

NORTH ANNA ENVIRONMENTAL COALITION

Mr. William A. Anders, Chairman
U. S. NUCLEAR REGULATORY COMMISSION
Washington, D. C. 20555

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In the Matter of Virginia Electric and Power Company
(Surry and North Anna Nuclear Power Stations)
50-280, -281, -434, -435 and 50-338, -339, -404, -405

Dear Mr. Anders:

Criteria for Determining Enforcement Action and Categories of Noncompliance with AEC/NRC Regulatory Requirements -- Modifications, Dec. 31, 1974, clearly state (p. 6):

An order is ordinarily issued to revoke a license when:

- ...;
- 2. Civil penalty proves to be ineffective as an enforcement action; or
- ...;
- 6. Any material false statement is made in the application or in any statement of fact required under Section 182 of the Act.

Commission hearing and inspection records provide firm evidence that Virginia Electric and Power Company (VEPCO) is deserving of complete nuclear license revocation at Surry and North Anna sites under both of the above provisions on the basis of repeated improper safety actions and reporting.

NRC documents show a three-year lag between the discovery of four major safety problems and their reporting to the NRC:

<u>Problem</u>	<u>Known to VEPCO</u>	<u>Reported to AEC/NRC</u>
Fault in NA excavation	February, 1970	May 17, 1973
Abnormal settling at Surry beneath reactors	February, 1972	May 6, 1975 (by a "confidential informant")
Abnormal pumphouse settling at NA	December, 1972	April 16, 1975
Reactor design neglect of pressure vessel supports	1971 -- 1972	May 7, 1975

In May of 1973, VEPCO was the first nuclear utility in the nation to be fined for improper performance and attention to safety. This 1973 fine followed a severe warning in 1972 in which the then AEC called VEPCO's Surry record "an object lesson to the industry." The 1973 \$40,000 fine and Notice of Violation included:

Appendix A, Item E--
Failure to report unusual safety-related events to the AEC.

Succeeding events -- including four additional failures to report -- demonstrate civil penalties to be "ineffective as an enforcement action" with VEPCO.

Material False Statements

It is a matter of record that VEPCO was convicted in April of 1975 of having submitted twelve material false statements to the Atomic Energy Commission regarding the fault zone beneath the North Anna reactors. These statements included instances of failure to adduce key safety information (known to VEPCO at the time) at construction license hearings as well as failure to submit a significant report by Dr. Paul Roper, Piedmont geologist.

Now NRC inspection reports document additional false statements regarding settling beneath North Anna's pumphouse, a Class I Structure:

Inspection Report Nos. 50-338/75-5 and 50339/75-5, page 2:

"...The inspection revealed that SAR predicted settlement for the service water reservoir pumphouse (a Class I Structure) for Units 1 and 2 was exceeded with the commencement of monitoring in December 1972..." (Emphasis added)

The predicted settlement was 1.44 inches. Nevertheless,

(page I-2) "...This value was incorporated in the FSAR dated January 3, 1973. On February 12-13, 1973, measurement showed that the SWPH (pumphouse) had settled 0.36 inches in the SE corner to 2.928 inches in the NW corner..." (May 20, 1975)

Thus by simple comparison of December 1972 and January 1973 figures, an additional material false statement is established: VEPCO repeated low figures known to be false at the time of submission.

Further, such a key foundation and construction problem should have been brought before the Atomic Safety and Licensing Board when it convened in May of 1973 to consider construction licenses for North Anna Units #3 and 4. Failure to adduce North Anna pumphouse information clearly constitutes another material false statement. According to the NRC inspection report (page I-4)

"...The SWPH for Units 3 and 4 is several hundred feet west of the SWPH for Units 1 and 2 and ties into the same dike...When asked about the adequacy of the design and construction for Units 3 and 4, no concern was expressed by the licensee (VEPCO)." (Emphasis added)

The inspectors from NRC at Surry find the same attitude as reported on October 16 of 1975 (page 7):

"...There was no evidence of concern by the licensee to resolve the movements of the reference datum at this time (1972)..." regarding the several indications that abnormal settling was occurring beneath Surry's reactors which went critical in 1972 and 1973.

Despite civil penalties, three altogether, intervening between 1972 and 1975, the record supports NRC's contention that VEPCO exhibits consistent and intractable nuclear negligence with "no evidence of concern."

