

Records Facilities Branch
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(3)) MISSION

IN THE MATTER OF:

CAROLINA POWER AND LIGHT COMPANY

**(Shearon Harris Nuclear Power Plant,
Units 1, 2, 3 and 4)**

**Docket Nos. 50-400
50-401
50-402
50-403**

Place - Raleigh, North Carolina

Date - 6 March 1979

Pages 2980 - 3223

**Telephone:
(202) 347-3700**

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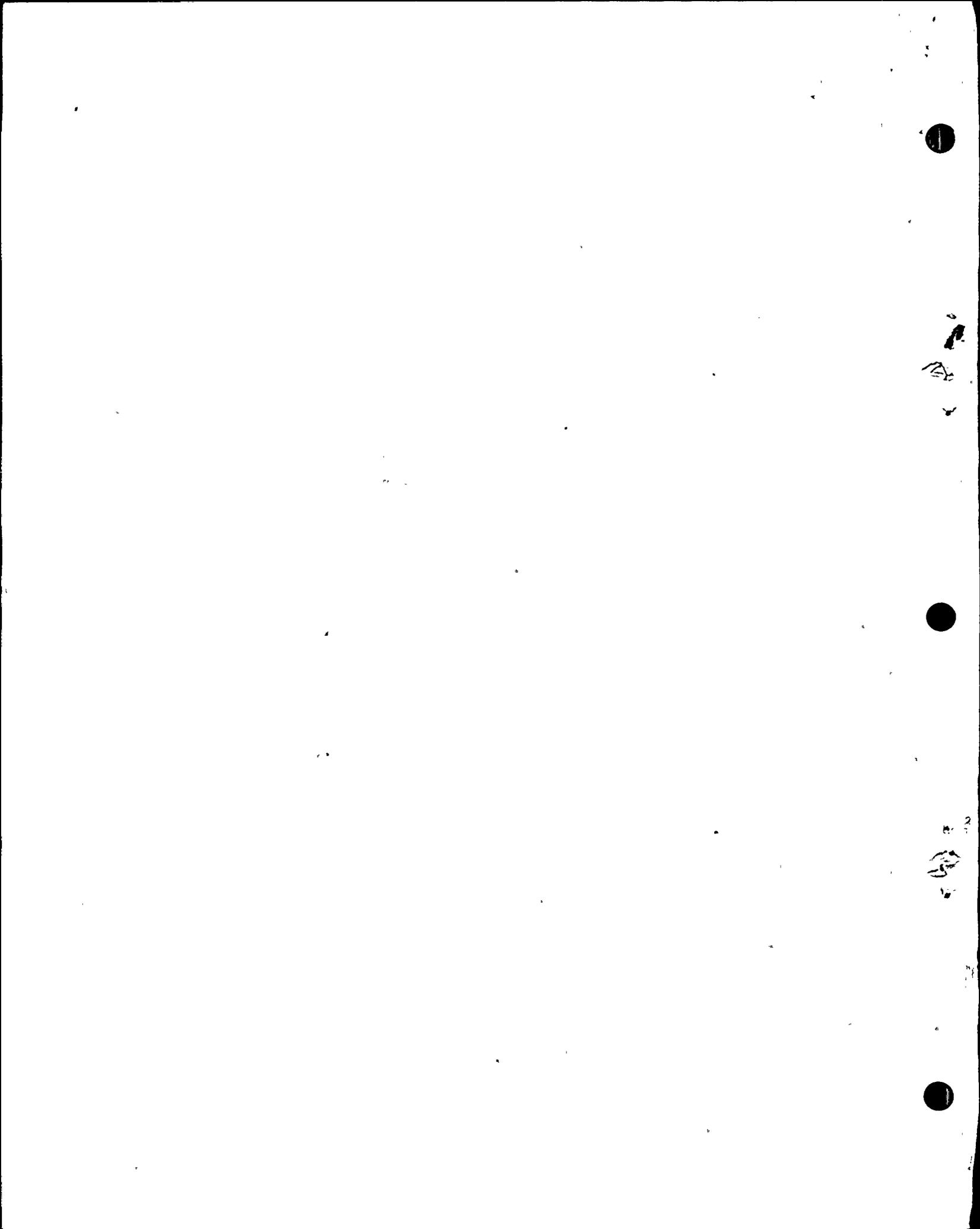
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On behalf of the NRC Regulatory Staff:

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WRBloom
EB1

P R O C E E D I N G S

CHAIRMAN SMITH: Good morning, gentlemen.

I think I indicated before the hearing began that Mrs. Bright had apparently a minor accident at home. When I say "minor," it's not a life-threatening situation. She injured her hip, and Mr. Bright had to remain in Washington yesterday because he thought she would have to go to the hospital. He had hoped to come in last night but I see I have a phone message from him this morning, asking me to call. And he is still in the office in our headquarters, so he won't be here at least today.

The Commission rules-- I think we've already been through this once in this case. The Commission rules do provide that we can proceed on a quorum providing that the quorum includes the Chairman, so we will do that.

Mr. Reis, do you have a report now on the information we requested you to get?

MR. REIS: On the Licensee Evaluation Notification They are still considering it up in headquarters, and I will have a report by tomorrow morning.

I guess that's the pending --

DR. LEEDS: What are they considering?

MR. REIS: Well, I had a request as I interpreted it, as to what use should be made of this, and if there is any Staff position on what should be made of the Evaluation



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1 Report other than the letters and the part of the report as
2 to the scope of what it attempted to show. And I contacted
3 Mr. Harry Thornberg of I&E on that yesterday, and spoke to
4 him briefly on it. And they are still considering whether
5 they want to say anything more than their memoranda in that,
6 and they will report to me, I am told, today. And I will
7 report to you further tomorrow.

8 CHAIRMAN SMITH: Yes. I guess, more particularly,
9 it is not so much the use to be made of the report. The
10 Staff's advice on that might be helpful but essentially that
11 becomes our responsibility.

12 The more important thing that we want from the
13 Staff is to let the Staff know that if this report is indi-
14 cative of the availability of evidence and information which
15 this Board should consider in this remanded hearing, now is
16 the time, and we're asking for it. And if there isn't any-
17 thing --

18 MR. REIS: My present indication is that there is
19 nothing further. However, I would like to reserve until
20 tomorrow morning to give you a definitive answer on it.

21 CHAIRMAN SMITH: Then we still have the unopened
22 business of the Atlanta office, and that is we're trying to
23 account for the numbers of people-- You remember we thought
24 it would be a reasonable assumption that if the numbers of
25 people who made a contribution to that report were equal to

eb3

1 the number of people who gave a response to Mr. Long's ques-
2 tion there, and considering the times, we could probably make
3 a reasonable assumption that all those people had an oppor-
4 tunity to present their views in this area.

5 MR. REIS: I think Mr. Dance and Mr. Long will
6 be prepared to address that and as a matter of fact, we might
7 ask them as a first order this morning when they resume the
8 stand.

9 CHAIRMAN SMITH: I think that would be a good
10 thing to get out of the way.

11 Is there any other preliminary business before we
12 proceed?

13 MR. EDDLEMAN: Mr. Chairman, I believe I was
14 supposed to report on some stuff. I can do that later if it
15 is okay.

16 CHAIRMAN SMITH: Let's do that.

17 MR. EDDLEMAN: Okay.

18 The 5 April '75 thing that I referred to, I find
19 out that I was wrong about the date. And of the two copies
20 I thought I had, I searched through all my boxes and I can't
21 find either one of them, so I take full responsibility for
22 goofing up.

23 The one thing I have is a note that says that the
24 actual date was 5 April '77, and it quotes, "NRC to CP&L re:
25 Reactor Control Instrument Trip Set Points "being found set



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eb4

1 beyond limits permitted by facility technical specifications."

2 That's the only note I have on it. Having
3 searched through all that stuff, I feel a great deal of
4 sympathy for the poor lawyers who were also searching and
5 couldn't find it because I gave them the wrong cite.

6 Concerning the stuff from Bob Pollard, I did find
7 three newspaper articles wherein Pollard mentions that the
8 first cable failure report, the one where they put them 5-1/2
9 feet apart, meeting all the standards, 5-1/2 foot vertical
10 separation and both cables failed. I was not able to find
11 any mention in the press of the second report, the one where
12 they tried it with bad insulation and so on, and it sup-
13 posedly failed.

14 The Atomic Safety and Licensing Appeal Board
15 decision that I referred to, to require a plan reasonably
16 expected to resolve all safety issues for nuclear plants
17 under construction, that citation is Gulf States Utility
18 Company, River Bend Station, Units 1 and 2, 6 NRC 760, November
19 1977.

20 It says that it requires a summary description of
21 generic safety problems....a program to resolve the issue,
22 how long to solve the issues, any interim measures used until
23 they're solved, and what alternatives are available if the
24 research program to solve this program fails.

25 That's the best cite I could get on that.

eb5

1 I also have, concerning the Zion reactor which
2 I compared Brunswick to, a little bit of data. It states
3 that the design level emissions for noble gases from Zion 2
4 were 1200 microcuries per second and, as you'll probably
5 recall, the figure for Brunswick, the lower figure that was
6 cited in that report, was 13,959 out of a common stack for
7 both units, which would be considerably in excess of this per
8 unit.

9 The total has been, according to this report,
10 3400 microcuries per second for the fourth quarter, 1975,
11 and 7,396 microcuries per second for the first quarter of
12 1976. And all these figures except the last one would be
13 less than the lowest figure per unit that was cited for
14 Brunswick 1 when I mentioned it.

15 I'm not certain whether I was also asked to bring
16 in anything else that appeared to be relevant. I do have here
17 a copy which is from the Union of Concerned Scientists report,
18 "Browns Ferry, the Regulatory Failure." This purports to be
19 a copy of a memo to John D. Davis, Deputy Director for Field
20 Operations, Directorate of Regulatory Operations, Head-
21 quarters, through Norman C. Mosley, Director, Directorate of
22 Regulatory Operations, Region II, from C. E. Murphy.

23 This concerns development of guidelines for
24 installation of cables and cable support systems. I don't
25 have to read it. I can give you a copy of this and I think

eb6

1 the Staff can find the original. But it concerns the initial
2 cable installations at Robinson 2, among other places, also
3 including Robinson 1 which "did not meet the intent of the
4 respective FSARs." That's the Final Safety Analysis Reports,
5 "nor what would be considered as good industry practices.

6 "I personally expended an enormous amount of time
7 and effort in attempting to achieve acceptable levels of
8 quality in installations with which I was associated and I
9 am aware that Bower and others have also."

10 And Bower is B-o-w-e-r.

11 "We have not yet achieved our goal...."

12 And it goes on to mention a number of issues and
13 complexities in this.

14 MR. TROWBRIDGE: I wonder if we might borrow that.

15 MR. EDDLEMAN: Certainly.

16 The other thing I have is a newspaper report. It
17 probably isn't directly relevant but it concerns faking data
18 for a nuclear regulatory decision, and it's charges by
19 Dr. Gerald Sohn who was involved in the Seabrook case. He
20 states:

21 "The decision had no legitimate
22 scientific basis whatsoever."

23 He charged the consultants with scientific fraud
24 contending they not only presented extremely poor data but
25 intentionally manipulated distorted scientific findings to

eb7

1 hide negative effects the plant may have.

2 MR. REIS: Can I ask Mr. Eddleman whether that's
3 the EPA proceeding or the NRC proceeding? I believe that's
4 the EPA proceeding.

5 MR. EDDLEMAN: You're right. However, the NRC
6 conditioned its action on what the EPA did, so this is a
7 rather complicated, continuous change. But I think if ne's
8 correct it still raises the question of whether the factual
9 basis of these things is accurate.

10 The other thing that I have is a report on the
11 NRC inspection program. It's entitled "Looking but not
12 Seeing." The author is Lawrence S. Tighe. I intended to get
13 in touch with him to see if he can send us an affidavit that
14 the thing was correct to the best of his knowledge, and I
15 have not yet reached him. I'm going to phone him again today.
16 And I have a copy of that.

17 That's all I have.

18 MR. TROWBRIDGE: Mr. Chairman, may I observe that
19 there's a great deal of material which has no relation to
20 matters raised in the limited appearance statement. This is
21 an example of what we were concerned with, of bringing up
22 items one by one at the last moment. It may be impossible for
23 us to respond to items of this nature.

24 MR. EDDLEMAN: If I may say, maybe I misunderstood.
25 I thought that I was asked if I had anything else that I

eb8

1 wanted answered that I should bring it in this morning. And
2 I asked at the beginning of this whether, you know, that was
3 the case, and I didn't hear the objection then.

4 I'm not attempting to foul these gentlemen up.
5 They're perfectly free not to respond to any of this stuff.
6 Of course the Board is perfectly free to rule it irrelevant
7 I guess.

8 CHAIRMAN SMITH: Okay.

9 The hearing room is filled almost to capacity.
10 We're in the Grand Jury Room. Let's see if we can get this
11 gentleman out of the closet here.

12 Do you have any other preliminary business before
13 we proceed with the panel?

14 MR. REIS: Mr. Long and Mr. Dance, please. Will
15 you come forward?

16 Whereupon,

17 FRANCIS J. LONG

18 and

19 HUGH C. DANCE

20 resumed the stand on behalf of the NRC Regulatory Staff and,
21 having been previously duly sworn, were examined and testified
22 further as follows:

23 EXAMINATION BY THE BOARD (Continued)

24 BY CHAIRMAN SMITH:

25 Q Gentlemen, have you been able to gather any

eb9

1 information which might reconcile the doubts you may have
2 been the difference in the reports to the Board and the
3 answers to Mr. Long's memorandum?

4 Do you know what I'm referring to?

5 A (Witness Dance) Yes, we have some information.

6 Q Good. That's fine.

7 A Let us confer just a second.

8 (The panel conferring.)

9 Let me start, sir. We have no say of knowing who
10 was surveyed on the first survey.

11 Q The first survey being....? Was that the draft
12 survey? I don't have that document.

13 MR. REIS: Licensee Regulatory Performance
14 Evaluation, Board Exhibit 8.

15 WITNESS DANCE: However,-- So we don't know who
16 was there for that survey and participated in it.

17 We have surveyed our staff and made a counting
18 of people on the inspection staff at that time versus -- well,
19 at that time, and who may have left, and who has not com-
20 pleted a survey sheet.

21 We have an inspector by the name of Parker who
22 made inspections at Brunswick -- or who made inspections at
23 Robinson in '76 and '77, none at Brunswick. He has left the
24 Commission, and we have not contacted him.

25 We have an inspector by the name of Ritchie who

eb10

1 made inspections at Robinson, and none at Brunswick. And
2 he has left the Commission and we have not contacted him.

3 We have another inspector that's in our office
4 who made one inspection at Robinson in early '76. He made an
5 independent review of the docket for our Director and he did
6 not make the second survey sheet.

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1 Other than those, we can't account for the
2 people that have been involved.

3 BY CHAIRMAN SMITH:

4 Q Were those inspectors, were they recipients of
5 the memorandum from Mr. Long in preparation for the testimony
6 for this hearing? They have not received those?

7 A (Witness Dance) The last gentleman had.

8 Q So at least that person has already had an
9 opportunity to present his views to this Board?

10 A Yes.

11 Q The others may not have had an opportunity?

12 A That's right. We're confident they did not.

13 Q Just as a suggestion for discussion, do you think
14 it would be feasible to submit Mr. Long's questionnaire to
15 those people; or a form of it, even though they have left,
16 and give them an opportunity to advise this Board if they
17 have concerns?

18 A (Witness Long) We could do that, sir. It would
19 be difficult to say what the time frame would be. It would
20 certainly expedite it if -- we know precisely where one
21 gentleman is, but we're not sure of the second one.

22 A (Witness Dance) I think we know where both are.

23 Q Of course you can invoke the authority of the
24 Board. And if there's any difficulty about it, the use of
25 subpoenas, of course, would be appropriate if we have to.

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But I think it would be better if the record were complete on this point. That way, then, if we have reports from them we will be assured that everyone who has submitted a report on which Board Exhibit 8 is predicated has also either submitted a report to us or had an opportunity.

MR. REIS: Mr. Chairman, can we make that survey by telephone, or would you prefer it in writing?

CHAIRMAN SMITH: It can be made by telephone and followed up by writing. That way we would have the -- we could reasonably close the record and then supplement it. We could reasonably put aside our doubts about it and then supplement the record.

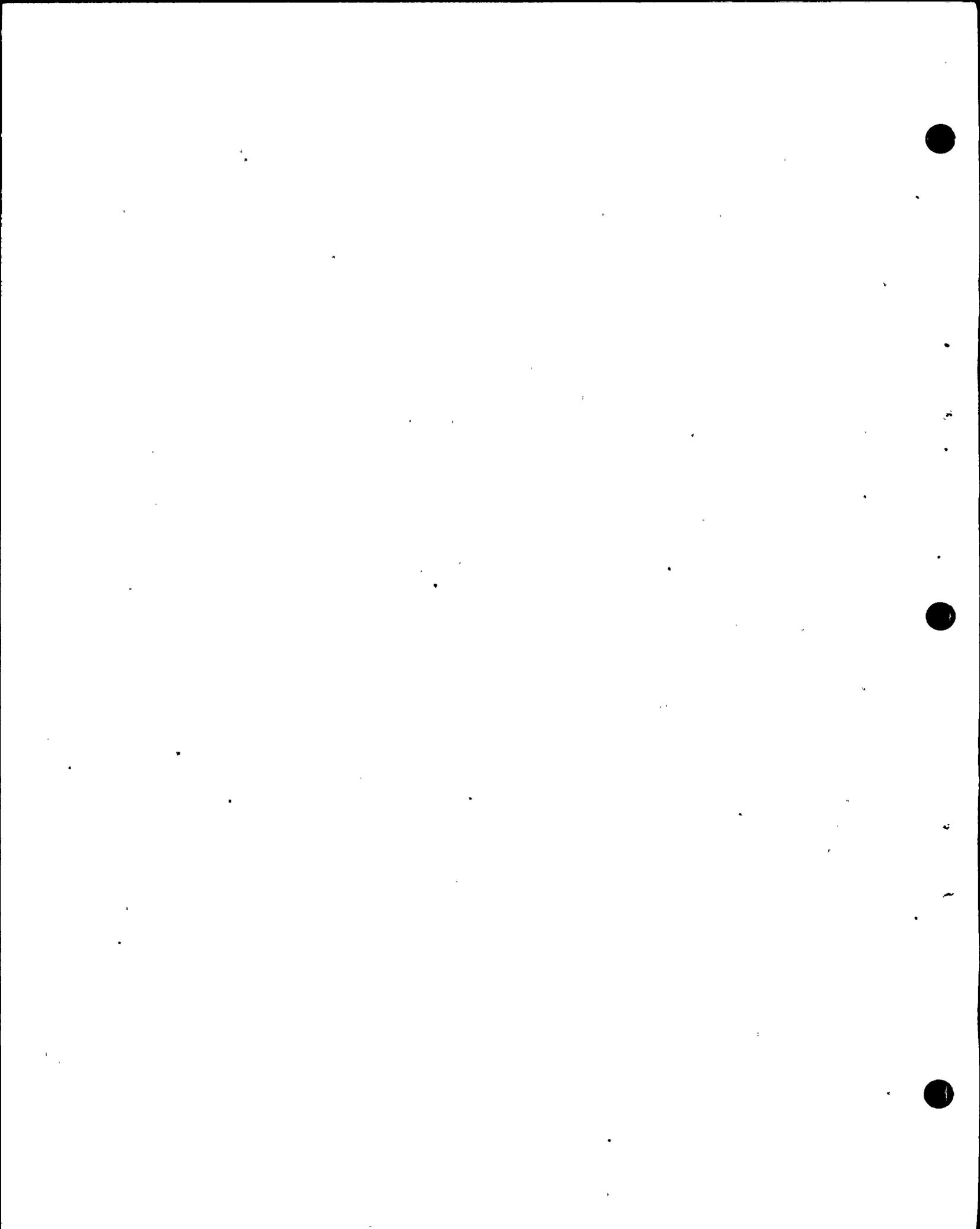
WITNESS LONG: I believe we can get the forms to the gentlemen. I understand one of them is still in town, and the other one is not too difficult to reach. We'll just get the forms to them.

BY CHAIRMAN SMITH:

Q Mr. Long, before we adjourned Friday, I asked you if you would look at the testimony, the testimony beginning at the top of page 2480, line 4, and ending on line 3, I guess, on 2481.

Do you have that before you?

A (Witness Long) What I would like to do, Mr. Chairman, if it is permissible, is to read a statement that



mpb3

1 I believe would clarify it. It definitely does need clari-
2 fication because it was a rather strong statement.

3 Q Yes.

4 Well, could I ask you, just so that we will have
5 a neat record, would you read your original statement and
6 then your clarifying statement? Do you have the transcript
7 before you?

8 A Yes, sir.

9 Page 2480, beginning on line 4:

10 "Could I just make one more comment?

11 "One thing on our method, it has been
12 stated that we never really have had a very
13 concrete or uniform procedure for the prepar-
14 ation of testimony, and my personal opinion
15 has been that we make the decision at some
16 point to support the permit so when we develop
17 the testimony it's generally, I think in near-
18 ly all cases it clearly would lean toward the
19 support -- towards support of the Applicant's
20 request for a permit.

21 "So we have not attempted, and I
22 don't remember too many instances, if any,
23 where adverse information appeared in the
24 testimony. In other words, we worked-- I
25 think that we probably tried, subconsciously

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perhaps in some cases, to work around" -- there are
2 some words missing --

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"...work around by supporting another
approach and highlighting the dissenting or
the many opposing views of certain things, how
to resolve -- the best way to resolve the
problem..."

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Words missing.

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"In other words, in weighing all the
information we had, we still supported the
permit or the issuance of it because those
things in favor outweighed, far outweighed
the problems that we were aware of, and our
knowledge of pending resolution of the prob-
lems."

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Obviously some words are missing there.

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"So I myself, in writing testimony, I
very rarely ever tended to discuss excessively
the problems that I saw; I only discussed
those problems that I saw no immediate reso-
lution to, or those that I didn't recognize
had an immediate resolution."

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What I would like to do is to make this state-
ment that I think or would hope would clarify that, because
I certainly would agree that it is stated very incomplete.

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And this, the subject, as I recall, generally we were discussing how testimony was prepared, how we go about preparing testimony for each case.

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Usually testimony is prepared on a request from our IE headquarters staff. The first major decision we must make is whether or not our inspection results as reported in the docket file will support the issuance of a license.

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Generally we would conclude, in the absence of serious problems, coupled with IE's knowledge of corrective actions, either taken or anticipated, that our position was to support the license. One of the objectives of the inspection program is to collect sufficient facts which would enable IE to make a recommendation either for or against issuing a license.

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Obviously if our overall evaluation results in the decision to support the license, the testimony would be prepared to reflect that. Both favorable and unfavorable facts would be included. However, the unfavorable facts would be followed by statements regarding adequacy of the corrective action.

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Incidentally, testimony often will identify open items for which resolution is still pending, still pending at the time the testimony is introduced. This is to be expected since the inspection program continues.



mpb6

1 When adverse findings are identified at any time during the
2 preparation of testimony or during the hearing stage, these
3 findings would be brought to the attention of the Board.
4 And an example of this was this recent QA inspection which
5 we added to the record during the early part of the hearing.

6 Q So in your view the testimony at 2480 was in-
7 complete.

8 Do you have any actual corrections to make to
9 that testimony?

10 A I was looking at my notes back in -- that I made
11 while we were sitting here. I would have added on line 14
12 of page 2480, following the phrase "where adverse informa-
13 tion appeared in the testimony", I would add some words
14 like "without accompanying resolution or identified
15 corrective actions".

16 Q "Without accompanying resolution or"?

17 A "Indicated or identified corrective actions".

18 CHAIRMAN SMITH: Mr. Eddleman, are you going to
19 correct my copy?

20 MR. EDDLEMAN: Sure.

21 Do I have your copy of Friday's testimony?

22 MR. ERWIN: Is this a correction of the testi-
23 mony, or is this --

24 CHAIRMAN SMITH: The offer was an explanation.
25 And then the last question was -- that is a supplement and

mpb7 1

explanation. But the original testimony stands uncorrected.

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Now he's making --

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MR. ERWIN: He wishes to amplify it. But this is not taken as a correction of the transcript.

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CHAIRMAN SMITH: No, this is not a correction of the transcript. This is an opportunity for him to --

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MR. ERWIN: To amplify the statement?

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CHAIRMAN SMITH: Yes. The transcript will stand.

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MR. ERWIN: I was mishearing what this was.

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MR. EDDLEMAN: So should I label this amplifica-

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tion of statement?

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CHAIRMAN SMITH: Well, never mind. I'll take

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care of it.

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DR. LEEDS: Why don't you put in there "See March 6 transcript".

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CHAIRMAN SMITH: Would you give us that again, please?

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WITNESS LONG: I would change line 14 to read:

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"...the testimony without accompanying

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resolution or identified corrective actions."

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DR. LEEDS: I'm confused now.

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Mr. Long, are you saying the Court Reporter took the statement down wrong?

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WITNESS LONG: No. I'm just clarifying my

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statement. That's all.

mpb8

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DR. LEEDS: It is not, then, a change?

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WITNESS LONG: I'm not really correcting it.

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I don't believe the statements are in error. But they do need clarification.

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On lines 22 and 23, I would like to amplify or clarify:

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"...resolution of the problems precluded undue concern. Open items were simply identified in the testimony."

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BY CHAIRMAN SMITH:

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Q Is there a difference in the approach that you and the Staff would take in preparing testimony which is required compared to testimony in response to a Board question?

A (Witness Long) Of course the big advantage of the Board's question, I feel like they are usually more specific. And having discussed the issue, we of course

mpb9

1 understand better what the Board really needs or has to have.
2 So there would be a little bit of difference.

3 I did want to, if I might comment:

4 Over the years we have not used the approach
5 that we have in this hearing. The survey, for example, that
6 is quite new and very unique to this hearing. That has been
7 quite informal, that process. We have gone through it.
8 But we have made no effort -- I honestly couldn't say we
9 have really made any effort to poll every individual who
10 might have something to add one way or the other.

11 We have mostly done this within the group
12 specifically involved in inspection of that facility.
13 Those people, maybe half a dozen or so, and the supervisors
14 who were most closely associated with that docket file, and
15 the inspection there. And surveying the people, I think it
16 is probably a good thing. We have not done that in any
17 formalized manner before that I know of. That's the main
18 difference between this testimony and the previous one.

19 BY DR. LEEDS:

20 Q Mr. Long, let me make sure the record is clear
21 on this point with respect to what you said in answer -- in
22 your answer showing on page 2480, and then I would like to
23 refer to some questions I asked you starting on 2484, and I
24 guess it runs through 2487.

25 First let me ask: did you read that material?

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A (Witness Long) Yes.

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Q Secondly, the second point, that is:

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Did the Court Reporter err, make a mistake, omit,

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or anything else in taking down what you said, as you remember

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it?

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A I don't believe so. I didn't recall anything in

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the grammar. Of course, there are disconnected phrases. But

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I felt like that at least that my intent or my understanding

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of the process is reflected.

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Q So that would be a true and accurate record of

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what you said?

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A Yes.

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I would comment, I was discussing with our

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director the term I used, "support"; the word "support" might

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mean different things to different people. It certainly

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doesn't mean that we support unconditionally the issuance

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of a license.

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Part of our obligation in IE is to determine at

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what point the licensee has met all requirements and commit-

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ments and has satisfied those requirements imposed on him.

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And we in turn -- when we are satisfied, in other words, we

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make a recommendation to our headquarters.

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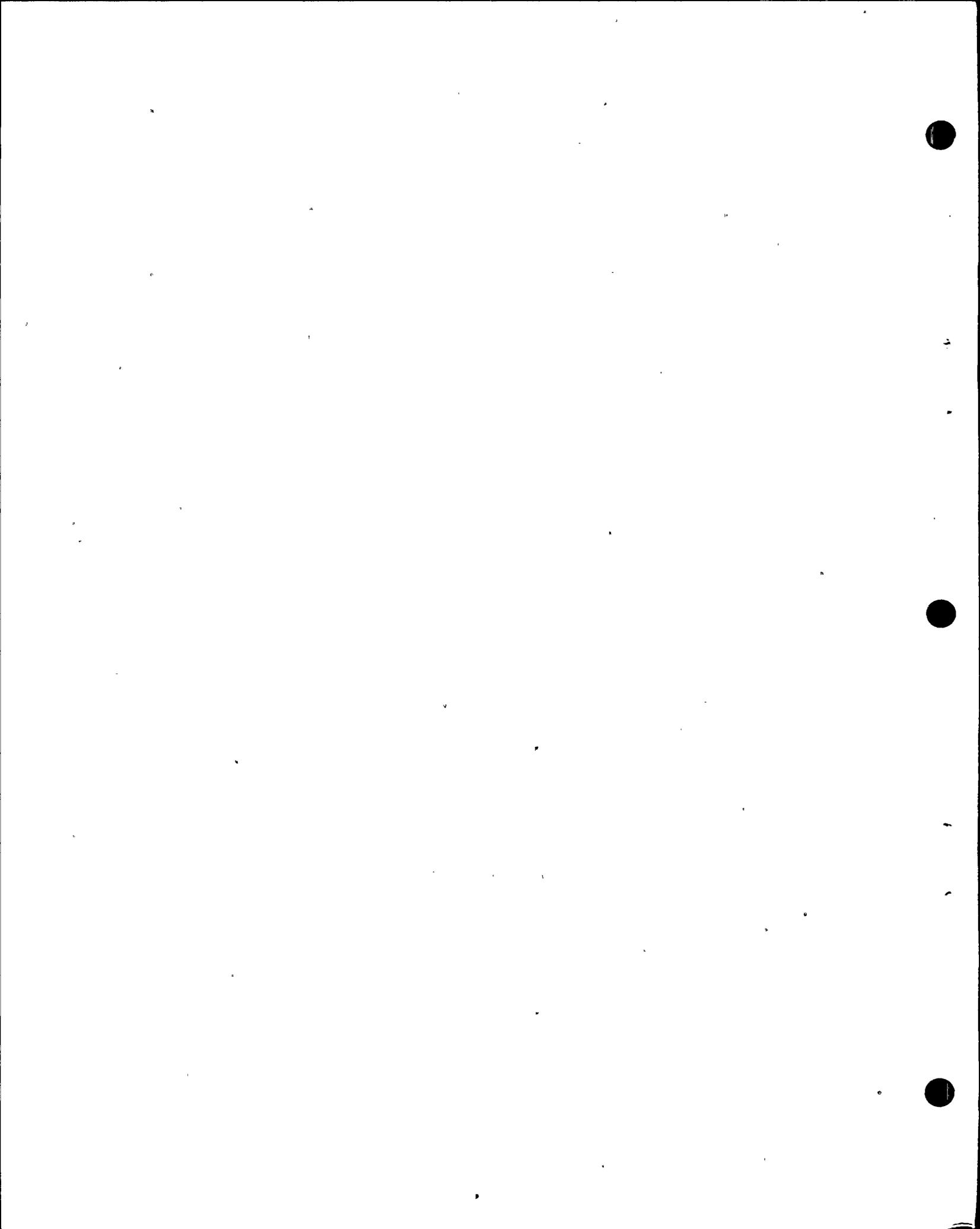
I used the term "in support of the license", not

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the licensee, but in support of a license. And this is

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conditioned on the fact that our recommendations for



mpb11 1 conditioning the license and that sort of thing generally
2 would have been already in the system, identified somewhere,
3 if any.

4 Now this usually is more true of operating
5 licenses because we more often do recommend conditions on
6 operating licenses. In the operations business -- in other
7 words, I personally, my people do not get involved too much
8 in construction permits, conditioning of those. We had no
9 input into that. But we do make recommendations, very
10 specific recommendations in the operating license process.
11 They are really open items or matters that need to be resolv-
12 ed, or by some means satisfy the licensing people and the
13 SER that comes out.

14 Q Okay.

15 Now I want to go back and make sure I've got the
16 answer to my question without any lengthy explanation.

17 On the pages I referred to the record as taken
18 down by the Court Reporter is true and accurate of what you
19 said?

20 A I think it is. I'd have to read it again, but
21 I read it through last night, or rather Friday night, and I
22 didn't -- I could rephrase things perhaps, but --

23 Q Yes.

24 I'm not talking about the way we all speak in
25 these hearings, with pauses and sentence fragments and so

mpbl2 1 forth. I'm not looking at it as a grammatical thing. I'm
2 looking at it as saying did he take down what you said.
3 Is it a true and accurate record of what you said, that's my
4 question.

5 A I would have to read it again in order to be
6 perfectly honest. I did not have a problem with it when I
7 read through it last week.

8 BY CHAIRMAN SMITH:

9 Q Maybe a word of explanation why we're inquiring
10 into this might help. We don't see any sleepers in this.
11 This isn't -- we're not seizing upon a phrase or two and
12 giving it relevance and importance.

13 The answers to these questions are relevant to
14 the remanded issues in that they explain the background of
15 the testimony we have to rely upon and explain the testimony
16 today.

17 But in addition to that, even though the
18 Commissioners did not remand to us anything except the
19 Shearon Harris proceeding, we think it is probable or
20 reasonably to be anticipated that this hearing may also be
21 viewed by units at the Commission as how it may reflect on
22 the hearing process. Therefore we think that there should
23 be a complete record along that line. And if you think we
24 are going beyond what is our direct franchise, we'll hear
25 you complain about it. But I do think it is an opportunity

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2 reasonably connected to the issues on remand to have a full
3 record on how this situation came to pass.

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MR. REIS: Mr. Chairman, in looking at the
Commission's order, of course much of that does refer to
I&E, though it was more directed to whether there was any
dissembling in the particular testimony.

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I don't look at the remand as a direction to the
Board to inquire in that. However, I think in order for
the Board to preserve its, we might say, jurisdiction, in
order to preserve its process, I don't think that is too
far afield, providing it doesn't overshadow the substantive
issues that involve CP&L. And CP&L is here and involved in
this process. In the sense -- to the extent that it will
illuminate the record in this process, I think it is quite
proper. And I think these matters should be brought forth.

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However, this is an adjudicatory hearing
involving licensees and intervenors and directed to a
particular license. And I think that end result must be
kept in mind.

CHAIRMAN SMITH: Yes, I agree with you entirely.

My only reason for raising it is that we wanted
to be completely candid. We're asking questions maybe
directly on the issues. In discretion we might have
stopped a little bit earlier, but I'm confident every ques-
tion we have asked is still sufficiently relevant to the

mpbl4 1 issues on remand and the evidence underlying it.

2 BY DR. LEEDS:

3 Q Mr. Long, after you've had a chance to read
4 that, I'm going to ask you to --- I'm not going to try to
5 remember to ask you, and I'm going to ask you to tell me at
6 an appropriate time.

7 A (Witness Long) I've read through it again, and
8 I don't have a problem with it.

9 Q Thank you very much.

10 BY CHAIRMAN SMITH:

11 Q At the conclusion of Friday's testimony we were
12 inquiring about the written testimony on page 3 of the
13 Panel III testimony, and I was asking whether the language
14 there which is:

15 "CP&L impresses us as a conservative
16 management organization, tough in dealing
17 with the issues that tend to create an
18 expansion of manpower requirements."

19 I was asking if that language could have been
20 a euphemism or another way to describe CP&L's attitude, and
21 we weren't communicating. We were not getting responsive
22 answers.

23 Now I just wonder if you've had a chance to
24 look at the questions and view it again.

25 MR. REIS: Mr. Chairman, I don't want to

mpbl5 1

interrupt you, but what was the page you referred to? You
said page 3, I believe.

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CHAIRMAN SMITH: It was page 9.

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1 It's the testimony of March 2. It begins at 2971.

2 BY CHAIRMAN SMITH:

3 Q Have you had an opportunity over the weekend, in
4 addition to all of your other problems, to reconsider the
5 responses to that question?

6 A (Witness Long) Yes. Again, I referred to my
7 original notes, which were very thin.

8 But my intent of the term that I used and that
9 I have heard commonly used is we were discussing the issue
10 of personnel or staffing, doing whatever is necessary to take
11 thorough and acceptable corrective actions.

12 We were also discussing the QA program. This was
13 a point in time when the biggest concern of most licensees
14 was the obvious need to increase their staff to meet the
15 QA program requirements of the Commission.

16 So my use of the term conservative was intended
17 to describe CP&L's approach to resolution of problems and
18 taking corrective actions. That is, they do not rush into
19 commitments that would increase manpower requirements or
20 create unnecessary labor relations problems.

21 Conservative management would insist strongly on
22 their rights to manage and resist pressure to enlarge their
23 work forces without a clear indication of the contribution
24 to safety.

25 Q Do you have any comment on that, Mr. Dance?

wel 2

1 A (Witness Dance) I think what we're saying here is
2 that CP&L is not -- don't want to rush into any issue involv-
3 ing the increase of personnel unless there's a clear under-
4 standing that there's a requirement for them to do so.

5 Q Well, gentlemen, I've made every effort, used
6 every resource known to me, to get -- to try to get a
7 responsive answer to those questions, and I've failed. So
8 I'm just going to let it rest there.

9 That is not a response to that series of questions.

10 No, I'm not going to let it rest there. Just so
11 that the record is complete, I'm going to direct you gentle-
12 men to respond to the questions. Now, if there is doubt in
13 your mind about what the question is, tell me. But right
14 now you have standing before you a Board order directing you
15 to be responsive to that series of questions.

16 A (Witness Long) Sir, would you re-ask the question?

17 Q There were a series of questions, but I will
18 restate it and explain it.

19 I'm not asking you -- you've already been given
20 an opportunity to say that the language on page 9 expresses
21 your concept of the situation. You believe that is an
22 accurate statement. And I'm not quarreling with that.

23 My question was a much more limited one:

24 In the course of your employment, as you have
25 discussed this statement with your colleagues and with

wel 3

1 yourself and maybe even with CP&L, have you used other terms
2 to express this idea? Have you used other words? I'm
3 seeking words here. I'm trying to learn whether this is a
4 euphimism, or, perhaps as you mentioned Friday, a more candid
5 expression of this idea.

6 Now, is there any confusion about what I mean
7 here? I understand what your opinion is along this line. I
8 think you've articulated that well enough. But that wasn't
9 my question.

10 My question was: What words, other than the words
11 appearing on page 9, have been used to express this idea?

12 Now, if the question -- no one has objected to
13 the question. It will be given proper weight by the Board.
14 It will be surrounded in the record by what you mean, what
15 you want to say. If a word less than favorable has been
16 used along this line full opportunity will remain to explain
17 it.

18 In the meantime, I have been frustrated and
19 defeated trying to get an answer to that question.

20 So now you are under direction to provide an
21 answer.

22 A Mr. Chairman, I can think of no other words that
23 have been used.--

24 Q All right, that's an answer.

25 A -- to describe that. That's the best word that I

wel 4

1 could use. And conservative to me may mean a lot different--
2 just the same as in politics.

3 Q I'm not talking about meaning, I'm talking about
4 words.

5 A It's not a euphemism, I would not think.

6 Q If you can think of no other words which have been
7 used to describe this point, then that's an answer to my
8 question.

9 A I think conservative is the best word that I can
10 think of.

11 Q That's not the question. The question is: What
12 has been used? What have people heard from their mouths in
13 expressing this idea? That is the question.

14 Now, do you know of any other expressions that
15 have been used?

16 A I don't recall any other.

17 Q All right. That's a response to my question.
18 Now, how about you, Mr. Dance?

19 A (Witness Dance) Could I prepare you an answer?

20 Q Certainly. You're under a direction to respond
21 to the question.

22 A Right.

23 BY DR. LEEDS:

24 Q Just so we don't get hung up on anything else,
25 I'm very interested in this also, and I want to make sure

wel 5

1 when the Chairman uses the word euphemism that that doesn't
2 get so delimited that we don't get a response that we want.

3 I want to add to that that the word euphemism in
4 my mind means also code words. It also means synonyms. It
5 also means any adjective used to describe the management of
6 CP&L within the intent of that sentence.

7 So I don't want to, you know, come back and have
8 a response that there were no euphemisms used. I want to
9 make sure of that. And I don't know how else to say it.

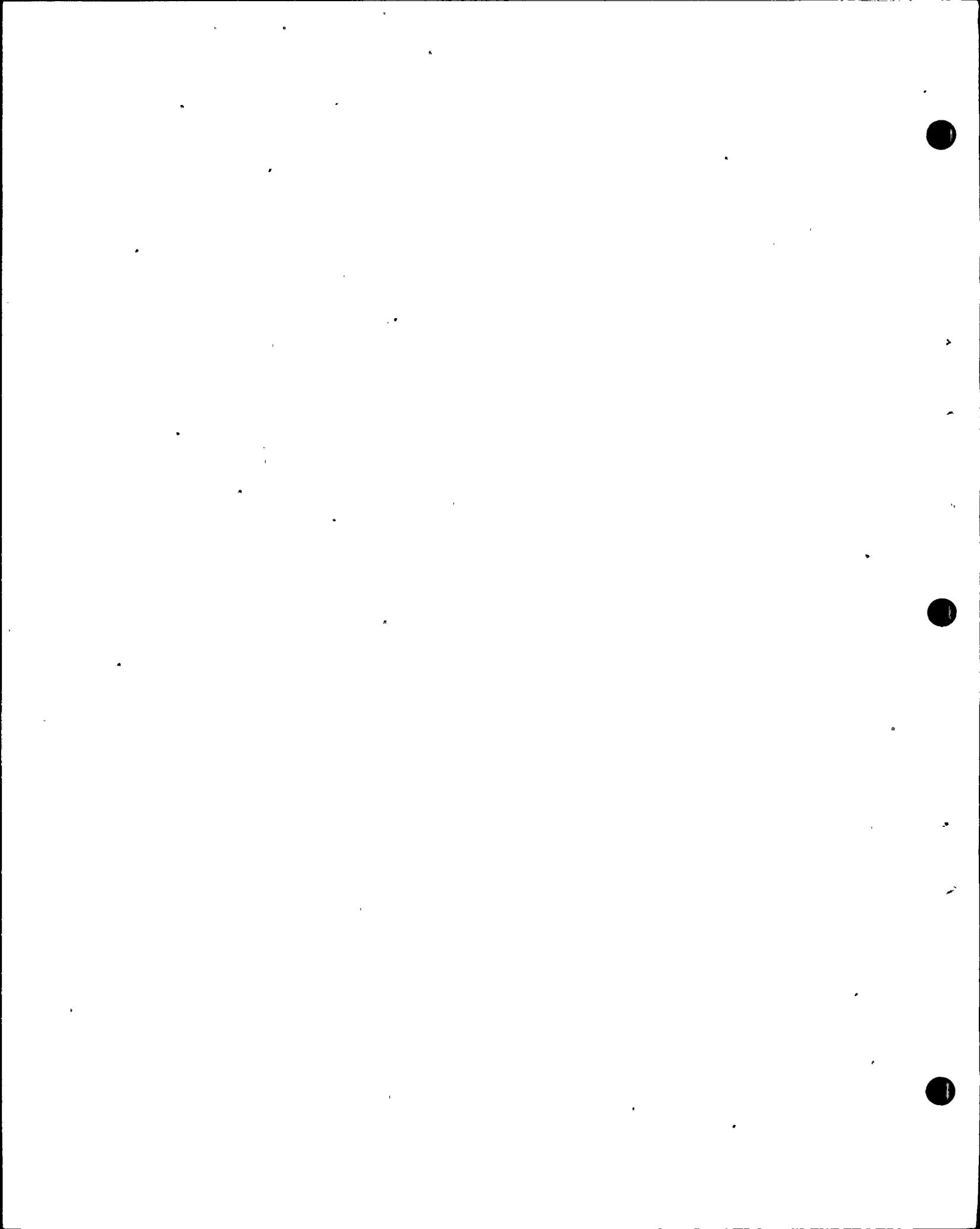
10 But I will add to my statement that I want any
11 synonym of any of the words I used to be included in that.
12 I think that will get it broad enough -- you know, lawyer-
13 like, they use 14 words to say the same thing. That's
14 to catch all these things.

