Official Transcript of Proceedings

NUCLEAR REGULATORY COMMISSION

Title: 10 CFR 2.206 Petition Review Board
RE Palisades Nuclear Plant

Docket Number: 50-255

Location: teleconference

Date: Wednesday, September 3, 2014

Work Order No.: NRC-1044 Pages 1-25

NEAL R. GROSS AND CO., INC.
Court Reporters and Transcribers
1323 Rhode Island Avenue, N.W.
Washington, D.C. 20005
(202) 234-4433

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

+ + + + +

10 CFR 2.206 PETITION REVIEW BOARD (PRB)

CONFERENCE CALL

RE

PALISADES NUCLEAR PLANT

+ + + + +

WEDNESDAY

SEPTEMBER 3, 2014

+ + + + +

The conference call was held, Louise Lund, Chairperson of the Petition Review Board, presiding.

PETITIONER: MICHAEL MULLIGAN

PETITION REVIEW BOARD MEMBERS

LOUISE LUND, Chair, Deputy Division Director
Division of Reactor Licensing, NRR

DAVID ALLEY, Branch Chief, Component Performance, NDE, and Testing Branch, Division of Engineering, NRR

REED ANZALONE, General Engineer, Nuclear Performance & Code Review Branch

MERRILEE BANIC, Petition Coordinator, NRR

MAHESH CHAWLA, Project Manager, NRR
JOSHUA KAIZER, Reactor Systems Engineer, NRR
WARREN LYON, Senior Reactor Systems Engineer, Reactor Systems Branch, NRR
DAVID PELTON, Chief of Licensing, Branch 3-1, NRR
JENNIE RANKIN, Project Manager, NRR
ROBERT WOLFGANG, Senior Mechanical Engineer, Division of Engineering, NRR

REGION III STAFF

ALEX GARMOE, Senior Resident Inspector
CHRISTOPHER HUNT, Reactor Engineer
JAY LENNARTZ, Project Engineer, Palisades Site
APRIL SCARBEARY, Resident Inspector

LICENSEE STAFF

BARBARA DOTSON

P R O C E E D I N G S

10:02 a.m.

MS. RANKIN: So I'd like to thank everybody for attending this meeting. My name is Jennie Rankin, and I am the NRC Project Manager for the Palisades Nuclear Plant.

We are here today to allow the petitioner, Mr. Michael Mulligan, to address the Petition Review Board regarding the 2.206 petition dated March 5th, 2014. I am also the petition manager for this petition. The Petition Review Board Chairman is Louise Lund.

As part of the Petition Review Board or PRB's review of this petition, Mr. Mulligan has requested this opportunity to address the PRB. This meeting is scheduled from 10 a.m. to 11 a.m. The meeting is being recorded by the NRC Operations Center and will be transcribed by a court reporter. The transcript will become a supplement to this petition. The transcript will also be made publicly available.

I'd like to open this meeting with introductions. As we go around the room, please be sure to clearly state your name, your position, and the office that you work for within the NRC for the record.

I'll start. My name is Jennie Rankin,

Project Manager in the Office of Nuclear Reactor Regulation.

MS. LUND: Louise Lund. I'm the Acting Division Director for the Division of Operating Reactor Licensing and NRR, and I'm also the PRB Chair.

MR. ALLEY: Dave Alley. I'm the Branch Chief for the Component Performance, NDE, and Testing Branch, Division of Engineering, Office of NRR.

MR. WOLFGANG: Bob Wolfgang, Senior Mechanical Engineer, Component Performance, NDE, and Testing Branch, Division of Engineering and NRR.

MS. BANIC: Lee Banic, Petition Coordinator, NRR.

MR. KAISER: Joshua Kaiser, Nuclear Performance and Code Review, NRR.

MR. ANZALONE: Reed Anzalone, Nuclear Performance and Code Review, Division of Safety Systems, NRR.

