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PRESIDENT'S COMMISSION ON THE  
ACCIDENT AT THREE MILE ISLAND

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DEPOSITION of METROPOLITAN EDISON COMPANY,  
by WALTER M. CREITZ, held at the offices of the  
President's Commission on Three Mile Island,  
2100 M Street, NW, Washington, D.C. 20036, on the  
14th day of August 1979, commencing at 8:45 a.m.,  
before Robert Zerkin, Notary Public of the State of  
New York.

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A P P E A R A N C E S :

METROPOLITAN EDISON COMPANY:

SHAW, PITTMAN, POTTS & TROWBRIDGE, ESQS.  
Attorneys for Metropolitan Edison Company  
1800 M Street, NW  
Washington, D.C. 20036

BY: ALAN R. YUSPEH, ESQ.  
of Counsel

PRESIDENT'S COMMISSION ON THREE MILE ISLAND:

JOAN GOLDFRANK, ESQ.  
Associate Chief Counsel

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W A L T E R M . C R E I T Z , having been  
first duly sworn by Joan Goldfrank, Esq., took  
the stand and testified as follows:

MS. GOLDFRANK: Please mark Mr. Creitz'  
resume as Deposition Exhibit 127.

(Above-described document herein marked  
Creitz Deposition Exhibit 127 for identification,  
this date.)

DIRECT EXAMINATION

BY MS. GOLDFRANK:

Q Please state your name.

A Walter M. Creitz.

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Q Could you spell your last name.

A C-r-e-i-t-z.

Q What is your present business address?

A P. O. Box 542, Reading, Pennsylvania 19620.

Q Your present employer?

A Metropolitan Edison Company.

Q What is your present position there?

A President.

Q You brought with you a resume today which we have marked as Creitz Deposition Exhibit 127, correct?

A Yes.

Q Did you prepare this resume?

A It was prepared under my guidance and supervision.

Q This resume is dated July 25, 1979. Is that when it was prepared?

A Yes.

Q It is a current resume?

A Yes, it is.

Q Your resume indicates that you received a Bachelor of Science degree in Electrical Engineering from Lehigh University, correct?

A Yes.

Q When did you receive that degree?

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A 1948.

Q Upon graduation from Lehigh, you then became employed with Metropolitan Edison Company?

A Yes, approximately six to eight weeks after graduation.

Q Your first position was as electrical engineering cadet, is that correct?

A Yes.

Q Was that in Reading?

A In Reading, involved with transmission and distribution line design.

Q Who would you have reported to in that position?

A Initially, I reported to Harold Wilbur, whose title was transmission engineer.

Q You then became, in May of 1949, electrical engineer, junior, is that correct?

A Yes.

Q Did you continue to report to Mr. Wilbur?

A Mr. Wilbur passed away, and at that point, I reported -- what year again was that? I am sorry; let me correct that. I continued to report to Mr. Wilbur until he passed away, and then I reported to Paul Robbins.



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2 Q And he succeed to Mr. Wilbur's position?

3 A No. Mr. Robbins was Mr. Wilbur's supervisor.  
4 I simply reported directly to Mr. Robbins.

5 Q Were your responsibilities the same, as  
6 electrical engineer junior, as they had been as  
7 electrical engineer cadet?

8 A Broader responsibilities. I had certain design  
9 responsibilities for that section of the department.  
10 In effect, I replaced Mr. Wilbur, but without his  
11 title initially.

12 Q In February of 1953, you became electrical  
13 engineer, transmission?

14 A Yes.

15 Q What were your responsibilities in that  
16 position?

17 A At that particular time, the company was involved  
18 in its most major transmission line project, and I had  
19 the overall design responsibility for that.

20 Q Who did you report to in that position?

21 A I reported originally to a Mr. Deck, and when  
22 he passed away, I reported directly to the chief  
23 electrical engineer, Ralph Neidig.

24 Q What division was that in, within the  
25 company?

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2 A That was in the Corporate Division -- I don't know  
3 if it was identified as such at that time, but it was  
4 in the system, the corporate portion of the company.

5 Q At that time, was there an Engineering  
6 Division within the corporate structure?

7 A Yes.

8 Q And you were within that Engineering  
9 Division?

10 A Yes. There were actually -- because of the  
11 magnitude of this large transmission project, my group  
12 reported directly to the chief engineer. The other  
13 System Engineering Department, still under Paul  
14 Robbins, also reported directly to Mr. Neidig.

15 Q In February 1957, you then became system  
16 distribution engineer?

17 A Yes.

18 Q What were your responsibilities in that  
19 division?

20 A In addition to continuing with my responsibilities  
21 with transmission engineering, the company deemed it  
22 important to establish uniform economical designs for  
23 our distribution lines, and I was given the opportunity  
24 to fill that position.

25 Q Was that position still within the

1  
2 Engineering Division?

3 A Yes. I continued to report, however, directly  
4 to -- I continued to report directly to Mr. Neidig.

5 Q In August 1962, you then became division  
6 operating superintendent in the Western Division?

7 A Yes.

8 Q What were your responsibilities in that  
9 position?

10 A I reported to Frederic Cox, who was manager of  
11 that division and a vice-president of the company. My  
12 responsibilities included the various operating depart-  
13 ments, such as Line Construction, Electrical Construction  
14 and Maintenance Department -- Engineering, rather,  
15 Transportation, Building Services, Dispatching, Metering;  
16 those functions within the division that would be classi-  
17 fied as operating, or those functions that are necessary  
18 to keep the system operating.

19 Q What does the Western Division comprise?

20 A The company is physically divided into four  
21 divisions, and the company serves all or parts of 14  
22 counties. The Western Division is headquartered in  
23 York and covers that part of the territory that Met  
24 Ed serves in York County, as well as Cumberland  
25 County and Adams County.

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2 Q Were you, in that position, located in  
3 York?

4 A Yes.

5 Q Who did you report to?

6 A Frederick Cox, division manager and vice-  
7 president of the company.

8 Q In February 1968, you became division  
9 manager of the Western Division?

10 A Yes.

11 Q Who did you report to?

12 A I reported to Frederic Cox, who was then  
13 president of the company.

14 Q Then in February 1969, you became vice-  
15 president and manager of the Western Division?

16 A Yes.

17 Q When you were division manager of the  
18 Western Division, you reported directly to the president,  
19 not to a vice-president?

20 A No, directly to the president. Metropolitan  
21 Edison Company has operated on a decentralized basis,  
22 and the division managers did have essentially all of  
23 the functions in their physical area reporting to them,  
24 and they were accountable and responsible for their  
25 operations. They, in turn, then reported directly to

1  
2 the president.

3 Q When you were named a vice-president in  
4 February 1969, what were your specific responsibilities  
5 as vice-president?

6 A Well, I guess it was nice of the company to name  
7 me a vice-president. I did become more involved in  
8 discussions with the president relative to corporate  
9 matters, particularly as they related to transmission  
10 distribution lines, their design and operation.

11 Q As I understand it, in the present structure  
12 of Metropolitan Edison, Mr. Herbein's title, for  
13 instance, would be vice-president for Generation?

14 A His new title. That is his present title, or  
15 that was his title.

16 Q As of two months ago, his title would  
17 have been vice-president, Generation, then, and was  
18 there a similar specialization with respect to vice-  
19 presidents of Metropolitan Edison at the time you were  
20 made a vice-president?

21 A There were functional responsibilities for most  
22 vice-presidents. However, occasionally the company  
23 did name one of its division managers a vice-president,  
24 and perhaps it was done, looking back at it, as an  
25 opportunity for some of us to grow within the corporate  
structure.

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2           At the time I was named vice-president, the other  
3 vice-presidents were functional in nature. One was the  
4 chief engineer; another was responsible for sales;  
5 another was responsible for finance; and another was  
6 responsible for the controller's office.

7           Q           And your responsibility would have been  
8 in the transmission area?

9           A           My major responsibility continued to be division  
10 manager. It was just a promotion, and they were  
11 willing to recognize the fact that I did have a division  
12 that was the largest in the company, and they felt  
13 maybe it deserved the title of vice-president.