15 A The reason why I say I would like to prepare you
16 an answer is because you say we've been unresponsive thus
17 far.

18 BY CHAIRMAN SMITH:

19 Q Yes. Mr. Long, I think, in his final answer is
20 now responsive. He doesn't know of any. And if you don't
21 know of any, okay. But don't explain --

22 A (Witness Long) It is not a euphemism, nor would
23 I say, in view of what Dr. Leeds explained, I don't think
24 it is a euphemism at all. It's not intended to be a code
25 word or mean something else hidden somewhere.



wel 6

1 Q But you see you're still missing one of the finer
2 points of the question.

3 The question is not only asking about your ideas
4 and whether you view it as a euphemism, but I'm asking what
5 words have actually been employed, whether you agree with
6 them or not. What words have actually been used?

7 A I've heard the word tough, for example, which
8 we have used a couple of times. And that may be my own
9 interpretation, because they have been tough, I think, in
10 dealing with issues. You know, that sort of thing.

11 But I know of no substitute for the words I've
12 heard.

13 BY DR. LEEDS:

14 Q You're still missing the Chairman's point. His
15 point is not that you have -- you know of another substitute
16 for that word, but he's asking you if I had a tape recorder
17 and I had that tape recorder running and I selectively
18 looked through what it recorded, what words would I find
19 on that tape recorder to describe conservative management,
20 tough in dealing, and all the things we've been talking about
21 in that sentence.

22 Is that now what you're asking?

23 BY CHAIRMAN SMITH:

24 Q I want words, words that have been used, spoken
25 or written, as the case may be.

wel 7

1 A (Witness Long) And I know of no other words.

2 Q That, sir, I think is responsive.

3 On page 10 of your written testimony, on the
4 second answer to the second question, where you say:

5 "Implementation of QA/QC controls over the
6 conduct of maintenance at Brunswick has shown little
7 improvement."

8 is that what you intended to say, or did you intend to say
9 little improvement, or a little improvement? Is that a
10 term of, in common parlance, when you might say someone has
11 shown little improvement you are indicating an unsatisfactory
12 amount of improvement?

13 Would you explain what is meant by that sentence?
14 If it means just that, we will let it go. I just want to
15 make sure that the meaning is clear.

16 A (Witness Dance) I think they have made great
17 strides in the improvement of the control over the mainten-
18 ance area. However, as explained in the answer to the next
19 question, we have continued to find non-compliance in the
20 area of maintenance controls.

21 That's primarily why the word, the term, "little"
22 was used.

23 Q It is a studied term, then. You didn't leave out
24 any words, or anything. It was intended to mean that,
25 little improvement, a small amount of improvement?

1 A Yes. Well, . . .

2 Q Would you say the idiom of little improvement would
3 be inadequate improvement?

4 A We've had much improvement, but I still have
5 problems with it. So, therefore, I don't want to say that
6 we have had great improvement because it hasn't been fully
7 implemented. So, therefore, I could characterize it as
8 little.

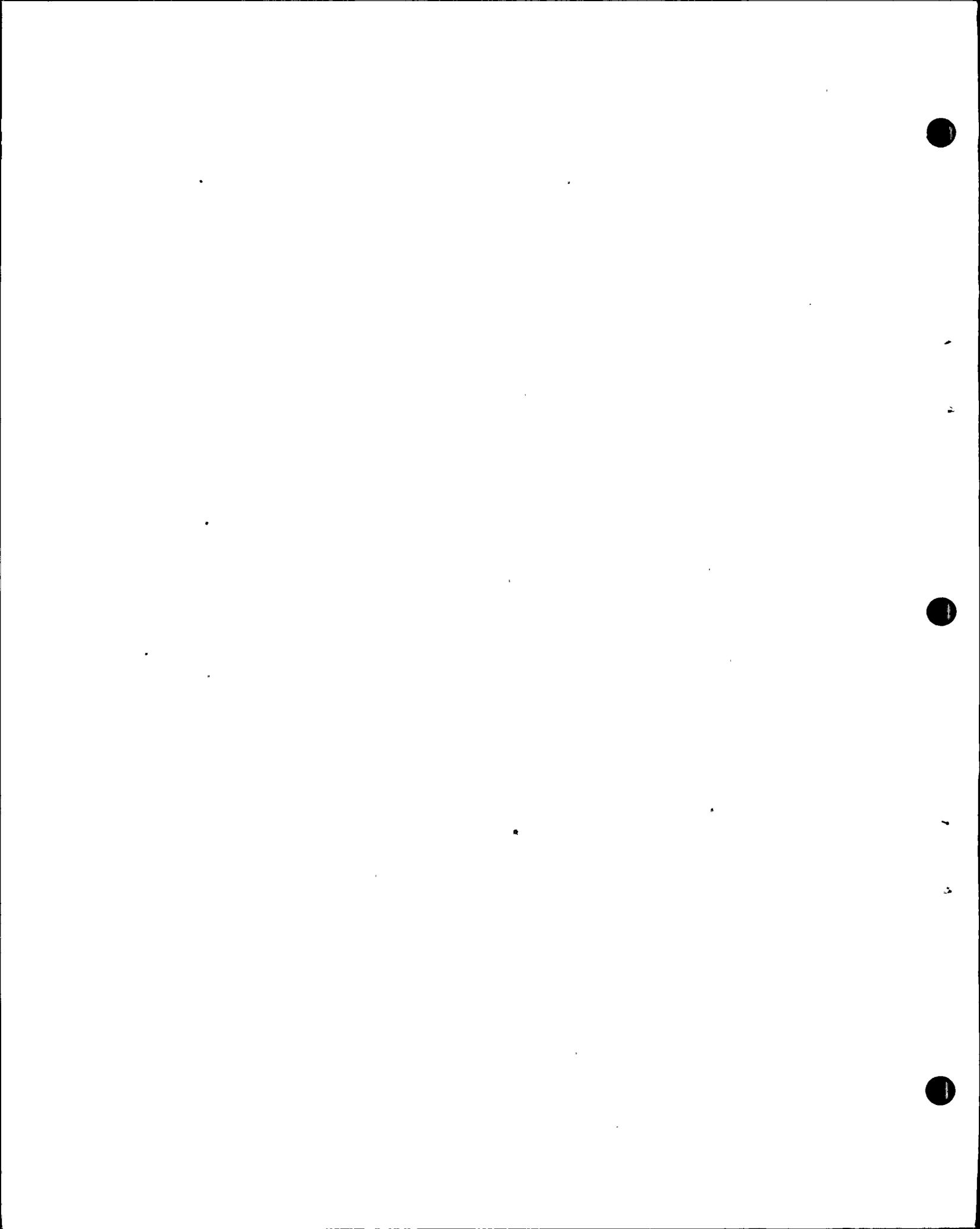
9 Q In the second answer -- the first answer to the
10 first question on page 11, in the middle of the page, you
11 state:

12 "Implementation of the program has often
13 resulted in a slower timetable than we would like."

14 Could you give us some quantification of that
15 if it's possible? How have they fallen short of your
16 desires? And, of course, you are using the word "like"
17 there. It would be a sort of subjective term, I would
18 imagine.

19 Let me ask you this: Is the use of the word
20 "like" a subjective term? They have not fallen short of
21 the requirements of law, have they?

22 A (Witness Long) I think this is something like
23 "druthers." We do see areas of improvement. It's not a
24 matter of compliance. They do meet the requirements. But
25 we often see things that we would prefer or like to see



wel 9

1 done slightly different, or done much better.

2 A (Witness Dance) The current example that comes
3 to mind is the implementation or the corrective action
4 imposed has not been fully effective at this point in time
5 to prevent the occurrence from happening again, or to get
6 a ready or rapid change to a design, for instance.

7 We refer in our testimony to the controls over
8 the HPCI room bulkhead doors. Although they had established
9 administrative controls, although they have initiated
10 changes to put the alarms on those doors, it has not been
11 fully effective.

12 So, therefore, I think their response is slower
13 than we would like.

14 Q It's a term that would be difficult to quantify,
15 then. It is more a subjective than a professional conclusion?

16 A Yes.

17 Q On page 15, I think the answer to this is clear
18 now, that in January 1977 Region II confirmed management
19 qualification had met ANSI N18.7. Their confirmation is
20 the inspection that was the subject of Mr. Wessman's memo?

21 A That's correct.

22 Q And the subsequent letters from Mr. Long to CP&L?

23 A Yes.

24 Excuse me, I don't recall the memos from Long to
25 CP&L that you referred to.

wel 10

1 Q. Well, I'll bring that up. I have a question on
2 that.

3 Some of the matters raised by Mr. Wessman were
4 then, I believe, incorporated later on in a letter from Mr.
5 Long to CP&L.

6 So your testimony doesn't reach that, and I may
7 be wrong. And when I bring that up I'll be corrected.

8 I think this is attached to Mr. Cantrell's
9 testimony, but I will come to that.

10 I would like for you to go to the ANSI Standards,
11 if you have them before you, and give us an example of where
12 a tech spec is made a requirement, and point out in the
13 tech specs of Brunswick how that differs from one that is
14 solely desirable.

15 Now, I had this question prepared before I
16 understood that the SRO and RO positions desirable were
2.240 17 apparently unique to Brunswick. But even so, I would like
18 to have an explanation of how we end up in tech specs with
19 discretionary or optional data, and show me how an ANSI
20 requirement ends up in the tech spec, and give me an
21 example of personnel where a certain level of achievement
22 is required.

23 The tech specs for Brunswick were the 1971 ANSI,
24 and that is one that -- is that correct?

25 MR. REIS: Mr. Chairman, these gentlemen, I

wel 11

1 think if you inquire further, you will find don't prepare
2 tech specs, and they are not involved except in making
3 recommendations to what should be in tech specs.

4 CHAIRMAN SMITH: So I'm asking the wrong panel?

5 MR. REIS: You're asking the wrong panel.

6 CHAIRMAN SMITH: All right.

7 They of course have testified to that several
8 times now.

9 DR. LEEDS: In fact, it's on page 13.

10 BY CHAIRMAN SMITH:

11 Q You explain, beginning on page 24, how the civil
12 penalty came about. And, of course, we have as part of
13 Staff's exhibit, all the correspondence on the civil penalty.
14 Earlier in your testimony, or on examination, you also
15 explained that CP&L has never had a violation, or, I think
16 the testimony was that Brunswick and Robinson have never
17 incurred violations which demonstrated the need. And I
18 might have had a mis-impression. I thought a civil penalty
19 is second to the worst thing that could happen to a utility
20 holding a license, the worst thing being having the license
21 jerked.

22 But am I wrong about this? A civil penalty, then,
23 involves non-compliances of a category less than violation?

24 A (Witness Long) Sir, the civil penalty is an
25 enforcement action, and it may be based on any of the levels

wel 12

1 of violations or non-compliance infractions, a violation
2 being the most severe infraction typical in a deficiency,
3 minor non-compliances. It's purely on the magnitude or the
4 numbers and the cumulative significance of all of those
5 non-compliances.

6 If one inspection, for example, revealed an
7 unduly large number of non-compliances, this sometimes would
8 indicate the need for escalated enforcement. The civil
9 penalty is a type of escalated enforcement.

10 Q So it could be that non-compliances below the
11 level of violation have a cumulative effect of a situation
12 greater than a single violation, for example?

13 A It could be. One violation probably would not
14 necessarily, I imagine, rarely in itself, result in a civil
15 penalty, because so many things are not clearly the result
16 of bad management or neglect, or that sort of thing.

17 But maybe 10 non-compliances of the infraction
18 category would be significant, would indicate a need for
19 some kind of additional controls.

20 Q Then let's go to that question as was raised on
21 page 30.

22 On your table there I note that there are no
23 violations in the first row. And then we had, as far as
24 infractions are concerned -- this is for both plants, but
25 Unit 2 was alone in 1975 and Unit 1 begins in 1976 -- but at

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1 the infraction level I have 17 infractions in 1977, and for
2 1978, for a part of the year, there were 13. And when
3 Mr. O'Neill was examining you on that, I interposed in there
4 that that is for a part of a year, and it cannot be
5 measured exactly.

6 So, based upon what was available to me, I tried
7 to make the most recent calculation, and I extracted from
8 your testimony someplace that for the most complete 12-month
9 period available to us, October 1, 1977 to September 30,
10 1978, there are 18 infractions, which is an increase.

11 My question is:

12 Is that significant?

13 A I believe it would be fair to say that this
14 represents a combination of things.

15 One, most certainly, is an increase in the
16 inspections, particularly in the area of security safeguards,
17 where -- I'm not sure of the number right offhand in that
18 area, but it definitely would indicate an increased
19 inspection effort.

20 The number in itself, the increase, would not
21 indicate a major change for the worse,

22 A (Witness Dance) I don't think the number 18 and
23 9 is significant. It's pretty much in --

24 Q In the first place, am I correct about those
25 numbers? Frankly, at this moment I cannot justify that

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1 number 18. I have lost my source of that number.

2 A It's on page 31, sir. That's the source.

3 Q All right. Yes.

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2 ebl 1 And the same is true of deficiencies. If 5, 7
2 and 9 are significant, would you please tell me about it?

3 A When it comes to deficiencies, if you can just
4 consider deficiencies as failing to document, it is almost
5 in that category in all cases, so deficiencies would be of
6 very little significance.

7 If you were referring to a number that you could
8 use to get a trend, I think primarily the infraction number
9 would have more meaning.

c3 10 Q Page 23. In answer to the second question, the
11 question being:

12 "In view of your staffing observations
13 do you believe CP&L capable of managing Shearon
14 Harris?"

15 And you give what I view to be a qualified
16 answer, and I'm not pushing you to say Yes or No if the
17 qualified answer is the correct answer. But I would observe
18 that there is no Yes or No answer there. Are you able to say
19 Yes?

20 A All right. The answer and question pertain to
21 the radiation protection area. This answer was prepared by
22 our radiation protection people. This was their words. We
23 didn't want to reflect upon it.

24 The do qualify later in their testimony in the
25 next few questions having to deal with their concern of

eb2

1 whether CP&L can maintain a staff of technicians in the
2 radiation protection area.

3 BY DR. LEEDS:

4 Q Excuse me for interrupting here. Do you say that
5 that question deals with radiation protection alone?

6 A Yes, sir.

7 Q Is there a similar question in the document for
8 staffing just in general?

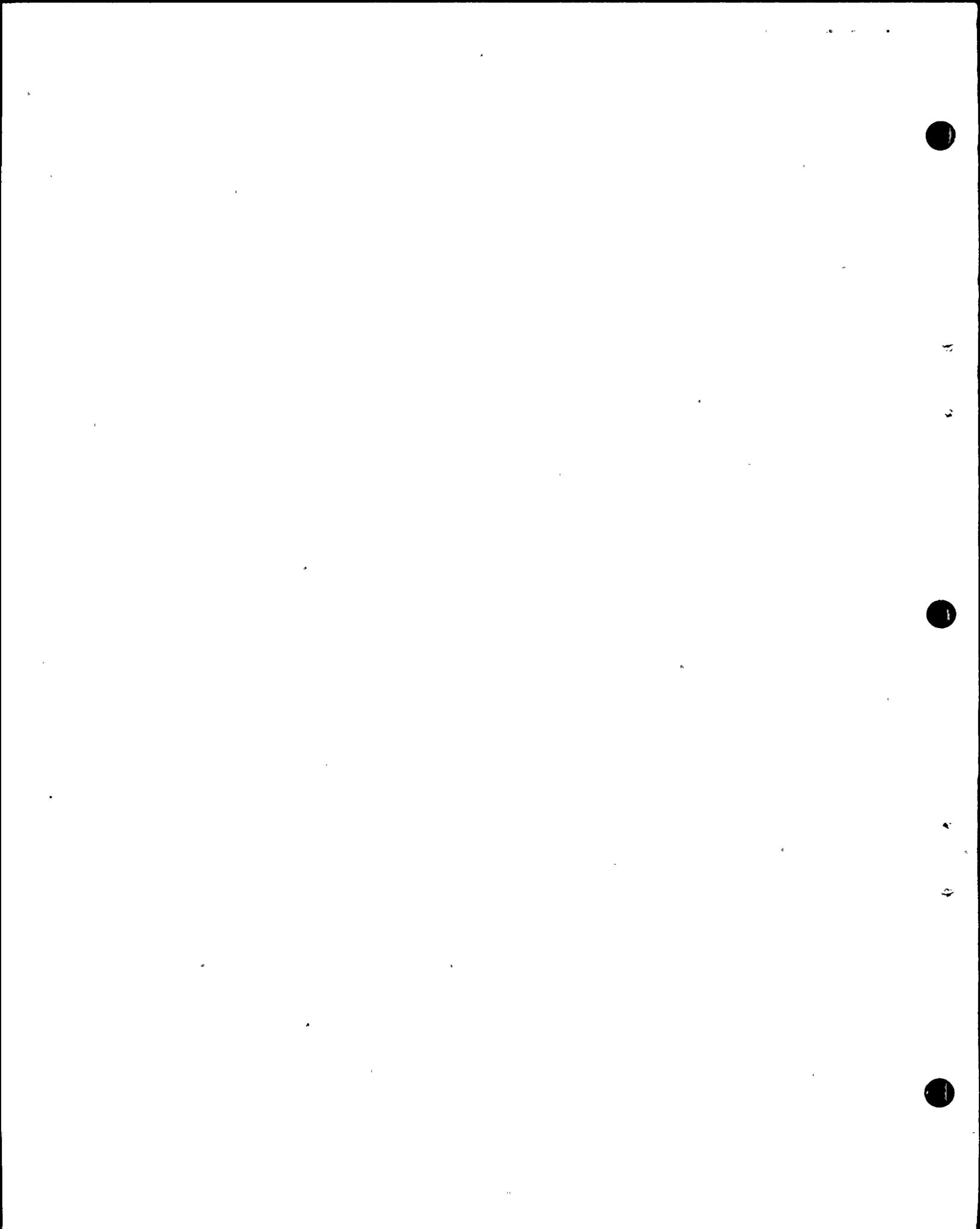
9 A I can endorse the same question other places and
10 I think we have addressed it other places, but that question
11 specifically was to radiation protection.

12 BY CHAIRMAN SMITH:

13 Q Now I think the question has to be modified then
14 because the question seems to be a general question.

15 MR. REIS: Mr. Chairman, can I refer to the last
16 few pages, like pages 67, 68 and 69, where we try to bring
17 this all together? I agree that it probably should have been
18 in the second question but the top question is directed toward
19 radiation protection, and we tried to break this up as we
20 show in the testimony.

21 Before this we showed that we looked at various
22 areas and we are talking about various areas, and then, when
23 we get to the back, we bring it all together again. And that's
24 the scope of the testimony. I'm sorry it didn't come through
25 that clearly.



eb3

1 CHAIRMAN SMITH: Yes, it does come through. I'm
2 aware what the ultimate conclusions of the witnesses are,
3 but I am a little bit concerned about specific questions
4 remaining dangling, and when it is our responsibility to see
5 those and clarify them. They've explained it.

6 I've seen in the past questions that refer to
7 proposed findings that are outside the context of the whole
8 testimony. That's why it is desirable to clarify these
9 things.

10 BY CHAIRMAN SMITH:

11 Q So in any event you view that question to be one
12 relating to radiation protection?

13 A (Witness Dance) Yes, I do.

14 Q On page 26 we have a statement similar to those
15 that have been made throughout your testimony and other
16 testimony, and that is:

17 "....CP&L (is) committed to meeting
18 security requirements...."

19 That's the first answer. And there again I'm
20 interested if you intend that answer in terms of personal
21 motivation, or are those commitments backed up by the manage-
22 ment structure and the resources, or both? Just what do you
23 mean by "committed"?

24 A I mean that they are committed to meeting the
25 regulations; the security regulations is a pretty in-depth

eb4

1 program. They may not agree with the depth of the regulation
2 but I think the regulation is clear and they are committed
3 to meeting that regulation.

4 Q That is the individual officials of CP&L who are
5 in charge of the responsibility of meeting security require-
6 ments, in your view have the personal motivation to meet
7 them?

8 A Motivation. And requirement, if I might add.

9 Q Yes.

10 A Yes.

11 Q And also the resources?

12 A Yes.

13 Q We have a similar question about Robinson on
14 page 28 in which, as I observe-- I was mistaken. I had
15 observed this page during Mr. O'Neill's cross-examination.

16 In Robinson, the rate of infractions for 1978 has
17 increased to 12. We don't have the full year of '78.

18 My question is-- I'm talking about your testimony
19 and the table on page 28.

20 A I see the table but I don't see 12.

21 Q Right. Because I'm referring to the rate of
22 infractions. '76 is six infractions, '77 is nine. 1978 through
23 August would be eight. And my point is if that same rate were
24 to continue throughout -- were to have continued throughout
25 all of 1978 it would have ended up at 12 which, on a graph,



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1 would be a rather sharp ascending line.

2 A This would be a proper time for me to correct the
3 table.

4 On page 28 --

5 Q Maybe I'm missing something here in this testimony
6 but I view 1976 as a full calendar year, 1977 as a full
7 calendar year, 1978 as two-thirds of a calendar year.

8 A I'd like to make it a full year.

9 Q Okay. That is what it is?

10 A No. I would like to change the numbers to make it
11 a full year.

12 Q That's fine. Thank you.

13 A On the enforcement table on page 28, the number
14 of infractions for '78 for the full year is 10; for defi-
15 ciencies it is five. So if at the top of that table for
16 '78 delete "Thru August)."

17 While we're on the page, go up to the reportable
18 occurrences.

19 Q How about deviations? Did you give deviations?

20 A No change.

21 Q On the same page, page 28, under reportable
22 occurrences, the number for 1978 is 30. Also delete "Thru
23 August" after 1978.

24 Q So if we were to slice off time periods for a
25 comparison, the final four months of 1978 was a decline as

eb6

1 far as rate of these non-compliances is concerned?

2 A As far as any trend there, I don't think you see
3 any trend. I think they are at about the fair middle where
4 they're going to be.

5 Q That's my basic question. Is there a trend here?

6 A I think not.

7 Q Okay.

8 On page 41, gentlemen, again there's a question,
9 the last question and answer on the page. It's a question
10 which, if it can be answered Yes or No, or if it can be
11 answered Yes, as seems to be the tenor of the explanation,
12 would you indicate that, please? Can you give a Yes or No
13 answer to the last question on that page?

14 A I can say No.

15 Q You can say No? I see.

16 MR. O'NEILL: Just to clarify that, Mr. Chairman,
17 will you refer specifically to the question? Is that on 41?

18 CHAIRMAN SMITH: The last question:

19 "Do their facts support opinions con-
20 trary to yours?"

21 And the answer is, now, No.

22 "The opinions expressed are based...."

23 et cetera.

24 BY CHAIRMAN SMITH:

25 Q Would that be fair?

eb7

1 A (Witness Dance) Yes.

2 Q At page 43 I think we may have a typo in the
3 answer to the first question, the last sentence in the answer
4 to the first question:

5 "Qualifications of plant staff and
6 nondestructive testing personnel are routinely
7 checked...."

8 Did you intend to say "assure"?

9 A "Assure."

10 MR. ERWIN: Excuse me. The substitute word
11 instead of --?

12 CHAIRMAN SMITH: "Assure" instead of "issue."

13 MR. ERWIN: I see. Thank you.

14 BY DR. LEEDS: :

15 Q Mr. Dance, let me step in here just for a second.
16 I didn't find an answer in your answer to the question. The
17 question was:

18 "Do the persons at the operating plants
19 have the qualifications to do this job?"

20 And I found statements that they have the means
21 to evaluate, and that the qualifications at the plants are
22 checked, but I didn't hear whether or not they do have
23 qualifications.

24 A (Witness Dance) Are you referring to a specific
25 question?



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eb8

1 Q Yes, on page 43. I'm sorry.

2 You see the last sentence. The answer to that
3 might be Yes, you found it out or you didn't find it out. I
4 can't tell from this-- I have no way of knowing what the
5 answer to the question is.

6 A That's the last question on page 43?

7 Q No, sir. It's at the top of the page, the same
8 question the Chairman was talking about, the last part. I
9 have no way of knowing from that what the response is.

10 Do they have the qualifications or don't they?

11 A Yes, they do.

12 Q Yes. Fine.

13 BY CHAIRMAN SMITH:

14 Q Page 44, the first answer there which is respon-
15 sive to the last question on page 43 says:

16 "Does CP&L have a method of checking
17 and seeing that these incipient problems are dealt
18 with?"

19 And you say Yes.

20 Then in reference to Robinson you come up with
21 the final conclusion:

22 "This program seems to be working."

23 That seems to be less than a positive answer, but
24 if that is the way you intend it, okay.

25 A I can also substitute:

eb9

1 "This program, in our view, is working."

2 Q On page 47, the first answer to the first ques-
3 tion, you say:

4 "Has CP&L in the past experienced a
5 high turnover rate in the upper and middle manage-
6 ment of its operating nuclear facilities?"

7 And your answer is that:

8 "...in 1975 and 1976, (Brunswick)
9 had a higher turnover than might be expected."
10 while Robinson's was relatively stable.

11 Is there any way in which we can compare the
12 turnover of high and middle -- I mean upper and middle
13 management with any national or regional statistics?

14 Now I've heard your testimony that it's hard to
15 compare plants because plants are different, but are there
16 any statistics available to us which would permit a quanti-
17 tative comparison?

18 A None that I'm aware of, no, sir.

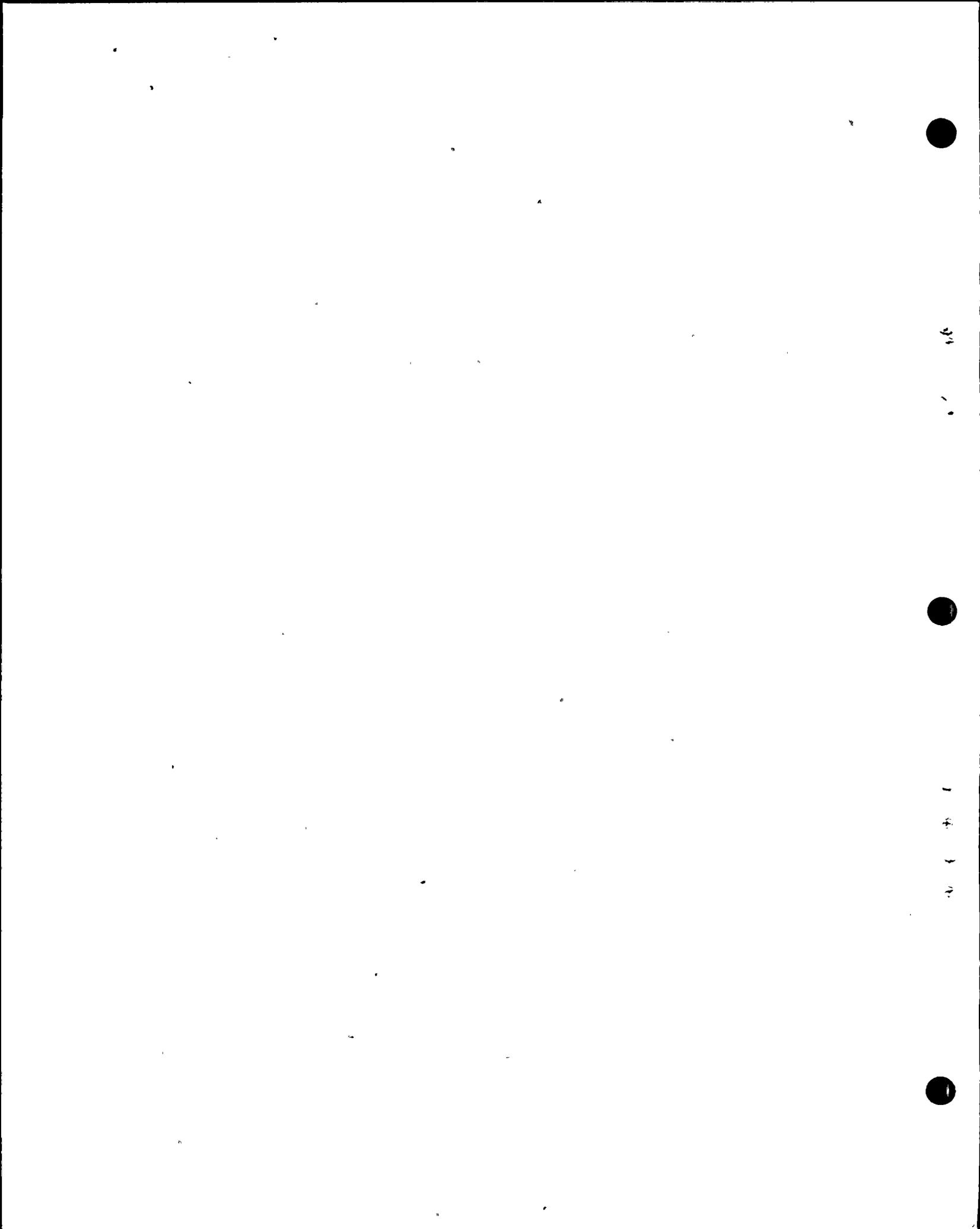
19 Q Do you have a view, an opinion, of how this might
20 compare nationally?

21 A Does a "view" mean "opinion"?

22 Q Yes, an opinion.

23 A Yes, I have an opinion.

24 For the '75 - '76 time frame I think it would be
25 higher than normal.



b10

1 Q But you couldn't quantify it any more than that?

2 A No, sir.

3 Q When you work with management on the problem of
4 turnover of personnel, if you were to assume at any one
5 moment a finite supply of technically qualified personnel
6 for upper and middle management, in your working with them to
7 correct this problem, would you take into account that if one
8 plant is understaffed and you caused them to bring a supply
9 from other places that you may be taking qualified people
10 from other plants? Is this ever taken into account when you
11 work with reactor operators on their staffing?

12 A No.

13 Q You just expect them to keep properly staffed,
14 and it is their responsibility, the staffing?

15 A Yes.

16 Sir, if I might add to that last answer, we are
17 aware that CP&L has two plants. While let's say we're not
18 concerned about them obtaining personnel from another area,
19 we are aware that they don't rob from one plant to supply the
20 other one and leave the other one below their qualifications,
21 so we're looking at either plant to be properly qualified.

22 Q Yes.

23 We've had quite a bit of testimony about the
24 eight positions, supervisory level positions at Brunswick
25 in which the tech specs require or state that SRO senior

1 reactor operator licenses are desirable.

2 On page 53 there are actually 27 SROs at
3 Brunswick. Now the point I'm making here is the testimony
4 may have given the impression to people who might read this
5 record or be familiar with parts of this record that there
6 is only one SRO over there at Brunswick, and really that was
7 not the case. There are 27 SROs there currently; is that
8 correct?

9 A As of the time we wrote our testimony in October,
10 that's the number.

11 Q Do you regard that over-all as an adequate number?

12 A Yes, I do.

13 Q The question might be one of distribution but
14 the total number of SROs in your view is adequate?

15 A Yes.

16 Q Is the same true with ROs, reactor operators?

17 A Yes, it is.

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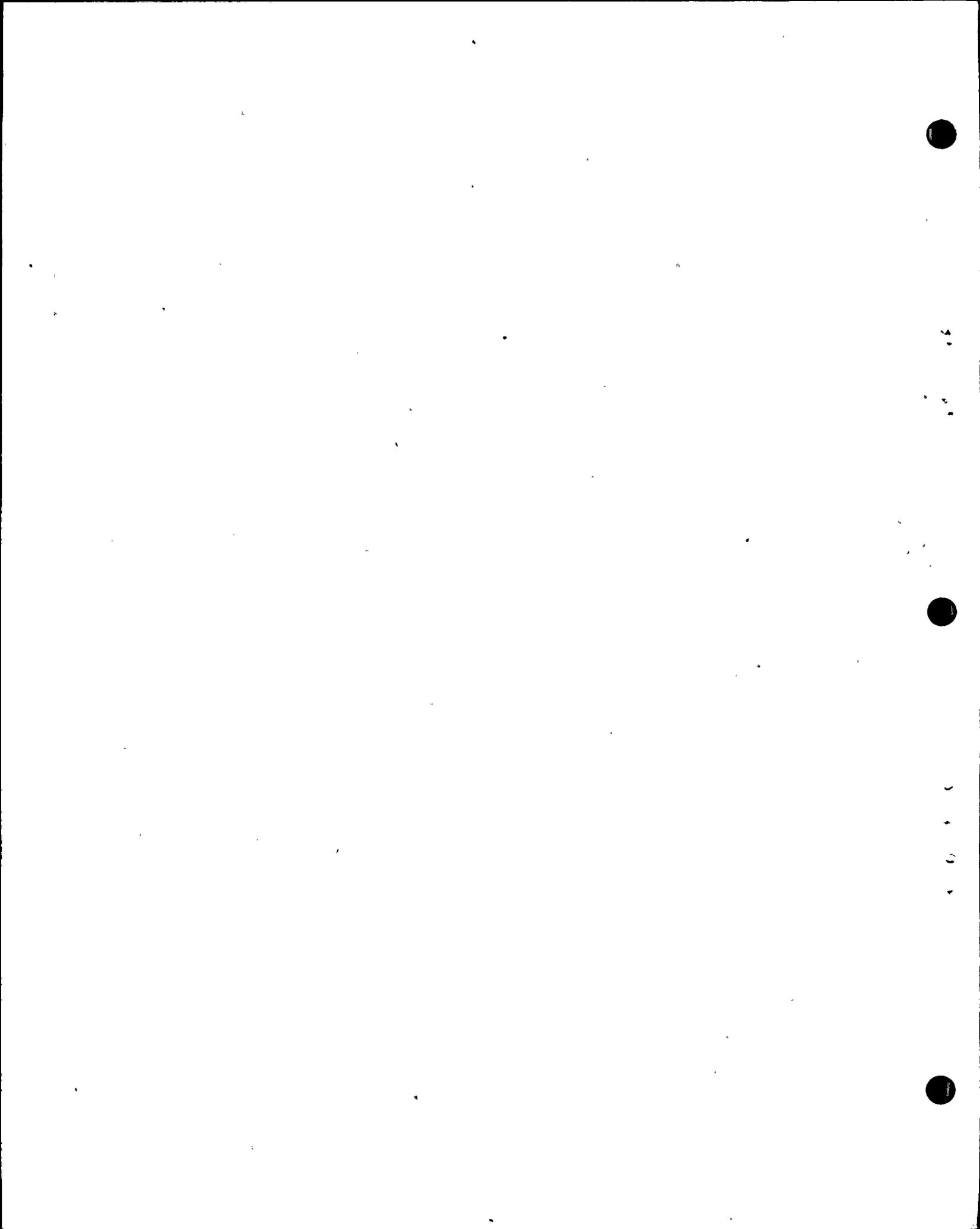
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1d2



LE

NRB/mpbl

1 Q On page 54 -- no, I have no questions on page 54.
2 Let's go to page 50.

3.250

3 You indicate on page 60 -- my summary of it is
4 the general answer on page 60 and 61 indicates that a
5 problem of full management attention being focused on
6 operations still persisted after our hearing in October of
7 '77, but the trend in repetitive occurrences is decreasing.

8 Now knowing what you know about the management
9 of CP&L in the operational area since the hearing, only what
10 you know since the hearing, this is almost an impossibility,
11 but would it have changed your testimony in October of '77,
12 knowing what you know now?

13 A No.

14 Q You still feel that your testimony was basically
15 sound?

16 A I do.

17 Q Now there's one item that just comes to mind to
18 me, and there may be others. Now this just pops in my mind:
19 when I read the testimony of, I think it was Mr. Banks and
20 Uttley in the Applicant's testimony, that problem of the
21 HPCI bulkhead door, would that be a good description --

22 A Yes.

23 Q -- is yet to be solved, as I understand it. I
24 mean, it is still a pending problem.

25 Had you known in October of 1977 that it would.



WRB/mpb2

1 still be unresolved so long in the future, would that have
2 affected your judgment any?

3 A That one event would not.

4 Q So that you don't think in itself is typical?

5 A I think -- I have confidence on that particular
6 item, that in the interim until we get the final resolution
7 of the alarm on the door that it is being checked and
8 confirmed that the doors are closed at least once a shift.

9 Q How long have we been wrestling with that problem,
10 or, let me say, how long have you been wrestling with that
11 problem?

12 A Gee, at least two years.

13 Q Well, it just seems to me that I could go to a
14 hardware store and come up with a bell-thing that would
15 somehow make a noise. I could train my dog to bark when that
16 door is opened. And I would like an explanation for it, you
17 know, just how does it happen that that problem is still
18 even being discussed here today?

19 Well, I can see why it's being discussed, in
20 retrospect, but being discussed today as an outstanding
21 problem. How does this come to pass? Can you give us more
22 of a narrative explanation for that?

23 A You're asking me why it has taken so long to
24 install alarms on the door. I think that's the issue. And
25 I don't have an answer for that.

mpb3 1

BY DR. LEEDS:

2

Q Let me jump in here for just a second and make sure that I understand the problem.

3

4

What size door are we talking about?

5

A A normal size door.

6

Q Does it look like that door over there?

7

A No. It's a ship-type door.

8

Q A ship-type door.

9

BY CHAIRMAN SMITH:

10

Q With dogs on it?

11

A Yes.

12

BY DR. LEEDS:

13

Q So if you filled the compartment with water you wouldn't have leakage into the other compartment. That's why the door is there, is it, for fire protection?

14

15

16

A Or flooding.

17

Q Or flooding.

18

19

Now let me go and look at what would it take to run some conduit from a source of electricity to where this door is. Is there a source of electricity in the room, or do you have to cut holes in concrete or something like that to get it in?

20

21

22

23

A The resolution that was being pursued was to alarm in the control room.

24

25

Q Okay.

mpb4

1 Is there a source of electricity to that door?

2 A Yes, there is.

3 Q Is there a path in conduit or something like
4 that to get to the control room?

5 A I'm sure there are several.

6 Q So I could run wires?

7 A Well, I don't know about that.

8 Q Well, what would I run if I didn't run wires?

9 A No.

10 Your question, as I understood it, could you
11 use the existing conduit, and I don't know about that.

12 Q Okay.

13 Are there spare wires installed somewhere that
14 I could get to, so that I could pick up some spares somewhere
15 to run the connection?

16 A I don't know.

17 Q If I had to chop holes in the floor and run the
18 conduit -- or in the ceiling or in the walls or whatever it is,
19 is that a major task?

20 A That in itself is not a major task. It's not as
21 simple as one wall. But it's a manageable task.

22 Q Do I have to penetrate any compartment seals,
23 any reactor compartment seals, anything like that? Do I
24 have any real tricky penetrations to make?

25 A I wouldn't call them "tricky".



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mpb5 1

Q So I could almost get some normal -- in other words, the installation of alarms here is not a fantastically complicated problem. Is that right?

2

A I think that that was the import of the Chairman's question.

3

4

A I think it is probably more complicated than we're saying. But I'd characterize it like you say.

5

6

Q Okay.

7

Let me ask you the gut question, then. Sometimes I get a feeling for how complicated things are if I know how much it cost.

8

9

10

How much would it cost to put the alarms in?

11

A I don't know.

12

DR. LEEDS: Excuse me for interrupting.

13

BY CHAIRMAN SMITH:

14

Q Do you still believe it is unnecessary or undesirable to incorporate the bulkhead door annunciator problem into tech specs?

15

16

First, I'm imputing to you a belief that it was unnecessary in the first instance, which I believe --

17

18

19

A I think it was proper to incorporate it in the tech spec.

20

21

Q It should have been incorporated?

22

A I think it would have been proper, yes.

23

Q So was that a change of attitude on your part?

24

25



mpb6

1

A No.

2

Q Well, when the matter was first raised-- it

3

appears in several testimonies and I can't identify it, so

4

I'm going to rely upon my memory, and please correct me,

5

but consideration was given to making it a part of the

6

tech specs, and then that consideration was abandoned

7

because it was hoped that CP&L would proceed in due course

8

and solve it.

9

Am I wrong about that?

10

A No, that's correct. We made the recommendation

11

that it be incorporated in the tech specs.

12

Q You did?

13

A Yes.

14

Q So the recommendation started at least as far

15

as you.

16

And how high did it go?

17

A It went to our headquarters.

18

Q And then they did not --

19

A In the view that administrative controls had

20

been adopted, they viewed it was not necessary to incorporate

21

it in the tech specs.

22

Q So your original view remains unchanged.

23

Has it strengthened any in light of the long time

24

it has taken to solve the problem?

25

A I think it strengthens that our original

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recommendation would have been proper.

Q What is the RCIC problem -- we just got done with the HPCI bulkhead door, HPCI being H-P-C-I.

Now what is the RCIC?

A Reactor Core Isolation Cooling system.

Q The Applicant, now, in their testimony has explained the delay.

Did you read their explanation of that?

A I did, but I don't recall it.

Q My question would have been are you satisfied with the explanation.

So would you find out what it is? I think it related to that the problem could not be addressed when the temperature -- the problem could not be addressed out of season because of temperature differentials.

MR. JONES: That's HPCI.

CHAIRMAN SMITH: Excuse me.

BY CHAIRMAN SMITH:

Q Would you find the explanation for the RCIC problem?

MR. TROWBRIDGE: Do you want to do that now?

CHAIRMAN SMITH: I think we can do it during the break.

This would be a good time for a break. We'll take a 15 minute break.

(Recess.)

end 1E

WRB1F
wel 1

1 CHAIRMAN SMITH: During the recess I called back
2 to the Panel office, and I learned that the injury to Mrs.
3 Bright was rather severe. It's done a lot of damage to her
4 hip, and she's undergoing surgery, and Mr. Bright simply will
5 not be able to join us for this session at all. He is
6 needed there.

7 So we will continue under the quorum rule for
8 this week. And, of course, you know the way the quorum
9 rule works, the missing member of the Board just reads the
10 transcript but participates fully in the decision.

11 BY CHAIRMAN SMITH:

12 Q On page 67 where you're referring to the examples
13 of Robinson management responsiveness, since the time of the
14 preparation of your testimony have any other examples
15 occurred to you that rise to this level of significance?

