR. REINHART: Did you look at the comments as
15 they came in for you on the way to Domer? Did you have a
16 feel for what the general comments were?

17 MR. GRIDLEY: I did not look at the comments.
18 The process at that time was get a final letter to transmit
19 this package. So the only thing I looked at was the next
20 draft that I was going to take up to Mr. White and get his
21 signature on.

22 MR. REINHART: Are you aware of TVA/OGC review?

23 MR. GRIDLEY: Yes.

24 MR. PEINHAPT: Did they have comments that you
25 know of?

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2 MR. GRIDLEY: They did have comments. I
3 specifically don't remember the detail of them, but they
4 did have comments. I believe when I went through the book
5 downstairs in QA, you know, that Parker has, I believe they
6 are still in there. I think those comments may still be in
7 that book down there, but I'm not sure of that.

8 I did talk to Doug Nichols and Lew Wallace. I
9 said did because that came up in our inspection meeting
10 that we had here. So I went back and asked, did you guys
11 comment, and they verified to me that they did comment on
12 the transmittal letter. So I know they did.

13 MR. FEINHART: May we see the comments that
14 Parker might have?

15 MR. GRIDLEY: Yes. In fact, we gave those to --
16 I'm going to say his name wrong and you help -- Peranich.
17 He went down, made copies of them and took them with him.

18 MR. REINHART: There were none. He couldn't find
19 any.

20 MR. GRIDLEY: Oh. Well then there isn't any. If
21 they aren't in that book downstairs, then we don't have
22 them.

23 MR. REINHART: Well, he never found a book. I
24 won't say there were none, but Mark Peranich never found
25 the book. He couldn't find the book.

MR. GRIDLEY: The book is down in QA. It's a

arysimons 1 three-ring binder which is our basic corporate record of
2 the Appendix B March 20th letter. It's downstairs. He got
3 copies of that.

4 MR. ROBINSON: I don't know. If he doesn't,
5 we'll get a copy.

6 MR. REINHART: Could we get them?

7 MR. GRIDLEY: Sure, absolutely.

8 MR. REINHART: We would like to have them because
9 that you really ---

10 MR. GRIDLEY: I mean if they're there. Now in
11 this process you tell me when you want me to do it. We've
12 brought up some questions on Whitt and we brought up some
13 questions on who revised the letter and this is just one
14 more. I mean I could call Dick Parker real quick. I
15 remember the day that the team was here, and Mark and ---

16 MR. REINHART: Myself. I went down with him. I
17 got there a few minutes later, and he never talked to
18 Parker.

19 MR. GRIDLEY: I'm just telling you there is a
20 three-ring binder in QA under their control that whatever
21 we have on this March 20th letter, they've got.

22 MR. REINHART: Okay.

23 MR. GRIDLEY: And it's sitting down there and you
24 guys are welcome to look at it.

25 MR. REINHART: We would like to do that.

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2 MR. GRIDLEY: That's the one that has the
3 technical response and the guys' signatures in it.

4 MR. REINHART: Are you aware of anybody outside
5 of TVA that was consulted on the letter?

6 MR. GPIDLEY: Yes. I can't give you dates, but
7 George Egger who was I believe, and I don't know him that
8 well, he's a Washington, D.C. attorney. I believe he's in
9 business for himself, but I think he -- I shouldn't say I
10 think, I don't know -- but he has gotten involved with BETA
11 and White in some capacity. What that capacity is, I don't
12 know.

13 But George was offered -- he wasn't offered. He
14 was asked to review the transmittal letter. I don't
15 believe he got the technical responses, but I know we
16 Federal Expressed him a copy of the transmittal letter, I
17 know that he commented on it, and I think he suggested some
18 rewrites and that was sent back to us.

19 As I remember, that was late in the game. So I
20 would say not relating to your point exactly, but that
21 revision just prior to that final letter that went out
22 probably was influenced by Egger's comments.

23 MR. PEINHART: Are those comments present
24 anywhere?

25 MR. GPIDLEY: No. Now when I say no, to my
knowledge. I guess you are going to have to go down and

marysimons 1 physically look at this book which you are welcome to do.
2 We can arrange that. They may be in that book, but I don't
3 know that.

4 MR. REINHART: Was it George Egger that
5 personally looked at it or one of his staff?

6 MR. GRIDLEY: My view at the time was that it was
7 George Egger personally, because the way that happened was
8 Mr. Wegner asked me to call him and tell him we wanted ^{him} to
9 review the letter, and his initial response was he didn't
10 have time. I went back and told Mr. Wegner he didn't have
11 time to do it, and he says call him again because we need
12 him to look at it.