MR. PELTON: David Pelton, Chief of Licensing Branch III-1 in NRR.

MR. CHAWLA: Mac Chawla. I'm the Project Manager in Division of Licensing, NRR.

MS. RANKIN: Okay. We've completed introductions here at headquarters. We'll go to the bridge line for the NRC participants from headquarters

on the phone.

MR. LYON: Warren Lyon, Reactor Systems, NRR.

MS. RANKIN: And then the participants from the NRC from the regional office on the phone, please introduce yourself.

MR. LENNARTZ: Jay Lennartz. I'm the Project Engineer for Palisades site, Region III.

MR. HUNT: Christopher Hunt. I'm the Reactor Engineer for Palisades site, Region III.

MR. GARMOE: Alex Garmoe and April Scarbeary, NRC Resident Inspectors at Palisades.

MS. RANKIN: Okay. And then are there any representatives for the licensee on the phone?

MS. DOTSON: Barb Dotson, Palisades, Licensing.

MS. RANKIN: Mr. Mulligan, would you please introduce yourself for the record?

MR. MULLIGAN: I'm Mike Mulligan. I live in Hinsdale, New Hampshire. I have been interested in Palisades for a number of years, and I've had a number of failed 2.206's. I'm a whistleblower, and I was in the nuclear industry for a while. Thank you.

MS. RANKIN: Thank you, Mr. Mulligan. It is not required for members of the public to introduce

themselves for the call. However, if there are any members of the public on the phone that wish to do so at this time, please state your name for the record.

Okay. Moving on, hearing none, I'd like to emphasize that we each need to speak clearly and loudly to make sure that the court reporter can accurately transcribe this meeting. If you do have something that you would like to say, please state your name for the record.

Court reporter, did you hear everybody okay so far?

COURT REPORTER: Yes, I have.

MS. RANKIN: Okay. Thank you. For those dialing into the meeting, please remember to mute your phones to minimize any background noise or distractions. If you do not have a mute button, this can be done by pressing the keys *6. To unmute, press the *6 key again. Thank you.

At this time, I'd like to turn it over to the PRB Chairman, Louise Lund.

MS. LUND: Okay. Thank you. Good morning. Welcome to this meeting regarding the 2.206 petition submitted by Mr. Mulligan. I'd like to first share some background on our progress, our process.

Section 2.206 of Title 10 of the Code of

Federal Regulations describes the petition process, the primary mechanism for the public to request enforcement action by the NRC in a public process. This process permits anyone to petition NRC to take enforcement-type action related to NRC licensees or licensed activities.

Depending on the result of its evaluation, NRC could modify, suspend, or revoke an NRC-issued license or take any other appropriate enforcement action to resolve a problem. The NRC staff guidance for the disposition of 2.206 petition requests is in Management Directive 8.11 and is publicly available.

The purpose of today's meeting is to give the petitioner an opportunity to provide any additional explanation or support for the petition following the Petition Review Board's initial consideration and recommendation. This meeting is not a hearing, nor is it an opportunity for the petitioner to question or examine the PRB on the merits or the issues presented in the petition request. No decisions regarding the merits of this petition will be made at this meeting.

Following this meeting, the Petition Review Board will conduct its internal deliberations. The outcome of this internal meeting will be discussed with the petitioner.

The Petition Review Board typically consists of a chairman, usually a manager at the Senior Executive Service level at the NRC. It has a petition manager and a PRB coordinator. Other members of the board are determined by the NRC staff based on the content of the information in the petition request. The members have already introduced themselves.

As described in our process, the NRC staff may ask clarifying questions in order to better understand the petitioner's presentation and to reach a reasoned decision whether to accept or reject the petitioner's request for review under the 2.206 process.

I would like to summarize the scope of the petition under consideration and the NRC activities to date. On March 5th, you submitted to the NRC a petition under 2.206 regarding Palisades Nuclear Plant in which you requested a number of actions. The major ones concern operating with a broken impeller and flawed control rod drive mechanism housing.