16 A (Witness Dance) No, sir.

17 A (Witness Long) No, sir.

18 Q Throughout your testimony you're stressing the
19 improvement in CP&L's management ability. On page 70 you
20 observe that CP&L has been one of the earliest utilities to
21 commit to nuclear power. Of course, I'm aware that so far
22 as construction is concerned, they have had turnkey projects
23 before. But having been in the nuclear business for so
24 long, do you think that it is a normal situation for them
25 to continue to have problems with their management abilities,

wel 2

1 or would you have expected by now that they should be
2 farther along than they are?

C4

3 A They are expanding their involvement in a quite
4 large degree, going from, say, a single plant at Robinson
5 to two plants at Brunswick and four at Harris.

6 I don't really see a problem. I would not expect
7 a major problem, because of the tremendous experience that
8 they're gaining in their current operating plants.

9 The construction -- management, of course, is
10 something that we have to observe, and we will observe that
11 very closely.

12 Mr. Murphy's area of responsibility will rest in
13 the construction area.

14 I don't think there are any problems --

15 Q Well, the question that it boils down to is:
16 Have they taken full advantage of their many,
17 many years of experience in nuclear power, do you feel?

18 A I think they have, yes, sir. Definitely.

19 Q Okay. Finally, on page 71, you are getting to
20 the conclusionary aspects of your testimony. You say in
21 the beginning of the first full paragraph:

22 "The operations portion of this testimony
23 contains considerable evidence of weaknesses in the
24 various management controls involved in areas
25 where we have inspected."



wel 3

1 You didn't have that conclusion in your original
2 testimony, at least it wasn't so specifically highlighted.

3 Could you tell me how it happens to appear here,
4 and explain what circumstances prevailed to have you come
5 to this conclusion here, and you didn't express it so
6 specifically in your earlier testimony?

7 A (Witness Dance) Of course this testimony is a
8 vastly expanded version of the first testimony. I think
9 the first testimony did say that they have had numerous
10 problems. They have been slow in correcting problems.

11 But in our view, the changes that have been made
12 to management and to the QA program, that the trail was
13 definitely on an up trend.

14 Does that answer the question?

15 Q Not really. But I don't know if you can give me
16 an answer. I guess we're all faced with a similar problem,
17 and that is, the first time around it was just another
18 case, and this time it's requiring more attention on the
19 part of all of us.

20 Does that partly explain your problem?

21 A Yes, sir.

22 A (Witness Long) Yes.

23 Q Which raises another thing:

24 If you had to devote the same amount of attention
25 and time to the management aspects of the Applicant for a



wel 4

1 construction permit in each case, and the same amount of
2 time on other issues, would you be able to do it with your
3 present staffing, your present responsibilities?

4 A (Witness Dance) Well, we'd be able to do it, but
5 we would need to find a way to streamline our effort.

6 A (Witness Long) It would be very difficult to
7 conduct two parallel right now, because of the staff
8 limitations. It's very demanding on manpower.

9 BY DR. LEEDS:

10 Q I'm afraid we're going to have to go back to the
11 front part and work our way forward, and --

12 CHAIRMAN SMITH: Before we start here, I do have
13 some questions.

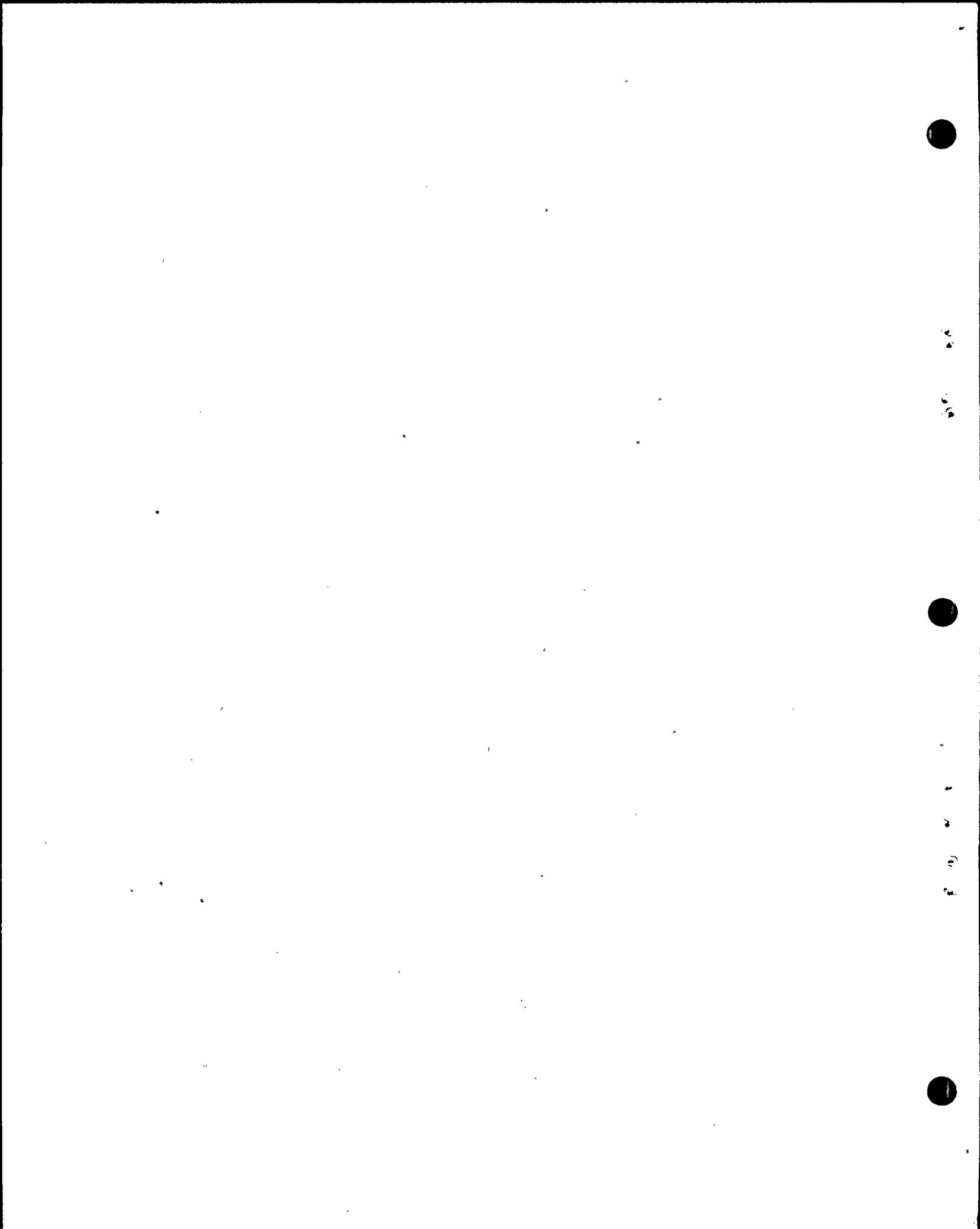
14 BY CHAIRMAN SMITH:

15 Q At the conclusion of questions on this testimony,
16 I have some questions specifically directed to your original
17 testimony, but I thought we would conclude this aspect of it
18 first.

19 MR. REIS: Mr. Chairman, I could either ask on
20 redirect, or remind you you had a question pending on the
21 reactor coolant injection system.

22 CHAIRMAN SMITH: Oh, yes, thank you.

23 WITNESS DANCE: You had asked me before recess
24 if I would review the CP&L description of the RCIC problem,
25 and whether I agreed with it.



wel 5

1 I do agree with it, but with one explanation:
2 They are saying that the daily testing of the
3 RCIC was conducted during this modification process, and I
4 think the record shows that this was as a result of our
5 inspection, when they started the increased inspection,
6 surveillance of the system.

7 BY CHAIRMAN SMITH:

8 Q Which reminds me, for the first time we have not
9 discussed the ultimate course of the hearing here.

10 CHAIRMAN SMITH: Does the Staff have any plans
11 to address any aspects of the Applicant's testimony which
12 they feel they disagree with?

13 MR. REIS: Well, I've asked the Staff to provide
14 me questions, and I do intend to ask some questions on my
15 own of the Applicant.

16 As far as -- I did not specifically ask the Staff,
17 you know, was there any particular instance where you
18 disagreed, but I did ask them to review it and exhibit any
19 questions they will bring to me in areas where their
20 position is different.

21 CHAIRMAN SMITH: You don't have any plans yet to
22 bring Staff witnesses back after the Applicant's witnesses?

23 MR. REIS: No.

24 CHAIRMAN SMITH: Well, then I think it might be
25 an appropriate time to ask this question:

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wel5

1 BY CHAIRMAN SMITH:

2 Q In the areas where you have responsibility, is
3 there anything about the Applicant's testimony that you want
4 to bring to our attention that would be in addition to the
5 questions that Counsel is prepared to ask?

6 You have reviewed the Applicant's testimony,
7 haven't you, gentlemen?

8 A (Witness Long) Yes.

9 A (Witness Dance) Yes, I have.

10 Q Is there anything in your testimony that you
11 feel that the Board should know about? Disagreements on
12 significant matters?

13 A (Witness Long) I had no disagreements or any
14 problem at all. I thought it was rather comprehensive.

15 Q Mr. Dance?

16 A (Witness Dance) I don't have any specific
17 comment.

18 Of course, our testimony is written from our
19 point of view and theirs is written from their point of view.

20 Q Yes.

21 A But other than that, I don't have any --

22 Q There is nothing you feel compelled to come back
23 on the stand on and say, Well, this is not the case?

24 A No.

25 Q Anything along that line you've already taken up

mpb2 1 with Counsel for him to develop on cross-examination?

2 MR. REIS: I asked them to supply their questions
3 to me this evening.

4 WITNESS DANCE: Maybe this is a point.

5 Your earlier line of questioning had to do with
6 the HPCI alarm doors. I have been informed by CP&L during
7 the recess that one alarm for one of the Brunswick units was
8 installed in November, and the second alarm on the other unit
9 was installed during this current refueling outage. So their
10 position is both the doors are alarmed now.

11 We have not inspected that area since we prepar-
12 ed our testimony.

13 BY CHAIRMAN SMITH:

14 Q Have I misstated the Applicant's testimony with
15 respect to the bulkhead doors? If I have, I certainly want
16 the opportunity for the record to be corrected.

17 MR. JONES: I don't believe that you have.

18 CHAIRMAN SMITH: All right.

19 BY CHAIRMAN SMITH:

20 Q And you had asked for time to consider the
21 question I had about the use of other terms and euphemisms.
22 Do you still want more time?

23 MR. REIS: Mr. Dance said he would like to reply
24 immediately after lunch.

25 CHAIRMAN SMITH: All right.

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BY DR. LEEDS:

Q The question about the bulkhead doors has presented another problem to me.

The bulkhead doors must have been a continuing problem for all this time. Management of I&E Region II has been aware of it, is that correct?

A (Witness Dance) That's correct.

Q You must have had a concern about it; is that right?

A That's correct.

Q There was an extensive inspection of Brunswick in January, is that correct?

A On the QA program?

Q Yes.

A Yes.

Q Why didn't somebody find out about the bulkhead doors in January? Maybe you can't answer that question, but it just seems strange that here we come to the hearing and nobody seems to know about the bulkhead doors -- I'm sorry, no one is incorrect. Obviously the Applicant knew. But I&E -- until this moment I would have thought the bulkhead door problem was still unsolved.

A (Witness Long) We did state on page 62 that they were being installed. That was the last positive information that we had. The inspection, the QA inspection

mpb4

1 was really a management programmatic inspection and would
2 not necessarily look at specific outstanding issues of that
3 type.

4 Q Where on 62?

5 A The answer on the middle of the page. The
6 question:

7 "Has CP&L taken action to remedy the
8 situation?"

9 "The last information we have was that
10 they were being installed."

11 Q When did you prepare this?

12 A (Witness Dance) October.

13 Q This testimony?

14 A Yes, sir.

15 A (Witness Long) Probably the end of October.

16 A (Witness Dance) The draft went in October 20.

17 Q Okay.

18 Now, let me preface this question by a statement
19 which I don't want anyone to take as a statement that I have
20 come to this conclusion. But let's say for argument purposes:

21 Throughout your testimony I find places where
22 you make statements like you do on page 2 at the bottom of
23 the page in the answer to the next to the last question.

24 You state:

25 "We are satisfied that CP&L has both

mpb5

1

the ability and the capability to run a QA

2

program for operation."

3

4

I'm not going to talk about the responsiveness of that answer to the question. But what I'm concerned about here is there seems to be a missing piece of information.

6

7

8

9

Do you have an opinion or have you stated an opinion, and if so, point it out to me where you conclude that they will do this. It is a projection of their doing something that I'm concerned with here.

10

11

In other words, you look at them -- let me try to explain that question and I'll come back to it again.

12

13

14

15

You look at them and say they have the ability to do X, whatever X is; continuously throughout the testimony you make that kind of statement. The question I have is do you have an opinion about will they actually do X.

16

17

A I have an opinion, and a competent opinion. That answer is yes.

18

Q That they will?

end 1F

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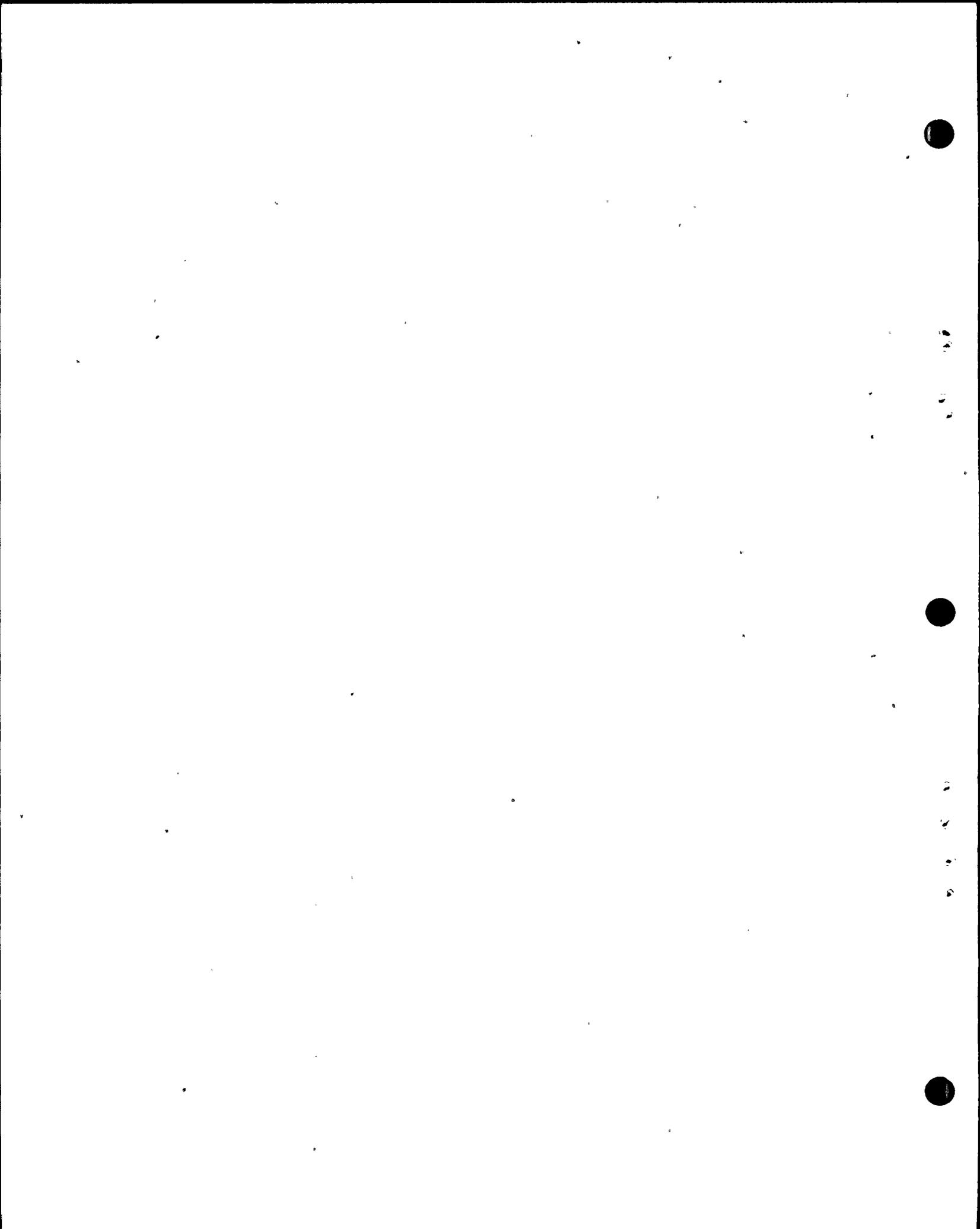
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A Yes.



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NRB/mpbl

4.175

1 Q Refer to page 19 of your testimony, where you
2 talk about posting labeling and control. And at the end of
3 that response it states:

4 "However the fact that additional
5 examples were identified approximately two
6 months after the latest citation seems to
7 indicate that adequate corrective actions
8 were not immediately taken."

9 How do I make an evaluation of that? Do you
10 mean that in two months -- that they should have solved the
11 problem in two months?

12 A No. That means two months after they should
13 have been solved, we found other instances where it had not
14 been.

15 Q Okay.

16 So they should have solved those instances as
17 well, the particular ones that are cited?

18 A Yes.

19 Q Now, would a conservative management have
20 solved those instances, those other instances?

21 A I think the control of these areas is not a
22 simple evolution. Following this last event, or maybe even
23 prior to the next to the last, I'm not sure which, there
24 has been additional steps where these area doors have been
25 painted a uniquely colored conspicuous -- I don't know

mpb2

1 whether it's yellow or green or what, but it's a reminder
2 for people, Hey, this is a high radiation door and it has
3 to be maintained closed.

4 Q One of these was a sampling room or something
5 like that, wasn't it?

6 A I'm not sure.

7 Q Okay.

8 Let's see, this was.... I have an inspection
9 report that was issued in June of '78, and on page -- the
10 report is numbered Region II, Report number 50-261/78-13.
11 And let's see, is 261 Robinson or Brunswick?

12 A Robinson.

13 Q Are we talking about Robinson or Brunswick?

14 A I believe we're talking about Brunswick.

15 Q We're talking about Brunswick here. Okay.

16 Well, I missed my shot, then.

17 Let me ask about this report, because I'd like
18 a feeling for whether or not this is an important thing or
19 not an important thing. I pulled this one just to see what
20 one of the things were that you had picked up, and it says
21 on page I2, Posting of Radiation Areas:

22 "During a tour of the auxiliary
23 building on the evening of June 5, 1978,
24 the inspectors observed that the sample
25 room radiation area sign which was on a

mpb3

1

chain intended to be across the doorway was

2

hanging beside the doorway, and therefore

3

not conspicuous. The survey records and

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discussion of the licensee representing

5

acceptable radiation levels in the room of

6

five to ten MREM/hour routinely and about

7

15 MREM/hour while collecting samples. The

8

inspector cited this as noncompliance."

9

My question is: is this the kind of thing

10

we're talking about when we're talking about posting,

11

labeling and control?

12

A No -- well, yes and no.

13

Q This is not the specific item because this

14

deals with Robinson and this topic here was Brunswick?

15

A Right. But the one dealing with Brunswick was

16

a high radiation area, which is much higher radiation.

17

Q Much higher than this?

18

A Yes.

19

Q Okay.

20

A That is more of a general control.

21

Q Now at the bottom of that page you talk about

22

the offgas system, and it says:

23

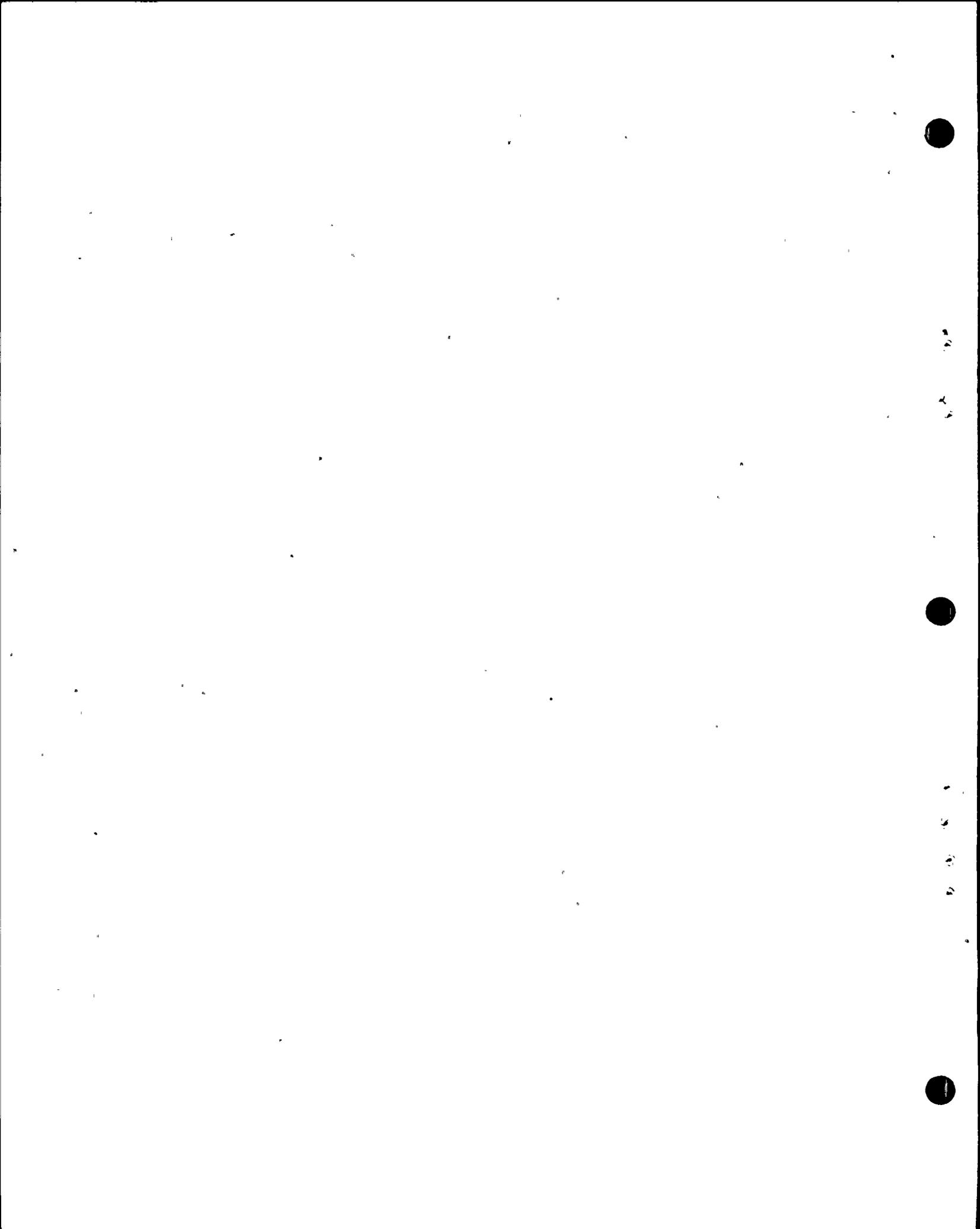
"CP&L has projected approximately

24

eight years will be required to make the

25

system operable."



mpb4 1

How long is the plant going to live?

2

A I don't know whether we're on the record as saying it's going to live 40 years or 34 years.

3

4

Q So it's something in that range.

5

6

So we're talking maybe one-fourth to one-fifth of the plant life to get this system working, is that right?

7

8

A Sir, I think this is an area that Panel IV is prepared to address. We're not the ones to set the timetable for the requirement.

9

10

Q Okay.

11

12

So you're just making a comment that this is the way it is, and you stop there.

13

A Yes.

14

Q All right.

15

16

MR. REIS: I might say that Mr. Schwencar, when Panel IV gets up, will address that issue.

17

DR. LEEDS: Okay.

18

19

20

I must say, the Chairman has done a thorough job in cutting out my questions, which is what he ought to do.

21

BY DR. LEEDS:

22

23

24

Q On page 47 you refer to Appendix C of your testimony, and let's see, I think I've asked you about the organization chart, the organization chart, right?

25

A (Witness Dance) Yes. You've asked some

mpb5

1 questions. I don't know what your question is.

2 Q I just wanted to make sure I had gotten it in.
3 It's the same question.

4 I couldn't remember whether I had asked you or
5 Mr. Brownlee, Mr. Brownlee, Mr. Murphy, and that panel.

6 Well, let me ask the question, and we'll solve
7 the problem.

8 Refer to Figure 6.2, 6.1-1, the management
9 organization chart. I understand from the session last
10 week that the manager of Corporate Nuclear Safety and the
11 manager of Corporate Quality Assurance Audit has been
12 collapsed into one person now.

13 With that change, is this your understanding
14 of the CP&L organization?

15 A Yes.

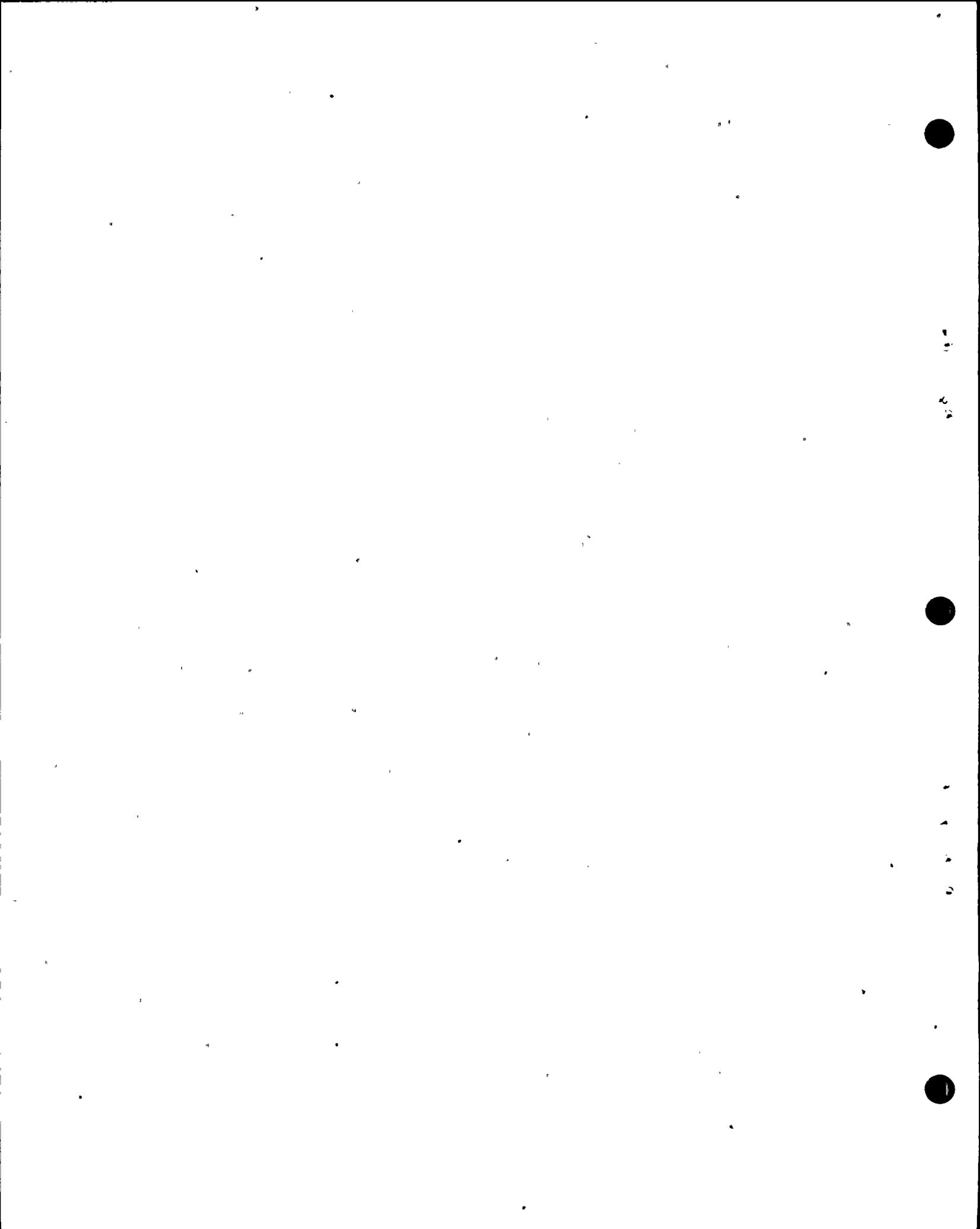
16 Q Thank you.

17 Now if you refer to Appendix A to your testimony,
18 and I have a note here it's page 19, and this is a response
19 to Mr. Long's letter to the inspectors in Region II. It says:

20 "I would like to ask CP&L management
21 if Brunswick augmented offgas system will be
22 operative."

23 Have you all asked him? Have you all asked
24 CP&L when it will be?

25 A They have submitted a report to NRR stating that,



mpb6

1

I believe.

2

Q What is Mr. Burke's position? Who is he?

3

A He's an inspector at Surry at present.

4

Q And he has not been on Brunswick for a while?

5

A No, no, he hasn't.

6

I would think he's questioning the long eight

7

years.

8

Q Okay.

9

So he's not questioning whether or not it is now,

10

but he's concerned about the time period?

11

A Yes. I think that's what he's addressing.

12

Q Okay.

13

That finishes me.

14

BY CHAIRMAN SMITH:

15

Q I have some questions that go somewhat beyond

16

your written testimony.

17

I've already asked you if your conclusions of

18

your original testimony have changed, and you've indicated

19

they have not.

20

Is there any part of your original testimony that

21

I think you've already made one correction in your direct

22

written testimony. Are there any additional changes you

23

might want to make in your original testimony?

24

A (Witness Dance) I have three pages I wanted to

25

address.

mpb7 1

On page 7 --

2

Q Wait a minute.

3

4

So that the record is better organized, let's refer both to -- let's refer to Board Exhibit 10, which is Volume 2 of the I&A report; page 7 of your testimony is page 21.

5

6

7

Did you say 7?

8

A 7, yes.

9

Q It's page 21 of Board Exhibit 10.

10

A All right.

11

On the second line, it's just a typographical error. July 13 should be July 31.

12

13

On page -- let's see, it's 14 of the original.

14

It must be about page 28 of that, where there is a table at the top.

15

16

Q Okay.

17

A That top line is corrected in this present testimony, but I could give it to you if you would like it at this point.

18

19

Q All right. Go ahead.

20

A Under the HPCI Inoperable, the number across the three positions should be 18 under 1975, no change

21

22

under 1976, under 1977 the number should be 5(8), not "18".

23

24

Q Wait a minute.

25

My note is -- I pick this up from page 56 of your

mpb8 1

testimony.

2

Okay. Fine. Thank you.

3

4

A And on the next page, the numbers in the first line, the first two lines, Enforcement History, 33 should be 35 for 1975. The number 25 should be 33 in 1976, and I'll have to check the '77 number.

6

7

MR. ERWIN: For '76, 23?

8

WITNESS DANCE: 33.

9

MR. ERWIN: And 35 for '75?

end lg

10

WITNESS DANCE: Yes.

11

12

13

14

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16

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25



6102

6102



6102

6102



lh ebl 1

Those are the corrections I have identified today.

2

BY CHAIRMAN SMITH:

3

Q On page 32 of your direct written testimony in

4

this proceeding-- Oh, no, excuse me. That's page 32 of Panel

5

1.

6

In explaining how the testimony was prepared you

7

say:

8

"I summarized the inputs and reflected

9

my own experience. In my view, full weight was

10

given to all comments including Mr. Cantrell's

11

recommendation to condition the license. I did not

12

agree with his recommendation...."

13

to condition the license.

14

Is that the only significance that you saw in his

15

report? Didn't you see other things, other than simply the

16

recommendation for conditioning which you felt were signifi-

17

cant that you did not include?

c5

18

A (Witness Dance) No.

19

Would you like me to amplify that?

20

Q All right.

21

A I thought the A75 testimony did reflect that CP&L

22

had had problems, repeat items. They had been slow in

23

correcting problems, but that the trend was upward and that

24

we found their program acceptable.

25

Q When the Board became aware of Mr. Cangrell's notes

eb2

1 and his statement to Counsel that he didn't feel his views
2 were reflected, we noted -- I noted that -- we discussed
3 it -- that you had depended rather heavily on Mr. Cantrell's
4 report to you. Sometimes you used almost the same wording.

5 A Yes.

6 Q So it was clear that you thought that his comments
7 were worth bringing to the Board, but you omitted some things
8 that we thought were important. These were the things that
9 had the potential of being important and these were the
10 things we brought to the Commission's attention.

11 And one of them was that you indicated that the
12 overtime problem extended-- The extended work weeks went on
13 for a matter of weeks and months, while Mr. Cantrell's report
14 was that this problem extended for years. And I think that
15 the testimony here in this remanded hearing does support the
16 fact that the overtime problem did extend for a question of
17 years.

18 Do you think that a-- Wouldn't you normally when
19 you start up an operation expect extended work weeks for
20 a question of weeks and perhaps even months, but doesn't it
21 become a significant matter when the same problem exists for
22 a question of years?

23 A I think it does.

24 Q Well, could you give us your reasoning for
25 eliminating Mr. Cantrell's statement? I don't want to use the

eb3

1 word "eliminate," but not including Mr. Cantrell's statement
2 that the problem continued for years?

3 A I thought at the time that the description in-
4 cluding extended -- the condition extended for weeks and
5 months was proper. I didn't know whether I could support
6 "years" or not, and to the degree I could support years.

7 Q Now that you've considered it, do you think that
8 the statement that the problem extended for years is
9 supportable?

10 A I think I ought to include it in the testimony.

11 Q Today you would?

12 A Today I would.

13 Q By benefit of hindsight-- I want you to have
14 plenty of opportunity to explain this, but would you have
15 included it by additional information, not the problems
16 that we have with the Board paying close attention to this,
17 and many units of the Commission paying close attention?

18 Certainly if you had to do it over again there
19 would be many things you would put in just to avoid being
20 here, but I'm not talking about that. I'm talking about with
21 the benefit of additional evidence, or for both reasons, but
22 distinguish between the two.

23 Do you understand my point?

24 A Well, I'm not sure but--

25 Q All right. Go ahead.

eb4

1 A I think the evidence we have in our current
2 testimony supports that, yes.

3 Q Supports this statement?

4 A Yes.

5 Q If you had had that evidence then, you would have
6 included the statement that the problem extended for years?

7 A Well, I don't know, since I didn't.

8 MR. O'NEILL: Mr. Chairman, could I interject a
9 request for a point of clarification?

10 CHAIRMAN SMITH: Yes, sir.

11 MR. O'NEILL: I would like Mr. Dance to define
12 what he means in all cases by "extended work weeks," when
13 he's talking about a problem extending for years. Is he
14 talking about how many hours in the extended work week? I
15 think that term should be defined if we're going to be using
16 it here.

17 CHAIRMAN SMITH: Yes, I think so, and you will have
18 an opportunity.

19 I want to observe now that in my memory, and it
20 is going to be the responsibility to check it, that Mr. Dance
21 picked that very expression from Mr. Cantrell. In Mr. Cantrell's
22 notes the term "extended work weeks" was used, and so the
23 question may be what Mr. Dance believed Mr. Cantrell meant by
24 it as well as what he meant by it himself. But you'll have
25 your opportunity.

eb5

1

BY CHAIRMAN SMITH:

2

Q In fact, would you comment on that now?

3

A (Witness Dance) I'd be glad to.

4

5

There is a memorandum as part of the file from Mr. Cantrell in the summer of '76 that says -- that defines is as greater than 60 hours a week.

6

7

8

9

In our current testimony I asked Mr. Cantrell what we meant by that, and we agreed that 50 hours -- greater than 50 hours a week.

10

11

Now those two discrepancies exist. But that's the case.

12

13

14

15

16

Q In any event you are not sure today, knowing what you know of evidence, not Board attention or Commission attention but evidence, that you would include the "years" in your original testimony? I guess I really don't know exactly what your testimony is.

17

18

19

The last I remember your saying is that you're not sure that you would have included the statement that the extended work week continued for years.

20

21

22

A I think knowing the facts, irrespective of the hearing, knowing the facts as I know them today, I would have included the term.

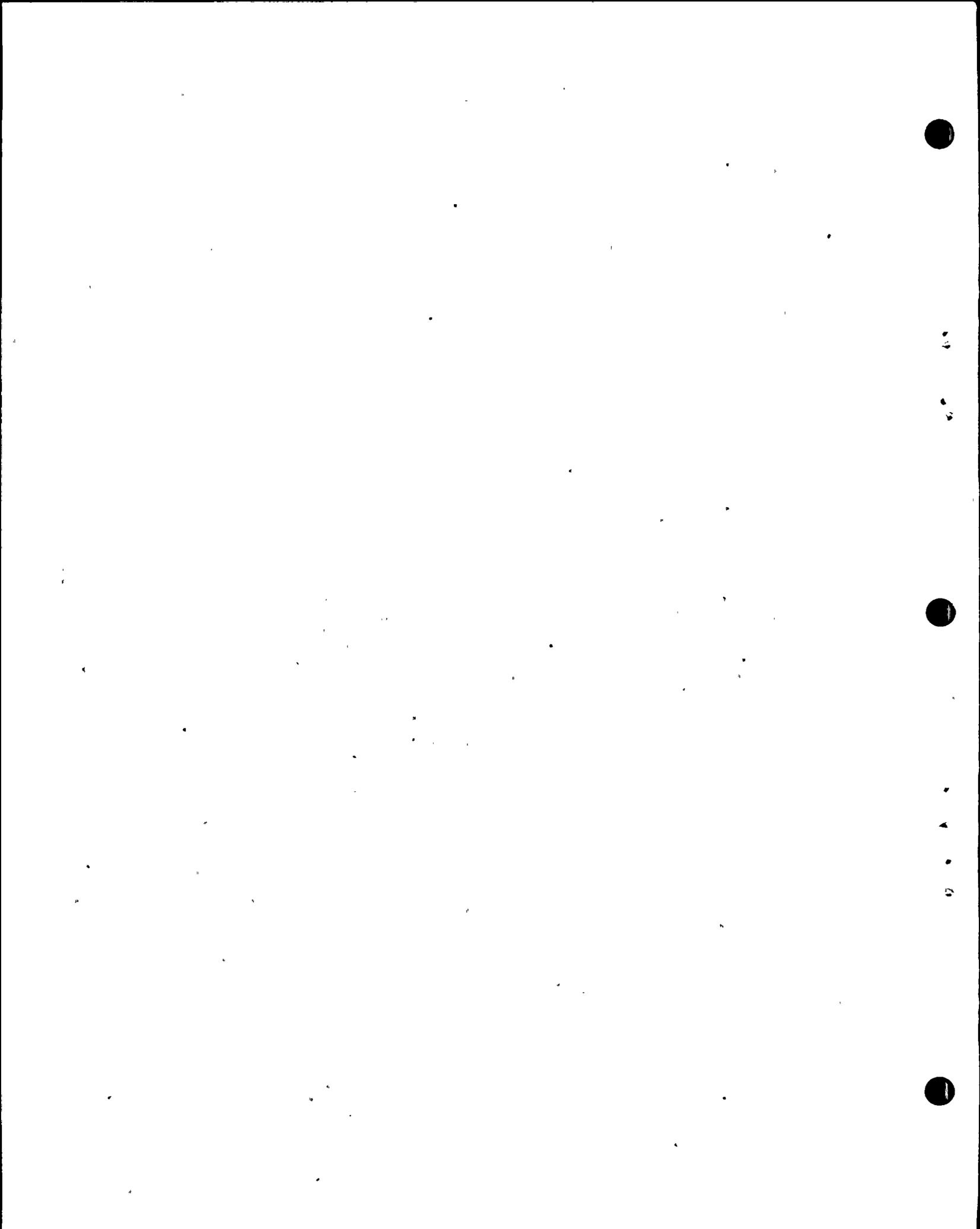
23

24

25

Q You would have.

Another thing that was not included was Mr. Cantrell's statement that the tech specs implied -- that



eb6

1 they didn't meet the implications of the tech specs. I think
2 we now know what he was referring to. He was referring to,
3 I believe, the fact that certain positions had SROs desir-
4 able compared to required. Is that what you understood it to
5 be?

6 A Yes, sir.

7 Q All right.

8 Do you think today that that should have been in-
9 cluded in the original testimony?

10 A No. No, I don't.

11 Q It would still be your opinion that it was proper
12 to exclude that?

13 A Yes, sir. I thought we had properly explored
14 that interpretation and definition and requirement.

15 Q I have a question for Mr. Long on that. Now it
16 comes back to me where I got Mr. Long's involvement in this.

17 Turning to Volume 3 of the ISA report, Volume 3,
18 this is the letter I was referring to, Volume 3 of Board
19 Exhibit 11, page 56. This is a letter from Mr. Long, our
20 witness, as Chief of the Reactor Operations Nuclear Support
21 Branch, to Mr. Jones, Executive Vice President. And it is
22 Inspection Reports 50-324/77-4 and 50-325/77-4.

23 Attached to that letter are details, Detail III,
24 appearing on page 64 of the Board Exhibit 11. And on that
25 page Mr. Long has incorporated in his letter under paragraph

eb7

1 numbered A, he has incorporated this observation:

2 "During the course of the inspection
3 of training and qualification activities, several
4 observations were made by the inspector. (A) Figure
5 6.2-3, Plant Staff Organization identifies nine
6 key supervisory positions as 'SRO license desir-
7 able.' Of the individuals currently occupying
8 these positions, only one had an SRO license."

9 Now my question is-- Maybe I misunderstood this.

10 MR. JONES: Mr. Chairman, I believe you identified
11 that as being part of Inspection Report 77-4. However, it
12 appears that it's 77-3, which was the January inspection
13 conducted by Mr. Wessman.