13 I called him again and he said, okay, Federal
14 Express the thing to me and I'll look at it. So I did and
15 he looked at it and sent it back I think by Federal
16 Express. From all indications it was done by him
17 personally because there were no other names involved. So
18 I don't believe that any of his -- I don't know what he has
19 even got, if he has a staff of attorneys, I don't know what
20 his organization is, but I would guess that it was done by
21 him personally.

22 MR. REINHART: What period of time was involved
23 in sending it to him and getting it back?

24 MR. GRIDLEY: I just don't recall. Let's say I
25 Federal Expressed it to him on a Friday and I believe we

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marysimons 1 had it back by Monday. So it was probably done over a
2 Friday night and weekend and was back on Monday.

3 MR. ROBINSON: Did Wegner give you any specific
4 reason why he wanted Egger to look at it?

5 MR. GRIDLEY: Not, not specific. I would say
6 that it was to be -- you know, I'm just -- my perception
7 was that, and I know Egger is an attorney, and it was that
8 is the response correct from a legal -- is the response
9 correct legally. I could tell him whether the response was
10 right from a licensing standpoint and Engineering could
11 tell Mr. White that it was right from an engineering
12 standpoint. [Other than OGC, and I might share with you,
13 and I don't whether this is going -- I can just say it.] ?

14 There wasn't a lot of confidence in OGC at that
15 time. We were basically not using the Office of General
16 Counsel. In the January to June time frame we did not use
17 the Office of General Counsel that much for legal review.

18 So the missing element, which I used all the time
19 in GE, and I always used my attorneys in GE to review
20 important General Electric position papers, that element
21 was missing from this letter, and I think that was the
22 reason they asked him to do it.

23 MR. ROBINSON: I understand that, but did he say
24 anything to you like we really need to be careful with this
25 one and get it gone over with a fine tooth comb?

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MR. GRIDLEY: No. I think it was the missing
2 legal review on the letter. I thought it was kind of funny
3 because Egger told me to go to hell, or heck or whatever.
4 So I went back to Wegner and said he won't do it. Well, he
5 wasn't that willing to get involved in it I would think.

6 MR. MURPHY: Did you receive his response? Did
7 it come back to you?

8 MR. GRIDLEY: I believe it came back directly to
9 me, yes. I'm almost sure it did.

10 MR. MURPHY: Do you know what changes he made, if
11 any?

12 MR. GRIDLEY: Yes, I think he had, and of course
13 it's from recall, but I think he rewrote it substantially I
14 think.

15 MR. MURPHY: I mean the entire transmittal
16 letter?

17 MR. GRIDLEY: Well, not so much -- first of all,
18 let me just from remembering. I think he, first of all,
19 changed the ordering of the letter itself. You know,
20 basically we start off kind of boilerplate, and he says you
21 want this up in the first paragraph, and you want this
22 down. So I would suspect that what I had, was I had the
23 answer to whether or not we were in compliance in the last
24 paragraph and he said, hey, put it up in the first
25 paragraph or wherever it is.

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2 I believe that wording changes were -- and maybe
3 I shouldn't use the word "substantial," but definitely he
4 had paragraphical things written in the margin. He did not
5 retype it. It was hand comments as I remember.

6 MR. REINHART: What was the problem with using
7 TVA's OGC? Why was there a lack of confidence?

8 MR. GRIDLEY: I can't answer that. I don't know.
9 I just know that there was reluctance on the part of Mr.
10 White to deal with OGC.

11 MR. REINHART: It wasn't your lack of confidence
12 that it was ---

13 MR. GRIDLEY: No. Hell, I was using them. I had
14 Lew Wallace down here with Doug Nichols. In fact, I was a
15 little worried because I was using them right from the
16 beginning and figured ^{Mr White} might criticize me, but he didn't.

17 MR. REINHART: Was there anybody besides Mr.
18 Egger outside of TVA that was consulted regarding the
19 letter?

20 MR. GRIDLEY: Not to my knowledge. No, not to my
21 knowledge. I'm just trying to remember at the time. I
22 know I can't speak for Kelly. Did he use any Stone and
23 Webster people?

24 MR. REINHART: Anybody. It could be anybody
25 alive on the earth.

26 MR. GRIDLEY: Drotleff, of course he's Stone and

Warysimons 1 Webster. Myself, no. I would say Egger was the only one
2 that I know of outside of TVA. I can't answer that. Who
3 knows. He never shared with me that he did.