Allow me to discuss the NRC activities to date. On March 14th, 2014, the PRB reviewed your request for immediate action to prevent Palisades' restart and determine that there were no safety-significant concerns to prevent the plant from

restarting as scheduled. The NRC has reviewed the licensee's evaluation of the impeller piece fragment within the reactor vessel and concluded that it does not pose a threat to the reactor and other plant components. Additionally, the licensee has replaced all of the 45 control rod drive mechanism housings prior to plant startup.

Based on the review of the licensee's evaluation related to the stuck impeller piece and replacement of all CRDM housings during the refueling outage, there were no immediate safety-significant concerns to prevent the plant from restarting as scheduled. Your request for the immediate action of shutdown of Palisades and other Entergy plants did not have the adequate basis. Therefore, your request to prevent Palisades from restarting was denied.

You were informed on March 19th, 2014 of the PRB's decision to deny your request for immediate action. On March 24th, the petition manager contacted you to discuss the 10 CFR 2.206 process and to offer you an opportunity to address the PRB. You requested to address the PRB by phone prior to its internal meeting to make the initial recommendation to accept or reject the petition for review.

On April 8th, 2014, you addressed the PRB

by teleconference. The teleconference was recorded and transcribed and has become a supplement to this petition.

On May 19th and July 28th, 2014, the PRB met to discuss your petition, as supplemented and in accordance with the criteria for review and rejection described in Management Directive 8.11. The PRB determined that the following requests from your petition meet the criteria for review in accordance with MD 8.11: Number one, request for PNP to open every PCP for inspection and clear up all flaws. Number two, request for PNP to replace the PCPs with a design for their intended duty. Number three, request an Office of Inspector General inspection on why there are different analysis criteria for similar PCP events between the NRC regions. Four, request a $10 million fine over these events. And number five, request for PNP to return to yellow or red status and intensify NRC monitoring of PNP.

You were informed of the PRB's initial recommendation to accept your petition, in part, by email dated August 15th, 2014. In addition, you were informed of the basis for not accepting the remaining parts of the petition. The petition manager also offered you an opportunity to address the PRB. You

requested to address the PRB by phone following notification of the PRB's initial recommendations.

As a reminder for the phone participants, please identify yourself if you make any remarks, as this will help us in the preparation of the meeting transcript that will be made publicly available.

Mr. Mulligan, I'll turn it over to you to allow you the opportunity to provide additional explanation and support for your petition in light of the PRB's initial recommendation. You have about 40 minutes for your presentation.

MR. MULLIGAN: Thank you. Deterrents. You know, we look at deterrents as far as the NRC's activities associated with a nuclear power plant, and we see that the NRC doesn't have any, very little deterrents on the bad behaviors of other plants.

As far as all of the issues with Palisades over the years, a recent newspaper wrote up an interesting set of articles about Palisades and all the troubles they had. And what you see over this thing is there is, one thing, the NRC doesn't have any horsepower to, you know, put fear in the eyes of these guys. And that's, basically, you know, if you go one-by-one with these regulations and stuff like that, you're going to consume all the NRC's resources and

stuff like that.

And so there's the deterrence part of the NRC's activities. You know, the utilities are going to exhaust the agency with all the nickel and dime stuff if there's not a deterrence part of this deal, if they don't fear the NRC and that type of thing.

We also know that -- I believe that, generally, in the last five years, as shown by the articles in the newspaper, that with all of our troubles, Palisades had better capacity factor than they had in the early years and stuff. And this is all, essentially, because of risk perspectives and reductions of regulations and all that sort of stuff. And so in spite of all their troubles and that type of thing, Palisades has been allowed to continue on in the way they've always done.