14          Q           In July 1971, you then became vice-president,  
15 chief engineer?

16          A           Yes, and you will also notice that that continued  
17 for about half a year.

18          Q           Correct.

19          A           At which time I was named president, so I was  
20 really only in that position for a very short period  
21 of time.

22          Q           What would your responsibilities have been  
23 as vice-president and chief engineer?

24          A           My responsibilities would have included all  
25 aspects of engineering, transmission, distribution,

1  
2 substations, and certain responsibilities relative to  
3 our generating stations.

4 Q Would the Engineering Departments in  
5 Reading have reported to you?

6 A The corporate engineering departments, yes. The  
7 engineering departments in the divisions, however, did  
8 have a solid line relationship to their divisions and  
9 a dashed line, so to speak, to the corporate structure.

10 Q Then in January 1972, you became president  
11 and chief operating officer of Metropolitan Edison,  
12 is that correct?

13 A That is correct.

14 Q And that is the position that you presently  
15 hold, is that correct?

16 A That is correct.

17 Q What does chief operating officer mean?

18 A I guess, as concisely as I can put it, it simply  
19 means that I am responsible for the operations of the  
20 company; that might imply that the day-to-day operations  
21 would be included, but I think it goes a little broader  
22 than that. It would also include the budget responsi-  
23 bilities for the company, not the long-range planning  
24 and so forth, but those things that we should be aware  
25 of, and those things that we should be planning for,



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so that the company continues to operate effectively.

Q Who do you report to?

A William G. Kuhns. He is Chairman of the Board of Metropolitan Edison and the chief executive officer.

Q He is also Chairman of the Board of GPU Service Corporation?

A Mr. Kuhns is Chairman of GPU: as Chairman of GPU, he also serves as Chairman of the Board of GPU. He is also chief executive officer of GPU, as well as Chairman of the Board of the other two operating companies, Pennsylvania Electric Company, and also of the GPU Service Corporation. As Chairman of all four subsidiaries, he is Chairman of the Board and also chief executive officer of all four subsidiaries.

Q Who would be responsible for the long-range planning for Metropolitan Edison?

A The long-range planning, and we talk in terms of long-range planning as being up to 20 years, and that is held by the Service Corporation. Instead of each company attempting to develop its own long-range plan, it seems to make a lot of sense to coordinate this on a system basis, and this is handled by GPU Service Corporation with input from the operating



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companies, of course.

Q Practically, how do the operating companies provide input into such plans?

A Some of this, I would say, would occur at the GPU presidents' meeting; some would occur at the GPU Service Company board meetings, and other inputs would occur directly through my various functional people. As an example, my vice-president of Consumer Affairs has a responsibility to determine consumer growth, energy used by various classes of customers, projections and so forth. He, in turn, would see to it that the proper party in the planning group would be aware of this information so that it would be used in the forecasting and planning.

Q Is there a specific entity entitled the Planning Group?

A Yes, there is, and the person currently in charge of it is a Bernard Cherry. He is a vice-president of the Service Corporation.

Q Who else is a member of that Planning Group?

A The people that are in the department, and I cannot give you their names, although I could name some of them, but it would be incomplete.

Q Are all the people that compose that

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group from the Service Corporation?

A Yes. Those people that report to Bud Cherry are all employees of the Service Corporation.

Q And the people under you, as you indicated, such as your vice-president of Consumer Affairs, would he report directly to this Planning Group, in terms of providing information?

A He would either, through the vehicle of meetings or letters, which I would say would be the two main methods in which this type of information would be provided to the Service Corporation --

Q He would have direct access to that group?

A Yes. The functional people in the operating companies all have direct access to their various counterparts in the Service Corporation.

Q So that even though there would be a solid line on an organizational chart from your vice-presidents to you --

A Yes.

Q -- there would be a dotted line, so to speak, from those vice-presidents to their counterparts in the Service Corporation?

A Yes.

Q You indicated that there were meetings of

2 GPU presidents, as being one area in which you com-  
3 municated information with respect to long-range  
4 planning?

5 A Yes. I should clarify that. Bud Cherry, for  
6 example, normally would not attend that meeting. It  
7 would be attended by, in addition to my counterpart  
8 in Jersey Central and Penn Elec, Bill Kuhns, who is  
9 Chairman of the group, Herman Dieckamp would attend,  
10 as well as Werner Condon, executive vice-president of  
11 the Service Corporation, who is a chief financial  
12 officer for the system, including the operating  
13 companies.

14 Discussions at a meeting of this type would  
15 certainly indicate to our superiors, Mr. Kuhns and  
16 Mr. Dieckamp and Mr. Condon, some of the feelings of  
17 the operating companies. I guess you would say it is  
18 an opportunity, and forces all of us to get together  
19 at least once a month.

20 Q That meeting would be held once a month?

21 A Yes.

22 Q Where would they hold that meeting?

23 A Most of the time in Parsippany, headquarters  
24 for the corporation.

25 Q And the purpose of this meeting was what?

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A We would discuss the various aspects of the corporation, things that should be changed in the system to make it more effective.

Q You would discuss long-range policy?

A I would think that some of the concerns of the company would be discussed, and it would be an opportunity to discuss some of the aspects of it, and I would say would be -- it is more of an indirect method or indirect input, perhaps, to the planning function. The group wasn't formed with the thinking in terms of long-range planning as much as an opportunity for us to sit down and discuss various aspects of the business, and certainly one of the flavors that has to be added is the thought in terms of looking into the future a little bit as to what are some of the things we should or shouldn't be doing.

Q But the main focus of that meeting is an exchange of ideas?

A That's right, but it is an opportunity. If, for example, myself, Walt Creitz, would have some concerns about the last issue of the long-range forecast, and then certainly if some of my other avenues did not effectively function or work in the way I thought they should, this would be a way that

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I think it could be discussed.

Q You indicated that long-range planning forecasts were issued.

A That was a corporate function of GPU.

Q Would there be a document created that would represent what the long-range planning forecast was?

A Yes.

Q And that would be developed by Mr. Cherry?

A That's right, by his group.

Q How frequently would such a document be issued?

A It could be issued as frequently as several times a year. Whenever any of the dates were changed or capacity requirements of any of the companies were changed, that document would be re-issued.

Q Who would attend the GPU Service Corporation board meetings?

A The directors of the Service Corporation, which would include that same group I mentioned for the presidents' meeting. In fact, they are the directors of the GPU Service Corporation. In addition to that, most of the functional heads of the Service Corporation would attend.

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Q And you are a director of the GPU Service Corporation?

A Yes.

Q The other presidents of the other two operating companies are also directors of the GPU Service Corporation?

A Yes.

Q How frequently would board meetings be held?

A Those meetings occur once a month, and with rare exceptions, and it is only with rare exceptions, that that does not occur.

Q When was the Service Corporation established?

A I can't tell you the exact date. It did occur before I became president. I would say it occurred either in 1970 or 1971 officially. Before it was formed, certain functions were placed on a system basis, and it was announced that certain people, when the Service Corporation would be formed, would be named as functional heads, so before the Service Corporation was formed, there were people in the GPU system that had corporate responsibilities, and Generation and Construction was one example.



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Q So that these people would have been taken from the operating companies and given responsibilities outside that particular operating company?

A That is exactly what happened.

Q Why was the decision made to establish the Service Corporation? What was the thinking that went behind it?

A You have to understand that I wasn't involved, so I can only tell you what I understood at the time and what I understand now.

It seemed to make a lot of sense to centralize certain functions from an economic standpoint, for example; instead of each company having its own individual responsibility, in some cases it would be more economical for it to be done on a system basis.

Maybe I can reword it this way: Those things that could be best done and most economically done on a system basis would fall into the responsibility of a Service Corporation. Those things that could best be done and most economically be done by the operating company should continue to be done by that operating company with the guidance and coordination of the Service Corporation.

Q What were those divisions or functions?

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A It has changed. As the Service Corporation grew, more functions were developed. In the beginning of the Service Corporation, as I recall, there was a vice-president of Generation and Construction, there was a vice-president of Operations, and there was a vice-president of Finance and a vice-president of Administration or Services. From that, as the corporation grew and was able to provide more qualified people to fit in the various functions, this was expanded to its present organization today.

Q How have the functions of GPU expanded to the point where they are in this period?