14 CHAIRMAN SMITH: Exactly. Right. I'm wrong;
15 you're right.

16 BY CHAIRMAN SMITH:

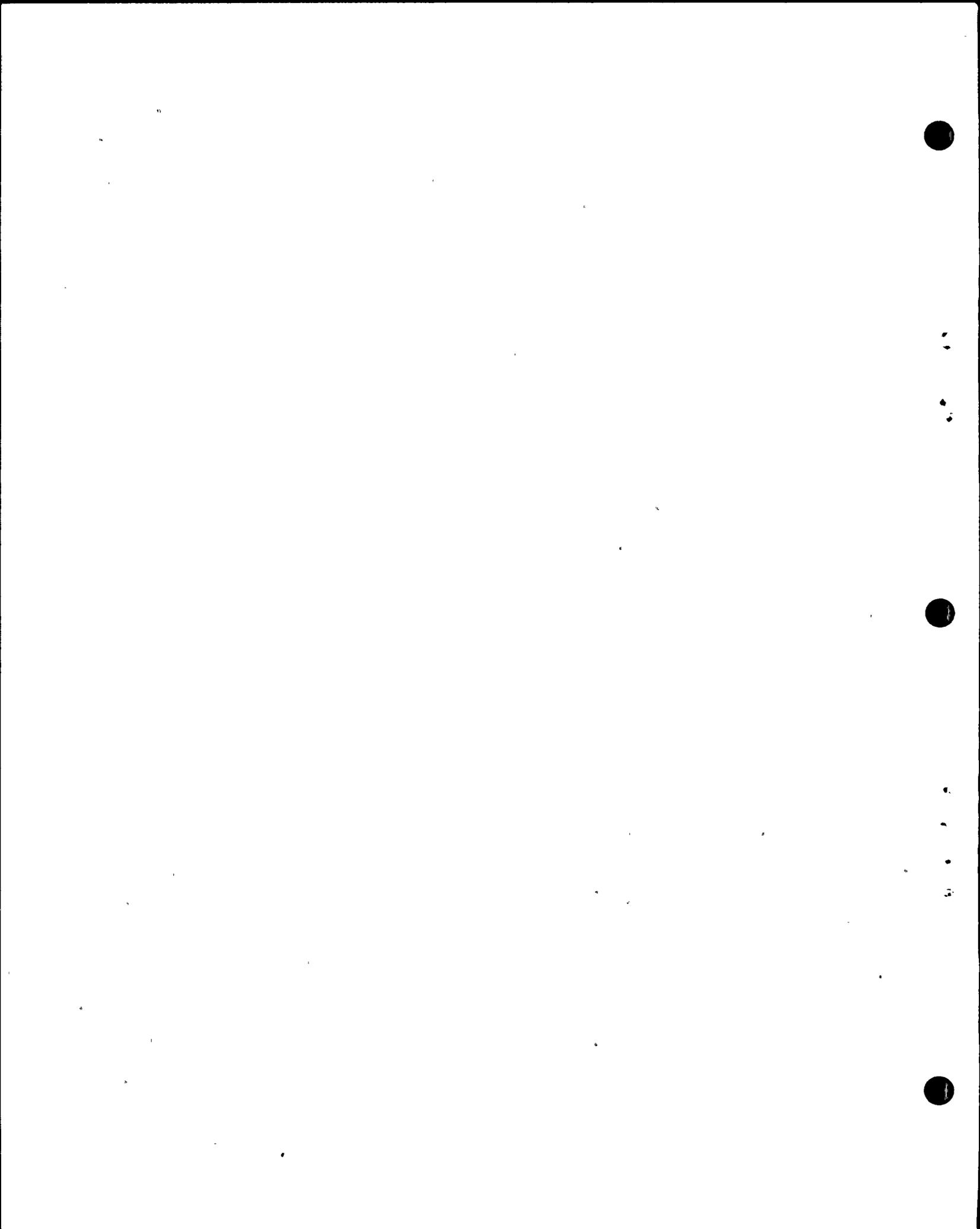
17 Q Am I correct, however, that this was a portion
18 attached to Mr. Long's letter?

19 -A (Witness Dance) Attached to his letter, but a
20 previous letter probably, the letter that went along with
21 Inspection Report No. 3.

22 Q From Mr. Long?

23 A (Witness Long) It would have been, yes, sir.

24 Q My point is quite simple. This issue of the SRO-
25 desirable, the eight key supervisory positions, has now risen



eb8 . 1 to the importance where Mr. Long has communicated with
2 Mr. Jones, the Executive Vice President, and told him about
3 these observations. And this is what my question was to
4 Mr. Wessman.

5 Mr. Long, what was your authority for doing this?
6 What authority did you have to communicate with Mr. Jones
7 about this problem?

8 A My responsibility as a branch chief is to transmit
9 all inspection findings including the enforcement aspects of
10 it to the licensee, and that would be a part of the package,
11 the letter with the enclosure which is the Inspection Report.

12 Q You have to make a judgment, however, as to which
13 findings are important and which ones are not, don't you, sir?

14 A Yes, sir. Generally the findings that are most
15 important would be those identified in the notice of violations
16 part of the correspondence.

17 Q Notice of non-compliance?

18 A Notice of non-compliance. It's called notice of
19 violation even though there are no violations.

20 Q In fact I believe that you or someone on your
21 behalf made such an appraisal because I don't believe that all
22 the items listed on page 64-- I don't mean that question
23 that way.

24 I don't believe that all the items appearing in
25 Mr. Wessman's report are included on page 64. I don't have

eb9

1 Mr., Wessman's report before me, but I remember some, for
2 example, in-plant time by supervisors, for example, is at
3 least one example of something being missing.

4 I want to apologize for rambling here. We don't
5 have room here for all my papers, and I have to depend upon
6 memory here.

7 A (Witness Dance) I will address that if you like.

8 Q All right.

9 A The document we see titled "Details 3" with
10 Inspection Report 324/77-03, which is signed by Wessman and
11 prepared by Mr. Wessman, this is his report of the inspection
12 conducted in January, which he testified to.

13 What you're saying, that everything was not in-
14 cluded that he did --

15 Q The point is I'm not suggesting that it should have
16 been or anything else. I'm just trying to establish at what
17 level this concern that Mr. Long had that he communicated
18 to Mr. Jones, what level of concern is this? And I know that
19 the observation that he left something out indicates that he
20 has made some evaluation, he doesn't just routinely pass along
21 everything to Mr. Jones.

22 A May I give you a chronology which I think will
23 be helpful?

24 Q Please.

25 A Our inspector-- Mr. Cantrell had questioned, are

eb10

1 they qualified, are they meeting their requirements for
2 qualification? Mr. Wessman was assigned to inspect this area.
3 He documented his findings as we document all of our follow-
4 up on non-compliance or LERs in an inspection report, and
5 this is what we find in this Volume 3.

6 In addition to that, he addressed a memorandum to
7 me, stating his findings and what he based them on, and one of
8 those items was checking the supervisory trips out through
9 the plant if you will. There is no requirement for that, as
10 to how often a supervisor must be in the plant, so he did not
11 include that in the inspection report.

12 But Mr. Wessman wrote the memo and he also wrote
13 the inspection report. It was his election what he should
14 or should not include in the inspection report.

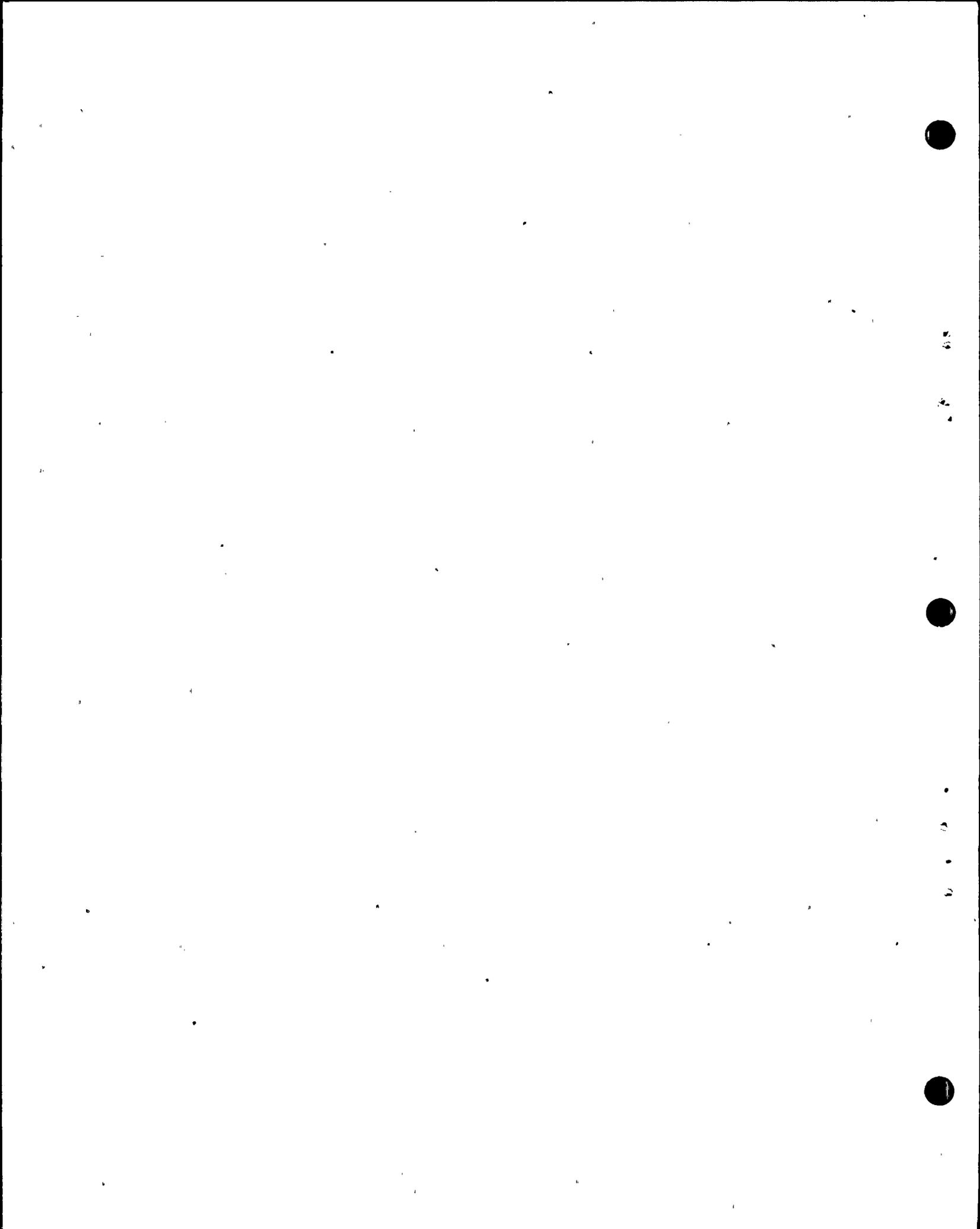
15 Q Okay. I wasn't suggesting that there was anything
16 wrong in dropping Mr. Wessman's point. I was only trying to
17 establish if it is the case that at least this point still
18 survives as a matter of sufficient importance for Mr. Long
19 to write to Mr. Jones about.

20 We don't have that letter and I don't know why it
21 is --

22 A May I add something else, sir?

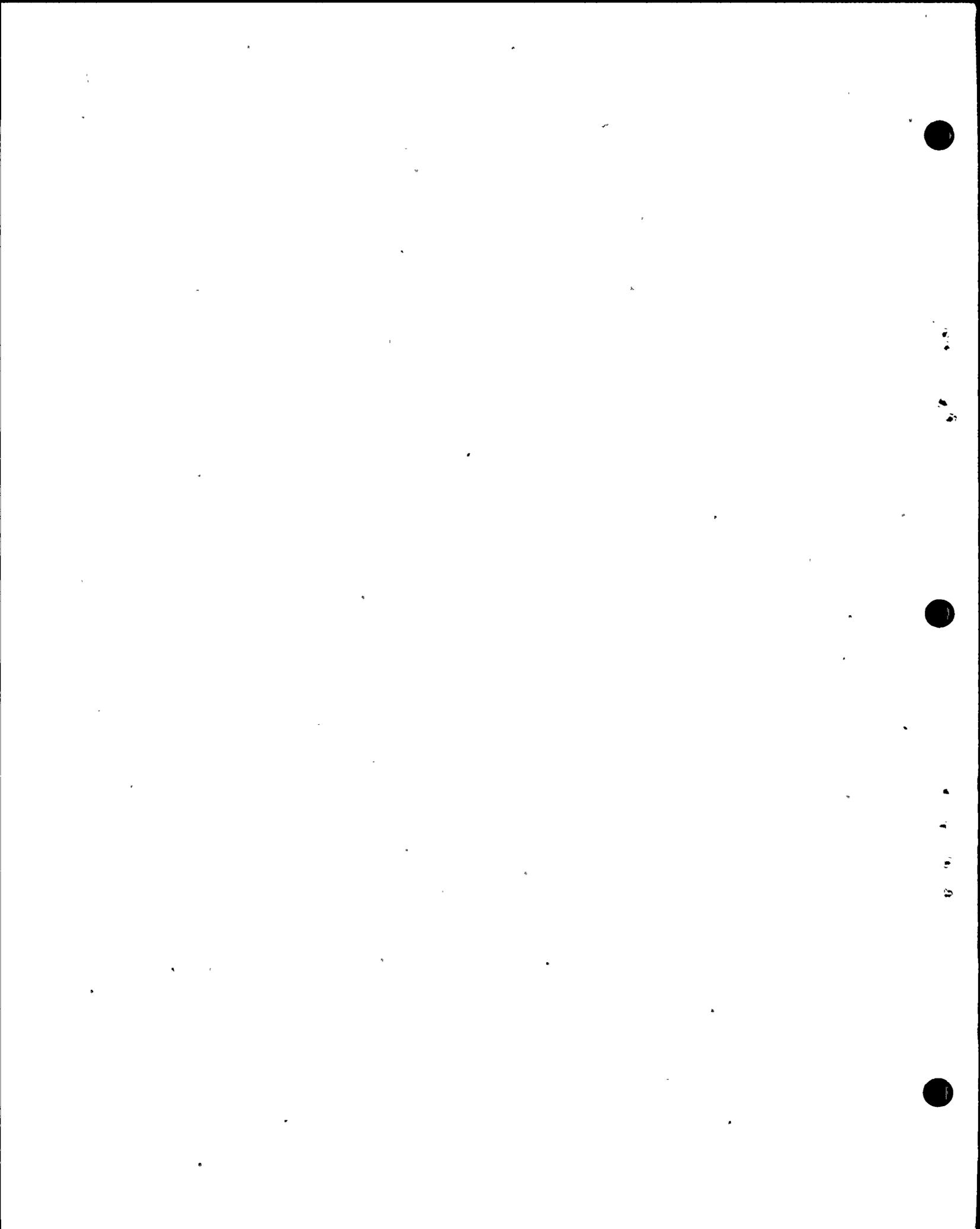
23 Q Yes.

24 A Any inspection report that we make, even if there
25 is no negative type findings at all, Mr. Long is going to



eb11

1 write a letter to Mr. Jones and transmit that finding. So
2 just the mere fact Mr. Long signs a letter to Mr. Jones
3 does not say that we have a problem. Our normal correspondence
4 to CP&L is to Mr. Jones.
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WRBloom

wbl

1 BY DR. LEEDS:

2 Q Well how do you tell Mr. Jones that you have
3 a problem? Do you say it in the letter or in the inspection
4 report? Is he supposed to infer from the inspection report
5 or infer from the letter?

6 A (Witness Long) The letter is kind of strange.
7 When there are no non-compliances it really is just a routine
8 letter transmitting the report and it effectively says there
9 are no non-compliances. That's about the limit of it.
10 when there are non-compliance items. This is identified in
11 what we call Appendix A to the letter. It's purely a
12 legalism, a notice of violation as such which identifies only
13 non-compliances. And this is stated in the letter, then.

5.220

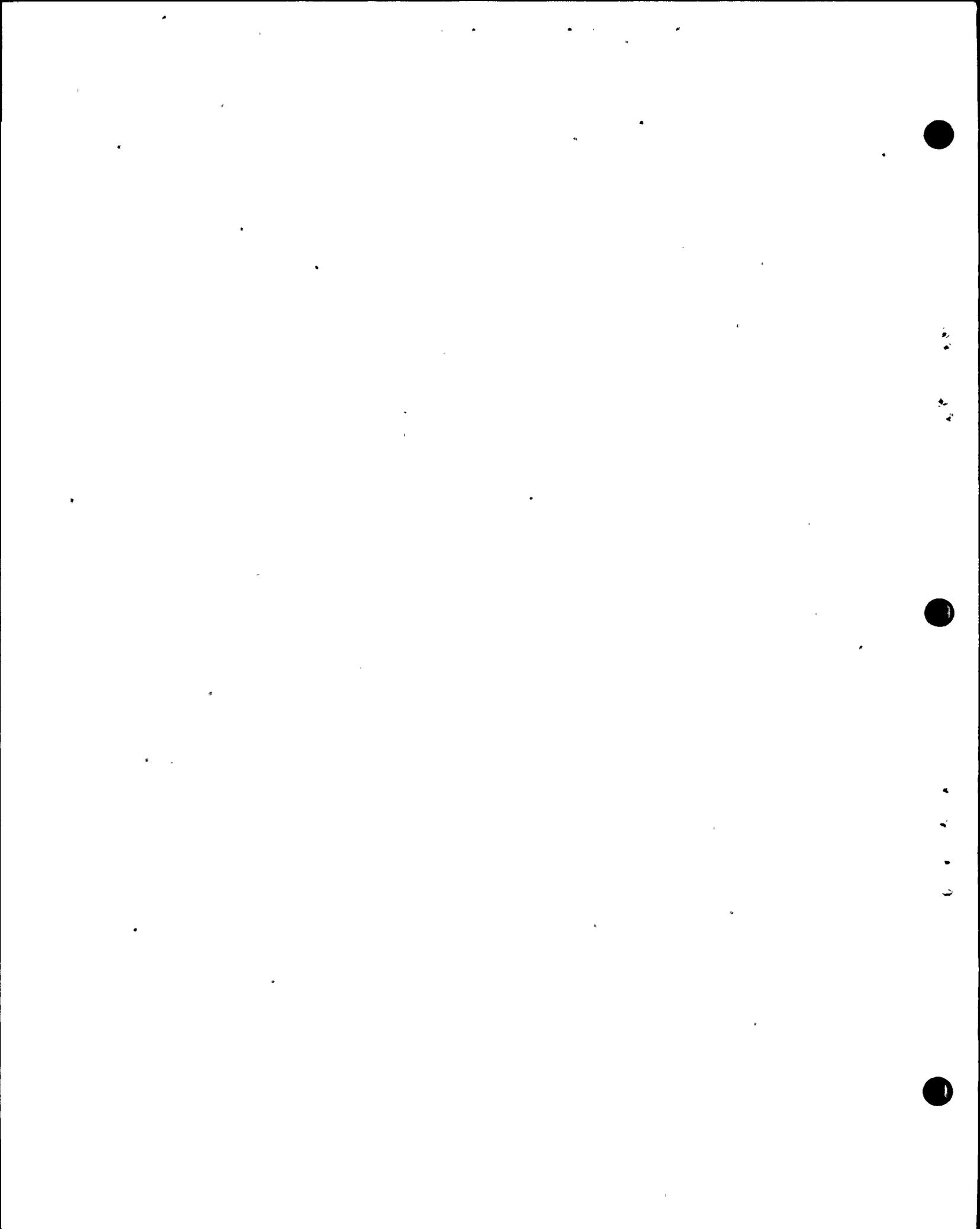
14 There is a difference. It's pointed out to him
15 that there are non-compliances to which he must respond in
16 writing his resolution of.

17 Q So you have two boilerplate letters?

18 A That's effectively it.

19 Sometimes we do add, when we feel the problems are
20 significant or if there is some management concern, if it is
21 a programmatic thing we will add some additional words calling
22 attention to some special additional response needed for that
23 specific situation.

24 Q But you can't look at an inspection report and
25 find out whether there is an Appendix A or not?



WRB/wb2

1 A The inspection report will simply state that an
2 item -- it will identify items of non-compliance. But it's
3 not separated in any outstanding form.

4 A (Witness Dance) Let me clarify that.

5 The items of non-compliance are contained in an
6 attachment to the letter, though.

7 A (Witness Long) As Appendix A.

8 A (Witness Dance) That's the formal language of the
9 non-compliance, "contrary to so-and-so."

10 BY CHAIRMAN SMITH:

11 Q I don't want to take this out of context. But
12 the letter, pages 64 and 65, it's under the heading of
13 "Training and Qualification," and the items concerning SROs
14 precedes the following statement,

15 "During the course of the inspection of
16 training and qualification activities several
17 observations were made by the inspector."

18 So it's called an "observation."

19 A (Witness Dance) Yes, sir.

20 Q But at the end Mr. Long says, or Mr. Wessman
21 has him saying, I guess,

22 "The licensee's activities relating
23 to training will be reviewed by the inspector
24 on a future inspection."

25 So can we infer from that that the item was

YRB/wb3

1 sufficiently important that it's being kept on the open
2 accounts of the inspections?

3 A (Witness Long) Yes, they would be sufficiently
4 important.

5 Q And that you agreed with that?

6 A Yes. That is the inspector's statement, meaning
7 he personally would follow that. And it does go into our
8 own office tracking system.

9 Q And, of course, you either officially-- I mean,
10 you agree with all this, too, otherwise you would not have
11 permitted your signature to be attached to it?

12 A Yes, sir, that's correct.

13 Q All right.

14 I'm going to leave that subject, but I think you
15 still want to say something, Mr. Dance?

16 A (Witness Dance) Let me add just one comment:

17 We did not treat this subject lightly. At the
18 close of the inspection of Mr. Wessman's we did have two
19 corporate officials there, Mr. Furr and Mr. Banks. And then
20 we subsequently presented a review of our findings again on
21 the inspection 77-04 I believe it was, the one in March.
22 I believe it is the same one. And Mr. Furr-- not Mr. Furr,
23 but Mr. Banks was also at that meeting.

24 Q Okay. So you did regard it as important enough
25 to keep -- to talk about, to write about, to keep open and

NRB/wb4

1 discuss with management. It was that important. But it
2 wasn't sufficiently important that you felt that Mr. Cantrell's
3 comments along that line should have been brought to the
4 Board's attention?

5 A That's correct.

6 Q And this was a part of your subjective profession-
7 al judgment, you simply can't put a number, a quantity, a
8 weight on that and add it all up. Would that be correct?

9 A Yes, sir.

10 Q And it is still your opinion that it never did
11 rise to the level of importance that it should have been
12 included in your testimony?

13 A That's correct.

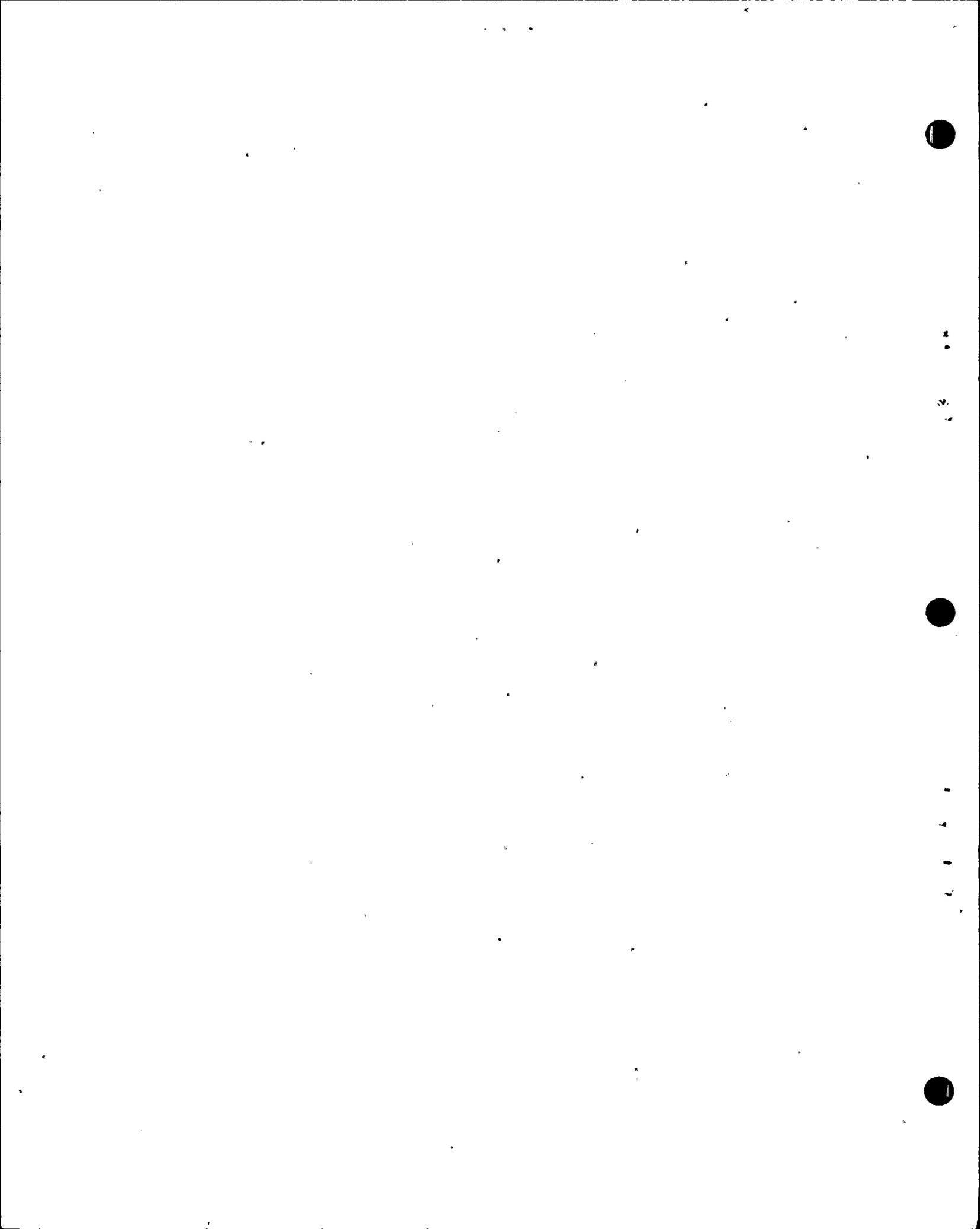
14 Q Does the fact that Mr. Cantrell believed that....

15 CHAIRMAN SMITH: Dr. Leeds has commented-- So
16 that the record will be clear on this. --that the letter in
17 which the inspection report appeared, including pages 64 and
18 65 of Board Exhibit 11, is the letter dated February 17th,
19 1977, signed by Mr. Long. And it's Attachment 7 to Mr. Wilber's
20 testimony.

21 Strike that previous question.

22 BY CHAIRMAN SMITH:

23 Q On page 9 of your original testimony, which will
24 be page 23 of Board Exhibit 10, you come to your basic
25 conclusion that-- In the last paragraph on that page you say,



WRB/wb5

1 "Since no workable standard presently
2 exists to permit making a meaningful comparison
3 of a licensee's performance against other licen-
4 sees, no attempt was made to make such a comparison
5 during this review."

6 So we recognize that even when you prepared this
7 testimony originally that you were telling the Board that it
8 is difficult to quantify this information.

9 A (Witness Dance) Yes, sir.

10 Q And that this has been developed thoroughly in
11 this hearing. And that is the case: you can't make a compari-
12 son between plants because it is hard to make a quantified
13 standard for comparing one plant, isn't it?

14 A Yes, sir.

15 Q So, as you stated, you exercised your judgment
16 and you eliminated that aspect, or you failed to include that
17 aspect of Mr. Cantrell's notes.

18 But this is what troubles me:

19 If you have to depend so heavily upon individual
20 professional subjective judgment, do you feel that you gave
21 sufficient weight, then, to Mr. Cantrell's independent
22 professional subjective judgment, recognizing his opportunity
23 to observe and his experience in this business?

24 A I did at the time, yes.

25 Q If we are missing objective standards for evaluating



WRB/wb6

1 performance, wouldn't it be even more important, however, to
2 give deference to the professional opinion of your colleague?
3 Because you cannot discard his opinion based upon some
4 specific objective standard.

5 Would that statement be correct?

6 A Yes.

7 Q Was it close? I mean, was it a marginal con-
8 sideration? Or did you feel that you had a large margin
9 of safety when you left out the observation by Mr. Cantrell?

10 I'm talking now about the implications of the
11 tech specs concerning qualifications of personnel.

12 I mean, was it a close call; or did you feel quite
13 comfortable in leaving it out?

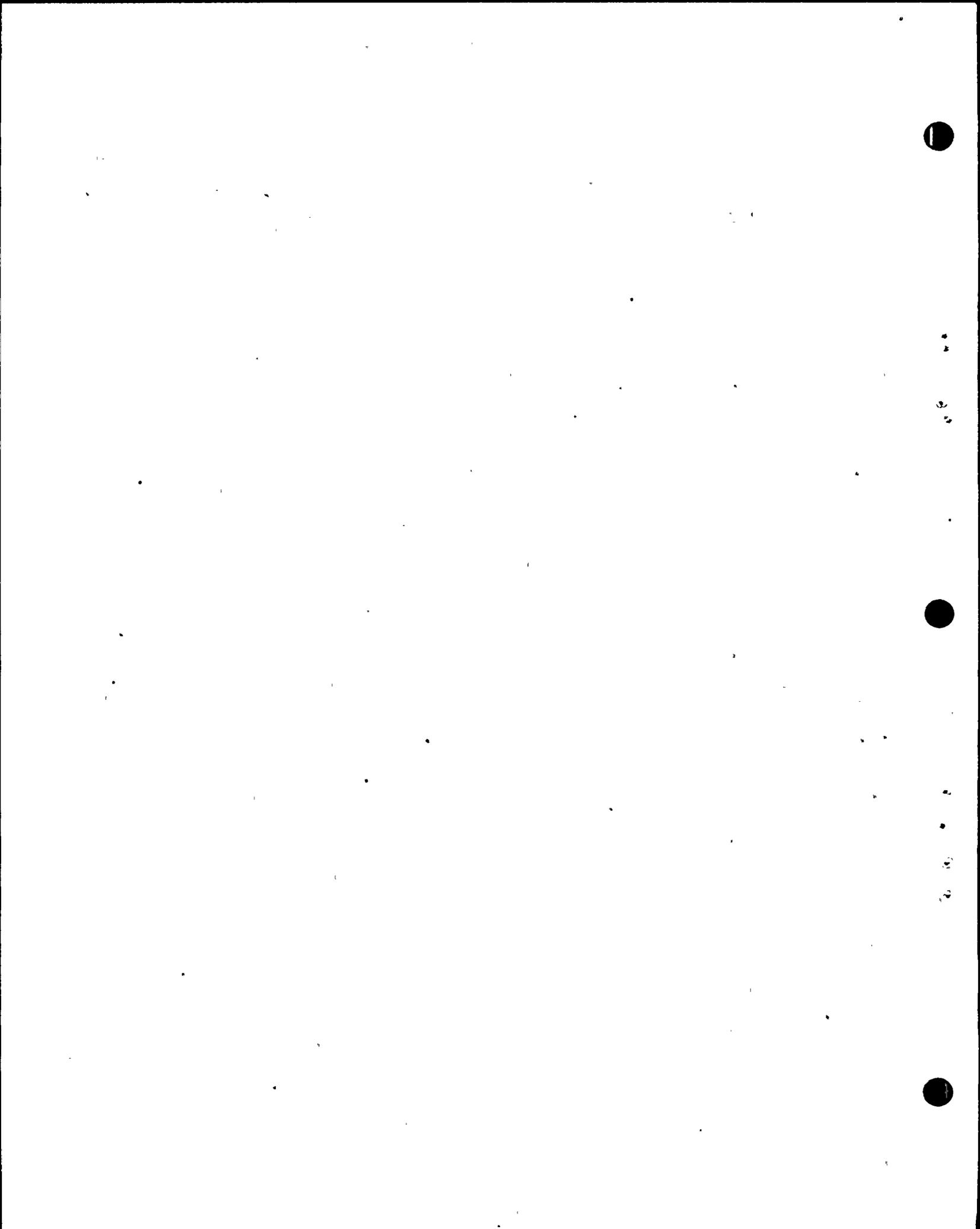
14 A I felt quite comfortable.

15 We're talking about requirements, the qualifica-
16 tions of people. We performed an inspection in that area
17 to determine did they meet the requirements. We were talking
18 to CP&L at that time. We had understood what their training
19 program, how they were expanding the qualifications of their
20 people. So I myself felt comfortable.

21 Q These decisions to select and reject items from
22 Mr. Cantrell's report were made by you; is that right,
23 Mr. Dance?

24 A Yes, they . . .

25 Q On page 6 of your original testimony, which is



wrb/wb7

1 page 20 of Board Exhibit 10, you begin at the top of the
2 page by stating,

3 "This testimony reflects the views and
4 records of the Office of Inspection and Enforcement."
5 And this was consistent with your view of the policy for
6 testifying then in effect; and that is, it is essentially a
7 consensus testimony?

8 A Yes, sir.

9 Q And this is your way of telling us that this is
10 what we were getting, a consensus?

11 A Right.

12 Q However, now, do you still believe, knowing what
13 has happened and how Mr. Cantrell feels about it, that that
14 statement is correct?

15 A Yes.

16 Q Can you explain that?

17 MR. REIS: Mr. Chairman, I want to note for the
18 record that if counsel had asked that question I would have
19 objected, in that I think it is beyond the function of this
20 Board. I think we're getting a little too-- We're not testing
21 the capability of CP&L, or even looking at the scope of
22 NRC testimony; we are, I think, approaching getting into the
23 area of the views of individuals on that testimony and
24 whether they testified in complete candor last time, which I
25 thought more was a function of the I&A investigation. Where it

WRB/wb8

1 it is germane to this testimony, to test this testimony and
2 the testimony on the qualifications of CP&L, I can see it.
3 But I think we're straying over the line a bit.

4 CHAIRMAN SMITH: Well it is true that questions
5 along this line do go to the policy of testimony and how
6 this came about. However we are still faced with this fact,
7 that the record of this proceeding on which findings of
8 fact were made and a construction permit issued depended in
9 part upon this piece of evidence.

10 MR. REIS: No question about that.

11 CHAIRMAN SMITH: And this piece of evidence is
12 still in evidence and hasn't been withdrawn, and has not been
13 corrected with respect to that statement. And although my
14 question may have been unnecessarily conclusionary, I do
15 think that it is something that -- I know you're not raising
16 a question about our right to ask it, but whether it is
17 a fair thing.

18 Well I think it's relevant to the issues, it's
19 relevant to the basis for the original testimony. But
20 furthermore I just think that notwithstanding I&A's responsi-
21 bility in this, I think that we have a responsibility also,
22 and we're going to, without straying too far from the rele-
23 vancy, develop the point.

24 Furthermore, I would expect that Mr. Dance would
25 welcome the opportunity to comment on that.

WRB/wb9

1 WITNESS DANCE: I don't object to the questions.

2 BY CHAIRMAN SMITH: . . .

3 Q Moreover, Mr. Dance, before this remand is over
4 I hope you'll feel that you have had a chance to say every-
5 thing that you will want to say, whether it's relevant or
6 not to the issues.

7 Go ahead.

8 A (Witness Dance) I thought the testimony reflected
9 the views and the records of the office because they did
10 identify the problems, the recurrent problems.

11 I'm giving you much repetition. But that is my
12 position. It was not a trouble-free utility. They have had
13 their problems. We weren't necessarily happy with all their
14 resolutions.

15 Mr. Cantrell had identified many issues and
16 problems, and I thought we had included those in the original
17 testimony to a sufficient depth.

18 Q On page 15 of your testimony, under your Conclu-
19 sions, you state,

20 "During the past twelve to eighteen
21 months of construction work on BSEP-1, CP&L manage-
22 ment increased their visibility and participation
23 in decision-making activities, due in part to the
24 high cost in time and money for the corrective
25 work at the Brunswick facilities."

WRB/wb10

1 My question there is: Even though you do say that
2 the high cost of time and money for corrective work is only
3 partly the motivation for this, didn't you feel compelled
4 to point out, if such was the case, that simply a desire to
5 have a safe operation could be a motivating factor?

6 A Well that portion is addressing construction,
7 so I think Mr. Brownlee ought to respond to that.

8 Q Well this is corrective work of construction cor-
9 rection that's being referred to.

10 A Yes, sir.

11 Q And not the problems of operation that you're
12 referring to.

13 A Correct, sir.

14 Q Okay. Well, we'll let Mr. Brownlee answer
15 that.

16 A If I may add, sir: the specific answer
17 you were questioning dealt more in the next paragraph.

18 Q On page 43 of Board Exhibit 10 is the conclusion
19 made by Mr. Cantrell in his notes to you:

20 "CP&L management still does not appear
21 to have committed the required manpower and
22 financial resources to assure that plant programs
23 are identified promptly, the problems are analyzed
24 by persons knowledgeable in the area, that correc-
25 tive action is initiated, and that the corrective

B/eb1

1 action is followed up to assure the action is timely
2 and appropriate."

3 And then he gives examples which he believes
4 supports that.

5 Do you believe that that view appears in your
6 testimony, your original testimony I'm referring to?

7 A I think that the term "corrective action" as
8 follow-up to assure that action is timely and appropriate,
9 I think that is reflected in the testimony. I think that
10 message came through in the testimony, that --

11 Q That corrective action is followed up to assure
12 the action is timely?

13 A Yes, sir.

14 Q As a positive statement or a negative statement?

15 A I think it is in the original testimony in a
16 negative way in that they have not always been timely for
17 corrective action.

18 Q But the rest-- The rest of the conclusion
19 by Mr. Cantrell, does it appear?

20 A The issue is corrective action, so therefore I
21 think it is included in the initial testimony. If, for
22 whatever reason, the corrective action has not been timely,
23 I think that was identified in the original testimony. And
24 that seems to be the issue to me.

25 BY DR. LEEDS:



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1 Q Let me make sure I understand you. As you see it,
2 the issue is timeliness of corrective action, not a commitment
3 on the part of BP&L. Is that what you're saying? I'm not
4 trying to put words in your mouth.

5 A I see the two as going-- You know, it's a very
6 fine line but I see the two as going hand in hand. The
7 commitment of corrective action is a-- Well, timely correc-
8 tive action is a commitment of CP&L.

9 Q Okay.

10 If I may characterize this paragraph as a para-
11 graph that makes a conclusion at the beginning, "...still
12 does not appear to have committed the required manpower...."
13 and then it says areas that this conclusion shows up, and
14 then it supports later on with an example, I gather what
15 you're saying is then that I should have concluded from a
16 lack of timely responses which are inferred in your testimony
17 that they haven't committed the necessary manpower and so
18 forth, and there was no need to tell me about it. Is that
19 what you're saying?

20 A No, I'm not telling you that.

21 Q Okay.

22 BY CHAIRMAN SMITH:

23 Q Is it your view that the original testimony in-
24 cludes this conclusion by Mr. Cantrell on page 43 in a specific
25 place? Let's go to your testimony and point out where you

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feel that it is included.

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At page 13 I see you discuss it.

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1 A Page 13 is page 27 of Board Exhibit 10.

2 Q Yes.

3 A Paragraph A is discussing the management quali-
4 fications. Paragraph B is discussing the repetitive items
5 and the timeliness of corrective action.

6 Q And then you do refer to corporate resources.

7 A And then we do give examples.

8 Q Is that the portion of your testimony which you
9 think incorporates Mr. Cantrell's conclusions?

c6 10 A That part, and also in the conclusions on page
11 15-- No, that's the wrong part. On page 16.

12 Q Which is page 30 of Board Exhibit 10?

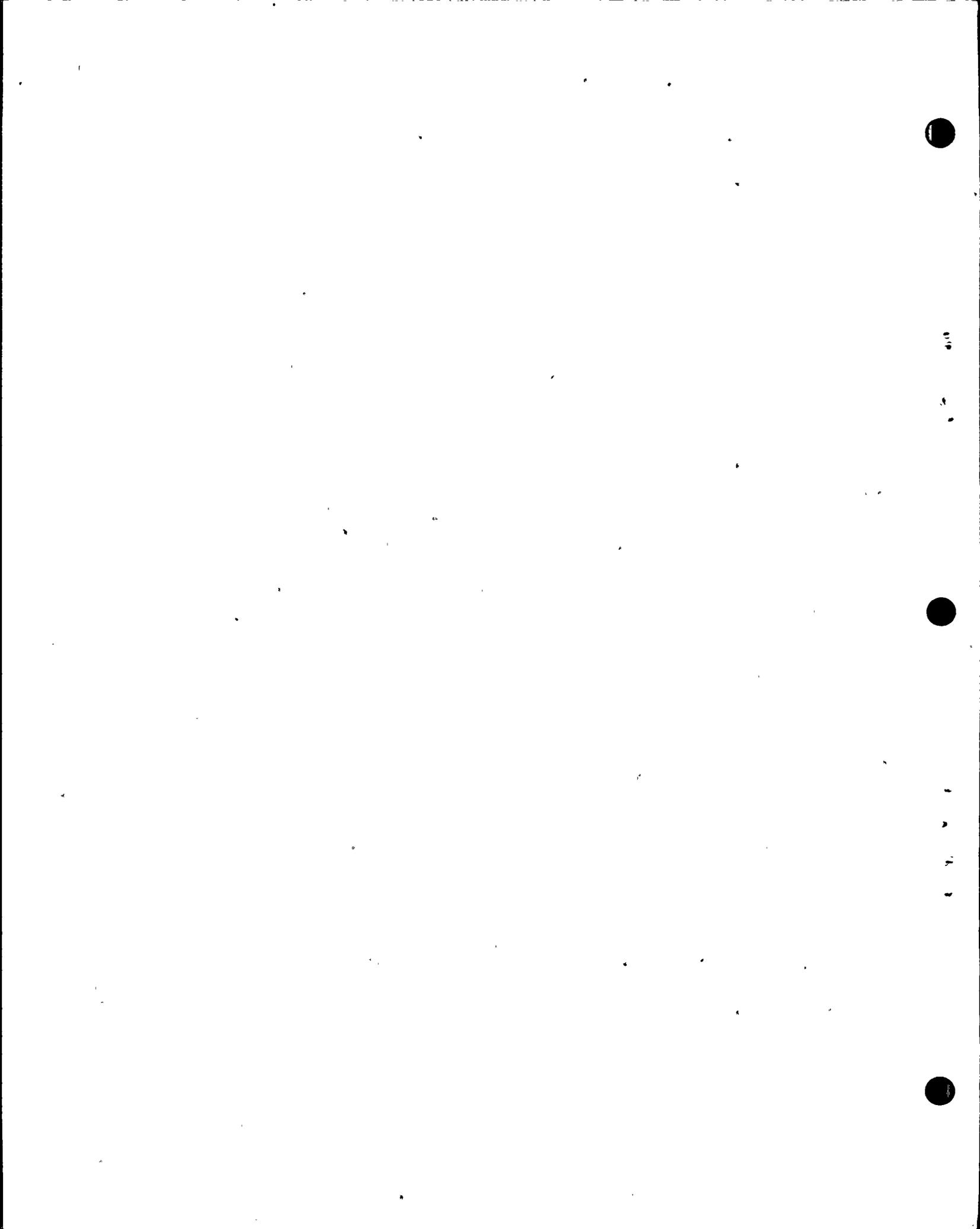
13 A Yes.

14 So I am saying that they have had -- that correc-
15 tive actions have not been timely and that we have reviewed
16 this and think we're on a good trend.

17 Q Okay.

18 I guess my particular problem is that I could
19 not see in your original testimony when I was looking for it
20 any statement which brings to us clearly Mr. Cantrell's
21 concern, his conclusion that CP&L management still does not
22 appear to have come into the required manpower and financial
23 resources. That's the key that troubles me, and I just can't
24 seem to find that so explicitly.