Palisades did a relatively good job on the control rod drive mechanisms of recent, but they had a horrible history of CRDM problems and that type of stuff. Palisades has had numerous issues of falsifying documents, intimidating employees, lying to inspectors over the recent years and that type of stuff. And, you know, like the recent issue with the security guards, they had a similar incident four or five years ago, basically the same thing: lying and falsifying

documents to the NRC. And I know the NRC basically says after two or three years, we'll just make believe that it never happened, you know, the history never really is caught up together. And you don't have enough influence and power to keep a plant like Palisades straight.

What's happened here is really ugly. What's happened with the impellers is ugly. It's unprofessional. It makes our nation a laughing stock to all the other nations that are desperately trying to, you know, maintain their fleet safely and stuff like that.

And I've heard from numerous professional people in the industry basically saying they cannot believe that we allowed the Palisades plants to operate for so many years with these reactor coolant pumps and all these different kind of warnings we've had over the years and stuff and all these indications. And we're only getting, the outsiders are only getting the bits and pieces of what really went on with these impellers and stuff. You know, a lot of nations think of this as irresponsible and not worthy of a great nation when you get down to these impellers and stuff.

And then you've got Salem, like I talked about, the recent issues with a horrendous, all their

bolts being loose and stuff like that, prior, you know, prior warnings and that type of stuff that were ignored, and the NRC really hasn't stepped in there and done what the public wants. They don't want to have a Salem. You know, a crack starts somewhere in a reactor coolant pump. They want that crack fixed. They don't want to have to deal with these problems for years and years and deal with the broken bolts and fallen down components and the pumps and stuff. That's ugly. The amount of cracked and broken impellers, it's ugly. It's unprofessional. It's an essence of an indicator, you know. If they can't keep these impellers, you know, if they don't have to spend so much resources on these broken components, impellers, the tank that recently leaked, the control rod drive mechanisms, and stuff like that. You know, they're just consuming plant resources, and we fear that other safety problems aren't being dealt with adequately.

A lot of these kind of components breaking and stuff like that, that has a tendency to make the employees disillusioned and they know that it's wrong and stuff like that. And they know that the NRC doesn't back them. They know that, you know, we have to make -- they'll be up in the control room and they'll have the indications of a big blade being thrown off the

pump, and everybody will sit back and not give what the public really wants the Agency to force Palisades to do, to shut down, pay a price, deterrence, deterrence, and make them pay a price so that, you know, when they're in their little rooms and they're making these decisions about, you know, well, we've got some part of the impeller cracked, we can either fix it right, put in new parts so we don't have to deal with this in the past, or the NRC is going to, down the road, if, you know, bigger parts start falling off the pump or it gets strewn about the plant, they're going to make us pay a horrendous price.

Most of the people, you know, what is safety related and all that sort of stuff, you know. We think when you talk about Palisades is safe that means that you are pretty sure that they won't have a, you know, a type of severe core damage and off-site relief where you'll have a fatality. That's what you're saying when you say a plant is safe, and that's just not an appropriate standard. We don't think that's an appropriate -- we think this ugliness is a pretty good indicator of the future and that it shouldn't be tolerated. It should be nice and clean, and the operation of the plant should be nice and clean, and they're not all caught up with these degradations

and broken components and all that sort of stuff. It's a clean plant. The staff is not excessively busy or the control room employees don't have all these complicated procedures in place of, you know, a well-engineered plant. And, you know, everybody is diligently paying attention to the plant, not paying attention, not worrying about the degradations.

Again, these kind of questions, you know, what we know about what's going on in the wider nuclear industry, how many other plants have bolts breaking off on all their coolant pumps and stuff like that, other blades that are getting thrown off the reactor coolant pumps, the blades getting caught in the reactor core, and that type of stuff? We have no confidence that we know really, you know, that our nation is safe.

We worry about Palisades, but there's a risk if a lot of plants have degradation mechanisms that the NRC doesn't have under control and, you know, necessarily what you can prove isn't the most unsafe. It's a lot of the stuff that's behind the barrier that's degradated, that's degrading in an unknown fashion, and that's a threat to the nation and to a plant.

