



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

March 9, 2006

MEMORANDUM TO: ALLEGATION FILE RIV-2005-A-0164 and RIV-2005-A-0165

FROM: Claude E. Johnson, Chief
Project Branch A
Division of Reactor Projects

SUBJECT: CLOSURE OF ASSIGNED CONCERNS FOR ALLEGATION RIV-2005-A-0164 and RIV-2005-A-0165

This memorandum provides the background closure information for Allegation RIV-2005-A-0164 and RIV-2005-A-0165. On February 23, 2006, Energy Northwest responded to four concerns identified in RIV-2005-A-0164 and one concern in RIV-2005-A-0165. In reviewing Energy Northwest's response, the NRC considered whether: (1) the licensee's response adequately addressed the individual concerns; and (2) the alleged concerns were substantiated.

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NRC Inspector Followup to Columbia Allegation RIV-2005-A-0165

Background: On June 14, 2005, the Columbia Generating Station Service Water Pump A failed due to Intergranular Stress Corrosion Cracking (IGSCC) of the vertical pump shafts at the couplings. The pump was repaired and declared operable. Concerns were raised about management's decision to restart the plant knowing the condition of SWP-1-B could have a similar failure mechanism as SW-P-1A. Specifically, in this allegation, concerns were raised that management's decision to restart the plant was based on incentives to be paid. The plant startup following the failure of the A service water pump and the delay in establishing the actual condition of the B service water pump resulted in the concerns listed below.

The licensee's response to the following allegation concerns are based upon investigation conducted by a Lead Investigator, Nuclear Safety Issues Program Manager and two independent contractors (Winston & Strawn and Janus Management).

This investigation included interviews of key Energy Northwest managers and staff, discussions with the Human Relations organization and a review of related plant and industry documents and personnel folders. Two independent contractors were retained by the Board to perform an independent inquiry into the allegations which were related to decisions at Columbia Generating Station being *unduly influenced by incentive compensation bonuses available to senior managers based upon certain performance metrics for the station.* Energy Northwest Executive Board hired these contractors to review responses to two anonymous letters sent to the Board and the results of a recent company wide survey on the status of the Safety Conscious Work Environment (SCWE) at Columbia Generating Station were reviewed.

The inspector considered these activities to be sufficiently independent of the organizations in question.

Concern 1 (NRC Concern 2): Individuals stated that they were not proud of the way management mishandled the service water pump issue and that they believe management appears to be posturing to find a scapegoat lower in the ranks.

Conclusion

The NRC-inspector did not substantiate this concern. The NRC inspector's followup of this concern indicated that the licensee investigative team's review of the operability decision concerns (reviews both internally and by an external group) did not find an indication of or concern with "posturing" as suggested. Rather, while disagreements as to the ultimate decision were noted, both reviews found, after conducting numerous interviews with persons who agreed and disagreed with the decision, that overall there was not a concern regarding harassment, intimidation, retaliation or discrimination (HIRD) or with safety culture.

In addition, Columbia retained additional outside independent evaluations of both the operability decision itself and the pump condition upon replacement. These reviews, conducted openly, indicate that in fact Columbia was not posturing but rather intended to obtain fair and independent assessments of the decisions made and their safety implications.

The two reviews of the employee concerns were conducted in July and November 2005. In July 2005, the Nuclear Safety Issues Program (NSIP) at Columbia received an

internal allegation containing concerns related to SW-P-1B operability decision and the decision-making process to support plant restart. Each of the individuals involved in the SW-1-1B operability decision were interviewed as part of the NSIP review. While differences of opinion were identified, none of the individuals interviewed suggested that management or anyone at Columbia was looking to find a "scapegoat." Two individuals expressed concern over raising their disagreement with the ultimate operability decision. However, neither individual indicated that they had a nuclear safety concern or that they believed they were subject to HIRD. There was no suggestion of a "scapegoat" being sought.

During November 2005 an independent inquiry performed by outside independent reviewers for the Executive Board, also noted two engineers with concerns regarding the work environment at CGS. Concerns ranged from workload and job performance expectations, to raises. Each thought there may be a connection with their positions on the operability decision. Yet this review also noted that there were several others who disagreed with the restart decision who think the CGS work environment is healthy and that management is committed to open discourse and the expression of all viewpoints. In any event, the information from the two individuals did not alter the reviewers findings that the overall work environment at CGS is healthy.

In addition, Energy Northwest retained an independent reviewer to assess the operability decision. The operability decision review noted areas for improvement in CGS processes. Condition reports were issued to address those findings. Further, Energy Northwest retained Flowserve to perform an engineering assessment of the condition of the pump found prior to replacement. That assessment concluded that the pump would have performed its safety function. Contrary to this allegation, and rather than an effort at "posturing," these efforts are a further indication of the open and self critical nature of Energy Northwest's assessment of the decisions and implications of those decisions related to the SW-P-1B replacement.

The NRC inspector did not substantiate that management appears to be posturing to find a scapegoat lower in the ranks. The NRC inspector also noted that the inquiry team stated that Flowserve's assessment concluded that the service water pump would have performed its safety function. The NRC has developed a detailed inspection plan that will review whether the service water pump could have performed it's intended function. This inspection is scheduled for the Spring of 2006.



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July 3, 2006

MEMORANDUM TO: Harry Freeman, Senior Allegations Coordinator
THRU: Michael P. Shannon, Chief, Plant Support Branch (PSB)
FROM: David Holman, Senior Physical Security Inspector, PSB
SUBJECT: CLOSURE OF ALLEGATION RIV-2006-A-0013

Concern 1 Part 1: None of the Columbia Generating Station (CGS) security officers received formal training on how to conduct operability testing of the Intelli-Field intrusion detection system (IDS). A small select group of supervisors were sent an inter-office memo describing how to do the tests, there was no hands-on or even pictures. These supervisors then showed other security officers how to do it and empowered them to teach others. This method of psuedo-training resulted in each squad conducting the tests differently.

Evaluation: During security baseline inspection 2006-006 conducted the week of April 14, 2006, PSB determined that the(CGS) did not implement training on how to conduct operability testing as required by their physical security plan (PSP) Appendix B, (Training and Qualification Plan).

Recommendation: PSB determined that this part of the allegation was substantiated and will be closed out with a non-cited violation for inadequate training in IR 2006-006. PSB recommends that Concern 1 Part 1 of this allegation be closed with no further action.

Concern 1, Part 2: The licensee affirmed by letter to the NRC that their new Physical Security Plan, including all training to implement it, was fully implemented by the required date of October 29, 2004. It appears the information they provided in the letter may have been incomplete or incorrect.

Evaluation: The original premise made by the inspector that there was a regulatory requirement for the licensee to respond by letter affirming that their new plan was fully implemented was incorrect. The DBT Order (EA-03-086) required that, "The revised physical security plans, revised safeguards contingency plans, and revised guard training and qualification plans, must be fully implemented by the licensees no later than October 29, 2004."

Recommendation: Based on further review of the DBT Order requirement, PSB determined that false or incorrect affirmation to the Commission was not substantiated and recommends closure. PSB recommends that Concern 1, Part 2 of this allegation be closed with no further action.