25 So it is really the comment right there that I



eb2

1 wanted you to address, to evaluate that.

2 A That conclusion I would say is not addressed, but
3 his findings to back it up is addressed.

4 Q Okay.

5 This was another judgment that you made.

6 A Yes.

7 Q And you had not overlooked it. You just simply--
8 Did you disagree with that statement about commitment of
9 required manpower and financial resources? Did you dis-
10 agree with that statement?

11 A Yes, I did.

12 Q You just didn't think that statement was true?

13 A I didn't think it was true-- Well, let me not
14 say it's not true. I didn't think it was factual in the
15 light of the changes I understood that we had gone through
16 in the program for corrective action.

17 Q I'm not suggesting that you thought he was simply
18 lying about it. But you just disagreed with his conclusion.
19 Right?

20 A Yes.

21 Q And that is the reason you didn't put it in your
22 original testimony?

23 A Yes.

24 Q Okay.

25 CHAIRMAN SMITH: I think I'm about done, but I



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would like a chance to look over the notes. So would it be appropriate if we would recess, and make our move now, and then we'll wind this up right after lunch, and give the opportunity for cross-examination?

We will adjourn now and we'll meet back at the 'Utilities' Commission Hearing Room at 1:30.

(Whereupon, at 12:15 p.m., the hearing in the above-entitled matter was recessed to reconvene at 1:30 p.m. the same day.)

End WRB
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A P T E R N O O N S E S S I O N

(1:30 p.m.)

CHAIRMAN SMITH: Are you ready, gentlemen?

Whereupon,

FRANCIS J. LONG

and

HUGH C. DANCE

resumed the stand as witnesses on behalf of the Regulatory Staff and, having been previously duly sworn, were examined and testified further as follows:

EXAMINATION BY THE BOARD (Continued)

BY CHAIRMAN SMITH:

Q Would you refer to Mr. Cantrell's testimony, attachment 8? It's the letter, or a memorandum, from Mr. Dance to Mr. Long, dated March 21, 1977. In it you refer to a meeting of March 17, 1977. That was the meeting that you just referred to before the noon break, I believe, in which you discussed these problems that Mr. Banks and Mr. Tollefson.

Item 1. You state that 2 of 9 personnel in training are supervisors desiring SRO licenses. CP&L's goal is to have additional supervisors pursue SRO training, but their evaluation was that the immediate need was to maintain a steady staff prior to monitoring.

At the time that Messrs. Dance, Cantrell and

1 Wessman made the inspection in January, the report was that
 2 they had no plans for training.

3 Is this statement inconsistent, or does it reflect
 4 a change in management attitude after your inspection?

5 A (Witness Dance) I don't think it reflects a change
 6 in management attitude. I think it reflects a continuation
 7 of the recognition of need for additional training.

8 Q Well, perhaps not a change in attitude, but is it
 9 a change in the management's plans?

10 Mr. Wessman's memorandum of the inspection stated
 11 that they did not have the SROs listed as desirable, nor did
 12 they have any plans for training any. But here is a specific
 13 statement that there are two people actually in training.

14 No. . . I see. . . they are not in training for
 15 SRO license, are they? They're in training to be -- just
 16 in corporate training.

17 A They're in the training program, but maybe not
 18 for SRO license.

19 Q All right.

20 So this statement number 1 is not inconsistent,
 21 then, with the statement that Mr. Wessman made in his
 22 report of inspection?

23 A I don't think it's inconsistent, but it is
 24 different.

25 Q Well, how is it different?

wel 3

1 A Well, Mr. Wessman was not aware of any other
2 plans. By March we were. And I don't know where the change
3 took place.

4 Q In Mr. Wessman's report he specifically asks if
5 they had any immediate training plans. I mean in his exit
6 interview with them he specifically asked if they had any
7 immediate training plans, and the answer was no, they had
8 none.

9 So this is a changed circumstance, is it not?

10 A And also his memo to me following that inspection
11 stated there was no -- stated the same thing. He didn't
12 know of any other plans.

13 So I would say, yes, this is a change.

14 Q On the second page of that letter you say:
15 "Although we didn't see all issues equal, the
16 communication gap is diminishing."

17 Is that communication gap still diminishing, in
18 your view?

19 A Yes, sir, I do.

20 Q Up till today?

21 A Yes, sir.

22 Q Going back to page 1 of that letter, item number 3,
23 "Corporate and plant management are not
24 contemplating additional moves that will evaluate
25 needs carefully, recognizing the need to stabilize

1 personnel."

2 Could you clarify just what moves are being
3 referred to there?

4 A We had addressed the many changeovers of plant
5 management, even the middle management, the upper management,
6 at the plant. That's the moves we're referring to.

7 Q Management moves, management slots?

8 A Right.

9 CHAIRMAN SMITH: Those are all the questions that
10 the Board has of this panel.

11 No, wait a minute. You wanted an opportunity
12 after lunch to respond to the first question of the morning,
13 or last question of Friday. Do you have a response now, sir?
14 Mr. Dance?

15 WITNESS DANCE: Yes, I do.

16 CHAIRMAN SMITH: Would you make your response?

17 WITNESS DANCE: The question, as I understand it,
18 is that you would desire for me to express informal
19 inspector views in the office.

20 CHAIRMAN SMITH: Expressed views, statements.

21 WITNESS DANCE: Yes. Expressed views in the
22 office, independent of regulatory requirements. And that's
23 what I'm prepared to do.

24 CHAIRMAN SMITH: Well, in the original questions
25 I clarified the views made at least in the course of work,



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1 or made gratuitously at a social event, without opportunity
2 to -- well, just answer the question, and if any of those
3 are of that nature, well then we want to identify them.

4 But I'm talking about other ways in which that
5 thought was expressed by people in the office, or outside the
6 office, as far as that's concerned, so long as it was
7 related to their employment.

8 WITNESS DANCE: I understand. And I just want to
9 preface my remarks to make sure we have it in the context,
10 though, that you judge the contexts as they are.

11 I think many of these comments we could say about
12 many other utilities. We could even say about our own
13 travel section.

14 So I want you to take me in that regard.

15 We have heard comments about -- and we're speaking
16 of CP&L -- that harrassment, impeding of inspector access
17 due to delays at the gate, and providing escort for
18 inspectors. We have heard comments on they try our patience
19 regarding timeliness of corrective action. We've heard
20 comments on they only do what is required, and they are
21 tight-fisted.

22 That's the type of comments.

23 BY CHAIRMAN SMITH:

24 Q I'm a little bit concerned here. I think I used
25 the word tight-fisted. I hope this isn't being mirrored

wel 6

1 back here.

2 A I hope not. It was given to me during the recess
3 as a term having been used in the office.

4 Q No, I didn't use that exact term, but I used the
5 word -- I included the term tight.

6 A Well, in our testimony we used the term tough.
7 So . . . That's the kind of terms we've heard in the office,
8 and I hope that's responsive to your question.

9 Q All right. Then I have one final question:
10 The first day that Panel 1 was testifying I was
11 asking questions about whether it was easy in the performance
12 of your professional responsibility to include or exclude
13 information in preparing testimony. I was asking about
14 whether it was simply easier to throw everything in, or more
15 difficult to make a professional judgment that something
16 should not be included.

17 You indicated some difficulty with that. Have
18 you thought about that question any more?

19 A No, sir.

20 CHAIRMAN SMITH: Are we ready for cross by Mr.
21 Erwin?

22 Oh, there's one other thing. Before you're
23 excused as a panel, I want you to have an opportunity to make
24 any comments about this proceeding that you wish to, and if
25 you want to make them now it might be a little bit closer

1 to the Board's questions. If you'd rather wait until the
2 end, or if you have none at all, that's fine. But if now
3 is a good time, you can do it.

4 Do you have anything you want to say, or do you
5 want to wait?

6 WITNESS LONG: I'd rather wait.

7 DR. LEEDS: This would not preclude you making
8 them at the end, as far as I'm concerned, and I'm sure the
9 Chairman shares that view.

10 CHAIRMAN SMITH: Mr. Dance?

11 WITNESS DANCE: I don't have any new comments.
12 I've expressed them throughout the hearing in response to
13 questions. I have no problems with the hearing.

14 CHAIRMAN SMITH: All right.

15 Mr. Erwin?

16 CROSS-EXAMINATION

17 BY MR. ERWIN:

18 Q Mr. Dance, just to pick up on your last response
19 to a question, you said -- I believe in response to the
20 Chairman's question about adjectives used in the office,
21 that the ones that you gave were some of those that you've
22 heard. And again, the Chairman, of course, is free to stop
23 me at any point, but I think I'd like to -- it might very
24 well be inappropriate for the Chairman to lead, but I think
25 I'm entitled to lead you with a few phrases and see if they

wel 8

1 jog your memory, and see if you remember ever having heard
2 them used in reference to CP&L.

3 Again we're assuming that wherever they were
4 used they also might be used in reference to another utility,
5 or to your own travel section.

6 Have you ever heard anybody say they were
7 hard nosed? I'm just going to go through a list of adjectives
8 and list a few, not a long list.

9 MR. O'NEILL: Mr. Chairman, we're going to
10 object to this line of cross-examination. We felt somewhat
11 restrained from objecting to your questions, but this is
12 the worst possible form of hearsay.

13 We don't object to Mr. Dance and Mr. Long
14 testifying to their position evidencing the facts, but to
15 take gratuitous comments out of context and particularly
16 as suggested by Mr. Erwin, would simply be evidence that
17 should not be introduced in this record.

18 CHAIRMAN SMITH: I agree, Mr. O'Neill.

19 The Board in asking those questions went very
20 far. Not all hearsay statements would be necessarily
21 inadmissible at all, but unless you have some basis to
22 believe that those comments may have been made, I just don't
23 think it's fair to have them in juxtaposition to their
24 testimony. If they don't recall them themselves --- they've
25 had a lot of opportunity to think about it.

wel 9

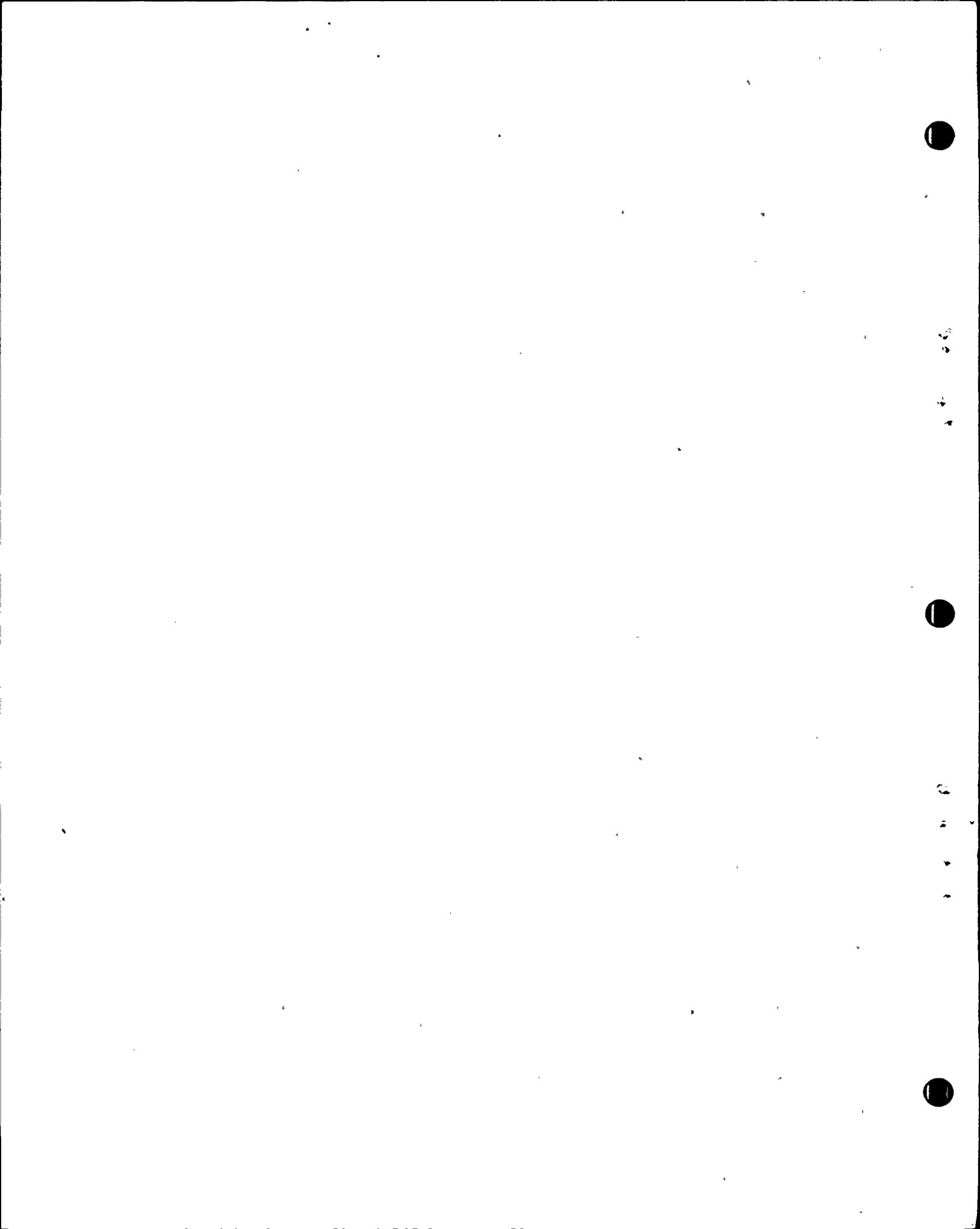
1 So unless you have some basis to believe that
2 those comments were actually made -- one of the reasons why
3 I felt that it was all right for us to make this inquiry --
4 and it may not be all right in a tight adjudicative process --
5 is that we do have a responsibility to determine whether the
6 evidentiary trail should lead someplace it's not going, in
7 addition to judging the evidence.

8 But I just don't think we can permit you to do
9 that, unless you have some reason to believe that those
10 comments were actually made.

11 MR. ERWIN: Mr. Chairman, I have no reason to
12 believe these comments were made, but I do have reason to
13 believe from Mr. Dance's testimony just a moment ago that
14 there may very well have been other comments that have been
15 made which he has not recollected or which he may have
16 recollected but not -- he just stated, I believe, that the
17 record will show that those were some of the comments that
18 have been heard in the office, and again, I'm only trying --
19 I'm very fascinated by the Chairman's question, and I
20 shared his frustration, and I appreciated Mr. Dance's
21 response.

22 And I wanted to facilitate -- rather than to ask
23 him once again -- you may consider it completely inappropriate
24 on my part to pursue the line, and --

25 CHAIRMAN SMITH: I would have no objection to



wel 10

1 you interviewing Mr. Dance, and then giving him a chance to
2 say it again, testify again. But I think having these
3 thoughts on the record suggested in that way just simply
4 isn't fair. It could be taken out of context.

5 Why don't you interview him at a break, and see
6 if your comments could refresh his memory. And then if they
7 do, I'm sure you'll come back. But as it is now, you've
8 given us all those that you recall, is that right, Mr. Dance?

9 WITNESS DANCE: Yes, sir, all that I recall.

10 Let me add that we have an office of over 100
11 inspectors, and they're not the most disciplined group.
12 They've got their own views, and express them. And whether
13 they're regulatory requirements -- you don't control a bunch
14 of over 100 inspectors, their comments. They freely give
15 them, whether they're regulatory requirements or not.

16 CHAIRMAN SMITH: But all of those comments that --
17 those are all the comments that you can recall, yourself, is
18 that right?

19 WITNESS DANCE: Yes.

20 CHAIRMAN SMITH: I'll sustain the objection.
21 Interview him if you want to.

22 MR. ERWIN: Is it your opinion that I have the
23 right to directly interview Mr. Dance without -- should I
24 ask Mr. Reis' permission, or --

25 MR. REIS: It's okay with me.

wel 11

1 BY MR. ERWIN:

2 Q Let me ask you to refer to page 68 of the written
3 testimony of Panel III.

4 First of all -- I'm sorry -- we've heard a good
5 deal about the way in which testimony is generally prepared
6 for delivery before boards, and we've heard some testimony
7 about how the original testimony in the fall of 1977 was
8 prepared. But could you tell us how your testimony -- just
9 simply the process by which the testimony of Panel III was
10 prepared?

11 A (Witness Dance) Yes, I could.

12 We requested surveys from all inspectors that
13 had been at CP&L that were in the Region. Those surveys are
14 part of the record.

15 Now, I'm referring to the Operations portion,
16 and the Construction may vary slightly. But I think it's
17 a different system, is what I'm saying.

18 Q Well, I'm just asking you to comment on Panel III
19 alone.

20 A Okay. Very good.

21 Q And nothing else.

22 A We requested the different branches to prepare
23 input, in the security area, radiation protection area, to
24 evaluate the program in their area.

25 First we had a narrative type of response, and



1 then we developed questions to develop it into.

2 That's about the way it went. At this time, I
3 may add, we used the word "provided" instead of "clarifying,"
4 or "summarizing."

5 Q I'm sorry? I'm not following you.

6 A Well, in the 1977 testimony I summarized the inputs.
7 This time it was not my intent to summarize any input.

8 Q Now, I may be mistaken, but I again have to
9 somewhat at this point -- I'm in the position of the Chairman,
10 I have to rely on memory to a certain degree.

11 I believe Mr. Long testified this morning that
12 in the past the process has been that you have informally
13 reviewed your relationship to the licensee in the plant and
14 adopted a position and prepared testimony subsequently.

15 Am I correct?

16 A (Witness Long) Yes, you're correct.

17 Q Now, my question is -- or my questions are:

18 Does this testimony of Panel III, as well as
19 representing your own personal beliefs, opinions, and views,
20 represent as well the position of Region II at this date?

21 A Yes, I'd say that this testimony would be the
22 Region II position. It has been reviewed in the Region and
23 pretty well concurred in.

24 Q Now, when did this position become -- when did
25 you take this position?

wel 13

1 A Well, I believe I pointed out this morning, in
2 a continuing inspection program a position on -- in other
3 words, if we are anticipating a hearing at any time in the
4 future, either an operating license or a reopened hearing,
5 or any such thing, our position is sort of developed on a
6 day-to-day basis from one inspection to another. And it's
7 sort of a check-and-balance thing, that we identify problems,
8 we look for the resolution, maybe hold meetings with manage-
9 ment, we sort of try to keep the slate clean and cleared
10 periodically as the inspections continue.

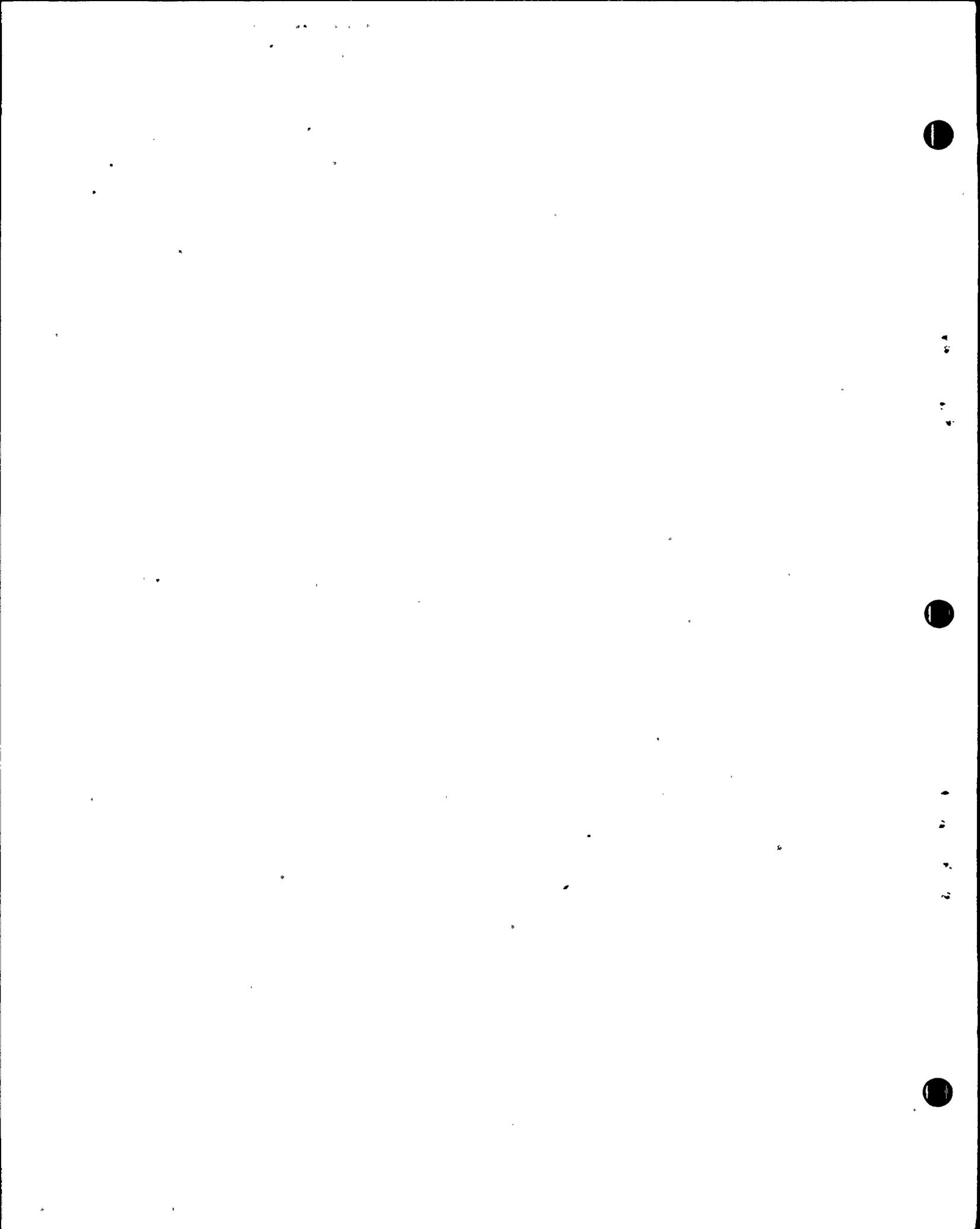
11 So our position would really be not in opposition
12 as long as we were not identifying serious problems, or
13 if major problems that had been identified were not being
14 corrected.

15 So I could anticipate that our position would be
16 one in support of a license so long as our continuing
17 inspection program identifies no serious problems. I could
18 anticipate that we would be able to support certain actions.

19 Q And none of the problems that you have identified
20 over the course of your relationship in operations with
21 CP&L have you considered to be so serious as to warrant
22 withdrawal of support in the past?

23 A That's correct.

24 Our position is -- I think this is a uniform
25 position in IE -- that serious -- a real serious problem at



Wel 14

1 a facility would either result in restraining of operations
2 or recommendations for interruption of operations, or refusal
3 to permit a startup, if there were some problems of that
4 magnitude.

5 In other words, if we were not able to anticipate
6 corrective actions to any problem, we would consider it
7 serious.

8 Q So that in reviewing the evidence available to
9 you prior to circulation of this memorandum, Mr. Dance's
10 memorandum, and the preparation of your testimony, your
11 position was -- essentially remained the same that it had been
12 in 1977? Is that correct?

13 A Essentially the same, yes.

14 Q So that on the date that Mr. Dance's memorandum
15 was -- I keep saying Mr. Dance's, Mr. Long's memorandum --
16 I'm sorry -- Mr. Long's memorandum was circulated in October
17 3rd of last year, at that date the position of Region II
18 Reactor Operations and Nuclear Support Branch was to
19 continue to support the licensing -- the construction permit
20 of the Shearon Harris Plant?

21 A Yes, that's correct.

22 Q Do you have any reason whatsoever to believe that
23 any of the persons to whom this memorandum was submitted
24 was not aware of that position?

25 A To the best of my knowledge, everyone who

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1 responded was aware of that position, I have to say by
2 virtue of the fact that no other position contrary to that
3 had been stated or discussed at all.

4 Q So would it be fair to say that in summary then
5 that all of the persons to whom this memorandum was circu-
6 larized were aware that the position of the Branch remained
7 to support the construction permit -- period?

8 A I think that's correct. It would have been very
9 promptly announced or stated if our position were changed
10 for some reason. It would have to be a significant issue.

11 Q Who drew up-- Who actually worded the question-
12 naire?

13 A As Mr. Dance pointed out, many of the questions
14 are -- in my case are my own specific answers and some of
15 the questions are Mr. Dance's specific answers, those
16 particularly where dates and figures-- Are you talking about--

17 Q I'm sorry, I meant to ask you who actually worded
18 the five questions directed to the staff?

19 A Mr. Murphy and I had really the responsibility or
20 the concern and I believe Mr. Murphy, with our comments,
21 developed the questionnaire. He initially provided these to
22 people in his branch, and then I follow up and sent the
23 questionnaires to all people in my branch and all others in
24 the office who conducted inspections, security safeguards,
25 radiological environmental people.

VEL/eb2

1 Q All right.

2 So would it be fair to say that Mr. Murphy --
3 that, for instance, the phrase appearing in Question 5,
4 CP&L's capability to construct and operate Harris, is from
5 Mr. Murphy?

6 A I believe so, yes, sir.

7 Q Now at the time you circularized this memorandum,
8 did you accompany it with any description or discussion of
9 the standards by which the individuals to whom it was
10 circularized were to judge CP&L's capability?

11 A As far as I know, the only thing we did, we met
12 with lots of people; all of our regional people were in-
13 volved and expected to answer the questions. We met with
14 them, discussed the hearing process and everything that had
15 preceded this, the reason basis for the form, and answered
16 the questions. Many comments were verbally made with regard
17 to their understanding of the purpose of it.

18 And I believe that would be about the extent of the
19 preparation.

20 Q Okay.

21 I'm sorry, I misunderstood. You all got together
22 in a group meeting to discuss it?

23 A We met by branches, I believe, and there were
24 probably several meetings, and of course at different times
25 when people were in the office we held several meetings



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2 for those in and those who came in later, to make sure that
3 people understood the reason behind the questionnaire.

4 It was something we didn't do very often. This
5 was one of the few cases that such a survey had been made,
6 and there was a little bit of confusion about that.

7 Q What kind of confusion did you encounter?

8 A Mostly-- The only questions that were raised to
9 me was just what the reason was, what was going to be done
10 with them, how we were going to handle them, and other, more
11 practical things like time frame, whether or not the ques-
12 tionnaire was really applicable to people who had not been
13 to the sites or had not been there recently; that sort of
14 thing.

15 Q Now there were some comments in the questionnaires
16 about -- or statements by some of the people to whom the
17 questionnaires were addressed to the effect that they didn't
18 want to testify. Were there any questions raised in these
19 meetings about having to testify?

20 A I think I heard at least one comment to that
21 effect which I thought -- at the time I personally considered
22 it jokingly, because the individual -- one individual, I
23 don't remember now, I know he did fill out the questionnaire.

24 Q Well, what was -- I mean can you recollect the
25 comment?

A I don't remember, really, anyone saying that he

wel 1

1 didn't want to testify, but several did ask whether they
2 would be expected to testify to memos that were put in the
3 record.

4 Q And what was your response?

5 A My response -- the only thing it could have been,
6 which it was -- was that we at that time had no idea, other
7 than those already identified to participate in the hearing,
8 we had no assurance that anyone else would or would not
9 be a witness.

10 Q Did the members of your branch, as a rule,
11 especially enjoy testifying at hearings of this or any other
12 nature?

13 A I don't think anyone has really objected to it.
14 I don't believe anyone looks forward to it, just like I
15 certainly don't look forward to it. I've done it a number
16 of times. But it is a necessity, and once we decide what
17 individuals will testify, then they are very glad to get
18 to it and get it over with.

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Q But it's not considered easy or pleasurable duty
in general?

A In general, it would not be.

CHAIRMAN SMITH: In general it would be a
Catch-22 situation. If they enjoyed testifying, they
wouldn't be competent to testify.

(Laughter.)

WITNESS LONG: You would want to be aware of
someone who was too anxious to testify.

BY MR. ERWIN:

Q And I asked you whether or not you circularized
any standards.

Let me just ask you now whether you have any
standards, whether you are aware of any standards, or
whether you have adopted any standards or are attempting to
adopt any quasi-objective standards as to the capability of
the licensee to construct and operate a plant? That's just
a broad catch-all question; so that we don't have to go
through a long laundry list of individual questions, I just
thought I would open it up to both of you.

I think you understand exactly what I want to
know, and that is:

On what basis did any of these persons -- what
was the expected basis for them to state an opinion concerning
CP&L's capability? Did they have any standard other than

mpb2

1 their own subjective judgment?

2 A (Witness Long) I believe it would be a combina-
3 tion of things. Knowing individuals, I know that some
4 individuals have -- maybe some have pet interests, pet
5 concerns about all projects. Maybe one man resents being
6 held up on access, for example. If that particularly
7 bothers him he's going to probably express a stronger
8 concern in that area.

9 Some of the radiological or environmental people
10 have very specific concerns which they register at all
11 plants where the conditions exist, and they will tend to
12 dwell on their subjects.

13 And the reason -- understand, I'm not sure how
14 this came about, but we got into the business of identifying
15 possible issues that needed to be brought before the hearing
16 board. The whole thing came about, as I recall, as a
17 result of one of the congressmen's interests in the
18 subject. I don't think the word was "dissent", but differing
19 opinions, that sort of thing. And we were all surveyed
20 several times on that issue, whether or not there were
21 things that we thought might represent a differing opinion
22 that had not been identified and resolved.

23 So from about that point on, we have been making
24 a very strong effort to identify outstanding concerns, have
25 people come forward and tell us if something is still

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outstanding that you think ought to be further discussed
2 or if they were not satisfied with the resolution of it.
3 This has become a part, almost a routine part of our mode
4 of operation at this time.

5

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Q But again, you have not promulgated or adopted
or authored or come up with any, you know, written or
codified standards by which anyone within your organization
would be able to stack up his experience against with CP&L?

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MR. TROWBRIDGE: Mr. Chairman, I don't know that
an objection, as such, is proper under the rules of the game,
even though Intervenor has no contention in this area, said
none, and is entitled to follow through on matters on which
the Board takes an interest, but I would urge the Board to
exercise some of its own discretion in whether the line and
repetitive questions, the line of questions and the repetitive
nature of them is contributing to the Board's record of this
proceeding.

18

19

20

I think a little more inquiry of Counsel for the
Intervenor as to what he hopes to elicit that will be of use
to the record would be in order.

21

22

CHAIRMAN SMITH: Mr. Erwin, would you care to
respond?

23

24

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MR. ERWIN: I'd be happy to.

I find a very great difficulty in conducting
cross-examination of these witnesses for the primary reason

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that if you have a line of questioning which you believe
2 leads somewhere, when the response to a specific question
3 is completely swamped by comment, you can't go anywhere
4 with it. You have to keep coming back to where you wanted
5 to be in the first place.

6

I asked him, and he could have said yes or no,
7 and then we could have proceeded.

8

Now where I'm proceeding is very simply this:

9

It appears to me from -- and I'll just state my
10 conclusion and ask -- I'm perfectly willing to do this in an
11 unconventional manner. But I'll tell you where I'm getting.

12

13

I think it's unfair -- well, actually I'd rather
14 not do that because I think it's very grossly unfair to me
15 to have to do that. If you feel that I'm repeating myself,
I will try to stop that.

16

17

I think my repetition quite honestly is consider-
18 ably less than the witnesses'.

19

CHAIRMAN SMITH: I didn't make the observation.

20

MR. ERWIN: I didn't mean to suggest that you
21 did, Mr. Chairman.

22

CHAIRMAN SMITH: Actually there's no motion
23 before us or anything. I think the discussion may be help-
ful. So why don't you just go ahead.

24

MR. ERWIN: All right.

25

CHAIRMAN SMITH: I did recommend to you with

mpb5

1 respect to Panel I that if you're not happy with an answer
2 to a question you can put the burden upon the Board. I mean,
3 if you don't feel that a question is responsive, rather than
4 putting yourself in a position where you think you must ask
5 repetitive questions, insist that the question be answered
6 correctly the first time.

7 MR. ERWIN: Well, I just hate to keep interrupt-
8 ing. I'm not impugning the motives of the gentlemen. I
9 think they're trying to be comprehensive and they're not
10 trying to -- it's just simply that every time you ask a
11 sort of simple question, or frequently when you ask a simple
12 question to which a simple response would spring to your
13 mind, that they think it requires amplification.

14 CHAIRMAN SMITH: And I think their motivation
15 is to make sure that they've explained it thoroughly.

16 MR. ERWIN: And my motivation is simply so
17 that I can keep -- my motivation in trying to come back to
18 the points that I was trying to get at is to keep my own
19 thinking in line and to proceed.

20 CHAIRMAN SMITH: You see, there are sometimes
21 differing needs that witnesses need from attorneys is the
22 point they're trying to go to. And the witness makes a
23 very, very thorough explanation which is not immediately
24 responsive, but it does sometimes frustrate that.

25 Many times in testimony we have had to go back

mpb6 1 into the written testimony and make sure that the testimony
2 does start out with a yes or a no, as the case may be. And
3 I think it's helpful for you to first formulate in your mind
4 whether a question can be answered yes or no, and then go
5 ahead with your explanation.

6 BY MR. ERWIN:

7 Q Again, tell me if I'm misspeaking, but it's my
8 understanding that a one-word specific answer to my question
9 as to whether there exists specific objective standards by
10 which someone in your branch could -- quote -- "judge CP&L's
11 capability to construct and operate Harris", the answer would
12 be no.

13 A (Witness Long) The answer would be no.

14 Q All right.

15 And that the process by which the individuals
16 who were asked to answer this questionnaire, that the process
17 that they were expected to undergo in their own mind was
18 to weigh all of the information that they had available and
19 exercise their best professional judgment as to "CP&L's
20 capability to construct and operate Harris"-- quote, end
21 quote -- whatever that meant.

22 A I agree, yes.

23 Q All right.

24 Now is it not also true that you had previously
25 -- again, I'm asking a question that I've asked before, but

mpb7

1 in a different context -- is it not also true that the
2 question of -- that the way in which your branch had defined
3 the capability of a licensee to construct and operate a plant
4 was whether or not there were more serious problems than
5 Harris -- or CP&L had experienced to date?

6 In other words, up to the time of the circular-
7 ization of this document, you had in the case of Harris or
8 CP&L never taken the position that CP&L was incapable of
9 constructing and operating Harris.

10 A Right.

11 Q All right.

12 In fact, Region II personnel had testified at
13 some length in 1977 and in response to Board questions to
14 the effect that they were capable -- quote, end quote --
15 "to construct and operate Harris", and that that was so
16 despite the objections -- I'm sorry -- and the answer to
17 that question was yes, the last question, being that the
18 Region II personnel had testified --

19 A In the previous hearing.

20 Q In the previous hearings, okay. And the answer
21 to that is yes?

22 A Yes, sir.

23 Q And that is so, despite all of the information
24 that was -- all of the negative information that has been
25 brought out in this hearing to date, and any information

mpb8

1 that might have been available to the individual inspectors?

2 A Yes.

3 Q All right,

4 And the answer to that question is yes.

5 A Yes.

6 Q All right.

7 Now is it not true, then, for someone, for anyone
8 in this branch to have answered question number -- the second
9 sentence -- the second question of number five -- is it not
10 true that for anyone in your branch to have answered "If so,
11 what is your opinion", to have answered that question, my
12 opinion is that they are incapable of constructing and operat-
13 ing Harris, they would not only have had to go against your
14 own testimony or the testimony of -- they would not only
15 have had to contradict your testimony and the testimony of
16 Mr. Dance in 1977, but would also have had to define
17 "capability to construct and operate Harris" in a manner
18 different from the definition Region II has given it lo
19 these many years?

20 A I don't agree that they would have had to have
21 gone against previous answers.

22 Q All right.

23 Do you agree that they would have had to define
24 the "capability to construct and operate Harris" in a manner
25 different from the definition that was the official definition,

mpb9

1 so to speak, if there was such within Region II, Reactor
2 Operations and Nuclear Support Branch?

3 A Yes, I think so.

4 I would like to add something to that. The
5 request in Question five simply asks if you have formed
6 an opinion, and whether or not one answered the other
7 questions, he could have formed an opinion for a number of
8 reasons, hearsay, personal observation, that sort of thing,
9 which is what some people I believe apparently have done.

10 Q But I'm asking basically two questions about
11 number five, not only whether or not a substantive opinion
12 would have been contradictory to the opinion of the super-
13 visor, because I think the record will -- you know, Mr.
14 Dance's position on the capability and your position on the
15 capability of CP&L, you know, is manifest throughout this
16 proceeding.

17 But the second question is to me in a sense the
18 more important question, that is whether or not answering
19 the second sentence on number five would have required an
20 individual to define -- quote -- "CP&L's capability to
21 construct and operate Harris" -- end quote -- in a manner
22 different from the generally accepted definition of that
23 phrase within your office.

24 MR. REIS: Mr. Chairman, I object to the question
25 in that it is unclear and I don't know what the question was

mpb10 1 asking. When he uses the term "defined", I don't know whether
2 he means defined in the mind of the individual inspector. I
3 think it might be very difficult. The answers are defined in
4 the sense that he would write out a definition when he gave
5 his answer to the question, and I'm not sure what he is
6 driving at.

7 MR. ERWIN: I am trying to follow a line of
8 questions, and I think that I have asked earlier Mr. Long
9 and Mr. Dance whether or not there were any objective
10 standards. We know there were no objective standards.

11 I've asked them whether or not at any time
12 prior to October of 1977 they changed their position as to
13 the capability of CP&L to construct the plant. I have asked
14 them what -- basically how they defined "capability", and
15 they were, I think, very responsive. They said that it
16 just never had -- the problems they had had never in their
17 opinion been serious enough to warrant not finding them
18 capable. And I find that a very reasonable statement of
19 their position, and that is the reference I am making when
20 I say "definition".

21 Then I asked them whether or not in their opinion
22 the persons who answered this questionnaire were aware of
23 that position, and they said yes.

24 I think it's very obvious that they have defined
25 it to mean something, in whatever loose manner they may have

mpb11 1 done, that everybody in the office knew what that was and
2 that they all -- and to have defined it to have said
3 differently would have required them to go against their
4 superiors or define it differently.

5 And I must say that I very much appreciate Mr.
6 Long's responsiveness to my more recent line of questions.

7 CHAIRMAN SMITH: Mr. Reis has indicated, I think--

8 MR. REIS: Yes.

9 I may have missed something in sitting here, but
10 I don't think it was ever established, or anyone ever
11 established that the idea of "capability" was uniform among
12 the inspectors, that they ever asked the question or ever
13 got a readback that everyone knew what "capability" meant
14 and it meant the same thing to each individual inspector.

15 MR. ERWIN: I'm not even asking him that.

16 MR. REIS: I think the question in the form is
17 on whatever standard of capability you might have in your
18 mind, do you think they're capable of operating. And I
19 think that's what they came back and answered.

20 CHAIRMAN SMITH: Well, his inquiry -- and I think
21 it's appropriate -- is to determine whether there's any
22 inherent bias in responses because of the background and
23 the testimony, and I think that's perfectly appropriate.

24 MR. ERWIN: I think they've been very responsive,
25 very candid and responsive, and I don't have any problem

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with it.

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CHAIRMAN SMITH: Continue.

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I'll overrule it.

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MR. ERWIN: I have very little more on that line.

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Mr. Eddleman has reminded me that the operative

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date that I was putting in these questions is October -- is

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the time of the circularization of this memorandum, October

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'78, not '77. We get confused with these dates.

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BY MR. ERWIN:

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Q Mr. Long and Mr. Dance, Mr. Reis has some -- do

11

you have any confusion in your mind about what I was asking

12

you in the last few minutes?

13

If you do, I'd like you to -- in order to

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proceed expeditiously, rather than repeat questions --

15

A (Witness Long) Your question, as I gather,

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was regarding standards on which the questions would be

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answered and compared with some sort of a standard that we

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had developed on which they could judge qualifications of

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the Licensee. And the answer is no.

20

We solicited opinions without regard to any

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standard. I personally would avoid trying to develop such

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a standard because it might inhibit or limit the responses.

23

Q But just to carry it one step further so that

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the record is perfectly clear on this point, since Mr. Reis

25

believes there is confusion, you understand that I was asking

mpbl3 1 you whether or not in your opinion the members of your branch
2 were aware of the way in which -- I'm rephrasing it, but
3 I'll put it this way because it may be more generalized and
4 it may help you answer the question better -- but the way in
5 which -- I'm asking you whether you believe that the members
6 of your branch were generally aware of the way in which you
7 and Mr. Dance and other members of the branch approached the
8 question of CP&L's capability in the past.

9 A Yes.

10 Q And you believe that they were aware of your
11 general belief that if CP&L had no worse problems than
12 they had experienced over the time prior to October, 1978,
13 that in your opinion they were capable of constructing and
14 operating Harris.

15 A I agree with you.

16 A (Witness Dance) If I may interrupt, I would say
17 I do not feel that they would be stifled in their comments.

18 Q I'm not even suggesting that. It's a very narrow
19 question.

20 The phrase was used "capability to construct and
21 operate Harris", and I'm trying as best we can, since we
22 don't have each and every one of these individuals to
23 establish a reference for that phrase -- if you feel I'm
24 being unfair to your position or unfair to the members of
25 your branch or unfair to anyone involved, unfair to CP&L,

mpbl4 1 for that matter, please feel free to comment.

2 Again, I'm trying to elicit a response to my
3 question. I'm not trying to confuse you.

4 A No, I don't see anything unfair. We are talking
5 about three different branches.

6 Q Yes. And I'm just talking about, at this point
7 -- I'm not talking about construction at all. You don't
8 have any -- I'm not asking you about construction in any way.

9 MR. TROWBRIDGE: Mr. Chairman, if Mr. Erwin is
10 not suggesting that the recipients of this memorandum were
11 stifled in their response, I think it's time the Board
12 inquired of him what is the purpose of this examination.

13 CHAIRMAN SMITH: Yes, I wondered too.

14 I assumed that you were trying to determine
15 whether the circumstances surrounding the response to the
16 inquiry were such that there may be a bias.

17 MR. ERWIN: I think the question of stifling, I
18 don't believe there's any evidence of their being stifled.
19 I believe there is very strong circumstantial evidence that,
20 as I said, that anyone answering number five in a manner
21 different from their superiors would have had to have defined
22 "capability to construct and operate Harris" in a manner
23 different from them.

24 CHAIRMAN SMITH: Okay.

25 MR. ERWIN: And that's really a simple point.

mpb15 1 And I think that does show bias. It does show bias.

2 Stifling, you know, if you want to be semantic,
3 stifling, you know, is somebody being squelched or put down,
4 and there's nothing in any of this to suggest that they
5 were coached or that they were told that they should respond.

6 CHAIRMAN SMITH: Okay.

7 MR. ERWIN: But if there's any confusion, I do
8 believe that the whole purpose of the line of cross-
9 examination was to establish a very basic and fundamental
10 bias within the memorandum.