A I wish I had a copy of the table of organization with me. It is divided into more functions. For example, we now have a planning function, a vice-president of Rates; the Generation and Construction, together with the Operations, was changed around so that we ended up with a vice-president who is responsible for Transmission and Distribution, both design and operations, and there was a vice-president's position created who was responsible for Generation, which had the construction as well as the operating function.

There were several other vice-presidents. The



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controller is now a vice-president of the Service Corporation. . The person responsible for our inter-connections with other companies is a vice-president of the Service Corporation. Our executive vice-president, Werner Condon, is responsible for finance, and the vice-president of Administration and the vice-president of Materials Management.

May I go off the record for just a second?

Q Yes, off the record.

(Discussion held off the record.)

Q You indicated that since the Service Corporation was established in either 1970 or 1971, its responsibilities have grown with respect to the functions that it has undertaken, is that correct?

A That is correct. There is one other point I should mention as a reason for the Service Corporation, is outside services, which is one of the reasons it has grown. Since we are now providing services for three operating companies, the opportunity is there to do some of these things ourselves instead of contracting to the outside world, and therefore, certain expertise, instead of paying another company for that service, we are able to do it in-house, as needed, for the three operating companies.

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Q And by this you mean engineering expertise?

A Yes, for example.

Q What other type of expertise?

A Primarily, the design and construction management of large projects would be the types of services that we could minimize purchasing from other firms. There might be other services that we would normally have to purchase in some of the other functions, but by having the expertise within the Service Corporation, some of these will be done by our own people, one of which is certainly planning.

With an adequate Planning Department, we will be able to do certain things. If we had wanted to have it happen previously, we might have gone to a consulting firm.

Q Was it envisioned that eventually the Service Corporation would develop enough an expertise and talent in the area of design and structure that they would become architect-engineers for the operating companies?

A I am not aware that we really ever thought that we would get to that point. Perhaps there were discussions during the formation of the Service Corporation that at some point we might get to that point. Again,

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2 it depends on the number of plants we are going to build.

3 Q Since you have been president of Metropolitan  
4 Edison Company, there has not been such long-range  
5 plans?

6 A No.

7 Q Why was the decision made to maintain three  
8 separate operating companies within the General Public  
9 Utilities Corporation? In other words, why was there  
10 the decision made to divide those responsibilities?

11 A The three companies were there prior to the  
12 formation of General Public Utilities, and the General  
13 Public Utilities Corporation actually purchased the  
14 three companies and is the holder of all common equity  
15 of the three companies; that goes back really before  
16 my time in management, so I can't really -- I don't  
17 know if there was any consideration given to the merging  
18 of the several companies. I do understand that it is  
19 not a simple matter, combining electric utilities. I  
20 would suppose that the management of GPU felt that  
21 it would be fine for the three operating companies to  
22 continue, but that there was a need for coordination  
23 and so forth, and this is one of the purposes that the  
24 Service Corporation was formed, to provide that  
25 vehicle.

1  
2 MR. YUSPEH: Off the record.

3 (Discussion held off the record.)

4 A (Continuing.) Then, not being a part of that  
5 decision at that time, I would think that the parent  
6 corporation felt that the operating companies --  
7 that the best mode was to continue the individual  
8 operating companies.

2.  
9 Q Has there been discussion in recent years  
10 concerning continuing to maintain the division between  
11 the operating companies?

12 A There has been some merger since GPU has been  
13 formed. New Jersey Power & Light Company, which  
14 operated very closely with Jersey Central, became  
15 merged into one company. There was also an electric  
16 company in the northeastern part of Pennsylvania which  
17 was headquartered in Towanda which it seemed to make  
18 sense to operate as part of Pennsylvania Electric  
19 Company.

20 I have not been a part of or aware of any dis-  
21 cussions for any other mergers within the GPU system.

22 Q The New Jersey Power & Light Company would  
23 have also been an operating company, correct?

24 A Yes. New Jersey Power & Light Company was an  
25 operating company and became part of Jersey Central.

2 North Pennsylvania Power, I believe, was the other  
3 company, which became part of Pennsylvania Electric  
4 Company.

5 Q That also would have been an operating  
6 company?

7 A Yes.

8 Q Has there been discussion concerning  
9 merger of the functions of the Service Corporation  
10 and the operating companies?

11 A I would believe that that -- may I go off the  
12 record just a second?

13 Q Yes.

14 (Discussion held off the record.)

15 A (Continuing.) I am not sure if I understand  
16 your question. Are you saying would you centralize  
17 the functions on a GPU basis instead of have it de-  
18 centralized in the operating companies? Is that  
19 your question?

20 Q Right.

21 A There have been discussions from time to time  
22 on the economics of forming a generating company, and  
23 this could be done in several ways. Once an area would  
24 be identified -- a generating company that would handle  
25 and be responsible for all new generation; another

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might include present generation, and I think, again, that perhaps Herman Dieckamp, as president of GPU, would be a more fitting person that could answer that question, but I do know that these thoughts were considered.

Q Did you have any involvement with the discussions or development of these thoughts?

A I was present at meetings when the thought was presented that this might be a plan that should be considered, but it never really became an official part of any of the meetings that I attended.

Q Where would that initial discussion have been presented, or where would it have occurred?

A It could have occurred at the presidents' meeting. It could have occurred at a GPU Service Company board meeting. I am sure it was discussed, or I would think it was discussed at a GPU management level with the GPU board, to some extent.

Q Do you remember about when these discussions occurred?

A Several years ago.

Q Do you remember the issues that were discussed with respect to formulating a generating company?

A No. Let me qualify that. I say no; it was more



2 of a general type of discussion. It wasn't a list of  
3 clear proposals, a clear list of costs, or anything  
4 of that nature, and so that is why my response was no.

5 Q Do you remember who presented that proposal?

6 A It was discussed by Mr. Kuhns and Mr. Dieckamp,  
7 together with our legal counsel, James Liberman.

8 Q Since this initial proposal was discussed  
9 a few years ago, have you heard further discussion on  
10 the establishment of a generating company?

11 A I have.

12 Q Where would that discussion have been?

13 A That was a discussion with Mr. Kuhns.

14 Q Was that a discussion just between you  
15 and Mr. Kuhns?

16 A I believe no one else was present at the time.

17 Q What did that discussion concern?

18 A It was just simply a comment, and this occurred  
19 after the Three Mile Island accident, and let me  
20 paraphrase it in this way, "You know, we were con-  
21 sidering the formation of a generating company," and  
22 that was the end of the discussion, and that was about  
23 all that was said at that time.

24 Q Did you comment to him concerning that?

25 A I don't recall offering any comment, and this

2 was at the height of the accident, or right following  
3 the accident, and I don't remember making any comment  
4 on it at that time.

5 Q Do you know why at that particular time  
6 he made that comment to you?

7 A No.

8 Q Other than that brief comment with  
9 Mr. Kuhns, were you aware of any further development  
10 of that idea of establishing a generating company?

11 A Of course, I think, after the accident the  
12 main concern was how to put what we have together in  
13 such a way that we can most effectively recover from  
14 the accident, and I think the discussion was more on  
15 that than a generating company per se, and the net  
16 result is a formation of the recovery organization  
17 that Bob Arnold heads up.

18 Q Prior to the accident, do you remember any  
19 further discussion of the idea of developing or  
20 establishing a generating company, other than your  
21 initial discussion of a few years ago?

22 A No.

23 MR. YUSPEH: Off the record.

24 (Discussion held off the record,  
25 following which a brief recess was taken.)



2 Q You indicated that the vice-presidents  
3 under you have direct access to their counterparts  
4 at GPU Service Corporation, is that right?

5 A That's right; that is part of the reason for  
6 the Service Company to be in existence, so not only  
7 the vice-presidents of Metropolitan Edison, but also  
8 other people within the Met Ed organization would  
9 have direct access to their counterparts for advice  
10 and assistance.

11 Q Could you explain the relationship of  
12 Metropolitan Edison with respect to GPU to the  
13 Service Corporation concerning establishment of a  
14 budget each year for Metropolitan Edison.