So that's kind of what we're worried about with -- rules don't carry a lot of information and stuff. You know, staying within the rules doesn't have

a lot of information. Usually, human intelligence and a brain can process a lot of information and that type of thing, and so that's what I worry about is a lot of these rules and stuff is designed to make us become more stupider than we really are.

I think, like I said, we worry about what's going on if regulations will tolerate this kind of ugly behavior at Palisades, certain events in the industry that are pretty concerning that are out there that kind of questions whether it's a lot more uglier than what's being portrayed by the NRC. The example of Cooper plant, some other energy plant, and their issues with training failures. And essentially, you know, I call it cheating. There's a lot of cheating involved there, as far as -- especially that they were simulating booking hooking up the RCIC to the boron injection system and they couldn't make that fire hose go through the floors, the floor as, you know, as expected and stuff. That's kind of cheating. That's the same kind of thing that, you know, we're worried about as far as at Palisades, this level of cheating.

You know, it almost gets to the point of, you know, the NRC says, you know, well, cheating isn't safety related, you know. We can't -- it doesn't, it's un-safety related. It can be repaired, or it's not a

big deal, or it's not modeled appropriately in all your risk perspectives and stuff like that.

Another issue we have is really you don't have any proof, there's no engineering proof that those reactor coolant pumps are safe. You don't have any, I don't see any model of, you know, actual building a plant, building, more or less, a prototype type of deal where you're beating the hell out of the pumps and you're getting those kind of blade failures and everybody, you know, you're experimenting a lot on a system like the Palisades pumps and its relationship to its primary coolant system and stuff like that. You don't have really any actual, I don't see any actual engineering that those pumps are safe. Studies, actual studies. It's all kind of, more or less, you know, the fallback of the NRC, it's our opinion that it's safe and stuff like that. That's the privilege of the NRC. They get to say that, basically, the professional people, they get to say, you know, a guy like me needs triplicate proof that Palisades is unsafe, even when it's all there. You guys get to say, "It's my opinion that it's safe," and you don't have any evidence to back it up.

So the evidence I'm talking about is, would be some engineering document showing that, you know,

we've gone through all of the, you know, not necessarily intellectual kind of thing that the NRC likes to do, but we really set up a system and we've repeated the degradation mechanisms on Palisades with their PCP pumps and stuff like that, and we actually seen the results of the broken impellers and stuff like that. We have a full engineering understanding of the mechanisms of what potentially could go wrong in the future with those pumps.

And, you know, and after all of this, after all of these decades with this failure mechanism at Palisades, if it's still not fixed, you know, they still have issues with going outside their licensing as far as certain pressures and stuff like that and creating, you know, it's a poor design, probably poorly-designed impeller that causes these, you know, cavitations and all that sort of stuff. It's kind of amazing.

All these barriers, all these, you know, proper design of the impeller, a NRC regulatory regime that keeps a plant basically clean and very few operational issues and stuff like that. Those are kind of barriers, safety barriers, and things that the public can see and stuff that gives indications that a plant is safe, not these analysis that we'll never have any proof until a plant gets into really deep

trouble. And you can figure out, you know, was the risk perspective analysis, was it accurate and that type of thing.

And, again, another issue in the industry is Millstone recently with their troubles with the auxiliary feed pump, turbine-driven feed pump, and the inability of the NRC to make a clean plant, to make sure that the NRC forces a utility to pay attention to the beginning stages of failure with their turbine pump, turbine-driven pump, and to figure out why that happened and then to say, well, do we got these kind of failures any place else, and to have the NRC become intrusive and to figure out these little things that are going around. And if the utility doesn't want to fix it or acknowledge it, then you come down with the hammer and stuff like that; or, in the case of Millstone, you know, the basic themes of broken components and improperly-installed new components nobody really catches, and then the degradation for tube special inspection, inspection reports, and then nobody really catches it until a plant trips and gets into a loss offsite power. And then there's a host of ugly issues that happened in the same transient and stuff like that.