11 CHAIRMAN SMITH: All right.

12 BY MR. ERWIN:

13 Q To put this in your testimony now, your testimony
14 in 1977 in perspective, have you ever testified in a
15 proceeding of any nature before the NRC in opposition to a
16 construction permit or an operating license by an applicant?

17 A (Witness Dance) No.

18 A (Witness Long) No.

19 Q All right.

20 Have you ever requested -- I believe Mr. Long
21 has testified earlier that he, in his experience, up to the
22 time -- I may be mistaken, maybe it goes through today, and
23 if so he can tell me -- but I believe you previously testi-
24 fied in Panel I that you had never recommended the imposition
25 of an extraordinary condition upon an operating license at

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a construction permit stage, is that correct?

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A That's correct.

3

Q All right.

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That extends to now as well. That doesn't just go up through October, '77. In other words, you haven't done it between October, '77 and now either, have you?

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7

A No.

8

Q All right.

9

And, Mr. Dance, let me just ask you if that's also your experience?

10

11

A (Witness Dance) That's correct.

12

Q All right.

13

And you would expect that, would you not, that before any application for a construction permit or operating license should go to hearing that you would have an opportunity, if you felt the situation was so serious as to be -- as to need greater enforcement than you would otherwise have, to have input directly to the Staff counsel and to others prior to the hearing?

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A Yes.

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2 Q Now have you ever in the past suggested to Staff
3 Counsel that problems with a particular utility were so
4 severe that if you were called upon to make a recommendation
5 or support an application, at that time you could not in good
6 conscience do so?

7 A (Witness Dance) If I understand the question
8 right, no, that has never been suggested to me.

9 Q I'm probably confusing you. Have you ever told
10 Staff Counsel or somebody that, well, you know, --

11 A No, I have not.

12 Q The time has come for a hearing and you want me
13 to get on the stand and testify that I think it's -- you know,
14 that they're capable and right now I don't think so, and you
15 had better not -- if you want me to testify Yes, you had
16 better not -- you know, you had better put the hearing off
17 until they shape up?

18 A The answer is No.

19 Q And Mr. Long?

20 A (Witness Long) The answer is No. But there are
21 occasions where we feel like we need to complete an evaluation
22 of a situation. We're really talking about whether we can
23 get ready by a certain date. Frequently the date of the
24 hearing would be set and --

25 Q That's a problem we all have to contend with.

A And that's about the limit of it.



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1 Q Basically I'm interested not in the logistical
2 problems of finishing the review of an applicant but whether
3 or not you take this initial position that I understand you
4 frequently or you often take, where you review what you know
5 to date and then you take the position and then you prepare
6 the testimony.

7 And my question is: Have you ever, prior to
8 hearing, taken the position that "We can't now support an
9 application either for a construction permit or an operating
10 license"?

11 A No.

12 A (Witness Dance) No.

13 Q Thank you.

14 CHAIRMAN SMITH: Maybe the record should reflect
15 the fact that you don't necessarily have a hearing for an
16 operating license.

17 MR. ERWIN: I understand that. I'm not pre-
18 supposing such.

19 BY MR. ERWIN:

20 Q Mr. Long, I believe you testified that you have
21 been, as late as this morning that you have been familiar
22 with many of the senior personnel in CP&L for many years.

23 A (Witness Long) Yes.

24 Q And again, we discussed your statements or the
25 statements of the joint testimony on page 9 about conservative

eb3

1 management organization and so forth.

2 If I understand the gist of your testimony, you
3 consider that CP&L has been in a worse position than they
4 are now in regard to a number of areas with which you are
5 familiar. Is that correct?

6 A They have been in worse condition than they are
7 now.

8 Q And Mr. Dance, you would agree with that?

9 A (Witness Dance) Yes, I would.

10 Q What period of time would you say we are talking
11 about?

12 A Pre-'76.

13 Q Beginning what time, at what date in particular?
14 Was their situation at one point better than it became at a
15 later point, in your opinion?

16 A Will you give me that again, please?

17 Q Is it your opinion that CP&L was, let's say, less
18 capable at one time than another, that their record -- that
19 in your subjective judgment they were not doing so well over
20 one period of time rather than another prior to 1976?

21 In other words, should we take the period beginning
22 with the construction and operation of Robinson through 1976
23 as one period, or are there points within that period?

24 A I'm speaking primarily of-- I see significant
25 changes beginning in February, '76, significant changes in

eb4

1 CP&L's response, management changes.

2 Prior to that time-- I'm speaking of one or two
3 years prior to that time when we were having our problems
4 with Brunswick, the '75 - '76 time frame.

5 Q Would you say '73 - '74?

6 A The '73 - '74 - '75 time frame.

7 Q '76. All right.

8 Now let me ask you to refer to page 68 in your
9 testimony in which you say:

10 "In marginal cases, CP&L has been slow
11 in applying resources."

12 Now can I read "applying resources" as "spending
13 money"? I mean is that what "applying resources" means?

14 A That is an input to supplying resources, yes, a
15 primary input.

16 Q Does it go much beyond that? I mean if you're
17 talking about committing manpower you're talking about spend-
18 ing money to hire men, aren't you?

19 A Yes.

20 Q So when you say "applying resources" in this con-
21 text, I won't say it's a euphemism but basically and funda-
22 mentally you mean spending money; am I correct in assuming
23 that?

24 A Yes.

25 Q Thank you.



eb5

1 A (Witness Long) Personnel, plus the training
2 program.

3 Q And all of that takes money.

4 A Yes.

5 Q Okay.

6 So then, again on page 54 of your testimony, you
7 talk about extended work weeks, and you give the date for
8 that period from mid-1974 to late 1976, do you not?

9 A (Witness Dance) Yes.

10 Q Let me ask you to refer to -- I guess we are
11 using Volume 2, page 43, Board Exhibit 10 I believe it is,
12 page 43, Mr. Cantrell's second page in which he says:

13 "CP&L...."

14 This is as of 9/16/77.

15 "CP&L Management still does not
16 appear...."

17 And he puts some little arrow and writes "still"
18 in.

19 "...still does not appear to have committed the
20 required manpower and financial resources to as-
21 sure that...."

22 and so forth and so on.

23 Again when he's talking about this, when he uses
24 these phrases, "required manpower," committing "required
25 manpower and financial resources," you took him to mean, did

eb6

1 you not, spending money?

2 A Yes.

3 Q All right.

4 Now earlier Mr. Chairman, I believe, or Dr. Leeds
5 asked you sort of a what everybody calls nowadays the bottom
6 line question as to the NPCI or enunciator question of how
7 much would it cost, and you said you didn't know. Is that
8 right?

9 A That's right.

10 Q All right.

11 Now you were asked in 1977 and are asked now to
12 give your opinion as to the capability of the company to
13 construct and operate the plant, and you make statements
14 throughout your testimony and you had made statements in 1977
15 throughout your testimony as to the resources available to
16 CP&L.

17 Now let me ask you something about your knowledge
18 of those resources.

19 Are you familiar with the general condition
20 in the United States of -- quote -- "privately owned utili-
21 ties" in 1974?

22 MR. REIS: Mr. Chairman, I object. We have had a
23 hearing in this proceeding and I think we're getting off on
24 financial qualifications, and I don't think that is the subject
25 here. I don't think there is involved in this proceeding the

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1 fact that or the question of whether CP&L can raise addi-
2 tional money to put on additional staff. It is really a
3 question of whether they want to or will, but there is no
4 question of their financial qualifications to operate the
5 plant. I think we're getting off the question into financial
6 qualifications, other than the capability, more from a ques-
7 tion of motivation, of whether they'll put in the financial
8 resources that they have available to them.

9 I think the Board has already concluded that they
10 are financially capable.

11 CHAIRMAN SMITH: That's true. We don't have
12 jurisdiction over their financial qualifications. But if,
13 as a result of financial problems, there was insufficient
14 management financial resources put into the operation of
15 Brunswick, that is germane to our consideration here. That's
16 a different matter entirely from being able to raise the
17 financing to construct the Shearon Harris within the time
18 frame and the context of the construction permit hearing.

19 DR. LEEDS: Excuse me. It seems to me if the
20 question is going toward allocation of resources or in the
21 sense that whatever they were or are, you're talking about
22 allocation of these resources, that's a management choice,
23 and I don't think the question is going toward whether or
24 not they could or could not raise the money, or have the
25 money.

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I see two different areas there, so in one sense

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I would see it as perfectly fine to ask the question on

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financial allocation of financial resources.

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CHAIRMAN SMITH: What is the specific question?

2 You didn't finish it, did you?

3 MR. ERWIN: I think I did. I was trying to
4 establish a background. I'm trying to-- The witnesses have
5 testified repeatedly that in their opinion the licensee has
6 the resources. And that's the word they used. And I asked
7 them what they meant by it. And when we get to the bottom
8 line of what they mean by "resources," they say "money," you
9 know, spending money.

10 And they of course also talk about motivation
11 and commitment. And I'm asking them if they have-- You
12 know, if somebody fails to spend money that there are at
13 least two reasons: one might be that they don't want to
14 spend the money on it, and the other might be that they don't
15 have it to spend. And I would take-- I mean, I would hope
16 that Dr. Leeds' comments would not be -- would not completely
17 limit the scope of my questioning. Because part of my
18 questioning is to establish that in fact during the period
19 in question all external evidences are that CP&L was under-
20 going a period of extreme financial crisis, and that quite
21 possibly many of the things that -- many of the deficiencies
22 that were noted, many of the problems that arose, might very
23 well have been related to that. If that is so, it might
24 logically suggest itself to the Board that if that should
25 happen again in the future a similar situation might arise.

RB/wb2

1 MR. TROWBRIDGE: Mr. Chairman, now we're back at
2 financial qualifications of Harris, with this latter remark.
3 And I think that to the extent Mr. Erwin would attempt to
4 show, or could show that there were financial inhibitions,
5 or inability to raise funds, it will shed no light on the
6 point he tried to make about management capabilities as
7 evidenced by performance at Brunswick.

8 If, indeed, he were able -- which I doubt -- to
9 show that the company couldn't raise the money, he himself
10 has said there are two explanations. If that's the explan-
11 ation, it has no bearing on management capability at Bruns-
12 wick. If he says he now wishes to project the possibility
13 that there will not be enough funds to fund Harris, he is
14 doing exactly what Mr. Reis objected to; he's trying to try
15 the financial qualifications over again.

16 CHAIRMAN SMITH: In the first place, I agree
17 with what you say: if insufficient resources were allocated
18 to the operation at Brunswick it could be explained either
19 by it didn't have it or if they did have it they didn't want
20 to spend it, or maybe a combination of both. I agree with
21 that.

22 First, these witnesses are not going to carry you
23 very far in the direction you're going.

24 MR. ERWIN: I understand that. And I would like
25 to show exactly how limited the distance is. I believe that



RB/wb3

1 I'm entitled to; because they have been -- you see, the
2 funny thing, Mr. Chairman, is that they've been allowed to
3 testify as if they knew all of this, and they don't. And I
4 want to establish that.

5 CHAIRMAN SMITH: Furthermore-- They may not
6 know. But, furthermore, within the context of what I know
7 about this case I think it's going to be almost impossible
8 to demonstrate, No. 1, if there was an insufficiency of cash
9 flow during the relevant period that that is causally related
10 to the problems at Brunswick. You could speculate and you
11 could argue, but I don't think that any of the testimony
12 filed here, nor can these witnesses -- if you could establish
13 the first thing -- that they could come up with any evidence
14 of any nexus between the two situations.

15 Well, why don't you just ask.

16 Do you know anything about their financing?

17 WITNESS DANCE: No.

18 CHAIRMAN SMITH: It's not profitable, it's not
19 going to take you anyplace, so I'm going to sustain the
20 objection.

21 You might ask another panel: I don't know. But
22 it's not going to help you with this one.

23 MR. ERWIN: May I ask you to delimit what I'm
24 allowed to ask?

25 CHAIRMAN SMITH: No.

RB/wb4

1 MR. ERWIN: I just keep on asking questions and
2 having them objected to?

3 CHAIRMAN SMITH: Yes.

4 MR. ERWIN: --until I'm....

5 CHAIRMAN SMITH: In the first place, I can't try
6 your case for you, I can't outline your questions. But I
7 do know this specific panel isn't going to be able to answer
8 your questions about CP&L's financial condition in '74, '75
9 and '76.

10 Can you answer questions about the financial
11 condition of CP&L during those years, gentlemen?

12 WITNESS LONG: Sir, we really are not involved
13 in that. We do involve ourselves in what I believe Dr. Leeds
14 called allocation of funds. But there, again, it's an in-
15 direct thing.

16 If we feel -- which the comment implies -- that
17 funds are not allocated for certain training that is neces-
18 sary in his opinion, or staffing, it is not -- we don't con-
19 cern ourselves with overall financial capability, only where
20 money is an application of funds to meet compliance require-
21 ments.

22 CHAIRMAN SMITH: If it's allocated. If it's not
23 allocated you cannot explain why it is not?

24 WITNESS LONG: That's right.

25 CHAIRMAN SMITH: Now exactly what do you want from

WRB/wb5

1 the Board?

2 MR. ERWIN: I don't even remember what the last
3 question was.

4 CHAIRMAN SMITH: You started off the last ques-
5 tion by asking a question which was predicated upon the
6 financial condition of not only CP&L during the period but
7 the whole industry. --as I recall the question.

8 MR. ERWIN: I'm not discussing, and I'm not asking
9 any questions related to the capability of the utility to
10 finance the Shearon Harris plant.

11 CHAIRMAN SMITH: I understand that.

12 MR. ERWIN: --other than facts that might be --
13 that the witnesses might know of their own knowledge.

14 Now I'm not asking whether or not they can,
15 whether or not the New York money market will support the
16 construction of Shearon Harris. But I think-- What I would
17 like to know is whether they were aware.... I think the
18 credibility of their testimony as to their opinion as to the
19 capability, the management capability of the company is
20 completely divorced from any judgment that they may have as
21 to whether or not the company can raise the necessary capital
22 funds to finance the construction of the plant. But that
23 answer might very well depend upon their knowledge of the
24 general financial condition, the level of revenues, whether or
25 not -- and the cash flow problem in any given year. Because

WRB/wb6

1 I do think that is directly relevant. And that is not at
2 all the same thing as the financial qualification of the
3 company-- Really, that is not really that much related to
4 the financial qualifications of the company to construct
5 the plant, the construct the Shearon Harris plant.

6 CHAIRMAN SMITH: Now I think I didn't really fully
7 appreciate your first question. I thought your first question
8 was directed to during the period referred to by Mr. Dance
9 and throughout the testimony here, where there were operating
10 problems at Brunswick, could it be traced back to insufficient
11 cash flow on the part of CP&L.

12 MR. ERWIN: And you're saying I cannot ask any
13 questions along that line?

14 CHAIRMAN SMITH: You don't know what my full view
15 on that is.

16 My full view is that if the evidence were to
17 establish, aside from the financial qualifications to construct
18 Shearon Harris, that CP&L was having such a cash flow problem
19 during the relevant period that it interfered with the safe
20 operation of Brunswick and they didn't close it down, that
21 certainly would go to management capability. So I'm not saying
22 that you're not following a pertinent line of questions; I'm
23 just saying that the line that you're taking with this parti-
24 cular group of witnesses isn't going to get you there.

25 MR. ERWIN: I don't believe that there are any--

RB/wb7

1 The intervenors weren't in a financial position, nor are we,
2 to undertake the kind of investigation that it would require
3 to determine whether or not this is the case.

4 But you yourself, Mr. Chairman, have suggested
5 that where the parties might be able to point to a line of
6 investigation that would be fruitful they should do so. And
7 that is exactly what we're doing at this point.

8 CHAIRMAN SMITH: Okay. But this is late in the
9 day. If you had a theory predicated upon cash flow problems
10 at CP&L back then and how that might relate to management
11 capabilities, it's very late in the day for us to begin
12 investigating it.

13 MR. ERWIN: Mr. Chairman, I believe the record
14 in 1977 will disclose that it was our position. But it has
15 always been only a theory, because we are simply without
16 financial resources ourselves. We understand the problem
17 of lack of operating revenues. We cannot investigate this
18 problem. It is not-- But we have been calling it to the
19 attention of this Board since 1974.

20 CHAIRMAN SMITH: But in the context of the
21 financial qualifications of CP&L to construct and to
22 initially prepare for the operation of Shearon Harris, which
23 depends not upon the financial condition of CP&L or the
24 utility industry in 1974 and '75, but upon the financial
25 conditions today.

WRB/wb8

1 Your point with operation is an entirely dif-
2 ferent point, as I understand it. If it is not... Well,
3 it is a different point.

4 MR. ERWIN: It is a different point, I agree.
5 But it was also made, I believe the record will disclose,
6 in argument, if nothing else, in 1977 and 1975 and 197r.

7 MR. TROWBRIDGE: That is not applicant's recol-
8 lection of any record or argument or testimony.

9 CHAIRMAN SMITH: Well in any event, Mr. Erwin,
10 except for the limited area which I discussed, this Board
11 simply doesn't have jurisdiction to go into the financial
12 qualifications of this applicant to construct Shearon Harris.
13 We have lost jurisdiction. We may have been in error, or
14 whatever you may say, but we simply don't have jurisdiction.
15 Only as it relates to the management capability issue before
16 us.

17 Let's take a 10-minute recess.

18 (Recess)

19 CHAIRMAN SMITH: Gentlemen, I think it's time to
20 proceed.

21 MR. REIS: Mr. Chairman, one additional matter on
22 the irrelevance of the general financial condition of the
23 market or anything else, in that we are only dealing with
24 not a general financial condition but an allocation. And I
25 don't mind questions going to allocation.



IRB/wb9

1 But to show that we're not concerned with the
2 financial condition of the market, certainly that there was
3 money in CP&L, CP&L paid common stock dividends for the last
4 period. So that this becomes totally irrelevant.

5 CHAIRMAN SMITH: I might say that you've already
6 won your point.

7 Yes. During the recess we went -- as a matter
8 of fact I just looked at our initial decision, going over
9 financial qualifications. And Dr. Leeds pointed out to me
10 that it was a contested issue, as you all know, because
11 you cross-examined extensively on it. We did develop a
12 rather full record on the financial condition of CP&L during
13 the period '74, '75 and thereafter. And that record is
14 available for consideration in this case.

15 We're confident that your line of questioning
16 is not going to be productive, so we're going to rule that
17 you must limit your questioning to allocation. We see no
18 possibility of you developing a record which is going to go
19 beyond allocation.

20 MR. ERWIN: I'm sorry, Mr. Chairman; I will just
21 have to rest and enter an exception and an objection, because
22 I don't have any idea what you mean by "allocation" in this
23 context.

24 DR. LEEDS: Well I think you ought to clearly
25 understand, Mr. Erwin, what we're trying to say here, at least

WRB/wb101

1 what I'm trying to say. I suspect the Chairman will clean
2 up my language and make it clearer for you.

3 But the problem is that I have not reviewed the
4 record that was developed in the hearing when we reopened
5 the hearing. But we still have that data. But it seems to me
6 the point you're trying to make, and it seems to be the point
7 Mr. Cantrell makes in Volume II in his letter. And the
8 argument Mr. Cantrell puts forth is, they did not allocate
9 the resources to the task, whereas whether or not they had any
10 resources to allocate to safety in lieu, say, of paying as
11 much dividends as they did, or whatever else they allocated
12 the money for, is a question we can find the answer to in
13 the previous record.

14 Certainly these two gentlemen don't have the
15 data: we already found that out because we asked them that
16 question.

17 But the question of whether or not the company
18 management chose to allocate whatever resources they had--
19 And Mr. Cantrell used the word "financial:" I assume that
20 means cash in hand or borrowing power. --is a question of their
21 management. And what we're trying to say to you is, I think,
22 that we are not barring you from asking questions in that
23 area. But we are saying that to ask questions whether or not
24 they had any money at that time, there's no point in it because
25 we can find out by looking in the record.

WRB/eb1

1 Is that right?

2 CHAIRMAN SMITH: Sure. You can inquire did they
3 spend enough money, but you're not going to be able to
4 develop enough record here that they didn't have enough money
5 to spend to solve the problems at Brunswick.

6 DR. LEEDS: Because at least we can put our finger
7 on a chunk of money year by year by just looking at the amount
8 of common dividends they paid and say they could have allo-
9 cated -- they could have, might have chosen to, or may have
10 been forced to allocate all those funds to something else.

11 CHAIRMAN SMITH: In our finding, 165 Initial
12 Decision, the applicant's 1976 financial statistics for
13 return on common equity capital structure, interest, coverages
14 were comparable to those for the average of the hundred
15 largest electrical utilities.

16 Now unless you can show us a plan of avoidance
17 here, which it is very late to be doing, that they literally
18 did not have enough money to pay competitive salaries or
19 whatever point you're trying to make at Brunswick, you're
20 just going down the road -- the wrong road. There is no doubt
21 you're going down the wrong road with this panel.

22 DR. LEEDS: Is it clear, sir, what we're trying
23 to say? I don't want to confuse you on this issue. I'm sure
24 the Chairman doesn't either.

25 MR. ERWIN: Mr. Chairman, in all candor, I don't

WRB/eb2

1 know where the line lies. I will attempt to stay on-- I
2 will enter my exception-- Obviously I can't do that inasmuch
3 as-- In an attempt to demonstrate the good faith of the
4 intervenors in this proceeding, I will not ask any questions
5 that I, in clear conscience, believe to stray over the line
6 that I understand you to be drawing.

7 And I think, inasmuch as I would like them to
8 appear on the record but inasmuch as our financial resources
9 are strained and we would like to expedite and make as
10 good use of our time as we can, since, you know, none of us
11 who are here today are paid at all, we will just ask the
12 questions that we believe fall on this side.

13 CHAIRMAN SMITH: I am sure there are others who
14 will be willing to point out to you if --

15 MR. ERWIN: I really find it somewhat difficult
16 to know which of my questions will fall on this line, but I
17 will try in phrasing them to stay on this side of the line.

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B/eb1

BY MR. ERWIN:

Q Mr. Long and Mr. Dance, both, does either or both of you -- were either or both of you aware of any program or commitment on the part of CP&L management at any time during the last five or six years to cut costs? Were you aware of any program that was ever known within the organization as an earnings improvement program?

MR. REIS: Mr. Chairman, I think there are two questions. Can we have one at a time? I think it makes it very difficult.

BY MR. ERWIN:

Q Let me ask the second one first:

Are you aware of CP&L's earnings improvement program of some few years ago?

A (Witness Dance) No.

A (Witness Long) No.

Q Are you aware of any program, the title to which you may not know but the purpose of which was to tighten the belt within the organization and to increase their earnings --

A No.

Q -- by tightening their belt internally?

MR. REIS: Mr. Chairman, I'm going to object to this in that I don't mind him asking about programs to cut costs, but increasing earnings and cutting costs might be



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eb2

1 two different things.

2 Cutting costs, I can possibly see some connection.
3 Increasing earnings, no.

4 CHAIRMAN SMITH: It is already answered in the
5 negative so it doesn't matter.

6 WITNESS DANCE: Let me add. Mr. Long has answered;
7 I haven't.

8 I have no basis other than hearsay that perhaps
9 management's salaries were cut during one period of time. I
10 don't know for how long or whether it was temporary or what.

11 BY MR. ERWIN:

12 Q Were you aware of the deferral of the construction
13 program for Shearon Harris during this period of time on the
14 part of CP&L management?

15 A (Witness Dance) I'm aware it was deferred.

16 Q Were you aware of any-- You're not aware of
17 any submissions to any state regulatory boards on the part of
18 CP&L for rate increases during this period of time, were you?

19 A No.

20 Q Did you ever-- I believe there has been testimony
21 introduced in this proceeding that CP&L's -- that one of the
22 reasons, in the opinion of at least one inspector or more,
23 one of the reasons for the high turnover at Brunswick related
24 to low salaries. Is that correct?

25 A That's correct.



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Q Or at least that was an evaluation by somebody that the salaries at Brunswick were low?

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A That was a speculation on my part, and I believe Mr. Cantrell addressed that.

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Q Now do you know-- Have you discussed with management, with CP&L management, that particular issue or concern at any time over the past five or six years?

8

9

A The answer is No. And I guess as far as the salaries go, the answer is No.

10

The need for trained manpower, yes, we have.

11

Q All right.

12

13

Now in discussing with them the need for trained manpower, did they ever give you a response that related to the cost of such training?

14

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A No.

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Q But you have said that they, as a general conclusion on page 9, that they are a conservative management organization, tough in dealing with the issues that tend to create an expansion of manpower requirements.

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Did you assume when you made that statement that at least one of the reasons that they were tough in dealing with the issues that tend to create an expansion of manpower requirements was that it would cost some money if they expanded their manpower requirements?

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A I think it is a recognition if you spend money

eb4

1 you're going to have to address it and put it in the budget
2 and that sort of thing.

3 Q Well, there's a recognition that if you put on
4 more people you've got to pay their salaries; isn't that
5 correct?

6 A That's correct.

7 Q All right.

8 So that it is your testimony that at no time has
9 any CP&L management ever used the -- ever discussed with you
10 the cost of any requirement that you had imposed upon them,
11 or any concern that you have expressed to them regarding man-
12 power requirements?

13 A That's correct.

14 Q Do you have any opinion satisfactory to yourself
15 as to whether the cost of such programs entered into or
16 affected the judgment of CP&L as to manpower requirements?

17 A No, I don't. But I'm aware that I'm sure for
18 anything they do they think of the cost.

19 Q All right.

20 Now there has been testimony that there were
21 extended work weeks for periods of days -- weeks, months, and
22 years at Brunswick. Is that correct?

23 A Yes.

24 Q All right.

25 Now have you discussed with any CP&L management

eb5

1 what the reasons for those extended -- what their justifica-
2 tion for those extended work weeks was?

3 A No.

4 Q All right.

5 Are you aware of any justification that they have
6 made as to those extended work weeks, either orally or in
7 writing?

8 A I believe their testimony addresses the fact that
9 there was trying times during their startup period at
5 10 Brunswick. I think-- I have a personal view, now that we're
11 past the point, that when you lose manpower for whatever
12 reason it's going to cost you more to train other replacements,
13 so I believe it is a self-regulating system to a certain
14 degree.

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CHAIRMAN SMITH: Your point is it's in the best interests of the utility to -- it just isn't saving money to pay competitive wages?

WITNESS DANCE: So that they don't have people to leave for any reason, or to resign for any reason, yes.

BY MR. ERWIN:

Q So they don't resign for the reason that they are not being paid competitive wages?

A (Witness Dance) Yes. Fringe benefits, too.

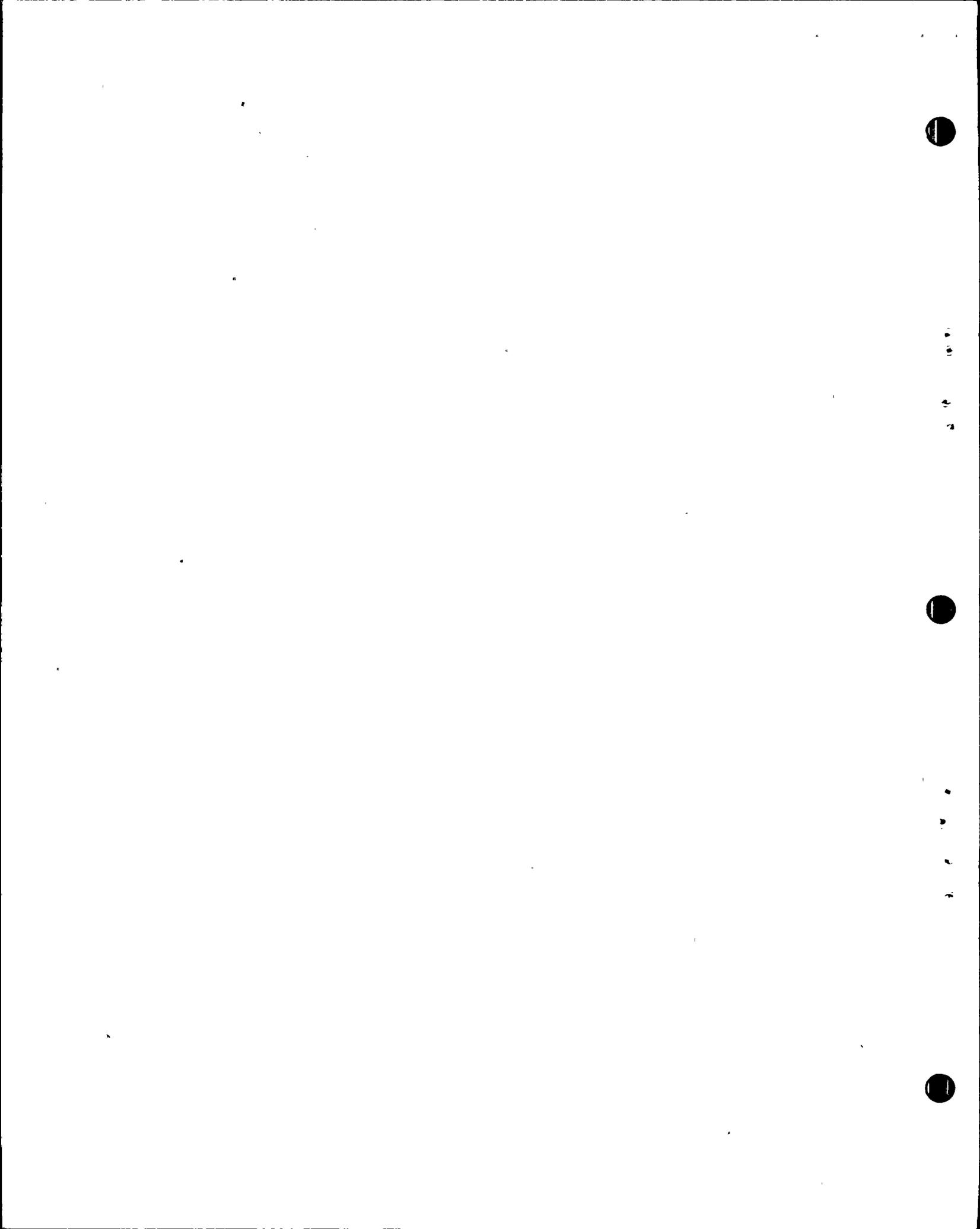
Q I mean when I say competitive wages, I mean all of the financial remunerations that would attend their employment.

The question is, then, do you have an opinion satisfactory to yourself as to why CP&L's management did not, or any evidence which would tend to indicate why CP&L's management did not follow this prudent course during the period that we're discussing?

MR. TROWBRIDGE: Objection to the question until we have a definition of prudent course.

MR. ERWIN: To pay competitive salaries to prevent unnecessary turnover.

MR. TROWBRIDGE: Object to the question. Implicit in the question is the assumption that CP&L did not pay competitive wages, and there is no testimony in this record to that effect.



1 CHAIRMAN SMITH: Where is the predicate for your
2 question?

3 MR. ERWIN: Mr. Chairman, this witness has
4 testified that he believes that CP&L did not -- that CP&L
5 paid low wages during the period of time that we're talking
6 about, and he's also testified that in his opinion -- and
7 I'm just simply short-circuiting -- that there is a manage-
8 ment rationale for paying higher wages, in order to keep
9 good personnel, to forego having to pay -- to forego the
10 extra expense of training them.

11 So I was just using that as the prudent course,
12 meaning code for his explanation of why they should do this.
13 I'm asking him if he can show us or tell us why, if he
14 knows, or has any reason, or has any evidence, why CP&L
15 didn't do what he says they ought to have done during this
16 period.

17 MR. TROWBRIDGE: There's no testimony as to what
18 CP&L ought to have done. Let's have a simple question as
19 to whether or not this witness knows whether CP&L paid
20 competitive wages.

21 CHAIRMAN SMITH: I don't recall his testimony
22 being that precise. I think, as a matter of fact, he
23 qualified it as being a rumor.

24 WITNESS DANCE: Speculation.

25 CHAIRMAN SMITH: Speculation.

1 MR. ERWIN: Well, do I . . .

2 CHAIRMAN SMITH: Just give me a moment, please.

3 (Pause.)

4 I'm going by my memory on it. I think that the
5 most we can say for the state of the record is that there
6 are some speculations and inferences by those who view the
7 turnover rate as high, that it was caused by low wages.

8 But I can't point to a place in the record where
9 that's been established, and if you can, now is the time
10 to do it. Otherwise, you're going to have to rephrase your
11 question, or pull it out.

12 However, I would hope that we don't come to the
13 end of this hearing where we have a void on it. You know,
14 I think that there is sufficient testimony that there were
15 turnover problems at Brunswick, and if, in fact, it was
16 caused by insufficient realization by CPSL that their wages
17 were not then competitive, then don't make us come back
18 through all this if it later develops that that's the case.

19 I was just flipping through the testimony here.
20 I know that the testimony is that at present there is
21 competitive wages, but I don't see anyplace in the testimony
22 where they're addressing the relevant period that is
23 involved.

24 MR. TROWBRIDGE: We understand.

25 MR. REIS: Mr. Chairman, as I recall the

1 Applicant's testimony it is that they examined their wage
2 scales, and then reestablished wages to make them competitive.
3 But they never said they weren't competitive before. But
4 there's an inference there in their own testimony that they
5 were.

6 CHAIRMAN SMITH: I know there is that inference
7 there, and this makes it a little bit uncomfortable. We
8 go chugging along under some assumptions here, and suddenly
9 we find, well, no, Applicant doesn't support these assumptions.

10 Okay, we'll just see what happens. We'll just
11 see what happens.

12 If it's your opinion that this record does not
13 establish that there was a problem with competitive wages
14 during the relative period at Brunswick, I guess we'll have
15 to accept that, because right now I can't point to the
16 contrary, nor can Mr. Erwin.

17 But let's see what happens.

18 MR. TROWBRIDGE: We will, Mr. Chairman, address
19 the question as to whether CP&L was paying competitive wages
20 in 1974-5-6 period.

21 CHAIRMAN SMITH: Now, why don't you continue. I
22 really don't think there's too much we can get, aside from
23 the basic issue. I don't think there's too much you can get
24 from this panel. But why don't you proceed with your
25 questioning under hypotheses, and maybe if you can establish

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1 it a little later on by cross-examination that there was a
2 problem, or the record otherwise clarifies it, then you will
3 have brought your answers here into a state where they can
4 be considered.

5 BY MR. ERWIN:

6 Q Mr. Long, Mr. Dance, perhaps the most relevant
7 question that I might ask you at this time about this issue
8 is whether or not you perceive that you have any duty under
9 your charter, both organizationally and individually, to
10 pursue an answer to why there was such a turnover in personnel
11 at Brunswick-1.

12 That's one question. I'm going to ask you
13 another question related to it. But I'm going to let you
14 answer this one before that, and stick it on the end of this
15 one.

16 A (Witness Dance) I perceive it is my duty to
17 assure that they have a properly qualified staff.

18 Q Now, I perhaps should have . . . all right.

19 Did you undertake to investigate the reasons for
20 the turnover at Brunswick that your inspectors perceived?

21 A We pursued the course with CP&L that there was a
22 lack of depth in BWR training.

23 They responded to that, those comments. In the
24 fall of '76 they had a supervisory type course. Beginning
25 in '77 they began the SRO training.



wel 6

1 So I think the Staff was being strengthened during
2 that period of time.

3 Q But this was a perception on the part of -- the
4 turnover at Brunswick was perceived by your inspectors some
5 years earlier than the improvement that took place, was it
6 not?

7 In other words, I guess what I'm asking, in sum,
8 is whether or not this was another example of what you have
9 categorized as CP&L's slowness in responding to your --

10 A No, I didn't say that.

11 Q Well, I'm asking.

12 A I think you don't turn a switch and turn out 10
13 qualified people. It takes time. How is the best way to
14 get there from here? I think, indeed, they did find
15 themselves in kind of a minimum crew, staff, at one time,
16 and they took steps to broaden the scope. And we were
17 having discussions with them to push for that scope or
18 broadening.

19 But at the same time, they did meet their
20 qualifications required by the license.

21 Q Now, again, Mr. Cantrell's most serious stated
22 concern about the staffing problem was that -- or the
23 turnover -- was that if it were to continue, that it might
24 weaken the ability of the licensee at Brunswick to deal with
25 an emergency situation. Isn't that basically the bottom line



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1 of his concern?

2 A I don't think the emergency situation at
3 Brunswick was ever at stake.

4 Q Didn't Mr. Cantrell at some point in a memorandum
5 express a concern that they didn't have enough senior
6 personnel to be in the best position to deal with an
7 emergency?

8 A Again, it's hard for me to . . . I'm developing
9 these questions in response to your answers to my earlier
10 questions, and I'm sorry, but I can't point -- I don't know
11 where this appears in Mr. Cantrell's memorandum or testimony.

12 A When I think of your statement about emergency
13 situations, I'm thinking of the operating crew, and the
14 operating crew is fully qualified and licensed. One of Mr.
15 Cantrell's concerns had to do with qualified people, and
16 that was in evaluation of problems.

17 The prompt evaluation of problems and handling
18 of emergency conditions I consider two different things.

19 Q Mr. Long and Mr. Dance, had you investigated the
20 reasons for the turnover perceived by your inspectors, and
21 had the results of that investigation satisfied you that
22 the primary reason for that turnover was low salaries, what
23 then would have been your -- what course of action would you
24 have recommended? What would you have done with that
25 information? What would you have suggested? Would you have



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1 done anything? Would you have told the Board anything
2 different in 1977? Would you have gone to Mr. Long and
3 suggested that he -- you know, would it have appeared in a
4 letter to CP&L? Would you have suggested to Mr. Long that
5 he ask Staff Counsel to initiate proceedings to condition
6 the operating license of Brunswick upon the maintenance of
7 personnel?

8 A You're asking me a "what-if" question.

9 Q Yes. That's a "what-if" question.

10 A Which it didn't come to that.

11 Q That's right.

12 A We made a specific inspection to determine that
13 qualified staff existed in accordance with the regulations.
14 So we didn't get to your hypothetical question. If we had
15 concluded that their problem was strictly financial and not
16 any of the other three things we mentioned, and if we held
17 that belief at the time of hearing, I think it's our duty
18 to bring it to the attention of the Board, yes.

19 Q Now, if in the course of your inspections over the
20 next few years, if it should come to your attention that
21 there is a similar problem at Brunswick or Robinson -- again,
22 this is a hypothetical question, and the problem that I'm
23 referring to is a high turnover rate, not necessarily an
24 item of non-compliance, even -- I believe it's your testimony
25 that at no point did this rise to the level -- is it not



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1 your testimony that at no point did this rise to the level
2 of an item of non-compliance? Is that correct?

3 A I don't recall that it's in my testimony, but
4 that is correct.

5 Q Okay. But it's also your testimony that it was
6 an item of concern not only to Mr. Cantrell, but to yourself
7 and others?

8 A That's correct.

9 Q Now, if this problem, so limited, should arise in
10 the future at Brunswick and you should investigate it and
11 you should determine that the primary reason for the
12 turnover, high turnover, is lack of competitive salaries,
13 what -- would you recommend anything in the normal course of
14 business? Would you communicate in any way with this Board?
15 Now I'm not talking about any action that you might take in
16 regard to the Brunswick operating license. I'm talking about
17 whether or not you would consider it your duty to do
18 anything in regard to the Shearon Harris proceeding.

19 MR. REIS: I'd like to know what question is
20 pending? I heard about three or four questions. One was
21 communication with this Board, one was with regard to the
22 Shearon Harris proceeding, and there was something I don't
23 even recall. And, as a result, I object to the question.
24 I don't know just what he's asking at this point.

25 CHAIRMAN SMITH: Shall we read the question back,

wel 10

1 or do you want to rephrase it, Mr. Erwin?

2 BY MR. ERWIN:

3 Q If at some future time during the course of your
4 inspections of Brunswick and Robinson it should appear that
5 there is a problem such as the one you have earlier defined,
6 or that your inspectors earlier perceived at Brunswick,
7 namely the high turnover of operating -- senior operating
8 personnel -- would you consider it your duty to report that
9 information to this Board, or to any other agency of the
10 Nuclear Regulatory Commission with jurisdiction or super-
11 vision over the Harris proceeding?

12 A (Witness Dance) Let me answer that in several
13 different ways.

14 I can say yes, I would report it to this Board
15 if they so desired.

16 However, in any case, before the Harris operating
17 permit came up we would address the issue. In addition,
18 Brunswick and Robinson have their own specific requirements.
19 If we saw a high turnover rate at Brunswick and Robinson,
20 two operating facilities, we would address that as we need
21 to.

22 Q But there you're talking about addressing the
23 problem as it arises in Brunswick or Robinson, but when you
24 say that -- would you consider it at present, absent a
25 direction by this Board, would you consider it at present



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wel 11

1 your duty to report to this Board or any other agency the
2 information that we have hypothesized about?

3 MR. REIS: Mr. Chairman, this question is so
4 imprecise I have to object to it.

5 Report to this Board? This Board will go out of
6 business once the CP issues and have no jurisdiction. This
7 is part of the problem.

8 I don't want to nit pick, but "agency" bothers me.
9 If he says will it be his duty to report within channels to
10 the NRC that's another question. But the question as asked
11 really can't be answered.

12 CHAIRMAN SMITH: Well, it's -Q

13 MR. REIS: And it's also straying away from the
14 basic issue, which is CP&L's management capability now, not
15 what we would do if something happens.

16 The question we have before this Board is CP&L's
17 management capability, and we're straying away from that.

18 CHAIRMAN SMITH: Well, with respect to your first
19 criticism, intervenors are faced with the problem that the
20 witness is sitting on the knowledge, they have the informa-
21 tion. The questioner often doesn't. He perhaps doesn't
22 know the right question, but he has the right to get the
23 answer he's striving for. And I think we have a responsibility
24 to work out a way that he can get that answer.

25 So in answer to that first part of it, we'll have

wel 12

1 to work on that.

2 In answer to the second part, you may technically
3 be correct. But I certainly think that somebody in the
4 position of Intervenor and the Attorney General, faced with
5 this record, certainly has a right to wish to be satisfied
6 along this line, and I think we'll let him.

7 I think you may be technically correct in your
8 objection.

9 MR. REIS: May I suggest to Mr. Erwin that he ask
10 plainly if this information came to Mr. Dance's knowledge
11 what he would do with it? Because the way the question was
12 asked first, by suggesting answers to the witness, I don't
13 think he's going where he wants to go. And I have problems
14 from the point of view that I know it can't happen. I'm
15 sitting here and thinking, well, the Board will go out of
16 existence at the time, it can't be reported to the Board.
17 What is his proper duty? And if we want to illuminate the
18 record, can I suggest that question to Mr. Erwin? Of course
19 Mr. Erwin doesn't have to accept it. He's conducting the
20 examination, not me, at this point.