15 A Yes. The preparation of the budget is a  
16 responsibility of the controller's department, and  
17 an assistant controller has this as a major responsi-  
18 bility. The company puts its budget together, what  
19 it believes to be appropriate, by talking to the  
20 various functional people. A company budget is then  
21 assembled, and this is then, in turn, presented to  
22 senior officers of GPU.

23 Q Who would that be?

24 A This would be William Kuhns, Herman Dieckamp  
25 and Werner Condon.

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2           This would be previously reviewed with the  
3 various GPU Service Corporation functional heads  
4 before we get to this stage. The generation budget,  
5 for example, prior to TMI, Jack Herbein would talk  
6 to Robert Arnold; the Metropolitan Edison people in  
7 generation would talk to the proper people within the  
8 Robert Arnold organization in the Service Corporation.

9           Q       What is Mr. Condon's position at GPU?

10          A       He is executive vice-president of the Service  
11 Corporation. He is also a vice-president of the  
12 parent, General Public Utilities Corporation.  
13 Reporting to Mr. Condon are the controllers and the  
14 treasurer, and anything that relates to finance and  
15 the control function of the company. Mr. Glickman,  
16 vice-president of Materials Management, also reports  
17 to Mr. Condon.

18          Q       Mr. Herbein, prior to March 28th, was  
19 vice-president of Generation of Metropolitan Edison?

20          A       Yes.

21          Q       He would formulate a budget for generation,  
22 and he would then have Mr. Arnold review that budget,  
23 is that right?

24          A       Mr. Arnold's people, in some fashion, would  
25 review it. I don't know if Mr. Arnold would -- yes,

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I would say that Mr. Arnold would be directly involved in the initial review of the budget.

Q What was your involvement with the drafting of that budget for generation?

A After the various functions would develop what they felt would be the budget required for the coming year, that would be then put together under our assistant controller's supervision in final company form, and I then would sit down and review it with the various company heads.

Q Would you review it prior to these functional heads receiving input from the Service Corporation?

A Generally, no. At the time I would see it, normally that discussion would have taken place, and the reason I don't say it in a tone that this is a case applying 100 per cent of the time is that there are certain matters that the functional heads would discuss with me about the coming year prior to this. I didn't mean to imply that I wasn't involved with the budget or never saw the budget or never had any inputs to the budget prior to the time the proposed final document was laid on my desk. I am sure we would have had discussions on budget previously.

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Q Let us say, however, that Mr. Herbein would discuss with either Mr. Arnold or people under him prior to submitting that budget to you for review, correct?

A Yes, and at the budget review meeting -- and I am thinking of the last one and the one before that -- Mr. Arnold would be in attendance at the time it was presented to the GPU senior management.

Q Would you also present the budget to the Board of Directors of Metropolitan Edison?

A The budget would be discussed with -- the Metropolitan Edison Company Board of Directors is an internal board. It is composed of officers of Metropolitan Edison and officers of the GPU Service Corporation. Mr. Kuhns is a member of the board, and Mr. Dieckamp, Mr. Condon, for example, are three members of the Board of Directors of Met Ed. In addition to myself from Metropolitan Edison, there is a vice-president of Engineering, a vice-president of Consumer Affairs, and the company's controller. The eighth member of the board is the vice-president of Rates for the Service Corporation. So in the formation of the budget, as far as Metropolitan Edison directors are concerned, also being functional heads, there is

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involvement.

Q They do not review the budget as the Board of Directors of Metropolitan Edison, but would see it in their other capacities?

A Yes, that's right. I meet, for example, with my officers generally every two to three weeks; the status of the budget would be discussed at one or several of those meetings.

Q After you have reviewed the budget, the next step is for Mr. Dieckamp himself to review it?

A Mr. Dieckamp, Mr. Kuhns and Mr. Condon will sit down with some of the senior officers of each operating company and discuss that operating company's budget.

Q So that Mr. Dieckamp himself would not see it first, separate from Mr. Kuhns and Mr. Condon?

A I would believe that some of the Service Company people would make major components of the budget of each of the operating companies' budgets available to them. That is just a supposition on my part, but certainly the Budget Group of the Service Corporation would see to it that their superiors have a certain amount of information before they sit down with us. The data is submitted to the Service Corporation in its presentation form prior to the

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meeting.

Q So that there would be a presentation to the Service Corporation prior to review by GPU?

A The senior officers of the Service Corporation also happen to be the senior officers of the General Public Utilities Corporation, so when it is being reviewed with one group, it is automatically being reviewed by the other group.

Q Over the course of the year, is there the capability to change a budget that has been forecast for that year?

A Change might be -- we continually take a look at what we are spending and what we anticipate to be doing for the balance of the year, and the forecast is adjusted. It is referred to, as an example, as four and eight, four plus eight; what it really means, actually, is that for four months, we know what we did, what we accomplished, and we now forecast for the next eight months. If such a thing would be made later in the year, it might be an eight and four or nine and three. Again, the first number indicates actual for that period of months plus what would be anticipated for the balance of the year.

Q How frequently is such a study done?



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A That is done fairly frequently; several times a year, that is adjusted to update it.

Q Whose responsibility would that be?

A Well, that would again fall under Werner Condon's general supervision, and within Met Ed, would be coordinated by our controller's office.

Q Would the same process be required for the altering of the forecast, once the four plus eight study is undertaken, for example, as was initially undertaken to review the original budget?

A Would you repeat your question. I didn't hear the first part of it.

(Last pending question read.)

A I am not clear on what you mean by "forecast." I know what it means, but I am not sure what you mean when you use the word "forecast."

Q You indicated that over the course of the year, there occasionally is a study done of what actual expenses have been, or let us say, the first four months, and what the expenses or what the budget will be for the next eight months, and if it requires altering of the initial budget for that year, what type of review is undertaken for that?

A First, the data that is used for the updated

2 forecast is really the input of all of the functional  
3 heads providing this information to our controller's  
4 office; that office, in turn, then provides it to  
5 its counterpart in the GPU organization for review.  
6 As far as where we are and what we are doing, compared  
7 with budget, there is a report put out to the Board  
8 of Directors each month which tabulates this type of  
9 information. It also shows the latest forecast, shows  
10 the budget numbers, and it also has certain graphic  
11 presentations to indicate trends of where we have  
12 been, and perhaps where we are headed for.

13 Q Is that the Board of Directors of Metro-  
14 politan Edison or the Service Corporation?

15 A There is a report put out by each operating  
16 company on a monthly basis that provides this  
17 information, and there is also a consolidated report  
18 put out for GPU.

19 Q So that on a monthly basis, it is a  
20 report to the Metropolitan Edison Company Board of  
21 Directors?

22 A That's right. Each member of the Board of  
23 Directors gets this report, and there is a con-  
24 solidated report on a GPU basis. In addition, at  
25 the Service Corporation board meeting, each of the



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company presidents of the operating companies comment on his particular report for the month.

Q With respect to adjusting a budget in the middle of the year for a portion of that year, would Mr. Dieckamp and Mr. Kuhns and Mr. Condon be involved with a review of those changes?

A Yes.

Q Each division or functional head within Metropolitan Edison Company has a separate budget?

A Yes -- the budget is really broken into the -- the operating and maintenance budget is broken into several major components. Generation is one of those; transmission and distribution is another one; and the third one picks up all of the other things, such as Personnel Department expenses, purchasing -- let me retract the purchasing -- personnel expenses, controller's office expenses, certain charges that executives charge their time to, and so those are the three major components that the budget is broken into, and then some of those would have subheadings that give further identification.

Q Under the generation operating and maintenance budget, what would fall under that?

A This is pre-TMI accident; anything that relates

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to operating expenses or maintenance expenses that is involved in keeping the plant running, labor, materials and so forth.

Q So personnel expenses concerning generation would fall within that specific generation budget?

A Yes. The budget would indicate such expenses that would be expected to be charged for the year for manpower, for labor; obviously, it would also include a forecast of job classifications that would be suggested to be added or deleted from the table of organization.

Q What other budgets are there beside the operating and maintenance budget?

A Construction.

Q What funds would fall within that?