Material False Statements (cont.)

"Site Suitability" hearings were held in regard to Surry Units #3 and 4 in July of 1974. Surely such key foundation and construction information as abnormal settling beneath Reactors #1 and 2 should have been adduced at this time. NRC's investigation shows that VEPCO never reported this problem, which came to the attention of the Commission only through the call of a concerned individual on May 6, 1975.

Nevertheless, NRC's Surry Investigation 50-280/75-1, 50-281/75-1 documents not only the fact that VEPCO was aware of the settling problem from February of 1972 on but also that VEPCO allowed the reactors to go critical with the problem unresolved, and was dilatory and uncooperative in response to repeated questions from an insistent engineering consultant from the Nuclear Energy Liability Insurance Association. (NELIA)

Correspondence included as exhibits in the Surry Investigation substantiate the existence of the settling beneath the Surry reactors, its progressive character, and VEPCO's reluctance to confront this serious safety issue:

Exhibit # 4 -- Letter from NELIA's Engineering Consultant to Henderson and Phillips, Inc., VEPCO's Norfolk Insurance Broker dated December 8, 1972:

"Thanks sincerely for the information accompanying your letter of December 4. (NRC note: Dec. 4 letter not among exhibits) It is interesting and rather surprising to note settlements in the range of 3 to 4" and continuing. It would be advisable to discuss the import of these observations at the time of our next visit. In the meantime, it is hoped that additional up to date levels will be run." (Emphasis in the Exhibit)

Exhibit # 5 -- Letter from VEPCO's Insurance Department to Henderson and Phillips, Inc., dated April 5, 1973:

"SURRY POWER STATION NELIA POLICY NO. NF-186 On December 28, you advised us of ~~XXXXXXXXXXXX~~ Individual A's comments regarding the settlements at Surry Power Station. We have been advised by ~~XXXXXXXXXX~~ Individual C that additional settlement readings have not been taken and are not anticipated. ~~XXXXXXXXXX~~ further advised us that because of "bench marks" which have been covered up, it would be almost impossible to secure any settlement readings now."

Exhibit # 6 -- Letter from NELIA's Engineering Consultant to VEPCO's Insurance Department, dated February 4, 1974:

"Also while in Richmond, we discussed the progressive settlement that has taken place as confirmed in ~~XXXXXXXXXX~~ Individual G's (VEPCO Insurance Department) letter of August 4, 1972. This settlement has been of concern because it has shown a differential move

Exhibit # 6 (cont.)

ment between structures, and in addition, has been progressive in some instances. This settlement has been even more surprising because the weight of some of the structures has been less than the weight of the material removed. (S9.7-1:8-12-67) Mention is also made in that reference to the possibility of elastic rebound of those lighter structures. (Emphasis added)

"The facility is founded on some 1300 feet of overburden which puts it in a distinctive class..."

Exhibit # 7 -- Letter from Henderson and Phillips to VEPCO's Insurance Department, dated (?) April 21, 1974:

"RE: NELIA Policy NF-186 Confirming our telephone conversation of today, ~~XXXXXXXXXX~~ Individual A (NELIA's Engineering Consultant) is extremely upset over the time it is taking you to get the information as outlined in his letter to you of February 4, 1974.

"If he does not receive a reply from you within the next ten days, his only alternative is to inform the NELIA underwriters that he is unable to complete his report due to his inability to get certain information from VEPCO..." (Emphasis in Exhibit)

We are sure that you must agree that the Exhibits in the NRC Investigation clearly prove VEPCO's knowledge of the Surry settling problem from 1972 on, that there is no evidence of the problem's denial (now the stance of both VEPCO and the NRC). Rather, there is firm evidence of the discussion of "progressive" and "differential" settlement problems between VEPCO and NELIA in Exhibit # 6. The settlement problem is recognized and real.

Thus it is the position of NARC that VEPCO's failure to adduce known settlement problems beneath Reactors #1 and 2 at Construction License or Site Suitability hearings for Reactors #3 and 4 constitutes a material false statement, since in the North Anna case

"..(The Atomic Safety and Licensing) Board properly held that failure to make timely disclosure of information which is significant for purposes of safety review gives rise to a material false statement..." NRC Brief of 11/28/75

One must also inquire why the Surry Atomic Safety and Licensing Board did not question foundation conditions. NARC made a limited appearance at the July 1974 hearing for the precise purpose of raising questions on a site labeled "suspect" by the NRC, who also comments (page 24-25 of SAFETY EVALUATION): "The integrity of certain zones...is questionable, with liquefaction a possibility under dynamic conditions..."