21 CHAIRMAN SMITH: Well, I don't want to say what
22 you're thinking. You can say what you're thinking. But --

23 MR. ERWIN: With all due respect to Mr. Reis, I'm
24 not sure that I'm quite as dumb as I seem. But all I asked
25 him was whether or not -- I was trying to be as precise as

wel 13

1 possible. This Board theoretically is here only because --
2 we shouldn't be here, and we all know that -- the construction
3 permit has been granted. It's not a question of when it will
4 be granted. I don't mean to correct Mr. Reis, but the
5 construction permit has been granted. And theoretically
6 this Board doesn't have any jurisdiction except what the
7 Commission gives it, I think.

8 But all I'm asking of Mr. Dance and Mr. Long --
9 and they're trying manfully to respond -- is whether or not
10 they would feel any duty -- I mean this is their own -- they
11 can perceive it any way they wish, and they're trying to
12 answer it straight -- whether they would perceive any duty
13 to let the Harris people know if they were having troubles
14 with Brunswick and Robinson. And I don't think that's too --
15 because inspections are -- you know, you're not in
16 construction, you're in operations. I assume you get
17 together on occasion and you probably talk, and there's
18 scuttlebutt.

19 But would you consider it your duty to call up
20 your counterpart in Construction, to call up Mr. Brownlee or
21 Mr. Murphy, or whomever it is, and say, look, we're having
22 a terrible time over here, you know, and look into this?

23 And would you consider it your duty to go any
24 further than that? If they didn't do it, okay. That's a
25 simple question, I think.



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1 CHAIRMAN SMITH: Now, knowing what Mr. Erwin's
2 concerns are, can you comment on it?

3 WITNESS DANCE: Yes.

4 We would follow through our normal organizational
5 chain. We would take any enforcement action that we'd need
6 to to assure it didn't deteriorate to an unacceptable level.
7 We would be meeting with CP&L. As I understand this Board,
8 this would be way after it had disbanded. So unless we had
9 a specific comment to make, or direction from this Board,
10 we would go up through our own organization chain.

11 Then there comes a point in time when the Harris
12 plant would be ready for an operating license, if it got
13 that far. It would certainly be raised there. If it's
14 raised up through our organizational chain, our operations
15 and construction group are aware -- that's within the same
16 office, and we talk to each other.

17 CHAIRMAN SMITH: You are aware, aren't you, that
18 the Office of Executive Legal Director also has responsibil-
19 ities along this line? He said he'd put it up through his
20 chain, but you're aware, aren't you, that this Board did
21 receive, for example, Mr. Cantrell's notes -- I'm
22 testifying here, but I think we might get on to another
23 point, to what seems to me now to be a fairly well established
24 policy that when something of materiality arises through any
25 operation, it goes to the attention of the Boards even if

wel 15

1 they are out of existence. It just goes there, and it goes
2 to the attention of the Appeal Board, and the Commissioners,
3 and whoever may have something to do with it.

4 MR. ERWIN: Again, Mr. Chairman, the only purpose
5 of the question -- I did not intend for it to drag on for
6 so long -- the purpose was that this particular hearing has
7 been held in response to a concern that existed prior to the
8 granting of the permit that came to light after the granting
9 of the permit. And I was simply -- I think there's a
10 substantive difference between the hypothetical that I posed
11 and circumstances under which we are presently operating.
12 And I think they have been very -- I'm not displeased with
13 the response.

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1 CHAIRMAN SMITH: Well, I think we're going to
2 have to accelerate the pace a bit.

3 MR. ERWIN: Well, I would like to do so. I'm
4 sorry if I'm the one that's involved.

5 I'm trying to figure out which questions now I
6 can....

7 BY MR. ERWIN:

8 Q On page 9 -- I'll withdraw that.

9 On page 30 of your testimony, we looked this
10 morning at the Brunswick enforcement history, and you stated,
11 I believe, Mr. Dance, if I'm not mistaken, that part of the
12 -- that one way to massage the figures in '76, '77, and '78,
13 is to take into account the increase in inspection, is that
14 right, the level of inspection?

15 A (Witness Dance) I don't remember using the word
16 "massage".

17 Q No, I'm just trying to get to the point.

18 You said that we were trying to establish what
19 they mean, and you said well one thing you ought to keep in
20 mind is that there has been an increase in inspections.

21 A Yes.

22 Q And so you're saying, then, that you would
23 expect that there should be a higher number of items of
24 noncompliance as a result of a higher level of inspection.

25 A Well, I'll never go on the record as saying I

mpb2 1 desize a higher number of noncompliances --

2 Q I'm saying would you expect it naturally? I
3 mean, that's the import of your comment to me. Is that what
4 you mean, the import, when you said it?

5 A Yes, that would infer that you should not be
6 -- it shouldn't be too unexpected to see some increase in
7 noncompliance due to the increased inspection effort and the
8 increased regulatory requirements.

9 Q Now can we infer, then, that had there been the
10 same level of inspection in the years prior to 1978 as there
11 was in 1978, that we could reasonably expect a higher number
12 of items of noncompliance in those years? Isn't that the
13 logical inference to be drawn from your first premise?

14 A Excuse me.

15 Which years are we talking about?

16 Q You just stated that since we've got a higher
17 level of inspection in 1978, we can logically expect -- and
18 I can see the point -- we can logically expect that we might
19 have a higher number of items of noncompliance for that year
20 simply because we have a higher level of inspection, that
21 there's a correlation between the two?

22 A There is some correlation, yes.

23 Q All right.

24 So would you say, then, that the -- I won't say
25 it's the reverse; but maybe the obverse is true, that had



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1 the level of inspection for the years prior to 1978 been
2 as high as it is in 19-- or as it was in 1978, you would
3 logically expect those numbers, 37, 35, and 25, to be even
4 higher than they were?

5 A They may have been somewhat higher, yes.

6 Q Okay.

7 CHAIRMAN SMITH: Well, would it be a proportion-
8 ally equal phenomenon?

9 WITNESS DANCE: Yes.

10 People have drawn some statistics saying so many
11 inspection hours ought to produce so much noncompliance on
12 an average. That's just based on strictly history.

13 BY MR. ERWIN:

14 Q Now, there's a point. I mean, statistically,
15 just as a point of curiosity, there's a point at which that
16 relationship has got to cease. If you were to inspect a
17 licensee all the time and just have people swarming all
18 over the plant every day of the year, you wouldn't expect
19 the items -- you couldn't logically expect the items of
20 noncompliance to have increased exponentially at the rate
21 of the increase in the man-hours expended inspecting the
22 plant, could you?

23 A (Witness Dance) No one said anything about
24 exponentially.

25 Q Do you think there would be a linear relationship?



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A Up to a point, yes.

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Q Do you have any feel for the point?

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A How many men are you going to put on it?

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You don't want to pay for that. You don't want to pay for 100 percent inspection. Well, I don't know whether you do or not, but....

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Q What you're saying is the United States Congress hasn't authorized the payment for that.

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A Let me say their inspection program is a sampling program. We sample enough to where we think we get representative items inspected that we have assurance that the licensee is doing what he's supposed to be doing to meet his requirements.

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Q But wouldn't you say that if the -- couldn't you say that if the licensee is doing what he's supposed to be doing, and he has no programmatic failures, that there wouldn't necessarily be any linear relationship between the number of inspector-hours spent at a plant and the number of items of noncompliance discovered?

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A If he had no programmatic failures? Are those your words?

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Q Well, I'm asking you.

Now you used the phrase, and I think I understand what you mean.

25

A I didn't use "no programmatic failures".

mpb5

1 Q All right.

2 I'm hypothesizing a situation -- I'm trying to
3 get what you meant this morning and what this is all about.
4 You hypothesized -- I'm hypothesizing a situation where you
5 have a utility that is doing its job, and that it may have
6 random items of noncompliance, individual problems which
7 arise, individual problems in the area. And I'm suggesting
8 that wouldn't it be logical to assume that if the utility,
9 the licensee, had no programmatic failures, that their
10 programs were in place and that they were doing their job,
11 that if you expended more time, more inspector time, you
12 wouldn't necessarily find more items of noncompliance, which
13 is the trend that you have stated is found.

14 A All right.

15 Q I mean, wouldn't you accept that that --

16 A Yes, I'd accept that.

17 Q So what does that tell you about, you know, what
18 does the fact that they increase together tell you about the
19 nature of the problems that you are finding?

20 A All I'm saying is that you have to factor that
21 in. We live in an imperfect society, we're not all perfect.
22 We make errors; components do fail. That's why we have
23 redundant components.

24 CHAIRMAN SMITH: Excuse me.

25 I'm not sure that you're characterizing his

mpb6 1

testimony correctly.

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I asserted the question proportionally equal.

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I meant would it be proportionally equal yesterday as compared

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to today. You went from there to would there be a linear

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relationship between the number of inspections and the

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number of noncompliances. And he said, Remember, up to a

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point, suggesting that that would not go on indefinitely.

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There would be a flattening.

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Now your subsequent questioning is assuming

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that he's saying that there is no flattening of the number

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of noncompliances per inspection, but he didn't; he said up

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to a point.

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MR. ERWIN: Mr. Chairman, I don't believe so.

14

I mean, I believe that I was the one who introduced the

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notion that there had to be a limit to that, and that I

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was the one that posed to him the proposition that logically

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there had to be a limit, that it wouldn't continue indefinitely.

18

ly.

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CHAIRMAN SMITH: And my point is that he did

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refer to the limit in his previous answer.

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MR. ERWIN: And all I'm asking him now is -- he

22

has stated that it does continue this way, in his opinion,

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to the point beyond which we are unwilling to pay. And I'm

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saying what does that suggest to him about the patterns of

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items of noncompliance, if that is the case.

mpb7 1

2 WITNESS DANCE: If I may comment again, you're
3 asking me what that limit is, or what we're willing to pay
4 for?

5 I think what we're willing to pay for is the
6 wrong term.

7 MR. ERWIN: Now I'm accepting that. I'm not
8 even asking you to define that point. I'm accepting your
9 answer and assuming it is very responsive and very direct.
10 I'm accepting that as a point. I'm not even going to try
11 to define what that point is.

12 But obviously for this plant and every other
13 plant you're inspecting in Region II, what you're saying is
14 if we could spend more inspector hours, we are convinced
15 by our experience that we would find a linear relationship
16 between that increase in inspector hours and the numbers of
17 noncompliance that we find.

18 WITNESS DANCE: That's true. But I'm not saying
19 that's productive.

20 CHAIRMAN SMITH: And he also said up to a point.

21 BY MR. ERWIN:

22 Q I understand the point.

23 But isn't your testimony that there is virtually
24 -- that you couldn't imagine -- well, may I ask you, do you
25 have any idea where that point would be?

MR. REIS: Mr. Chairman, at this point I'd like



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mpb8

1 to know -- and perhaps there is a correlation to the ques-
2 tion before this Board, which is the question of the capabil-
3 ity of CP&L.

4 Now if he can show and say where he is going, I
5 will withdraw my objection. But right now I think we're
6 getting off on a tangent.

7 CHAIRMAN SMITH: Well, the problem is you can
8 hardly hold him to that because this is testimony appeared
9 in the direct written testimony, and it did explain the
10 apparent increase by terms of greater inspections.

11 Where are you going with it? I mean, I think
12 that he has appropriate cross-examination, but I think also
13 you have a right to know where he's going with it. But
14 don't forget, it was the Staff who offered this, on page 30.

15 MR. ERWIN: They talk about trends, and they
16 make judgments on the basis of their understanding of the
17 meaning of these figures.

18 My cross-examination is directed to a fuller
19 understanding of what these figures actually mean. They
20 are proposing that you take action on the basis of opinions
21 and recommendations that they make, and they are basing
22 those proposals on these charts, these figures.

23 The word is mine, I'm just massaging them. I'm
24 trying to establish the limits of their credibility, what
25 they mean, if anything.



1 2 3 4



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mpb9

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CHAIRMAN SMITH: Okay.

2

But we've had --

3

MR. ERWIN: We've had it extensively already before, but --

5

CHAIRMAN SMITH: So much testimony on the explanation of why 13 infractions cannot be compared with 13 infractions, and I think we have a very full record on this point.

9

MR. ERWIN: Well, I'm not interested in that point at all. The point that I'm interested in is the one that I find just absolutely astonishing, and that is that they can point to a direct linear relationship between the increase in inspector hours and the increase in items of noncompliance, which suggests to me that there are -- that it is like --

16

CHAIRMAN SMITH: Now just a moment.

17

You supplied "linear". He said "exponential".

18

You said "linear", and they said up to a point, which isn't linear.

19

20

WITNESS LONG: Sir, could I make just one comment?

21

MR. ERWIN: Then I'll substitute "mathematical"

22

for "linear".

23

Was that responsive? It could be mathematic without being linear at that point.

24

25

CHAIRMAN SMITH: Well, gentlemen, instead of

mpbl0 1 debating mathematical, linear, and exponentially, why don't
2 you explain to us how the increase in inspections increases
3 the number of noncompliances and where, as you suggested, it
4 becomes inefficient and unproductive.

5 WITNESS LONG: I'd like to say in my opinion,
6 my understanding, it's a little more complicated, for one
7 thing. Inspections are not really that uniform, the re-
8 curring inspections. We do try to cover all of the areas.

9 In the table on page 31 it talks of four areas.
10 There are other areas, of course. But if we applied a lot
11 of inspection, additional inspection perhaps in one area,
12 such as radiation protection, as we do on occasion because
13 of problems, then very quickly we don't find any more
14 problems unless there's a time lapse when maybe controls
15 slipped.

16 But if we were to inspect all areas somewhat
17 consistently we would see some increase in noncompliances
18 based on the increase in the number of hours. This is not
19 really a real valid conclusion because it's not consistent.
20 In other words, if we doubled the manpower, we wouldn't
21 really double the number of noncompliances. There's nothing
22 that simple.

23 We may see increases, but there is a place
24 when we call it saturation. At some place you've just
25 about saturated all areas with inspections, and the numbers

mpb11 1

2 of noncompliances will no longer increase no matter how
3 many you add. They start getting into each other's way.
4 And the plants just aren't big enough to accommodate it.

5 DR. LEEDS: Let me try to get at this another
6 way. Maybe I can get it clear in my mind by asking these
7 questions, Mr. Erwin, if you will pardon me for a second.

8 MR. ERWIN: Sure.

9 DR. LEEDS: I take it looking just at the number
10 of items of deficiencies on a year by year basis is not
11 adequate because there is variation in the number of items
12 of noncompliance due to variations in the number of inspec-
13 tion hours.

14 WITNESS LONG: Yes, sir.

15 DR. LEEDS: Okay.

16 Therefore that suggests that one way or the
17 other, more inspections or less inspections, those numbers
18 would change, is that correct?

19 WITNESS LONG: That's correct.

20 DR. LEEDS: And then at least for a beginner in
21 this field, one might then conclude that if I took your
22 numbers of items of noncompliance or infractions or whatever
23 I got down there and divided it by, say, inspector man-hours,
24 I might have a better measure of the performance of the
25 system over a period of time, not a perfect one, but a
better one. Is that a reasonable statement?

mpbl2 1

2 WITNESS LONG: That appears to be reasonable,
3 and that method has been tried. It's one of those methods
4 of evaluation that have been utilized, yes.

5 DR. LEEDS: Another one that occurred to me is
6 just divide it by the number of inspectors that actually
7 appeared at the plant over a year instead of inspection
8 hours, just the number of inspectors. I suspect that any-
9 body in the field could then think of other things to divide
10 it by.

11 And if you've got a statistician in there, you
12 could get some sort of curve that would say that the corre-
13 lation, that this is a functional relationship. It may be
14 linear, it may be second order, may be nth order, something
15 order, but there might be some relationship.

16 Is that a reasonable expression of what might
17 happen?

18 WITNESS LONG: Yes, sir.

19 The one thing that we haven't discussed is how
20 the emphasis varies. Security, for example, became a very
21 significant issue, and very unusually large amounts of
22 effort was placed on the security.

23 DR. LEEDS: Okay.

24 But I could peel that off and say Okay, some-
25 thing unusual happened to change the statistics or the data,
so I've got time intervals in which lo and behold I'm now



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mpbl3 1 inspecting for security or I'm now inspecting for safeguards.
2 At this particular instance in time I'll put in a big safe-
3 guards program; I've been inspecting very heavily in that
4 area, or security, very heavily in that area, or anything,
5 I could peel those out because the record would show that.
6 But in basic inspection either one of two things will happen:
7 you're either doing that regularly all the time, so therefore
8 it's just increasing on up and therefore you might normalize
9 it out by dividing by some appropriate thing, or you could
10 peel it out the other way.

11 My question is fundamental to this. Is what
12 you're saying to me on one hand, here is a piece of data. I
13 give you these nice numbers. I even observe that, Hey,
14 they're going down. And then you turn around later on and
15 tell me, yes, but you can't make too much out of these
16 numbers because, gee, they ought to be normalized in some
17 sense, or they ought to be manipulated in some sense so you
18 can actually interpret them, but then you can't tell me what
19 that relationship is.

20 So that's where I think I have a problem with
21 the data you've given me. You've given me some data and
22 then said look at it, and after I look at it and start ask-
23 ing questions about it, you say I've got to do something
24 with that. The data is not representative. And yet you
25 won't do that for me.

mpbl4 1

I feel somewhat frustrated by this.

2

WITNESS LONG: Well, one of the complications

3

that you have recognized earlier is in the table on page 30,

4

is the mixture of either one plant or two plants. And some

5

of the noncompliance items are applicable to both units, for

6

example, and others maybe are only with one.

7

DR. LEEDS: But you see, the problem I'm facing

8

with that -- and every time you qualify it it's another

9

example.

10

I want to emphasize this point. You just told

11

me I can't look at that raw data and yet you didn't make

12

that evaluation for me. Where on this page, for example,

13

does it tell me that? You know, here all I see -- I can

14

read it. I can read the whole thing into the record.

15

Brunswick Enforcement History. Then it was changed to read

16

Brunswick Unit 1 and 2 Combined.

17

Now you're telling me it's not combined for one

18

of those years?

19

WITNESS DANCE: No, he's not telling you that.

20

WITNESS LONG: No.

21

DR. LEEDS: So it is combined. It's not two

22

units, it's one unit.

23

Is that right?

24

In '75 were there two units?

25

WITNESS DANCE: No.

mpb15 1

2 WITNESS LONG: I had Unit 2, Unit 2 for '76, and
3 then both in '77 and '78.

3

4

5

6

7 WITNESS DANCE: What the numbers represent is
8 for the inspection reports issued to Brunswick during those
9 years, that's the number of noncompliances in the Notice of
10 Violation accompanying the inspection reports.

7

8 DR. LEEDS: Okay. You counted.

8

9 WITNESS DANCE: Yes, sir.

9

10 DR. LEEDS: Okay.

10

11

12

13

14

15 And then you handed it to me and I got a
16 correction on the data that said -- we had the question
17 come up, is it both units or one unit. And now all of a
18 sudden I find out I really have to put one unit in the
19 first column, is that right?

15

16 WITNESS DANCE: That's correct.

4Madelon 16

17

18 DR. LEEDS: The Chairman reminds me it's not a
19 correction. I mischaracterized that. I apologize for that.

18

19 You have always given me all of the numbers.

19

20

21

22 But you're now just telling me that this is the Unit 1 and
23 Unit 2 combined for the whole period of time. It just so
24 happens in '75 there wasn't a Unit 1, I guess.

22

23 WITNESS DANCE: Yes, sir.

23

24 WITNESS LONG: That's correct.

24

25 DR. LEEDS: Okay.

25

But I still have that problem. All of a sudden



mpbl6 1 I see something and I latch on to it -- and I hate to
2 characterize it by this word, but I want to express my
3 feelings for it, because if I'm wrong on this I want to be
4 corrected.

5 I've got a feeling I grab for a will-of-the-wisp
6 here and every time I grab at something I just can't get hold
7 of it.

c8 8 It's not that you never told me, it's just I
9 keep finding more and more pieces to it, I guess.

10 CHAIRMAN SMITH: And this is going back to a
11 point that you made, that -- well, it's difficult to make a
12 complicated business simple.

13 WITNESS LONG: Sir, this is my whole point, and
14 this has bothered me for some time now, particularly the
15 LRP. That bothered me quite a bit.

16 CHAIRMAN SMITH: Particularly the what?

17 WITNESS LONG: LRP, the Licensing Performance
18 Evaluation device. I had a great problem with that because
19 I have had great difficulty in judging performance over
20 several years of one facility because of the non-uniformity
21 of each year of inspection, the variations and the areas
22 covered. The qualifications of our inspectors improves.
23 They get more efficient each year. There are many factors
24 that make it difficult. And I am concerned, if I look at
25 numbers like 30, 20, 15, and 10, in that order, that one

mpbl7 1 might conclude that this means obviously there is an
2 improvement. It could mean the opposite. And likewise,
3 numbers that tend to decrease might be -- I mean increase
4 might be misleading because you have to look at the whole
5 picture and decide what you did, how many people inspected.
6 You have to weigh the noncompliances. Five noncompliances
7 in one area may not be as significant as one noncompliance
8 in another.

9 So performance is a very complicated thing, and
10 we have not yet been able to do it by counting noncompliances.
11 It's not nearly that simple. We wish it were, but....

12 It's a big job and we just don't see a real
13 simple way of explaining it.

14 WITNESS DANCE: Dr. Leeds?

15 DR. LEEDS: Yes, sir.

16 WITNESS DANCE: If I were to look at that table
17 on page 30 and looking at '77 and '78, recognizing that the
18 number in '78 may not be the full year, but if I'm looking
19 at that table and I'm aware that the regulatory requirements
20 have increased and I'm aware that our inspection programs
21 have increased, that looks pretty good to me, pretty good
22 as being Hey, there is an improvement here. But that's my
23 view.

24 DR. LEEDS: Okay. Well, I appreciate that. I
25 think I now understand what you mean by your answer to this



mpbl8 1

question on page 31, when you were asked:

2

"Are there any trends ascertainable

3

from examining CP&L's noncompliance history?"

4

And the answer was:

5

"Yes, noncompliances have been

6

decreasing."

7

And when the Board first looked at this, and

8

when I looked at this the first time, I looked at that

9

table and I said -- well, I added up 21 or some number for

10

1978 and multiplied by 12/9ths and got the 28, and I said

11

Well, it doesn't look like it's decreasing. But with the

12

background you've given me just then and earlier this day

13

I can see the reason for your statement there. I can under-

14

stand it.

15

So I appreciate your clarifying it for me.

16

Thank you.

17

Excuse me, Mr. Erwin.

18

But I still have this will-of-the-wisp feeling,

19

I'm sorry.

20

(Laughter.)

21

MR. ERWIN: Dr. Leeds asked a question at the

22

beginning of his questions, and I can't rephrase it, but it

23

was a really good question. I'd really love to have the answer

24

to.

25

DR. LEEDS: What was it about?

mpb19 1

2 MR. ERWIN: It was just a generalized --- you
3 very succinctly asked them exactly what I wanted to get at,
4 and I can't really rephrase it.

5 DR. LEEDS: I should have recorded that one.

6 MR. ERWIN: And then, as some of us are in the
7 habit of doing, we tripped into another set of questions.
8 But it was very responsive.

9 Maybe we could wait and let me --- I don't know,
10 they're probably leaving today. I was just thinking maybe
11 we could get it --- I don't want to take the time to go back
12 and ---

13 CHAIRMAN SMITH: Let me tell you, we're going to
14 have problems with this hearing if we don't move along.
15 When you pick up the transcript of that I'm sure that --- are
16 you gentlemen going to be here for the balance of the hearing?

17 MR. REIS: They will be here tomorrow, at any
18 rate.

19 CHAIRMAN SMITH: We're going to have to move
20 along, or otherwise we're going to have conflicts among
21 witnesses, conflicts among the Board, and we're going to
22 have a difficult time rescheduling this.

23 So I'd like to make a very strong effort to wind
24 this up this week. And at the pace we're going, we're not
25 going to do it. And I take a lot of the blame too because
I had a leisurely pace in my questions and I asked all I

MPB20 1 wanted to. But we'll have to move.

2 BY MR. ERWIN:

3 Q I don't want you to discuss anything that will
4 be extensively -- that will be completely covered by a
5 later panel, but I would like you to refer to the last
6 sentence on page 20, the last sentence of the discussion of
7 the offgas system, the conclusion:

8 "In the interim, the inoperability of
9 the system could have an adverse effect on
10 radioactive gaseous releases depending on
11 fuel integrity."

12 MR. REIS: What page are you on, Mr. Erwin?

13 MR. ERWIN: Page 20.

14 BY MR. ERWIN:

15 Q And I may have missed it in the later testimony
16 -- this is the third line down -- I may have missed it in
17 the later testimony, and if so please correct me. But what
18 does that mean?

19 A (Witness Dance) Let me say that NRR is going
20 to address the general question.

21 Q If you think that answer -- if you think that
22 question is better answered by them -- I don't believe it is,
23 but if you believe it is....

24 A The tech specs already have a requirement in
25 them to require the alternating offgas system in case the

mpb21 1 releases become so high, that's already a requirement.

2 Q Well, I'm not talking about the requirement.
3 I'm just talking about in layman's language what it means.

4 A That means if you have leaking fuel versus no
5 leaking fuel, that the releases are different. Offgas
6 releases are greater when you have leaking fuel than if
7 you'd had no leaking fuel.

8 Q And the releases are -- Do you believe that
9 there's any -- well....

10 So the object -- well, what is your specific
11 relationship to this problem at this date? I mean, it may
12 very well be more productive for me to just simply withhold
13 all questions entirely.

14 A Our specific relationship to this problem is to
15 assure that they're meeting the current technical specifica-
16 tions.

17 Q Whatever they may be.

18 A Yes.

19 Q Okay. All right.

20 Now do you have any opinion as to the -- any
21 professional opinion -- you've been asked by the Chairman,
22 at least by the Chairman, I believe, as to whether in
23 certain instances you believe tech specs ought to have been
24 -- whether certain things ought to have been included or
25 might prudently been included in tech specs for various

mpb22 1

plants and so forth.

2

Are you personally professionally satisfied

3

with the resolution of this issue since you're on the stand

4

now and the others are going to testify about it? But, you

5

know, you've got to enforce it, but you also know what's

6

going on.

7

Are you satisfied that the most recent tech specs

8

revision regarding this is adequate? And I'm asking you to

9

take into account Mr. Burke's comments and his response to

10

your question and everything else.

11

In other words, I know it's not in your field.

12

I know you're not responsible for drafting the tech specs

13

or for, you know, reviewing it with the Applicant. But do

14

you think that the resolution of this to date is adequate,

15

because it sure doesn't sound like it on page 20.

16

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RB/eb1
fs Madelon

1 A (Witness Dance) The requirement has been placed
2 in the technical specifications which is it is the NRC's
3 position that it is an acceptable number. And your question
4 is to me personally, do I think the tech spec number is
5 acceptable? It's more of an equation but that value is an
6 acceptable value.

7 Q I mean you previously testified that in your
8 opinion -- I forget exactly what the reference was, but you
9 previously testified that -- oh, I think it was the HPCI
10 bulkhead enunciator would have been -- that problem, it would
11 have been appropriate to put it in the tech specs.

12 Now I'm asking you in exactly the same light,
13 do you think that this -- that the resolution that has been
14 reached is, in your professional judgment, perfectly adequate
15 in light of everything you know about it?

16 MR. TROWBRIDGE: Mr. Chairman, let me start with
17 "the resolution has been reached." We don't know what
18 resolution Mr. ERWIN is talking about or whether he knows
19 what resolution he's talking about.

20 CHAIRMAN SMITH: Let's see if the witnesses do.

21 WITNESS DANCE: I understand the resolution has
22 not yet been reached.

23 BY MR. ERWIN:

24 Q Tell me what your understanding of that-- So that
25 I can get your opinion I need to lay a groundwork. All right.

WRB/eb2

1 Where is the resolution? Where is the process of
2 resolving this issue now? All I want to do is-- You know,
3 I don't want to put words in your mouth, but hasn't a
4 proposed resolution been reached?

5 A (Witness Dance) It is my understanding that the
6 current technical specification gives a limit. As long as
7 that limit is not exceeded, I see no problem.

8 Now it is also my understanding, and we have it
9 in our testimony, that CP&L has stated somewhere, and we're
10 checking the source of that, that it may be eight years until
11 the system is completed.

12 People in our office question that eight-year
13 period.

14 CHAIRMAN SMITH: You mean question whether that
15 is an acceptable period, or question whether that's an
16 accurate period?

17 WITNESS DANCE: Questioning whether that is not
18 an exceedingly long period.

19 CHAIRMAN SMITH: Is it unrealistically long for
20 the technology involved?

21 WITNESS DANCE: Yes.

22 CHAIRMAN SMITH: It shouldn't take that long?

23 WITNESS DANCE: It shouldn't take that long;
24 right.

25 MR. ERWIN: Is that specific enough to meet

WRB/eb3¹

2 Mr. Browbridge's objection? I'm just trying to get his
3 opinion.

4 CHAIRMAN SMITH: The objection was in effect
5 overruled by the answer.

6 Do you have any unanswered questions?

7 MR. ERWIN: I want to know whether -- you know,
8 whether he thinks it's unreasonable.

9 CHAIRMAN SMITH: Never mind the interplay between
10 Counsel. I don't think you have an unanswered question right
11 now. Do you?

12 MR. ERWIN: I think the question is whether or not
13 Mr. Dance considers that an unreasonable -- whether the eight-
14 year -- you know, whether --

15 CHAIRMAN SMITH: Mr. Trowbridge did not make an
16 objection to that that I heard. He made an objection as to
17 what he regarded as being vagueness. Did I miss that?

18 MR. TROWBRIDGE: That's quite correct. He kept
19 talking about "this resolution," and without any definition
20 and without any indication that there had been a resolution.

21 CHAIRMAN SMITH: There is no pending objection.
22 Unless you're unhappy with the answer to your question I
23 think you ought to just go ahead.

24 MR. ERWIN: Fine.

25 BY MR. ERWIN:

Q All I'm asking now is are you satisfied that, in

WRB/eb4 1 your professional opinion, individually, whether or not you're
2 involved in the process, are you satisfied that the CP&L
3 projection that the offgas system will be -- will take eight
4 years to repair is an adequate resolution of the problem?

5 A (Witness Dance) I'm satisfied that the present
6 technical specification has an upper limit on it so it doesn't
7 concern me too much.

8 Q Well, are they meeting that upper limit?

9 A Yes, they are meeting the limit.

10 Q They are within it?

11 A They are within the limit.

12 Q They are within the limit in any event; is that
13 correct?

14 A That's correct.

15 Q So you're not particularly concerned about-- Tell
16 me if I'm correct.

17 The offgas system as you refer to it on page 19-C
18 is what Mr. -- is what was previously referred to as the
19 augmented offgas system. Is that correct?

20 A That's correct.

21 Q So for clarification purposes we can insert on
22 19-C, "augmented offgas system."

23 A Yes.

24 Q And the offgas system that was blown up; so to
25 speak, or went out of commission some years ago is not the

WRB/eb5

1 system we are referring to here?

2 A No, it is not the system you are referring to
3 here. And the system that was described by Mr. Wilber which
4 you are referring to has been repaired.

5 Q It has been repaired.

6 And this is the backup system so to speak?

7 A It's a more intense system.

8 Q All right.

9 And the relationship between the two systems is
10 that -- one of the relationships is that should the primary
11 system fail, this would be capable of --

12 A No, the augmented offgas system is the system
13 that's designed to meet Appendix I.

14 Q So it does not have any backup relationship to
15 the offgas system?

16 A That's correct.

17 Q But it is-- But this one is intended to make the
18 primary offgas system work better. Is that it, in simple
19 layman's terms?

20 A Much better, yes.

21 Q Much better. Okay.

22 But since they are meeting their own tech specs,
23 you're not concerned -- you are not...Well, you still haven't--

24 A I personally have no concern now.

25 Q Okay.



WRB/eb61

1 A Our testimony on page 20 was written by one of
2 our health physicists, and he has more of a concern.

3 Q All right, he has more concern than you do then.

4 A Because I know we have the upper limit on it, yes.

5 Q Now this is sort of what-- I mean is there any-
6 thing about your health physicist's testimony that-- I mean
7 you say he has more concern than you do. I mean I'm not try-
8 ing to trap you, honestly. But isn't this what we're talking
9 about? Isn't this the kind of situation you had with
10 Mr. Cantrell?

11 Is there anything that he submitted to you in the
12 preparation of this particular item in the testimony that is
13 not -- that goes beyond it, that expresses any more intense
14 feeling about it than is expressed here?

15 A What is expressed here is his words, is our health
16 physicist's words.

17 Q And in the exercise of editorial discretion, you
18 did not delete or excise any of his words?

19 A No editing.

20 Q That's great. I just wanted to....

21 So you don't feel as much concern about it as is
22 expressed in the testimony, but you put forward the testimony.
23 Is that an accurate kind of --

24 A That's correct.

25 Q You would be a little bit more relaxed about it

WRB/eb7 1

than -- personally than is actually --

2 A It is his speciality area, yes.

3 Q So in this sense you're deferring to his --

4 A Yes.

5 Q And including it in toto and verbatim?

6 A Yes.

7 Q Thank you very much.

8 MR. ERWIN: I have no further questions of either
9 of these gentlemen at this point.

10 CHAIRMAN SMITH: All right.

11 Now we're ready for recross, Mr. Gordon.

12 MR. GORDON: I don't have any questions,
13 Mr. Chairman.

14 CHAIRMAN SMITH: Mr. O'Neill, or who is going to
15 do it?

16 MR. O'NEILL: This will be short, Mr. Chairman.

17 CHAIRMAN SMITH: I just recall there's a question
18 pending for Mr. Brownlee. Were you present when that question
19 was asked?

20 MR. BROWNLEE: What question is pending?

21 CHAIRMAN SMITH: That's my problem. I don't
22 remember either. I just remember the existence of a question.

23 WITNESS DANCE: Perhaps it was updating the
24 original testimony.

25 DR. LEEDS: That's correct. It was in the

WRB/eb81

1 original testimony, and it was in the conclusion section of
2 that, if I remember rightly.

3 MR. REIS: It involved the construction and the
4 updating of I believe it was Question 2 of the original panel.
5 It might have been a different number but I believe it was
6 one of the questions.

7 CHAIRMAN SMITH: I was just trying to alert
8 Mr. Brownlee that he will be up for that question. Unfor-
9 tunately I can't remember the question.

10 Mr. O'Neill.

11 RE-CROSS-EXAMINATION

12 BY MR. O'NEILL:

13 Q Mr. Dance, do you have a copy of Board Exhibit
14 8 with you at the witness table, which is the Licensee
15 Regulatory Performance Evaluation?

16 It might be helpful if you could get a copy.

17 (Document handed to the panel.)

18 If you gentleman would turn to Tab 8 of Board
19 Exhibit 8, I would like to ask you a series of factual
20 questions and then if you have any commenting afterwards, you
21 might make it at that time.

22 This gets to the numbers game that we've been
23 playing throughout the proceeding.

24 If you look on the first graph of the series of
25 four graphs in Board Exhibit 8 under Tab 8, do you understand

WRB/eb91

1 that graph to be an update of information that is earlier in
2 this exhibit with respect to graphs that plot weighted non-
3 compliances versus inspection hours?

4 I cite that because on these pages, the left-hand
5 axis is unreadable in all but the third graph where you can
6 barely see the term "weighted non-compliance."

7 A (Witness Dance) Yes, I understand that is the
8 case.

9 Q Now looking at the first graph, is it your under-
10 standing that the relevant period of time is January 1, 1976,
11 through June 30, 1977?

12 A Yes.

13 Q And this graph purports to plot points for boiling
14 water reactors for that period of time. Is that correct?

15 A Yes.

16 Q After plotting those points, is it also not true
17 that there is a statistical interpretation of those points
18 based on Z scores in the middle of that page which shows a
19 fit of those points to a statistical mean, and then standard
20 deviations from that statistical mean?

21 A Yes.

22 Q Then up in the upper left-hand corner it then
23 lists the Z scores by boiling water reactor. Is that not
24 correct?

25 A Yes.

WRB/eb10

1 Q If we look at Brunswick's Z score, could you read
2 it for us, please?

3 A Minus .6.

4 Q Could you tell us what you understand that minus
5 .6 to mean with respect to the other 16 reactors which are
6 evaluated on that page?

7 A I understand the Z score of minus.6 to fall in
8 the average of the major portion of the score.

9 Q Fall in the average of the 17 reactors which are
10 considered during this period of time? Is that right?

11 A Yes, sir.

12 Q If you'll turn to the next graph, sir, is it your
13 understanding that that appears to be a similar plot of boiling
14 water reactors using data for only the first half of 1977?

15 A Yes.

16 Q Will you please read what Brunswick's score is
17 for that data in a similar statistical evaluation of those
18 plots?

19 A 2.0.

20 Q What is your understanding of what that Z score
21 would mean in comparison with the other reactors which are
22 plotted?

23 A It's above average.

2d

24

25

2E
WRB/wbl

1 Q And "above average" in this context would be to
2 imply not that there were more non-compliances but, rather,
3 their performance was above average. if. one were simply to
4 measure performance as weighted non-compliance versus
5 inspection hours?

6 A That's correct.

7 Q If you will turn to the third graph, is it your
8 understanding that this is a similar plot of pressurized
9 water reactors for the period January 1, 1976 through June 30,
10 1977?

11 A Yes.

12 Q And that purports to plot, again, weighted non-
13 compliances versus inspection hours for twenty-three
14 pressurized water reactors?

15 A That's correct.

16 Q Could you please read the score for the Robinson
17 plant during this period of time?

18 A 1.4.

19 Q Again, what is your understanding as to where
20 1.4 would fall in relation to the other plants that are so
21 analyzed?

22 A It's above average.

23 MR. REIS: Mr. Chairman, I just want the record
24 to reflect that this is not evidence in the proceeding. We
25 submitted this as a Board notification, and the Board accepted

C10

WRB/wb2 1

2 it as a Board notification. There were references to it in
3 cross-examination as to what it means. But at this point it
4 is not evidence.

5 He can ask him to interpret these things: I don't
6 see anything wrong with that. But I don't think it is very--

7 CHAIRMAN SMITH: Let's let him continue this
8 line. Then ask the necessary questions, if you can,
9 which will elicit from these witnesses what direct evidentiary
10 value this may have. Or, if you can't, somebody else will.

11 MR. O'NEILL: I'd like to complete this, if I
12 may, so we have the record straight as to what these graphs
13 say.

14 CHAIRMAN SMITH: Yes, I agree.

15 BY MR. O'NEILL:

16 Q Turning to the fourth graph, is it your under-
17 standing, looking at that graph, that it purports to be a
18 similar statistical plot for pressurized water reactors for
19 the first half of 1977?

20 A (Witness Dance) Yes.

21 Q Again plotting points for twenty-three pressurized
22 water reactors?

23 A Right.

24 Q And would you please read the score for Robinson
25 for that relevant period of time?

A 2.6.

WRB/wb3 1

2 Q And what is your understanding of where that
3 would place Robinson in relation to the other plants that
4 are analyzed?

5 A It's above average.

6 MR. O'NEILL: Mr. Chairman, we had prepared
7 to respond earlier to your inquiry as to what use should be
8 made of this Board Notification. Mr. Trowbridge is prepared
9 to respond to that. And if you would like to do it by way
10 of eliciting some questions I would request that Mr. Trowbridge
11 be allowed to ask his questions.

12 CHAIRMAN SMITH: Of this panel?

13 MR. O'NEILL: Yes.

14 CHAIRMAN SMITH: If you are prepared, and if no
15 one objects:

16 MR. TROWBRIDGE: No, Mr. Chairman; I mis-
17 communicated somehow with Mr. O'Neill. I have no questions
18 to ask of this panel. I did mean to explain the line of
19 questions, however.

20 As Mr. O'Neill has correctly stated, the Board
21 did ask both the Staff and the Applicant to comment on what
22 use should be made of this piece of non-evidence in the
23 proceeding. There are several observations that we would
24 have made with respect to this; my answer being essentially,
25 No use.

We think it relevant, for example, that the Board

NRB/wb4

1 has had before it a large number of inspectors and super-
2 visory inspectors who were prepared pretty much to follow
3 up on the notations that the Board noted in this document
4 concerning inspector views on, principally, the licensee's
5 attitude toward inspections and inspectors. I think there
6 has been ample opportunity, and, in fact, the Board has
7 followed up on that.

8 Similarly, when we're talking about this as the
9 numbers game, I think it reasonable to point out from this
10 document that in general not only material from Tab 8 but
11 also the material that preceded that for earlier periods
12 of time. I think it is significant from the standpoint of
13 the Board's consideration that generally speaking Robinson
14 and Brunswick, when you look at all the numbers, fall
15 generally in the middle, with an improved status in the
16 latter part of the last six months covered in the update
17 section. And I think this should lead the Board comfortably
18 to the conclusion that this is not a document which has been
19 placed before the Board which necessitates any great anxiety
20 or further inquiry by the Board beyond what has already
21 occurred.

22 CHAIRMAN SMITH: So that really there was no need
23 to ask these witnesses to tell us what was in there; except
24 to get their -- to read it for us.

25 MR. TROWBRIDGE: That's true, Mr. Chairman.

WRB/wb5 1.

CHAIRMAN SMITH: Okay. I guess it was convenient
2 that's all that has happened, then, and the witness has
3 read to us from Board Exhibit 8 the average and above
4 average.

5 What input did the witnesses have on that con-
6 clusion that we could not have drawn for ourselves? Was that
7 a matter of your judgment, Mr. Dance?

8 WITNESS DANCE: Excuse me, sir?

9 CHAIRMAN SMITH: How did you base your conclusion
10 on the individual charts that Brunswick or Robinson were
11 respectively average or above average as the case may be?
12 Is that apparent from the charts right there?

13 WITNESS DANCE: Yes, it is. It's based strictly
14 on non-compliance.

15 CHAIRMAN SMITH: Could, say, for example,
16 Dr. Leeds have come to the conclusion from that chart?

17 WITNESS DANCE: Yes, sir.

18 DR. LEEDS: I wanted to ask you before you
19 concluded, not to conclude that.

20 What does "above average" mean? Does it mean
21 they are having more deficiencies than the average plant, or
22 does it mean less?

23 WITNESS DANCE: It's above average in performance.

24 DR. LEEDS: Okay.

25 MR. REIS: Mr. Chairman, whatever we decide on



WRB/wb6

1 Board Exhibit 8, I just want the record to be clear that
2 the testimony interpreting something that isn't quite in
3 evidence is no stronger than the document it's based on.

4 CHAIRMAN SMITH: That's exactly the point I'm
5 trying to establish here. My only concern was, they read
6 it to us. Now I was trying to establish that their con-
7 clusions about averages were inherent in the document and
8 not something they supplied. Otherwise we would have a
9 problem.

10 Now are you going to make no effort to see if
11 this panel can independently give direct testimony concerning
12 this chart?

13 Well, let's establish it.

14 Do you know anything about this chart and how
15 it was prepared? Can you support these charts in Tab 8?

16 Mr. Long says no.

17 WITNESS DANCE: We were preparing a response on
18 this separately, sir. But, no, we can't support this.

19 This Board Notification is a trial program.

20 CHAIRMAN SMITH: Okay. I understand that. But
21 I thought that maybe independent parts of it, which you may
22 be familiar with, could support it. But you can't.