A The building of a new generating station would be the biggest one; the providing of electric service from a pole to a house would be one of the smallest items. I don't wish to imply that each individual service is shown as a budget item, but I am talking about the largest type of project compared with the smallest. Services, for example, would be grouped. It would be based on the forecast that Consumer Affairs

2 has put together for numbers of new customers. This,  
3 in turn, would be related to the costs involved in  
4 providing that number of new services in the Met Ed  
5 area, and that would be an item in the construction  
6 budget; new services, new meters, new transformers,  
7 new distribution lines, which would all relate to  
8 numbers of new customers. Generation, obviously the  
9 biggest one would be a new generating station, but  
10 it might be the addition of a new piece of equipment  
11 to the station.

12 Q And the construction budget would be  
13 administered by Metropolitan Edison?

14 A The Metropolitan Edison Company would put the  
15 construction budget together. It would include all  
16 construction projects. However, the budget for  
17 the larger generating projects would be put together  
18 by the Service Corporation. If you would look at a  
19 Metropolitan Edison budget under "Generation," you  
20 would see projects under the control of the operating  
21 company, and projects under the control of the Service  
22 Corporation. Larger construction projects are  
23 assigned to the Service Corporation: Three Mile  
24 Island No. 1 and Three Mile Island No. 2, for  
25 example.

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Q And Metropolitan Edison would provide the funds to the Service Corporation for that construction?

A Yes, it would provide the funds for the construction of those facilities, yes.

Q Who determines what that budget should be with respect to, let us say, Three Mile Island Unit 2 construction?

A That is a project that is jointly owned by three companies, and as budget requirements would change, that would have to be approved at some point by the Metropolitan Edison Board of Directors. Any project that costs a certain number of dollars or more requires the approval of the Board of Directors of Metropolitan Edison Company. It also would be reviewed by the senior management of GPU.

(Continued on Page 41.)

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Q Would the service corporation that was to administer the construction budget for TMI Unit 2 establish what their budget needs were?

A Yes.

Q And then request such funds from Metropolitan Edison, and in that case, Jersey Central and Penn Elec also, as partial owners of TMI Unit 2?

A Request approval to spend those amounts, yes.

Q How would that process work?

A What we referred to as an authorization is initially prepared for any major construction project. In addition to stating dollars required, it also covers reasons and benefits. It also may indicate the time period that certain funds would be expended. Certain variations from the original budget, based on the original authorization will trigger a need for a change in the authorization and the document is the same as the authorization, but it shows the revisions and that would go through the normal approvals, and if the magnitude of the project was such that it required board approval like the TMI Project, it would get that approval by the operating company; that would be required in the case of Three Mile Island. It would require the approval

Creitz

of the Board of Directors of the three companies.

Q What type of revisions would require further authorization?

A Over-expenditures unfortunately was the one item that has caused changes in the authorization.

Q So any time the service organization needed to exceed the initial budget, they would need further authorization from Metropolitan Edison, Penn Elec and Jersey Central for Unit 2?

A At some point additional authorization would flow through and would be granted, yes. I must admit it doesn't always work out quite as clearly as I might have indicated. There are times when such authorization follows the point that we exceeded the budget on that particular item. Even though we attempt to avoid this, or at least minimize it, unfortunately there are many times when the fact that the over expenditure, perhaps, has been made, or it should have gotten into the mechanism for approval earlier, sometimes the time limits of it leaves something to be desired in terms of getting the additional approval.

Q Were you involved in the site selection of Unit 2 for Three Mile Island?



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2 A No, I wasn't; that was prior to my -- I was  
3 in York at that time operating a division.

4 Q So that you had no input into the  
5 transfer of the initial design for Oyster Creek  
6 to Three Mile Island Unit 2?

7 A No.

8 Q Do you know who was involved with that  
9 decision?

10 A I really don't know specifically. I would think,  
11 perhaps, my predecessor was, or his predecessor; I  
12 don't know.

13 Q Who was your predecessor?

14 A Frederick Cox.

15 Q So that once you became president of  
16 Metropolitan Edison in January 1972, the plan to  
17 design and construct Unit 2 was under way?

18 A Yes.

19 Q The design and construction of Unit 2  
20 rested with the Service Corporation?

21 A Yes.

22 Q At that time, during construction of  
23 Unit 2, what was the relationship between the  
24 Service Corporation and Metropolitan Edison as  
25 the operating company for that unit?

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2 A The service company had the prime responsibility  
3 of constructing the plant and having it designed.  
4 As various systems were completed and tested by  
5 Metropolitan Edison personnel, then those parts  
6 of the plant would be turned over to the company  
7 for its operation. Met Ed personnel were located  
8 on the Island during construction, and one might say,  
9 indirectly we are involved. At least we were there  
10 as it was being built so they would have a better  
11 idea of what was there and how it was put together  
12 so they could most effectively operate it. It provided  
13 a good training ground for those people that were  
14 going to operate the plant.

15 Q So Metropolitan Edison had no interface  
16 with the Service Corporation with respect to the  
17 design or construction of Unit 2?

18 A No, I wouldn't say that. We did have interface  
19 with the Service Corporation and certainly had  
20 opportunities of commenting on the construction of  
21 the plant. Met Ed personnel did not have the  
22 direct responsibility for the design; that was  
23 contracted for with the Service Corporation. If  
24 we did not have a Service Corporation, Met Ed, I  
25 would think, would have contracted with other

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concerns to handle the design and construction of the plant.

Q Can you explain what the interface between the Service Corporation and Metropolitan Edison was concerning the actual design and construction?

A On-site, at construction, there was a project manager for GPU. He interfaced directly with the person who was in charge of the plant for Met Ed. In addition, there was the opportunity of interface between our vice president of Generation and the vice president of Generation and Construction for the Service Corporation plus their counterparts. There were opportunities for general input available during the period of construction, and yet I must admit that sometimes a person might observe a proposed change, and it could be too late; maybe it wasn't identified on the drawing. After it was installed, one might have said, you know, theoretically it makes no difference where you put that particular valve, but from a practical operating standpoint, it would have been a lot better to put it here instead of there; that type of thing which was a little difficult.

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Regardless of whether we would have been doing the thing directly or without the Service Corporation, I am sure this type of problem always exists.

Q Were there specific lessons learned from the construction of Unit 2 in the relationship between the Service Corporation and Metropolitan Edison as the operating company for TMI Unit 2 that were to be applied in future projects that the Service Corporation was to undertake, for instance, the Forked River?

A I would hope so. Again, that is just supposition on my part. Each time we build a plant, certainly it is a learning experience. I think our coal fire plants are a clear example. We did build a coal fire plant that we liked very much; we were comfortable with it. We felt that we would like to have more of this particular design. So our decision before TMI was to build several of these plants in the western part of Pennsylvania.

Q Did the Service Corporation have the same relationship with Metropolitan Edison with respect to construction of that coal fire plant?

A Yes. That particular coal fire plant was owned

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1 Creitz

2 by Pennsylvania Electric and by New York State  
3 Gas & Electric, two companies by agreement, built  
4 this station with 50 percent ownership to each.  
5 The design coordination and construction coordination  
6 was primarily handled by the GPU Group, however.

7 Q With respect to the construction of TMI  
8 Unit 2, what specific things did Metropolitan Edison  
9 learn that would have been changed in future construc-  
10 tion projects?

11 A I find it a little difficult for me to try to  
12 answer, since I wasn't really involved in the nuts  
13 and bolts of the project, the construction of it.  
14 I am sure people like Jack Herbein and Gary Miller  
15 could provide you with a laundry list of things  
16 that we have learned with the construction of that  
17 plant.

18 Q Did either Mr. Herbein or Mr. Miller  
19 indicate to you specific things that they would have  
20 liked to have seen changed in future projects?

21 A They never gave me a list, per se. I remember  
22 walking through the plant with Gary Miller and/or  
23 Jack Herbein, and various things might have been  
24 pointed out, like the valve example; this shouldn't  
25 be here, it should be here, or we should have done

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2 this, or we should have done that. I guess you  
3 learn from experience. Perhaps, it is just that  
4 man is not capable of putting down on paper the  
5 ultimate in what he would like to build.