4 MR. REINHART: Okay.

5 MR. GIDLEY: And let me clarify one thing, for
6 what it's worth, and as you go through your investigation
7 you may find it different, but White had very little
8 involvement in this letter until we brought it to him.

9 I think I said during the time you were here on
10 inspection, and I think I'll still stand behind it, we
11 never briefed him on the technical response to the
12 perceptions. There was never a meeting where, okay, Mr.
13 White, here's perception one and here is our response where
14 he could ask questions. That never occurred. That's not
15 to say that he -- I know he read it -- that's not to say
16 that he and some of his advisers didn't sit around and talk
17 about what the responses were, but there was never a
18 briefing or a meeting with him on this letter until we got
19 to where we wanted him to sign it, as I remember all the
20 steps leading up to it.

21 MR. REINHART: We noticed on the file copy, if
22 you will, the official copy of the letter that NPC has,
23 that page 1 is in a different type than page 2.

24 MR. GIDLEY: You've got keen eyes. I'm not
25 aware of that. I've got a copy of the letter.

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MR. ROBINSON: Were there any last-minute changes
2 to the letter just prior to submission to NPC?

3 MR. GRIDLEY: I sent the letter.

4 MR. ROBINSON: Was the letter mailed or hand
5 carried?

6 MR. GRIDLEY: First of all, I'm pretty sure the
7 letter was mailed. Was there a meeting in Washington,
8 D.C.? I may be getting it confused with something else,
9 but here's my final copy.

10 (Document handed.)

11 Is that different than yours?

12 (Pause.)

13 This is my file copy, but you don't get -- you
14 come down through here. I just don't show who got the
15 internal distribution.

16 MR. ROBINSON: Yes, it doesn't show the
17 preparers. But you notice that the type on the cover of
18 this is different than that and different from this.

19 MR. GRIDLEY: What's the Rems number at the top
20 of yours? You don't even get a Rems number. See, this is
21 how we keep track of our letters.

22 I don't know why that would be. How about the
23 signature? That looks the same doesn't it?

24 MR. ROBINSON: It does.

25 MR. GRIDLEY: The signature is the same. That

arysimons 1 looks the same.

2 MP. ROBINSON: The 27-90 is different.

3 MP. GRIDLEY: It sure is. She's sitting right
4 there. I don't think she probably could remember a year
5 ago, but Susie Parker is one of our Notaries. I wonder why
6 that is.

7 This page is different from this page of my file
8 copy.

9 You know why? I think I can answer that. These
10 are signed five times. So she does this five times. That
11 may be part of the answer. She does this five times.
12 White has to sign five times and she does this five times.
13 That is one answer at least to that little discrepancy.

14 Now with regards to page 1 and why it would be of
15 a different type is always a question we can ask the
16 secretaries. Let me tell you, and I'll just guess at your
17 question and why you're asking it, is did anybody play with
18 this after this was signed, and there is no way that could
19 happen because once it's signed up there, it's brought down
20 to me and then I have control over it.

21 MR. ROBINSON: Did you mail it to the NRC or was
22 it hand carried?

23 MR. GRIDLEY: No, we mailed it.

24 MR. REINHART: One of the reasons I was asking is
25 that it seems that I remember from our last conversation

RG

arysimons 1 that you told us that there were some last-minute changes
2 made in Bethesda.

3 MR. GRIDLEY: Ah-ha. Is that on this letter?
4 That is where we had -- we had Dick Kelly up in Bethesda
5 and we -- that's right. Was it on this letter? We sent a
6 change to page 1 to Kelly and asked him to make the changes
7 to the signature page. I think that's right. It's ringing
8 a bell. That's right, we had Kelly in Washington and we
9 made a change to page 1 and sent it to him. So that would
10 be the reason why the type is different.

11 MR. REINHART: Do you remember what that change
12 was?

13 MR. GRIDLEY: No, but I'm sure Dick Kelly
14 remembers. Kelly for sure would remember.

15 Did you meet with Kelly when he came to
16 Washington, D.C.?

17 MR. REINHART: Yes.

18 MR. GRIDLEY: You didn't ask him that question?

19 MR. REINHART: I don't know.

20 MR. GRIDLEY: Well maybe that's another one we
21 can get an answer to. I think we can pretty much get an
22 answer to what was changed. I don't think it was anything
23 significant, but that would explain why the type was
24 different.

25 MR. REINHART: Okay.