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NOTE TO N. C. MOSELEY, REGION II

TELEPHONE DISCUSSION WITH WAYNE NICHOLAS, CHARLOTTE OBSERVER

On 12/19/73, an approximate half-hour discussion was held with Mr. Wayne Nicholas of the Charlotte Observer. Mr. Nicholas stated that he initiated a telephone call to obtain information for an article he was writing on Duke Power Company. His questions related primarily to an August 17, 1973 enforcement letter. The substance of the discussion was:

1. Mr. Nicholas asked about the content of the August 17 enforcement letter, particularly, the paragraph which defines for the licensee the enforcement options available to the AEC. Nicholas stated that his call was triggered by the difference in this enforcement letter from previous enforcement letters. Nicholas was told that the AEC is upgrading its attention on quality assurance and, particularly, quality assurance for operations. This added attention is demonstrated by the recent conferences on quality assurance which were conducted by the AEC with the utilities. The August 17 letter was referred by the Atlanta office to the Washington office for handling to give added emphasis to Duke of our level of concern for their quality assurance at the Oconee plant.
2. Nicholas said that he noticed in the Duke response, Duke took the position that many of the violations really were somewhat trivial or purely administrative and of little safety consequence. He inquired as to whether the AEC has concern about these violations. He was told that the AEC does have concern about the violations as evidenced by the enforcement letter.
3. Nicholas stated that one of the items under consideration at the hearing on McGuire was the ability of Duke Power to implement a quality assurance program. He stated also that it would appear Duke's actions at Oconee left doubt as to their abilities. He asked whether the Duke performance at Oconee was considered in the evaluation of the McGuire plant. He was told that the August 17 letter related to the operational QA program at Oconee; that the 18 quality assurance criteria and the meaning and the precise action of the licensee to satisfy the criteria was not

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always clear to licensees. Consequently, the inspection program was aimed at discovering deficiencies and having these deficiencies corrected and also at informing licensees as to that which is acceptable to the AEC. Because of this lack of total agreement between a licensee and the AEC as to the precise meaning of words for implementation purposes, it would be unusual for an AEC inspector not to uncover some deficiency in quality assurance at a plant when it is beginning to implement its program. The AEC in its inspection program is checking implementation of the quality assurance program for the operating plant at Oconee and, at the same time, is inspecting the implementation of the quality assurance program for construction at McGuire. In both these inspection efforts deficiencies will be identified and action will be taken on the part of the AEC to assure that deficiencies are corrected.

4. Nicholas stated that many of the items of noncompliance listed in the August 17 letter are categorized as Severity Level 2. In looking at the definition of Severity Level 2, this relates to a possible hazard to the public and Nicholas said if all these items were really possible hazards to the public he finds the information quite frightening. Davis told Nicholas that he must also consider the time frame of the hazard. That by categorizing these items of noncompliance as Severity Level 2, the Regulatory Operations Directorate wanted to differentiate from immediate hazards and from items which were not of significant consequence. Hence, we have three levels of severity. This does not mean for Level 2 that, unless the item is corrected promptly, an accident or a hazard to the public will appear the next day but, rather, it means that if the item were to go undetected over a period of time it would produce conditions which may be a hazard to the public. The categorization basically was an attempt to prevent all items of violation from appearing to be of the same significance.
 5. Nicholas stated he has the staff assignment with the Observer to keep an eye on the Oconee plant and he is concerned about the delay between the inspection time and his access to an inspection report. He stated that the Public Document Room was of little value to him from the standpoint of timeliness. Davis told Nicholas that there is a monthly report issued by Regulatory Operations which briefly expresses the results of any inspection conducted against the facility in the previous month. Nicholas evidenced interest in this document and Davis told him that he would see that the Charlotte Observer was placed on the mailing list for the document. Davis also discussed with Nicholas briefly the AEC position on press releases for unusual occurrences.
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N. C. Moseley

6. Nicholas asked whether Duke was a typical utility or untypical. He stated that all our correspondence is quite negative and that he has a difficult time in placing proportion on the real situation at Duke and, particularly, on whether there is a real and immediate safety problem. Davis told Nicholas that if there were a real and immediate safety problem, the AEC has mechanisms to take care of this situation and the AEC would assure that the problem was removed or that operations would cease. Davis said, however, that he did not want to minimize the seriousness of which we view the situation at Duke with regard to the implementation of quality assurance for operations. We do consider it a significant matter as evidenced by the fact that the enforcement correspondence is signed from Headquarters. However, Duke is not the only utility for which enforcement correspondence is signed at the Headquarters level. In answer to Nicholas' question, Davis said that we are satisfied with the response which we have received from Duke, in reply to the August 17 letter, as a commitment. However, our inspection efforts will assure that these commitments are being met. Nicholas inquired as to whether any of the citations in the August 17 letter were significantly more important than others. Davis told him that the citation against Criterion II would be viewed as having high significance with the AEC. This relates to the performance of the Review Committee in a manner other than as required. Davis told Nicholas that the Review Committee is considered to be an important body as used by Duke and that we look upon the Committee as having the collective expertise of its members and that, when problems are considered, the proper expertise should be available for consideration of the problem.

The conversation ended with Nicholas expressing high interest in receiving the monthly report. Davis assured Nicholas that he would receive the report.

JG
John G. Davis

cc: D. F. Knuth, RO
F. L. Ingram, IS

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SURNAME ▶	JGDavis:mm							<i>Memo</i>
DATE ▶	12/1/73							