6 It does take a little practical exper-  
7 ience.

8 Q Did Mr. Herbein and Mr. Miller indicate  
9 to you that they felt that if the operators or the  
10 operating company that was actually going to run the  
11 nuclear plant had more input into the actual design  
12 and construction of the plant, that certain things  
13 such as placement of a valve would not have occurred

14 A Well, I can't recall it as such, but those  
15 examples were after the fact. I don't really know  
16 if they would have been able to identify that situ-  
17 ation by looking at a drawing prior to construction.  
18 I don't wish to imply that at any point they were  
19 dissatisfied with the ability and technical competence  
20 of the Service Corporation. I believe each of us,  
21 after something is actually done, can look at it  
22 and suggest improvements.

23 As an example, you might buy a new car;  
24 I am sure there are features about that car that  
25 each of us would raise a question on. Maybe it is



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2 an individual preference. Maybe if you took a  
3 vote of all the people that would buy that product  
4 or use that product, maybe the design was all right.

5 Q Was there a formal mechanism set up  
6 whereby either the benefits learned from a particular  
7 construction project or the disadvantages that would  
8 have been learned from that project would have been  
9 channeled to the Service Corporation for future  
10 projects?

11 A I would also think that all these various com-  
12 ments and observations had been communicated to the  
13 Service Corporation.

14 Q Is there a specific group that is vested  
15 with the responsibility of analyzing a specific con-  
16 struction project for --

17 A Not a separate group; it is really the same  
18 people relative to Metropolitan Edison that would  
19 operate the plant; it is the same people that design  
20 the plant on the GPU Service Corporation side, so  
21 it is really some of the same people.

22 Q So there is not a specific group; it is  
23 just the informal interchange between the Service  
24 Corporation and the operating company?

25 A No, there is no separate group. There might be

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2 a technical audit group that, I believe, perhaps  
3 you are referring to, but not as such.

4 Q How was the transfer made from the  
5 Service Corporation to Metropolitan Edison for  
6 Unit 2?

7 A For what?

8 Q For the operation of Unit 2.

9 A As various components of the plant, the major  
10 components of the plant were completed and could  
11 be tested, Metropolitan Edison Company personnel  
12 would, in fact, test these pieces of equipment, and  
13 by some tagging or marking mechanism would then  
14 identify those components as being under the control  
15 of Metropolitan Edison Company. See, at all times  
16 the ownership of the plant was with the operating  
17 companies. The service company was employed to  
18 design it and construct it, of course, and as these  
19 various components would become ready for service,  
20 the Metropolitan Edison Company would sort of  
21 check off and say, yes, GPU Service Corporation, we  
22 have looked at this piece of equipment, and we have  
23 tested it and we are ready to take control of it.

24 Q So Metropolitan Edison Company would  
25 be vested with the responsibility of testing that



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1 design and construction of the plant.

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3 Q So it would divide the responsibilities  
4 between the Service Corporation and Metropolitan  
5 Edison concerning the design and construction  
6 of the plant?

7 A Yes. It states that the Service Corporation  
8 has the responsibility to provide the services.

9 Q With respect to the design and construction?

10 A Yes.

11 Q Were you at all involved with establishing  
12 schedules as to when Unit 2 would become commercial?

13 A I think the schedules in most cases were pri-  
14 marily determined by the conditions that existed at  
15 the time. Simply put, delays in construction occur,  
16 and schedules were generally postponed.

17 Q Who would have established those  
18 schedules?

19 A At least the vice president of Generation and  
20 Construction for the Service Corporation would make  
21 that determination.

22 What I meant to say previously was that  
23 based on estimates at the time, in many cases it was  
24 realized that the then existing schedules could not  
25 be met, and that an evaluation would have to come

Creitz

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2 from the officers that I just mentioned.

3 Q There were delays in the construction  
4 of Unit 2?

5 A Yes, Unit 2 was scheduled to come on-line,  
6 and I can't recall the date, several years prior to  
7 1979.

8 Q What caused those delays?

9 A If I recall the reports given by Generation,  
10 they included delays caused by changes in design,  
11 hearing requirements; then I would also have to  
12 include inadequate estimating on our part.

13 Q Inadequate estimating in budget require-  
14 ments?

15 A In priming, and what could be accomplished,  
16 and so there were changes as I indicated, and which  
17 I do not want to repeat.

18 Q Did budgetary needs enter into that?

19 A Let me comment on just that last one for a  
20 minute. What we learned from TMI 1, and by the  
21 time that unit was completed, we did have a pretty  
22 good handle on how long it was going to take to  
23 complete Unit Number 2. If I go back and check  
24 the records, most of the time delays and changes  
25 in completion dates really occurred during the

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2 early years of TMI Unit 2, and we did have a pretty  
3 good handle on how long it was going to take to  
4 complete Unit 2. several years before its service  
5 date.

6 Q Did budgetary demands on the construction  
7 of Unit 2 cause delays?

8 A We don't think so. We did reduce our proposed  
9 expenditures, or rather we didn't increase our pro-  
10 posed expenditures, I believe, to the degree that  
11 engineering wanted in prior years, but I don't think  
12 that that materially delayed the in-service date of the  
13 plant.

14 Q So you would state that the reason that  
15 there were delays in the construction schedule  
16 were changes in the design, and the hearing require-  
17 ments or regulatory requirements set down?

18 A Yes, plus in the beginning our estimate of  
19 timing and construction was a judgment and we found  
20 that our judgment had to be fine tuned. Through a  
21 learning experience we were able to be a little more  
22 accurate, and in addition, the one that you just  
23 mentioned, the one that we talked about here, the  
24 adjustment of our expenditures for that one calendar  
25 year might have delayed completion by a short period



2 of time.

3 Q Do you remember which calendar year?

4 A 1974-75.

5 Q I believe you indicated you did not  
6 increase the proposed expenditures.

7 A If I recall, and I must admit that my mind  
8 doesn't clearly focus in on this, but it seemed  
9 like a projection by the Generating Department that  
10 indicated that an increase in construction dollars  
11 would be required for Unit 2, and as I recall, we  
12 couldn't at that time comply with this request. It  
13 was a difficult period. It was a year that we -- the  
14 more I think about it, 1974 was the time we reduced  
15 our work force in some of our areas, and we just  
16 felt that we had to restrict our construction  
17 expenditures to some degree.

18 Q Did you reduce the budget in that year  
19 with respect to construction?

20 A I am not clear. I sort of recall a request  
21 for additional funds, and I am sure that we didn't  
22 agree to the total amount. I don't think we reduced  
23 the initial amount for that year. It wasn't that  
24 we cut anything out of the project; it was just  
25 simply a matter of timing.

1  
2 Q That request would have been made by  
3 the Service Corporation, is that correct?

4 A I recall that a presentation was made at the  
5 Service Corporation's board meeting. And it was  
6 discussed at that time in light of all the other  
7 things that were happening; that is my recollection.

8 Q You indicated that one other factor  
9 that had an effect on the delays was changes in  
10 design. Would that have been changes in design  
11 by the Service Corporation?

12 A I am sure that the Service Corporation person-  
13 nel made some suggested changes. I would think they  
14 did. I am sure there were suggested changes by the  
15 architect-engineer, and there were new requirements  
16 by the NRC that required design modifications.

17 I say that not in a critical manner, but  
18 they did occur.

19 Q With respect to the date as to when  
20 Unit 2 became commercial, was that a function or a  
21 decision made by the Service Corporation?.

22 A We had discussions with senior management of  
23 GPU, and I am talking primarily of Bill Kuhns, and  
24 Herbert Dieckamp, and set forth certain requirements  
25 that had to be met before we declared the unit

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2

commercial, which I understand is simply an accounting

3

term, and following those discussions, all of us

4

watched the progress of the unit very closely. It

5

is no different than when I was building transmission

6

distribution lines; one likes to complete something

7

that one has started to construct so that it could

8

be useful, and so it is with a generating station.

9

It almost takes a decade from the time

10

you start to complete and until you complete it, and

11

one likes to have it completed and in service.

12

Q Would the decision to declare Unit 2

13

commercial be a decision of the Service Corporation?

14

A Well, not the Service Corporation per se.

15

We are owned by General Public Utilities, and we

16

are responsible for the operation of the unit

17

to General Public Utilities, and therefore, they

18

are very interested in everything that we do as

19

it relates to particularly a large project.

