

U. S. NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT

REGION IV

Report No. 50-498/80-15; 50-499/80-15

Docket No. 50-498; 50-499

Category A2

Licensee: Houston Lighting and Power Company
P. O. Box 1700
Houston, Texas 77001

Facility: South Texas Project, Units 1 and 2

Investigation at: Bay City, Matagorda County, Texas

Investigation Conducted: June 5-6, 1980

Investigator:

R. K. Herr

R. K. Herr, Investigation Specialist

27 June 1980
Date

Investigator:

D. D. Driskill

D. D. Driskill, Investigation Specialist

27-June 1980
Date

Approved By:

Karl V. Seyfrit

Karl V. Seyfrit, Director, Region IV

6/30/80
Date

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Area Investigated

Allegations that a consultant firm had recommended that construction be discontinued at the South Texas Project site for a year until all problems had been corrected. This investigation involved 22 investigative-hours by two NRC Investigators.

Results

No items of noncompliance were identified. The allegations were discussed with the source. The allegation was not substantiated.

INTRODUCTION

The South Texas Project Units 1 and 2 are under construction near the town of Bay City, Texas. Houston Lighting and Power Company is the construction permit holder, with home offices located in Houston, Texas. Brown & Root, Inc., is the architect/engineer and construction firm for the plant.

REASON FOR INVESTIGATION

On June 3, 1980, the Nuclear Regulatory Commission, Headquarters, was notified by Mr. Lanny Sinkin, Co-Coordinator of the Citizens Concerned About Nuclear Power, who advised that one of his sources reported to him that an outside consultant firm had recommended that construction at the South Texas Project be halted for one year until all problems had been corrected.

SUMMARY OF FACTS

On June 4, 1980, NRC-HQ notified Region IV that Mr. Sinkin called them and stated that his source reported that a report had been submitted by the Ebasco Corporation which recommended that construction at the South Texas Project be halted for one year. Mr. Sinkin related the following specific allegation:

Allegation

That Ebasco had submitted a report during January-February 1980 recommending that the South Texas Project (Brown & Root) construction should be shut down for one year.

Conclusion

This allegation was not substantiated. Investigation disclosed that the initial source providing the allegation apparently misunderstood comments overheard in his office about the South Texas Project site.

DETAILS

1. Persons Contacted

- Mr. Lanny Sinkin, Co-Coordinator of the Citizens Concerned About Nuclear Power
Ms. Peggy Buchorn, Executive Director, Citizens for Equitable Utilities
* Mr. G. W. Oprea, Jr., Executive Vice President, Houston Lighting and Power Company (HL&P)

Other Personnel

Individuals "A" through "C"

- * The results of this investigation were discussed with Mr. Oprea on June 23, 1980, resulting in no significant comments.

2. Investigations

Allegation

Mr. Lanny Sinkin alleged that Ebasco had submitted a report during January-February 1980 recommending that the South Texas Project (Brown & Root) construction should be shut down for one year.

Investigative Findings

Interview of Mr. Lanny Sinkin on June 4, 1980, disclosed that he received the above allegation from Ms. Peggy Buchorn. Interview of Ms. Peggy Buchorn on June 5, 1980, disclosed that one of her sources reported to her on June 3, 1980, that one of their sources reported the following information:

- a. That HL&P had asked three firms in January-February 1980 to look at the South Texas Project with the view of taking over the construction from the Brown & Root construction company. The firms were identified as Stone & Webster, Bechtel, and Ebasco.
- b. That Stone & Webster refused to look into the job; that Bechtel agreed to only look into the QA/QC program; and that Ebasco sent a report to HL&P recommending that HL&P close down construction for a year so that an evaluation could be made of construction completed to date. Additionally, if Ebasco was selected as an outside firm, HL&P would have to agree that if poor construction was found, it would have to be torn down and replaced.

Ms. Buchorn explained that she has not seen the alleged report, but that her source is trying to locate the report and will contact her at a later date.

3. Interview of Individual A

On June 6, 1980, Individual A, an HL&P headquarters' employee, executed a signed sworn statement where he advised that HL&P has not contacted Stone & Webster, Bechtel, or Ebasco to ask them if they would consider assuming the B&R construction contract at South Texas Project. Individual A emphasized that to the best of his knowledge he knows of no written report, study, or evaluation pertaining to assuming construction responsibilities and/or the closing of construction for a period of one year. Individual A explained that Bechtel was asked to evaluate the QA/QC program at the South Texas Project as a consultant only, and is currently involved in that practice. Further, Individual A stated that during the time frame in question, there were three Ebasco employees working at the South Texas Project at HL&P's request. These employees were working in the areas of construction, planning, cost, and/or construction-related activities. Individual A advised that the three Ebasco employees are considered to be experts in their particular field and were merely asked to evaluate various systems until qualified persons with their expertise could be hired by HL&P. Individual A identified Individuals B, C, and D, as Ebasco employees who previously worked at the South Texas Project for a short time until they were replaced by HL&P personnel.

4. Interview of Individual B

On June 9, 1980, Individual B was contacted and advised that he worked for Ebasco at the South Texas Project from January 21 to March 13, 1980. Individual B explained that HL&P requested Ebasco to provide his expertise in the areas of cost and scheduling. Individual B maintained he did not write any reports or memos, only verbally suggested improvements to various systems including the computer system for more efficient utilization of available information by HL&P. Individual B claimed he did not recommend and/or suggest that the construction be shut down for any length of time.

5. Interview of Individual C

On June 10, 1980, Individual C was contacted and advised that he worked for Ebasco at the South Texas plant from January to April 1980. Individual C explained that HL&P requested Ebasco to provide his expertise in the areas of analysis of control systems concerning the planning of construction. Individual C maintains he did not write any report or memo concerning the closing or the shutting down of the construction activities. Individual C stated that he analyzed and monitored various control systems concerning the planning of construction, including the manpower requirements. Individual C claimed he verbally pointed out areas where improvements could be made for more efficient and effective use of available manpower. Individual C remarked that he only worked a short time until he was replaced by a utility employee whose background was similar to his. Individual C advised that he was aware that some B&R employees were terminated and replaced by individuals who were "more highly qualified." Individual C stated he also overheard conversations from a number of newly hired Brown & Root middle management personnel, who commented that they wished that all construction could be halted so they could adjust more quickly to their individual jobs.

6. Interview of Individual D

Repeated attempts to locate and interview Individual D were unsuccessful.

7. Recontact with P. Buchorn

On June 16, 1980, Ms. Buchorn (supra) was recontacted. Ms. Buchorn advised that her source has not provided her with any additional information about an alleged written report from Ebasco concerning the allegation in question. Ms. Buchorn agreed that her source may have misunderstood his source or was provided erroneous information. Ms. Buchorn reiterated that she believed that her source was a conscientious and sincere individual who would not intentionally provide any information that he knew to be false.

8. Documents

The written statement referred to in this report will be maintained in the Region IV offices.

9. Conclusion

This allegation is not substantiated.