I don't think a lot of you guys really

understand how difficult that is being in the control room and, you know -- you guys all mostly get to see a lot of this stuff in hindsight. Those guys in the control room get to see those events when equipment fails and they have no idea why it failed and why it's behaving that way. Then they get stuck with procedures that don't work. It's a terrifying situation and unnerving situation in the control room.

And we think, you know, with this Palisades deal being ugly and stuff, your inability to enforce integrity and truth-telling -- Palisades is not afraid to lie when they need to or be deceptive to the NRC. That's the history of Palisades and stuff like that, and we think actually that happens a lot throughout the industry.

And we worry that what we're seeing in Palisades is similar to what we're seeing in Cooper with their training program, which is terrifying in its own manner. Only two passes out of nine attempted licenses and all the associated problems, the ugliness of the training program and stuff.

We think this is all kind of related to, essentially, what our legislators and congressmen, you know, the rules that enable the NRC, they're insufficient and stuff. So Palisades, the Cooper

plant, Millstone, and San Onofre, Fort Calhoun, and stuff like that. I mean, I was looking at the Swiss cheese model as far as what's it take to cause an accident, and it's, you know, a set of slices of Swiss cheese with holes in it and they're usually all the barriers to an accident. There's no clear hole through the set of slices of cheese, but when the holes line up that's when an accident happens. There's a lot of holey Swiss cheese. The holes and, you know, maybe a slice or two of the holes line up, maybe there's one last barrier left, but we're uncomfortable with actually having any holes in any slice of cheese. We want these guys to operate a lot better than they have.

So there you go. You get my opinion of what's wrong with Palisades, and you really don't have any engineering to prove that those pumps won't cause problems. You've still got the active mechanism on there. You used to allow welding of those blades. Now, you say it's [beep] blades that are welded in there anymore. But there's been one assertion after another that that's been proved false and stuff like that.

And then the general stated the nuclear industry as a whole and incentives nowadays for a lot of these utilities with their economic troubles to cut back and stuff. You know, our fear is if we seen all

that was going on there, we could foresee, and the NRC could behave in a different way. But there's tremendous barriers. A lot of rules are set up, you know, like in this thing here. I can't see all the documents and stuff like that.

And if we had all of the knowledge in front of us of what was going on, outsiders could intervene, just like if everybody seen what was going on in Fukushima and the anti-nukes could have that kind of ammunition, maybe that wouldn't have happened. Maybe we could have captured a couple of minds and consciences and not have such an ugly situation facing us in the future.

Thank you very much. I appreciate -- by the way, that response to me with this, even though the 2.206 failed, I appreciate that response. It was quite thorough, the response to me, and I appreciate you putting it all out on paper and I want to thank you for doing that because at least it's -- we'll see how the future plays out, if, you know, my concerns were unaddressed and we have another terrible accident in the United States with a reactor. Thank you.

MS. LUND: Okay. Thank you. At this time, does the staff here at headquarters have any questions for Mr. Mulligan? Okay, seeing none. What

about the region?

MR. LENNARTZ: No question from Region III in the office.

MS. LUND: Okay. Any headquarters people on the phone? Warren, do you have any question?

COURT REPORTER: I'm sorry. Who was the gentleman who just spoke?

MR. LYON: No, there's no questions.

MS. LUND: Who was the person in the region that spoke?

MR. LENNARTZ: That was Jay Lennartz.

MS. LUND: Okay. Thank you. And this is Louise Lund, by the way. And does the licensee have any questions?

MS. DOTSON: The licensee has no questions.

MS. LUND: Okay. And do we end up with any members of the public on the phone that want to ask any questions? Okay. Hearing none, okay.

So, Mr. Mulligan, thank you for taking the time to provide the NRC staff with clarifying information on the petition you've submitted.

(Whereupon, the above-entitled matter went off the record at 10:39 a.m.)