20

The final responsibility of technically

21

declaring the unit commercial rests with the

22

operating company, and after meeting and after

23

being satisfied that the unit was ready for commercial

24

operation, we did check with Mr. Dieckamp prior to

25

declaring the unit commercial.

2

Q You indicated that certain criteria were set down as to things that had prerequisites to declaring Unit 2 commercial?

3

4

5

A Yes.

6

7

Q Who would have set down those criteria?

8

9

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11

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A They were sort of jointly set down. There is no formal document that states specifically exactly what must be done before you declare a unit commercial, and I understand declaring a unit commercial is simply an accounting term, which means that from that instant on, instead of charging labor and material and all other expenses, including interest, et cetera, instead of charging that to the work order and capitalizing it, that from that instant on it is considered an expense and must come out of the current revenues.

19

20

I am trying to think of what your question was. I do not think I answered your question.

21

22

23

24

25

Q I believe my question concerned the criteria that you indicated were set down as prerequisites to declaring Unit 2 commercial.

A Set down by Mr. Herbein, Mr. Arnold and Mr. Dieckamp primarily. Mr. Dieckamp has an

1  
2 impressive nuclear background and is quite know-  
3 ledgeable in nuclear generating plants. We  
4 are fortunate to have a person like this to provide  
5 input for us. When these conditions were met,  
6 certain types of testing of the unit had to be  
7 completed, including getting the unit up to its  
8 full rate of capacity, performing a test on it at  
9 that particular level, and being then able to bring  
10 the unit up to level before we considered declaring  
11 it commercial.

12 (Continued on the following page.)

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1  
2 Q You were not involved with the criteria  
3 that were set up as prerequisites to declaring Unit 2  
4 commercial, were you?

5 A I was aware of the criteria, and not being  
6 a generating station type of person or mechanical  
7 engineer, I found nothing to be critical of; it  
8 seemed like a reasonable approach.

9 Q But because your background was not  
10 in this field, you did not become intimately in-  
11 volved in setting up the criteria or involved in  
12 the prerequisites with declaring Unit 2 commercial.

13 A Mine was a review of the criteria, and I  
14 was involved in discussions of it, but not the pre-  
15 paration of it, and it seemed reasonable. In fact,  
16 it was a step beyond what we had taken previously  
17 in placing a generating station in service.

18 Q Had the same discussion gone on with  
19 respect to Unit 1?

20 A I don't recall it going on relative to Unit  
21 Number 1.

22 Q Do you know why that was?

23 A No. Previously, it was simply the judgment  
24 that a unit was ready, and that it was expected  
25 that it would function reliably, and was simply a



1  
2 judgment between, perhaps, one or two of the senior  
3 officers of the company, which was true with the  
4 transmission line or any other major project.

5 Q You indicated that declaring a unit  
6 commercial to you meant that it was really an  
7 accounting term, correct?

8 A That is the way I understand it, yes.

9 Q What exactly does that mean?

10 A It means, and I think I said it before, but  
11 I will repeat it, that up until the instant that a  
12 unit is declared commercial, all the charges and  
13 the costs related to that project, engineering,  
14 people at the plant, materials, is all charged to  
15 the work order, which means that all those costs  
16 would be capitalized, and with the Commission's  
17 approval, would be spread out over the expected  
18 life of the plant.

19 The instant it is declared commercial,  
20 from that time on, expenses in manning the plant  
21 and maintaining it must come from current revenues.  
22 In effect, a company really should be very careful  
23 in declaring a unit commercial, because from that  
24 day on it comes out of your pocketbook directly.

25 Q Was there any discussion as to the

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1  
2 desire to have Unit 2 declared commercial in 1978?

3 A Yes. It was really -- it was hoped that it  
4 would be completed earlier in the year. It was  
5 a failure of some equipment in the secondary side  
6 of the plant which did result in a delay, and  
7 as I mentioned earlier, one always wishes to get  
8 a project completed, whatever it might be. If  
9 we are building a new home or anything else, there  
10 is always that desire, and once it starts, it should  
11 be completed within a reasonable period of time.

12 Q Were there any discussions concerning  
13 tax benefits that would arise if Unit 2 is declared  
14 commercial in 1978?

15 A I am sure our accounting people had discussions  
16 on this, and yes, it was discussed, and I was aware  
17 that there are certain tax benefits that are  
18 available to a plant somewhere after it is built.

19 I also understand that my accounting  
20 people tell me that benefits such as depreciation  
21 really are independent of the unit being declared  
22 commercial, and I must admit that in 1978 I do not  
23 think I was familiar with this much of the detail  
24 of it. Since that time it has become more of a public  
25 issue, but to be more specific, I had never pressed

2 any of our people to get the plant in service unless  
3 all the criteria on the plant would be met and the  
4 plant could be operated safely, and I never felt  
5 I was under pressure by senior management of GPU  
6 for any financial benefits to the company, and it  
7 was pointed out to me with respect to the investment  
8 tax credit, and I knew this, I was knowledgeable of  
9 this before we went commercial, that the investment  
10 tax credit is always plowed back to the customers,  
11 so that there is really no benefit to the company  
12 from that aspect.

13 MR. YUSPEH: Off the record.

14 (Discussion off the record.)

15 Q In the late fall of 1978, were you aware  
16 of the tax benefits of declaring Unit 2 commercial  
17 prior to the end of 1978?

18 A It was my understanding that the company would  
19 benefit in its tax statement for depreciation allow-  
20 ance and for investment tax credits.

21 Q Who indicated such benefits would accrue?

22 A It was indicated by -- it was at a meeting, and  
23 it was a discussion and Mr. Kuhns and Mr. Dieckamp  
24 were present, and at one of the meetings at which  
25 it was discussed, which was a Service Corporation

2

Board Meeting and I cannot tell you which one,  
3 and I believe it is really common knowledge, that  
4 once a plant is completed and is declared commercial,  
5 that once a piece of equipment is completed and  
6 declared commercial, it then qualifies, and this is  
7 not unique to a piece of equipment for an electric  
8 utility, it is true for other types of construction.

9

Q Could you explain to me how those tax  
10 benefits would operate?

11

12

A I am not an accountant. My controller may not  
13 be satisfied with my explanation, but simply, a  
14 credit would be taken on one's income tax for six  
15 months' depreciation, and for a certain amount based  
16 on the investment, and my understanding is, relative  
17 to depreciation, whatever six-month period it  
18 occurs in, in whatever year, that the amount you  
19 can take -- for example, if it would have occurred  
20 on June 30 of the last year, tax credits of six  
21 months still could be taken.

22

MR. YUSPEH: Did you mean tax credit  
23 or depreciation allowance?

24

THE WITNESS: Depreciation allowance.

25

I am sorry.

26

Q I believe you indicated earlier that

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your understanding was that depreciation allowance was independent of when the unit was declared commercial?

A That came to my attention some time after the accident. Maybe I should have been, but I wasn't aware of it previously. I guess it didn't concern me, or somehow I just wasn't aware of it.

Q In the late fall of 1978 your understanding was at that time that obviously once the unit was declared commercial that that depreciation allowance could be taken?

A I believe it could be charged each year thereafter, but whenever you started it you could take it for the full six months' calendar period.

Q And that would only commence once the unit was declared commercial?

A Yes.

Q You indicated that there were discussions with Mr. Kuhns and Mr. Dieckamp concerning the tax benefits that would accrue once Unit 2 was declared commercial?

A In the course of the conversation, and I can't recall exactly how it was mentioned; it was certainly a subject that would be mentioned, and it could

1  
2 have been in response to a question put by somebody  
3 else at that Service Corporation Board Meeting.

4 Q Do you remember if there was a question  
5 that was brought up or a subject that was brought up  
6 in response to a question or whether or not a presenta-  
7 tion was made concerning it?

8 A Clearly in my mind no presentation was made  
9 specifically on that subject, but I can't really  
10 remember if it was something that was initiated by  
11 a GPU senior officer, or if it was in response to  
12 a question raised, but it was discussed. It was  
13 my understanding that if the unit came in service  
14 in that last six-month period, that depreciation  
15 allowance could be taken for a full six-month period.  
16 I never asked the question. Even if it is not declared  
17 commercial, the company could still take a depre-  
18 ciation allowance.