23 WITNESS LONG: We have not verified any of the
24 figures.

25 CHAIRMAN SMITH: So all you've done is, you've

WRB/wb7

1 used that means to draw the Board's attention, and the
2 record's attention to what Tab 8 says, the charts in Tab 8.

3 MR. O'NEILL: Yes, Mr. Chairman. And also picking
4 up on Dr. Leeds' point earlier, about wouldn't this be one
5 way of doing it. And this is one way of doing it. Once
6 you do it that way, here's where these plants fall out.
7 And I think that was worth bringing your attention to that
8 Tab 8 specifically; it's a long document.

9 CHAIRMAN SMITH: It's in the form of a hypotheti-
10 cal question.

11 MR. LEEDS: Yes. And the minute you showed me
12 that I saw that it was plotted versus inspection hours.

13 Thank you very much.

14 BY MR. O'NEILL:

15 Q Gentlemen, turning to the question of the HPCI
16 doors, do you recall when this item was first identified as
17 an unresolved item by any inspector at the Brunswick plant?

18 A (Witness Long) What page was it on?

19 A (Witness Dance) I believe it was November '76,
20 in that time frame.

21 Q Subject to check, would you accept for the moment
22 that it was IE Report 76-24 for Brunswick, December 15, 1976,
23 or at least in that time frame?

24 A Fine.

25 Q Inspection Report 77-03, again for Brunswick, was

WRB/wb8

1 not that item closed out as an unresolved item?

2 A The unresolved item was closed out, yes.

3 Q Was it ever found to be an unresolved item
4 again?

5 A No.

6 Q It was never at any time found to be an infraction
7 or deficiency, was it?

8 A No.

9 But you're not going to stop there, are you?

10 (Laughter)

11 Q No.

12 That's the only question the witness gets to ask
13 the lawyer.

14 In IE Report 77-13 there was mention made that
15 the doors were found open. --of July 1977. Do you recall
16 that?

17 A Right.

18 Q Was there any mention whatsoever of the HPCI doors
19 after that inspection report of July 1977?

20 A Not that I recall.

21 Q When this item was resolved in January 1977, what
22 was CP&L's action which caused you to close that as an
23 unresolved item?

24 MR. REIS: I object. There's no testimony that
25 it was resolved. I object to the question.

WRB/wb9

1 MR. O'NEILL: He just testified, your witness
2 testified that it was resolved in Inspection Report 77-03,
3 which is in evidence in a number of places.

4 CHAIRMAN SMITH: Was that your testimony,
5 Mr. Dance?

6 WITNESS DANCE: Yes.

7 Now your question again?

8 BY MR. O'NEILL:

9 Q My question, again, was: What action did CP&L
10 take that caused that item to be resolved?

11 A (Witness Dance) Signs were posted on the door to
12 maintain closed. And also the operator's log was required
13 to check once a shift to verify that it was closed.

14 Q And you consider this to be an acceptable response
15 to an item of concern?

16 A On an interim basis.

17 Q Was there any mention that it was on an interim
18 basis in January 1977?

19 A No.

20 I'm not certain about the dates. But go ahead.
21 They sound reasonable to me.

22 Q Mr. Long, returning to the question of turnover--

23 CHAIRMAN SMITH: You are stopping there?

24 MR. O'NEILL: Yes, sir.

25 CHAIRMAN SMITH: Are you done with the HPCI doors



NRB/wb10

1 now?

2 MR. O'NEILL: Yes, sir. I've established--

3 CHAIRMAN SMITH: So far as you're concerned
4 that's the last question you want to ask this panel about
5 the HPCI doors?6 MR. O'NEILL: I think the record is pretty
7 adequate on the subject, sir.

8 CHAIRMAN SMITH: Okay.

9 BY MR. O'NEILL:

10 Q Mr. Long, referring to the turnover problem as
11 you viewed it, turnover occurs for a number of reasons,
12 does it not? In other words, management change of personnel
13 in positions would be considered turnover?

14 A (Witness Long) Yes.

15 Q Before the 1976-77 time frame in which you con-
16 sider turnover to be a concern, was not I&E making some sug-
17 gestions, or indicating some concerns to CP&L to strengthen
18 their plant organization at Brunswick?19 A Yes. I believe we were addressing QA staffing
20 particularly at that time.21 Q But you were stressing other staffing at this
22 point, too?

23 A Yes, all matters.

24 Q And in fact, part perhaps in response to your
25 concerns, there were some additional senior level management

RB/wb11

1 positions added at the Brunswick plant, were there not?

2 A Yes, that is correct.

3 Q And there were some changes in positions at the
4 plant in order to accommodate the new positions that were
5 created, were there not?

6 A I don't remember the specific positions. But
7 that's true, there were new positions created. I do not
8 recall the specific positions.

9 Q So that this is a sort of Catch-22 position for
10 CP&L in that in response to some of your concerns they
11 create some new management positions and change some people
12 around. And this starts to indicate that there is in part
13 some turnover?

14 A Yes.

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1 Q One more question, Mr. DANCE:

2 In preparing your testimony in 1977, in response
3 to the question posed by the Board, you were preparing that
4 testimony not only in response to the operations history at
5 the Brunswick plants but also at the Robinson plant?

6 A That's correct.

7 MR. O'NEILL: I have no further questions.

8 FURTHER EXAMINATION BY THE BOARD

9 BY CHAIRMAN SMITH:

10 Q Is there anything else that the Board should know
11 about the basis for the resolution of the doors at the HPCI
12 bulkhead? I'm left dangling. I did not understand that the
13 final resolution of that was just to put a sign up on the
14 door, that more was to be done, and apparently it was not
15 included in the inspection report referred to. And you
16 yourself indicated "Yes, on an interim basis."

17 A (Witness Dance) Yes. Following the sign,
18 following the check by the operator in his daily log, I
19 understand we did have a deviation where we found the doors
20 open again. And this was addressed in a subsequent inspection
21 report.

22 Q Well, when did the solution to the problem in-
23 volving enunciator lights on the control panel, when did that
24 surface?

25 A I think that probably surfaced in response to the

WRB/eb2 1

deviation. I would have to research that, sir.

2

MR. O'NEILL: I believe that contradicts some testimony I just received, Mr. Smith.

3

4

CHAIRMAN SMITH: All right. I simply want an explanation. You asked the question which may satisfy your needs for proposed findings, but they don't satisfy my needs to understand what's happening here and why, after two years, you still have a HPCI door problem. If you don't develop the record we need to understand this, sharing equal responsibility, then you're going to answer for it.

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I want you to explain to me how this problem came about. Either do it by the witnesses or by examination or by some other means.

12

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14

MR. O'NEILL: Mr. Smith, first of all our witnesses will address it but secondly, the point I want to establish and which I did is that there was no infraction, there was no deficiency, there was one unresolved item. That concern became a closed item, and there was no longer any enforcement problem, so to speak, with the NCPI doors.

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Subsequently, because an inspector found the doors open which was not, again, an unresolved item or deficiency, CP&L agreed that they would put an enunciator on them if that would help insure that even with the shift person checking each watch and even with signs up there, the door at one point was left open, then we would put this

WRB/eb3:

enunciator there.

2 But that doesn't mean that it was a continuing
3 problem. That's the implication that you're making in your
4 statement.

5 CHAIRMAN SMITH: Exactly right, yes. That is
6 what I believe the state of the record shows, that after
7 two years, NRC has been trying to get HPCI bulkhead doors
8 to close when they should close and remain closed. And they
9 haven't done it. They haven't been able to do it.

10 Now if that is wrong, somebody better get on that
11 witness stand with an organized presentation and start from
12 day one and tell us what happens. The problem could be that
13 we have a mass of information here and it doesn't all appear
14 in a cohesive form, and maybe we're mistaken.

15 But I get very nervous about this business,
16 Well, we gotcha. You know, it wasn't a violation. We
17 gotcha. It wasn't a non-compliance. Gotcha, it wasn't a
18 deviation."

19 But I know right now it seems to me this record
20 shows that Mr. Cantrell started talking about those doors
21 before December, 1977, and December 1977 was the inspection
22 report bringing it up. So first they're trying to resolve
23 it by posting signs and that didn't work. So where are you?
24 You're still trying to resolve it.

25 Now the point is who is responsible for the

10.341

WRB/eb⁴

1 ultimate safety of that plant anyway? Is it the NRC Staff
2 trying to come up with a magic solution to it, or is it
3 CP&L with initial responsibility off the bat?

4 DR. LEEDS: Let me ask a question just to make
5 sure it goes in at this point in the record. I'd like to
6 ask CP&L attorneys on this.

7 I gather that you asked Mr. Dance if this was
8 a closed-out item and you established the date for that. Is
9 that correct?

10 MR. O'NEILL: That's correct.

11 DR. LEEDS: And then you asked has it been cited
12 as an infraction or something like that after that. Now I
13 may be wrong on the choice of words. Now correct me on this
14 if I am.

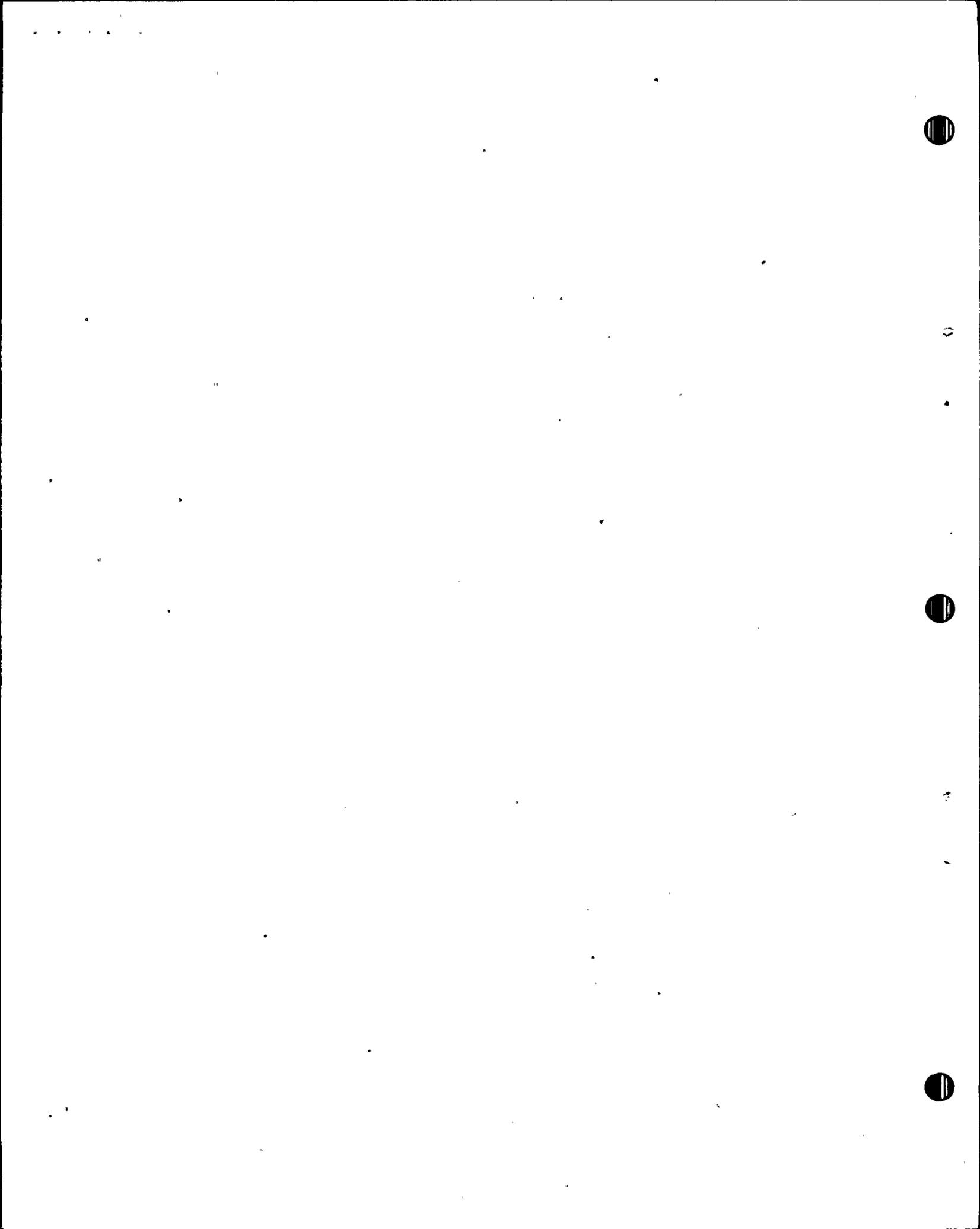
15 MR. O'NEILL: Yes. You are slightly incorrect
16 in that I asked if it had ever been cited as an infraction
17 or deficiency at any point, and the answer was No.

18 DR. LEEDS: The answer was No.

19 And then you stopped, as I gather. Is that
20 correct?

21 MR. O'NEILL: You're missing a question. I asked
22 him if there had ever been any mention of this problem again
23 after July, 1977.

24 DR. LEEDS: Okay, any mention whatsoever. And the
25 answer to that was No?



WRB/eb5

1 MR. O'NEILL: That's correct, sir.

2 DR. LEEDS: And then there was a series of ques-
3 tions that came that said, "Somebody found the door open."
4 Is that right? That indicated the door was open?

5 MR. O'NEILL: Not after July '77, sir. That was
6 the last mention of it.

7 DR. LEEDS: In a document.

8 MR. O'NEILL: Anywhere to our knowledge, sir.

9 DR. LEEDS: Okay.

10 So no NRC inspector has ever found that door open
11 after that magic date of July and wrote it down on a piece
12 of paper and sent it to you?

13 MR. O'NEILL: That's what we tried to establish
14 by the line of cross-examination, sir, and that's our belief,
15 and that's what my questions were based on.

16 CHAIRMAN SMITH: At some time prior to July 1977,
17 it was decided between NRC and CP&L that signs on the door
18 just aren't going to do it. Is that right?

19 MR. O'NEILL: That's not anyone's testimony, I
20 believe, sir.

21 CHAIRMAN SMITH: Well, is it the fact?

22 MR. O'NEILL: The fact is that CP&L agreed that
23 enunciators would be put on the doors.

24 CHAIRMAN SMITH: When?

25 MR. JONES: Mr. Chairman, I think that there's a

WRB/eb6

1 letter attached to somebody's testimony, probably Mr. Cantrell's,
2 to the effect that CP&L had in a letter indicated that they
3 would enunciate the doors, and that was in the fall of '77,
4 as I recall.

5 MR. REIS: I don't know which exhibit it is, but
6 it was a letter of October 5, 1977, and I'll tell you in a
7 minute.

8 MR. JONES: Mr. Smith, we intend to address this
9 and we'll be happy to address any issues that seem to be
10 unclear. In preparing our direct testimony of course we had
11 to try to develop some understanding of what issues would and
12 would not become relevant in the course of the hearing. And
13 one of the problems that we had with the process is that many
14 of the areas where we have disputes with Inspection and
15 Enforcement fall into those very gray parts of the regulation
16 where there is no clear requirement.

17 Where there is a clear requirement or where there
18 is a clear safety issue that is immediate and needs addressing,
19 I think we resolve those. And they generally do get resolved.

20 So in many cases on these alarms and things of
21 this nature, we're talking about areas where perhaps there
22 has been some difference of opinion as between us and the NRC
23 as to the urgency and the establishment of priorities. We
24 can address this and our views of it when our witnesses take
25 the stand, and we will.

WRB/eb7

1 CHAIRMAN SMITH: But it is not in the direct
2 testimony?

3 MR. JONES: At this point, no, sir, it is not.

4 CHAIRMAN SMITH: You see, being a layman, I have
5 difficulty. It took me a long time to get ready for this
6 hearing; frankly I had to spend a lot of time, and I regarded
7 this as a layman as a problem that has been plaguing this
8 hearing since the moment we became aware of Mr. Cantrell's
9 notes.

10 "Oh, oh, there's the HPCI door problem," you
11 know, and it stands out there as a problem. And now here we
12 are hoping to be within a few days of the end of this hearing
13 and there is no cohesive explanation anyplace in the record
14 that I can see about this problem.

15 It does seem that for over a year now CP&L has
16 been committed to put enunciator lights on that door.

17 MR. JONES: And obviously, Mr. Chairman, I think,
18 as it will come out in the testimony, the company has pro-
19 ceeded to -- in a step-wise process, to install those enun-
20 ciators on the unit. It is not simply a matter of running a
21 wire to a doorbell. It's a good bit more sophisticated than
22 that. And I think that we will show this.

23 The point is, however, that there have been
24 administrative controls and I think that this is clear in the
25 record that controls were established that were satisfactory

1 to the NRC and they closed the item.

2 They wrote to Washington. Washington did not
3 pick the issue up as being one that required further atten-
4 tion. They were satisfied with the administrative control
5 approach. That is still in effect.

6 It is not as though the doors are standing wide
7 open all the time and not receiving attention. There is a
8 control over the doors.

9 CHAIRMAN SMITH: Which is the signs?

10 MR. JONES: The signs, and it is my understanding
11 that a shift supervisor or a foreman has to inspect the doors
12 once during each shift to confirm that they are in fact shut.

13 CHAIRMAN SMITH: For 14 months those have been
14 the controls which have been agreed upon by the NRC and CP&L?

15 MR. JONES: That's my understanding, yes.

16 CHAIRMAN SMITH: Is that right? Is that correct,
17 Mr. Dance? Is that your understanding of it?

18 WITNESS DANCE: From the initial problem in
19 December, '76?

20 CHAIRMAN SMITH: No, we started out with an initial
21 problem of somewhat more than two years ago. I think
22 Mr. Cantrell noted those perhaps in November of '77, and then
23 they became more formal in December of '77, and then the
24 solution was to put a sign up and the door was found open
25 again.

WRB/ab9

1 I'm trying to recapitulate what I understand the
2 record to be.

3 So somewhere during 1977 we talked about this for
4 a while. The NRC inspectors say, "Well, signs aren't going
5 to make it," or CP&L say, "Well, signs are not going to make
6 it. We agree. But don't go change the tech specs. We'll
7 put enunciators on."

8 So that solution was arrived at in October of
9 1977.

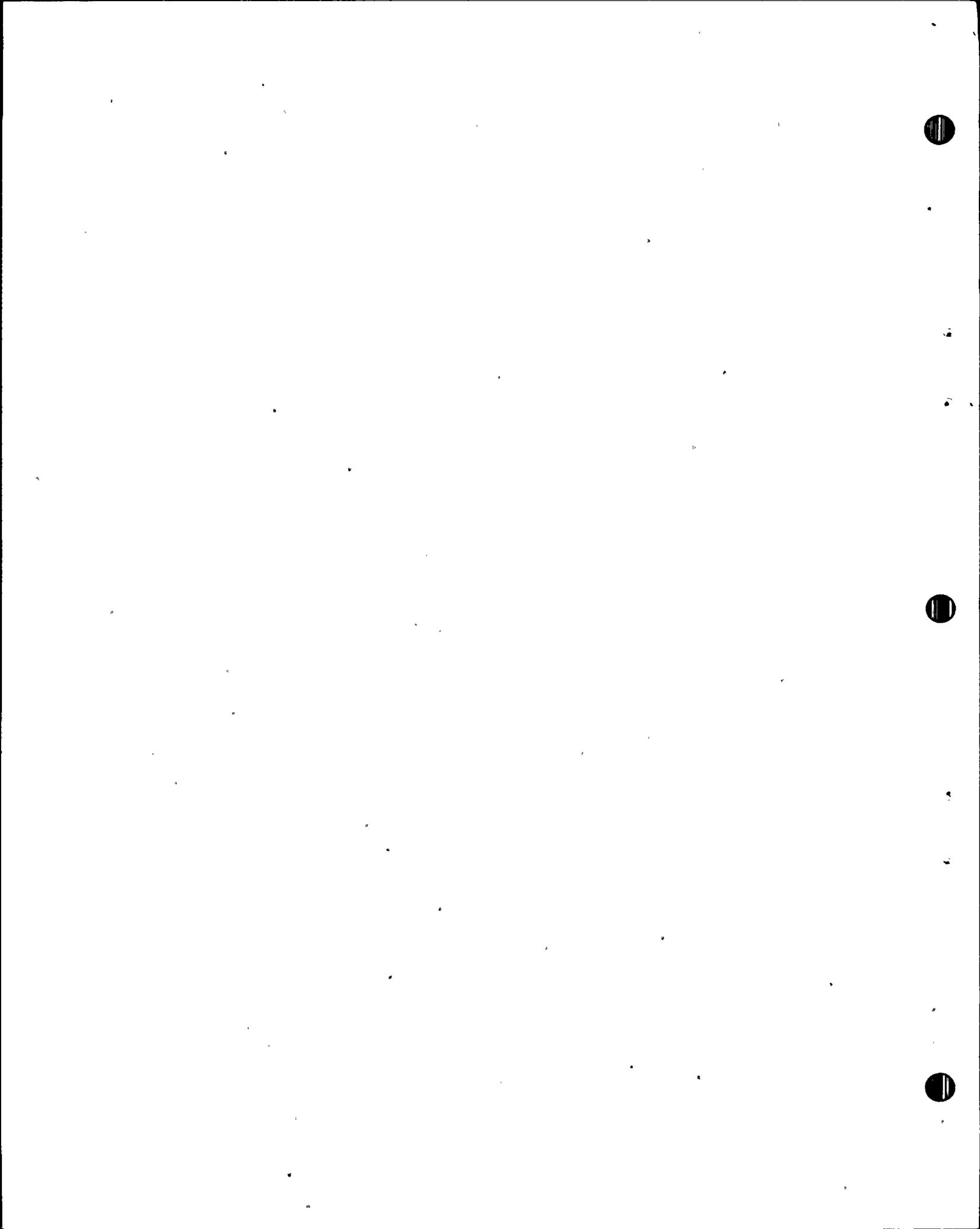
10 Now 14 months later we are learning -- I don't
11 know what we know about it but during the date of January
12 16th, the enunciator lights weren't on.

13 Now it is very difficult for me to bring this
14 all into focus when you get one bit of testimony over here
15 saying, "Well, you didn't complain about it after a certain
16 date." It's very hard. And it's particularly hard-- I
17 prepared. I studied for this. But it's virtually impossible
18 for the public to understand this problem. In the way this
19 record is fragmented they never will.

20 Now I have no worry about the Commission's Appeal
21 Board. They will rise to the occasion; they will understand
22 it. But right now our job is to understand it and try to make
23 sure that the record is complete.

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1 CHAIRMAN SMITH: Do you have anything more you
2 want to tell us about HPCI bulkhead control doors? Did I
3 recapitulate the history of it accurately?

4 WITNESS DANCE: That's fine.

5 In Mr. Cantrell's testimony -- this is found on
6 page 19 and 20.

7 DR. LEEDS: That's correct. Do you agree with
8 the dates that are in there, Mr. Dance? In Mr. Cantrell's
9 testimony on page 19 and 20?

10 WITNESS DANCE: Yes, I would agree with the dates.

11 CHAIRMAN SMITH: Okay. So, then, what is the
12 significance of the fact that the matter has not been
13 mentioned again since? What's the significance of that?
14 Does that mean that I&E is satisfied with the interim
15 controls?

16 WITNESS DANCE: That means we haven't found them
17 open again.

18 (Laughter.)

19 DR. LEEDS: Let me illustrate one other problem.
20 I have looked ahead at -- I have read in the past,
21 and I share the Chairman's problem of trying to get in my
22 mind this mass of testimony -- but in the direct testimony
23 of Mr. Banks, for example, which I gather was prepared -- at
24 least the date I have on the testimony is January 16, 1979.
25 On page 67 of that testimony is an indication that plans have

wel 2

1 been made to install annunciators, and I find out today -- of
2 course, I realize the Licensee has not had a chance to
3 correct this testimony because he had no witness to take the
4 stand -- but I find that a statement is made that plans have
5 been made to install the annunciators, which leaves it
6 dangling again. And I gather installation must have been in
7 progress, almost, at that time.

8 MR. JONES: That's correct. There's a mistake in
9 the testimony in that regard, Dr. Leeds.

10 CHAIRMAN SMITH: What testimony?

11 MR. JONES: In CP&L's direct testimony. It does
12 not state precisely where we are in construction or
13 installation of the annunciators.

14 I think Mr. Dance testified this morning, based
15 upon word he had received from CP&L technical people, that
16 the annunciators had in fact been installed now.

17 DR. LEEDS: In fact, that testimony says that Mr.
18 Cantrell's testimony is factually correct. In other words,
19 that thing hadn't been installed in September of 1978, a
20 year after CP&L's acknowledgment -- well, not a year -- sorry --
21 Mr. Cantrell's testimony says that CP&L acknowledged in a
22 letter to Mr. O'Reilly dated October 5 about the problems
23 of keeping the doors closed, and then in September of 1978
24 the work had been initiated, but the principal inspector
25 found it wasn't complete in September of 1978. And then we

wel 3

1 find over here plans have been made, and yet -- you see,
2 that's our will-of-the-wisp problem that I was sort of
3 referring to earlier.

4 MR. JONES: We will try to address this. You know,
5 it's helpful having the colloquy during the course of the
6 hearing, and with our panel coming on we can address many
7 of these issues that have been narrowed. There's an awful
8 lot of information implicit in this hearing, and it's been
9 very difficult to develop every piece of it down to the last
10 detail.

11 But those things that have clearly become matters
12 of interest and concern we will try to address including the
13 priority that we established for this particular modification,
14 and how it fit in to all of the other modifications, and
15 things that are going on in the plant.

16 The implication that may be left right now is
17 that this was the most important safety item outstanding in
18 the plant, and I think that we'll be able to establish that
19 this really just isn't the case.

20 CHAIRMAN SMITH: But this isn't my real basic
21 concern. My basic concern is if we'd allowed the record to
22 stand at the end of Mr. O'Neill's examination of this panel,
23 the inference could fairly be drawn that as of October, 1977
24 no problem. I&E, NRC is happy. And that's not the testimony.

25 The only thing it means is that it so happens that



wel 4

1 they didn't find the doors open. But it's still a pending
2 matter, isn't it, Mr. Dance?

3 WITNESS DANCE: Yes, it is.

4 CHAIRMAN SMITH: And when you say it's taken away
5 from the unresolved matters, that tells me something. Maybe
6 that's a word of art, a term of art, that I need to know more
7 about.

8 But the truth is I&E is not happy, and it's still
9 a pending matter. But the net result of your examination of
10 this panel would have led me to an exact opposite
11 conclusion, and it may be because of my ignorance.

12 But whatever my ignorance is, you're stuck with
13 it for this hearing.

14 MR. O'NEILL: Mr. Chairman, you will recall that
15 the hierarchy of concerns have been defined, and they go
16 down through violation, infraction, deficiency, unresolved
17 item. And those are closed out. And now there may be some
18 pending concerns.

19 But if we get down to that level, then I think
20 the record should establish that's where we are as far as
21 I&E is concerned.

22 CHAIRMAN SMITH: Very good. Very good. That's
23 fine.

24 But I might say it would have been very helpful --
25 and I think it would have been beneficial to your view of

1 this case, if your examination of this panel had just rounded
2 out the record that one little bit, because there was the
3 possibility that this would go unchallenged. I can tell
4 from his demeanor that he was still hanging on that point.

5 Now, you're just saying I'm going to do what my
6 responsibility is, and it's somebody else's responsibility
7 to plug up the holes. That's a scary way --

8 MR. JONES: Mr. Chairman, we intended to address
9 further, as we have indicated, the alarm or annunciation
10 system and its status through our direct testimony.

11 I think the matter would have come up again, and
12 we would have brought it up.

13 I think your point is well taken, and we understand
14 what you're saying.

15 CHAIRMAN SMITH: Yes. You see, I'm tired.
16 Everyone is tired. The witnesses are tired. And we can't
17 always be as sharp as we would like to be, and we could just
18 sort of sit through here and, "Well, let's check that one
19 off, that's been explained," when in fact the explanation
20 was only a partial explanation.

21 I would like, if possible, to finish with this
22 panel tonight, but I don't want to do it at the risk of
23 having an imperfect or distorted record.

24 MR. O'NEILL: We were finished, sir.

25 CHAIRMAN SMITH: Were you?



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MR. REIS: I have some questions.

CHAIRMAN SMITH: Mr. Reis?

REDIRECT EXAMINATION

BY MR. REIS:

Q Rounding this one out at this time, those HPCI doors that are referred to, what room or what compartment did they lead into, do you know? What are the HPCI doors connected to?

A (Witness Dance) The RHR room and the HPCI.

Q That's the residual heat removal system, isn't it?

A That's correct.

Q And is that a piece of ECCS equipment?

A Yes, it is.

Q And in CP&L's response in the Brunswick FSAR, did they indicate anything about the ECCS equipment being in watertight compartments, do you know? Do you recall?

A It said they would be in watertight compartments, yes.

Q Now, there was talk before about administrative controls of January 1977. Is it your testimony that those administrative controls were found violated later?

A Yes, it was.

Q And was it after that time that CP&L committed itself to install annunciator alarms?

A Yes.

1 Q Mr. Long, previously in this hearing there was
2 talk --

3 MR. REIS: Mr. Chairman, can I ask how long we're
4 going to go this evening? I'm willing to go for another
5 hour.

6 CHAIRMAN SMITH: How many more questions do you
7 have of this panel?

8 MR. REIS: I'm not quite sure, but I can continue
9 for awhile and see. I want to ask them, for instance --
10 there were questions raised about the training center, and
11 I thought MR. Long would be the appropriate one to take
12 that up, and I was just about to go to that.

13 DR. LEEDS: You might ask them how tired they
14 are. They're the ones --

15 CHAIRMAN SMITH: Yes.

16 MR. REIS: Well, we want to complete it this
17 week, and I'm sure they'd like to get off and get a good
18 night's sleep, instead of worrying.

19 I can ask them: How tired are you?

20 CHAIRMAN SMITH: I'll leave it up to you, the
21 witnesses.

22 I think they've indicated go ahead, or given some
23 non-committal sign.

24 BY MR. REIS:

25 Q There was talk about the training center of CP&L



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wel 8

1 at the Shearon Harris site. Can you tell me what was the
2 extent of NRC's looking at that center, and what did they find,
3 if anything?

4 A (Witness Long) We did discuss this with our
5 regional operator licensing examiner, regional representative
6 he's called, and he had conducted evaluations of the center,
7 and he gave us a memo with attached correspondence regarding
8 the issues which we felt would satisfy the question that we
9 had raised last time.

10 There is not a certification, as such, but it's a
11 memo indicating acceptability within the scope of his
12 evaluation.

13 Q Have personnel of CP&L passed through the training
14 center and completed their courses there? To your knowledge?

15 A Some have, but I have no idea how many.

16 Q Did any of those people who completed their courses,
17 did they ever receive any certifications from NRC?

18 A I do not know.

19 Q You don't know?

20 A No.

21 A (Witness Dance) Mr. Pais, I don't know the answer,
22 either, but I understand some Robinson people have been
23 examined at the training center.

24 Q And did they receive SROs or RO licenses?

25 A (Witness Long) I'm not aware.

wel 9

1 A (Witness Dance) I'm not aware.

2 Q Going to page 31 of your testimony, there was a
3 question earlier about the reportable events. Who reports those
4 events in the LERs? Who makes the report?

5 A The reports come from the corporate office.

6 Q The reports come from CP&L, not within the NRC, is
7 that correct?

8 A That's correct.

9 Q Mr. Long, as to ANSI standards, who adopts those
10 standards? What is the organizational setup to adopt those
11 standards?

12 A (Witness Long) Well, many of the standards -- I
13 could give you a little background on it.

14 Many of the standards are developed with NRC
15 representatives on the work groups, but when they are published
16 the NRC Office of Standards is charged with making a determina-
17 tion of the acceptability of the standards. And these are
18 stated, endorsed, or in some way recognized in our system
19 through the Regulatory Guide issues.

20 Q You mentioned work groups within ANSI itself.

21 Are the standards adopted by the work groups,
22 or is there another group within ANSI that adopts the
23 standards after they are proposed by the work group?

24 A The working groups actually write the standard.
25 They prepare the various drafts, get them through the comment

wel 10

1 cycle, iron out comments or concerns registered by all of the
2 public and NRC and other people who comment on them, and then
3 it moves up through the ANSI channels. The ASME is the
4 operational organization that's processing ANSI standards right
5 now.

6 Q I see. And they're adopted by -- that's the
7 American Society of Mechanical Engineers, which adopts the
8 standards?

9 A They're responsible for the mechanics of getting the
10 ANSI standards published.

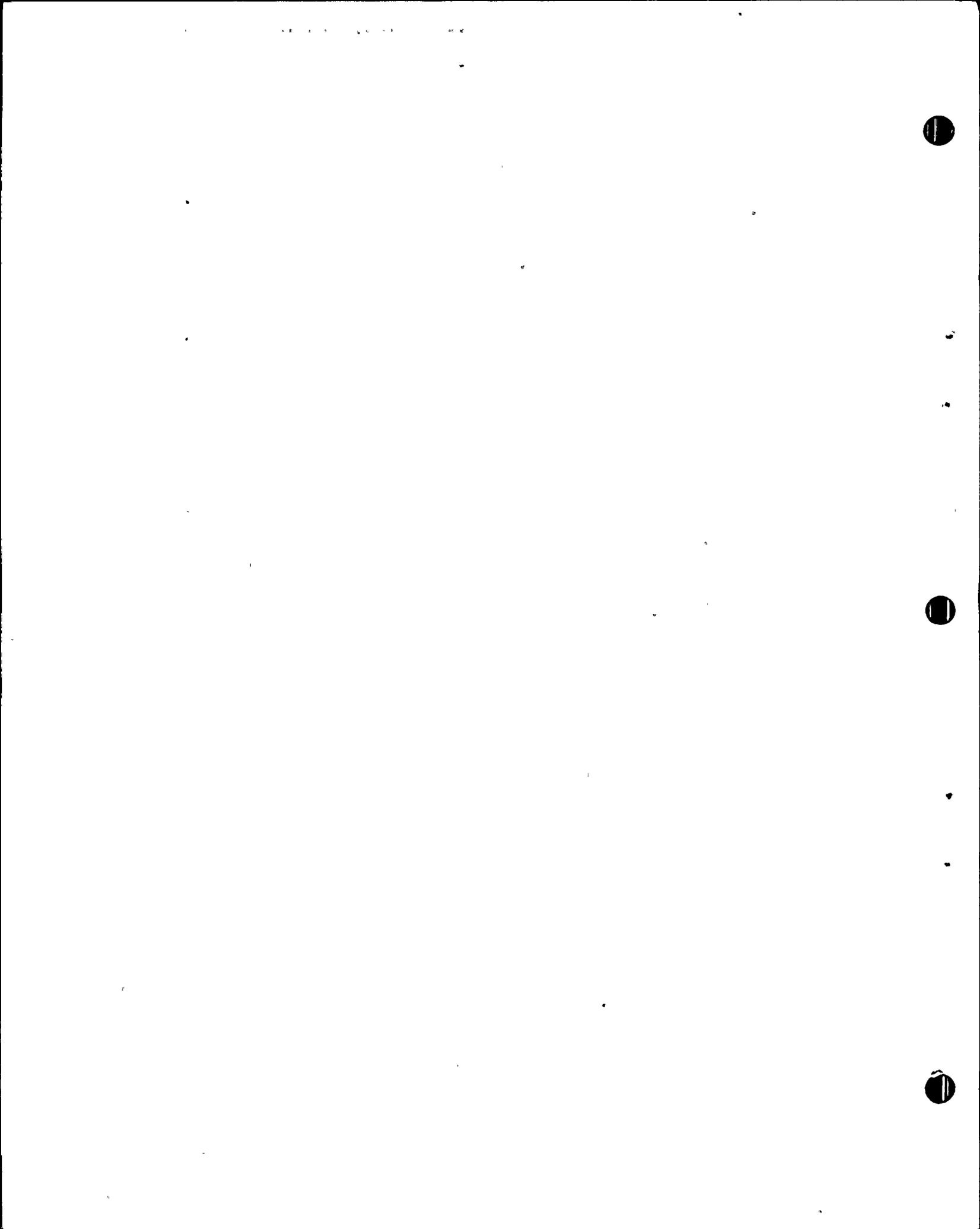
11 Q I see. Is there a group in ASME who votes on these
12 standards after they're proposed by the work groups, and the
13 mechanics are gone through?

14 A There are subcommittees. Certain types of standards
15 come under different subcommittees, and the subcommittee is
16 a higher level of approval, ironing out last-minute differences
17 of opinion. And the subcommittee makes recommendations to
18 the main committee of the ASME, or the major ANSI committee.

19 Q And the major ANSI committee promulgates the
20 standards? They're the ones who adopt it?

21 A Once it's approved, they promulgate it.

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1 Q Do you personally, Mr. Long, feel that all the
2 quality assurance standards in the 45 series of ANSI
3 to which you testified before are conservative?

4 A (Witness Long) I think they are quite conserva-
5 tive, yes.

6 Q In your work with ANSI do you work on the 18
7 series as well?

8 A I am not a member of any 18 series, only the
9 N-45 series.

10 Q The 18 series is the ones that deals with the
11 qualification of plant personnel, in contrast with quality
12 assurance?

13 A Yes.

14 Q --which is the 45 series?

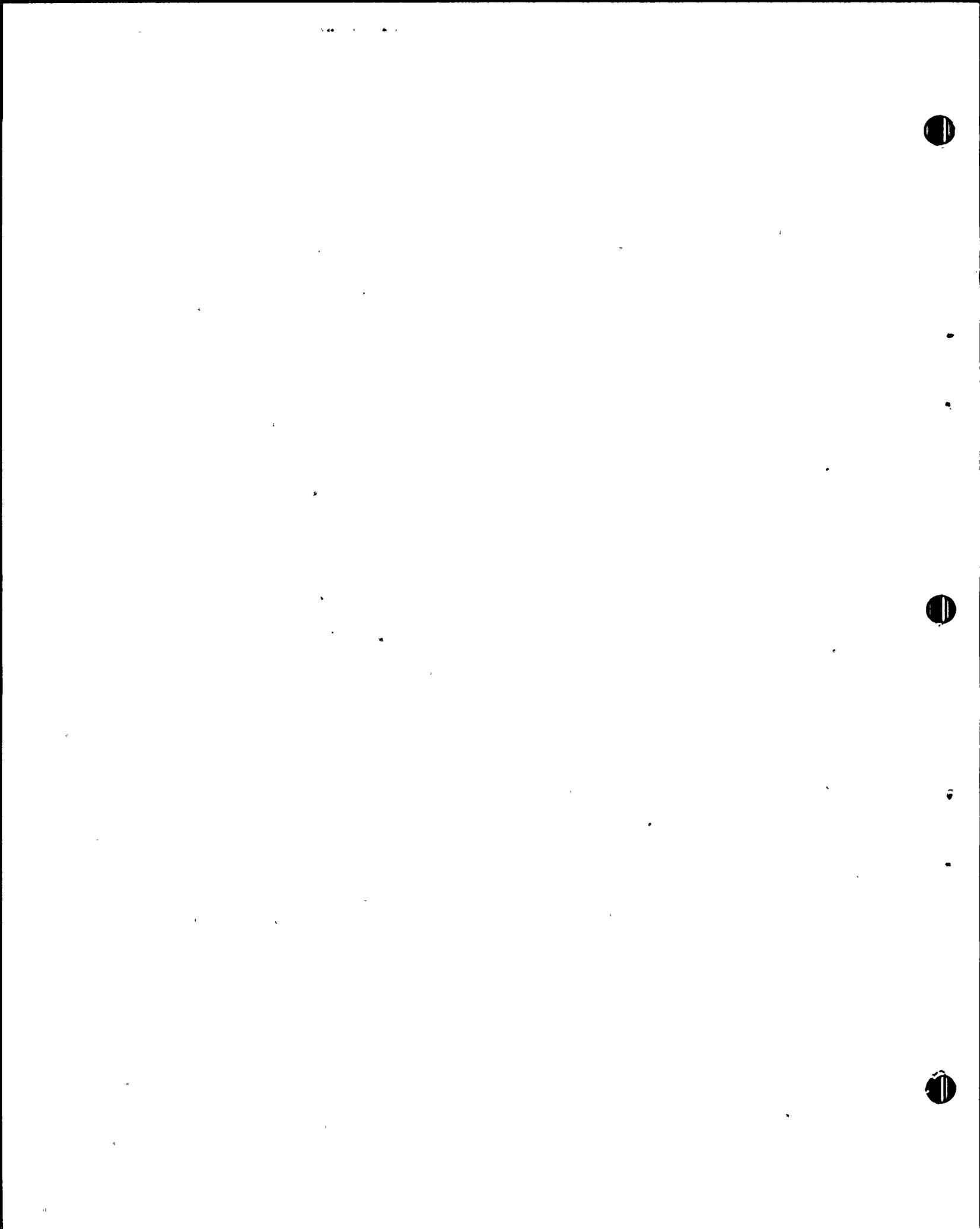
15 A Yes.

16 MR. GORDON: I think we're probably going to have
17 to wrap it up. You know, if you want to have an evening
18 hearing I'll set it up. But normally I understand they lock
19 the doors around six around here, too.

20 CHAIRMAN SMITH: Okay. It's five-thirty. And
21 unless Mr. Gordon makes special arrangements--

22 MR. GORDON: We're supposed to clear it with
23 State Security and several people.

24 CHAIRMAN SMITH: All right. We'll either have to
25 leave or allow him to go make special arrangements. So



WEL/wb2

1 unless you can wrap it up very shortly, Mr. Reiss, I think
2 we had better adjourn.

3 MR. REISS: I have about fifteen minutes.

4 CHAIRMAN SMITH: All right. We had better just
5 come back.

6 Why don't we get an earlier start tomorrow?
7 Would that be satisfactory?

8 Can we come in here at eight-thirty, Mr. Gordon,
9 do you think?

10 MR. GORDON: I think that will be fine.

11 CHAIRMAN SMITH: Okay. Let's begin tomorrow
12 at eight-thirty.

13 In reviewing the original testimony the question
14 that I had for Mr. Brownlee, I'm not going to ask it. So,
15 Mr. Brownlee, I'm sorry to keep you here in anticipation
16 about it. And that's why you were here. But as far as I'm
17 concerned you're excused. I don't have anything further.

18 MR. GORDON: If you see, Mr. Chairman, tomorrow
19 you're going to want an evening session, if you let me know
20 I can set it up. Maybe it's moving along such that you
21 won't require one.

22 CHAIRMAN SMITH: I do think-- Let's come back
23 here at eight-thirty tomorrow morning and talk about the
24 schedule off the record.

25 So we're off the record. We're adjourned.

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(Whereupon, at 5:35 p.m., the hearing in the above-entitled matter was recessed, to reconvene at 8:30 a.m., Wednesday, 7 March 1979, in the Dobbs Building, Public Utility Commission hearing room.)