Reactor Design Neglect

According to an NRC meeting summary of May 9, 1975 by North Anna Project Manager Robert Ferguson, and a letter of July 28, 1975, by NRC's A. Schwencer:

Between 1971 and 1972, VEPCO recognized that asymmetric loads had been neglected in the original design of the reactor pressure vessel (RPV) supports for North Anna Units 1 and 2.

Not till May 1975 did VEPCO report this problem to the NRC, with Mr. Ferguson noting on May 9: "...results to date indicate that the existing reactor vessel supports will not withstand loss of coolant accident (LOCA) loads..." (Emphasis added)

Since Surry Units #1 and 2 are twins of North Anna Units #1 and 2, the above is further documentation of intractable nuclear negligence:

VEPCO allowed Surry Units #1 and 2 to go critical with a significant reactor design neglect problem unresolved. Further, the inadequate vessel supports provide dubious seismic protection for a plant that also has unreported abnormal settling problems, foundation problems that also were unresolved when the reactors went critical.

Both of these situations should have figured heavily in VEPCO's precedent-setting \$40,000 fine of May, 1973

They did not. Nevertheless, Appendix A, Appendix B, and Appendix C of that May 1973 document describe an unfortunate pattern of incompetent and untrustworthy behavior that has been consistent from that time. "AEC Inspection Findings" listed in Appendix C all show serious misrepresentation of safety actions, described as accomplished by VEPCO's Vice-President, proven false by subsequent AEC inspections.

Inspection and study of current OPERATING UNIT STATUS REPORTS reveal mounting numbers of infractions at Surry, proving repeatedly that with this utility a "Civil penalty" is "ineffective as an enforcement action," fulfilling an NRC requirement for license revocation.

License Revocation

If NRC Regulatory Requirements have meaning, then the Commission must, by the force of its own revocation criteria, act to remove VEPCO's nuclear licenses on the basis of its inability to improve integrity of performance after repeated civil penalties, and on the basis of previous conviction for material false statements, plus the following additional false statements, following the ASLB finding that "failure to make timely disclosure of information which is significant for purposes of safety review gives rise to a material false statement":

ADDITIONAL MATERIAL FALSE STATEMENTS

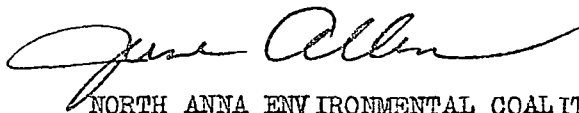
1. Failure to report abnormal settling beneath Surry reactors.
2. Failure to adduce Surry settling problems at Site Suitability and Construction License hearings, July and October, 1974.
3. Failure to report excessive North Anna Pumphouse settling in December, 1972. (Report made in April, 1975.)
4. Submission in January, 1973 of pumphouse figures known to be false at the time of submission, actual measurements having already exceeded the repeated low predictions.
5. Failure to adduce North Anna pumphouse abnormal settling problems at May 1973 Construction License hearings for North Anna Reactors #3 and 4, whose pumphouse ties into the same dike.
6. Failure to report reactor design neglect problem in 1971-1972. (Report made in May, 1975.)
7. Failure to adduce reactor design neglect problem at Construction License hearings for North Anna Reactors #3 and 4 in May of 1973. Also at Surry hearings in 1974.
8. Submission of false pipe stress measurements: 2300 psi when the actual measurement was 28,000 psi.

Since the Coalition has no staff and also has no convenient access to Surry documents, the above list may be considered incomplete until a thorough study is made of submissions to the AEC/NRC on the subject of Surry foundations. Given new USGS findings regarding Coastal Plain geology, further exploration of the Hampton Roads Fault might be in order by the NRC.

We bring this letter to a close by asking that the Nuclear Regulatory Commission abide by its own regulations and protect the public by revoking the nuclear licenses of a utility that is unimproved by frequent civil penalties and warnings, and unable to adhere to integrity and avoid safety-related material false statements.

We respectfully request your prompt response advising the Coalition of your intended actions. Thank you for your professional consideration.

Sincerely,



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