19 Q Did you discuss these possible tax  
20 benefits with Mr. Herbein or Mr. Miller?

21 A No, definitely not Gary Miller, and I can't  
22 recall if Jack ever asked me about it. I very  
23 clearly never brought up the subject with him and  
24 yet if he would have asked me, I would certainly  
25 have told him what I knew about it. I never brought



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up the subject. I don't think I would have discussed it with Jack; that is not saying that I wasn't present when it might have been discussed, like at one of my staff meetings in which our controller was present and the treasurer was present, and it could have been discussed or mentioned.

Q Do you remember it being discussed at one of your staff meetings?

A I wouldn't doubt that at some staff meeting over the past -- at one of my staff meetings over the past six years, it was a subject that probably was discussed, or it might have been at one of my officers meetings; I can't tell you when.

Q Would Mr. Herbein have been at both of those meetings?

A He would be invited to both of those meetings, yes, Herbein, for the past several years. Prior to that, Bob Arnold was vice president Generation, Met Ed.

Q You indicated earlier that I believe your understanding was that whatever tax benefits accrued to the company would have been passed on to the consumer, is that right?

A We were talking about -- I think I mentioned

1  
2 that in relation to the investment tax credit. My  
3 understanding is that in the developing of the rate  
4 base, that a credit would be applied for the  
5 effect of the investment tax credit; that is another  
6 way of saying that the benefit would flow directly  
7 to the consumers over the life of the plant.

8 Q So this would not apply to the depre-  
9 ciation allowance, but merely to the investment  
10 tax credit?

11 A Although I don't feel qualified to specifi-  
12 cally answer your question, any benefits derived from  
13 declaring depreciation at an earlier date will have  
14 to favorably impact customers.

15 Q Do you know practically how that affects  
16 the rate base?

17 A I don't think I can take a shot at that, or  
18 really to go into that area.

19 MS. GOLDFRANK: Off the record.

20 (Discussion held off the record.)

21 Q How are you kept informed on a day-to-  
22 day basis as to what is occurring with respect to  
23 the generating stations?

24 A In addition to seeing a morning report, and  
25 in addition to a taped dispatching report, which is

1  
2 available both for GPU and also for PJM -- I am  
3 really talking before the accident.

4 Q Fine.

5 A I would say that generally sometime during  
6 the day, there would be some reason that either  
7 Jack Herbein would call me or I would call him,  
8 and he would call me if he felt there was something  
9 I should be aware of. I would call him if there  
10 were something on my desk in some request or some  
11 report or something that I had some question on,  
12 and that would give us an opportunity of updating  
13 me on anything else I should be aware of.

14 Q What is the morning report that you  
15 referred to?

16 A The morning report shows the units that are  
17 of significance to Metropolitan Edison. It ob-  
18 viously would include units that Met Ed is an  
19 owner of. It also would include some other generating  
20 stations that we are more interested in than  
21 others, some that surround our area, and that  
22 would indicate if they are expected to be on full  
23 capacity or if they're expected to be on some partial  
24 capacity or if they are off for plant maintenance or  
25 taken out of service for some emergency reason.

1  
2 It is sort of a one-liner type of report on the  
3 units.

4 Q Who would prepare that?

5 A That is prepared by our Dispatching Department  
6 which prepares the disptaches and which in some  
7 companies might really be referred to as the  
8 Operating Department. This department watches the  
9 entire system, transmission lines as well as generating  
10 stations and substations, as well as its equipment  
11 and the training that the operators have, and  
12 continually monitor the system and try to take  
13 steps to avoid difficulties in the system.

14 Q Within the structure of Metropolitan  
15 Edison, who is responsible for this Dispatching  
16 Department?

17 A That department falls under the vice president  
18 of operations. It does not get into the nitty gritty  
19 of a generating station; it doesn't get involved in  
20 the decision making if it is necessary to take the  
21 unit out of service or reduce its capacity, particu-  
22 larly for emergency type of situations, yet if some  
23 work has to be performed in a generating station  
24 where it doesn't adversely affect the operations  
25 or safety aspects of the plant, the generating people

2 might check with Disptach and say, is this  
3 a convenient time to take this piece of equipment  
4 out, and we should take it out perhaps in the next  
5 eight hours, and it is going to take two hours when  
6 we take it out; we are flexible.

7 Under that type of circumstance, the dis-  
8 patcher would say, yes, take it out now, because in  
9 three hours from now we will be at the morning  
10 peak, and we would like to have it on, or don't take  
11 it out now because we are at our peak period and  
12 we wish to have it in service now, and that is  
13 under Henry Robidoux, vice president of Operations.

14 Q It was then the responsibility of  
15 Dispatching to be kept informed as to the status of  
16 a plant and to schedule certain shutdowns or  
17 outages if those were flexible?

18 A That's right.

19 Q You indicated there is also a taped  
20 dispatching report that you were provided with?

21 A Yes.

22 Q Was that provided to you each morning?

23 A It is available simply by dialing a certain  
24 number on my telephone. It is not only for me,  
25 but anyone else that would have an interest and



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concern.

Q Who prepares that?

A The Disptaching Department.

Q Of GPU?

A Yes.

Q That would be a report concerning the same type of information as you would receive on your morning report?

A Yes, but it would give it to me at the instant I would walk into the office; it would tell me the status at that instant.

Q Would it also contain reports concerning Penn Elec and Jersey Central?

A Yes, it would be a broader report. It would cover more of the system.

(Continued on the next page.)



Q Do you have any kind of staff meetings?

A Yes.

Q How frequently do you have staff meetings?

A Monthly for what is referred to as the president's staff, plus certain other key officials. I try to hold those meetings several days after the GPU President's Meeting, and the GPU Service Corporation Board of Directors. In addition, I have an Officers Meeting in which the vice presidents, controller and treasurer and secretary are invited, and depending on the topic for discussion, some other key officials.

Those meetings are held twice a month.

Q Who is considered the president's staff?

A Those would be the vice presidents, the controller, the secretary-treasurer, assistant controller, personnel manager, director of Materials Management, director of Communications, assistant to the president for Consumer Affairs, the assistant manager of Operations, and the four division managers.

I believe I have covered all those that generally are invited, plus my secretary.

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Q What types of issues would be discussed at the Staff Meetings, as opposed to the Officers Meeting?

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A The Staff Meeting is more formalized than the Officers Meetings. There is a written agenda that is sent out in advance covering some of the topics that will be discussed. The purpose of the Officers Meeting was to sort of force us to get together, and talk about various issues that affect more than one function. Normally it is a fairly free-wheeling meeting. I will open it, and I am talking about the Officers Meeting, with some of the things I want to be sure they are aware of, things that I would like to discuss and have their opinion on, and the rest of the agenda, and there is no written agenda, but the rest of the program is based on items that the rest of the officers would like to bring to the rest of our attention.

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The staff meeting has certain items that are always discussed. This includes the budget, the results of the last month, how well we did compared with the budget, rate making procedures, which is almost a continuous ongoing subject with an electric utility today, the status of our

1  
2 construction budget, which is handled by our  
3 vice president of engineering, and also at the  
4 staff meeting each person there at the end of the  
5 meeting would have an opportunity to bring up and  
6 discuss anything else that he would have on his  
7 mind.

8 Another part, and a most important part  
9 of the written agenda, is always a report from the  
10 Generating Division.

11 Q How often would you visit the actual  
12 generating stations?

13 A Not as often as I would like to. Specifically?  
14 I believe that I would have to admit that it would  
15 be only several times a year. I am trying to  
16 relate myself to before the accident. It was more  
17 than several times a year, but not monthly.

18 Q For what purpose would you visit  
19 Three Mile Island?

20 A Either to, you know, just to be there, or  
21 because of a meeting such as the Nuclear Generation  
22 Review GPU Group might be having their meeting  
23 there or because some Government official would  
24 like to see the plant, and I believe that it would  
25 be to the company's best interests if I would also

1  
2 be with that person, or for some other group that  
3 I might feel, or that they would feel it would be  
4 appropriate for me to be there.

5 Q You mentioned the Nuclear Management  
6 Review Board.

7 A That is not the correct name for it, but it  
8 is an overview type of group which is chaired by  
9 Herman Dieckamp.

10 Q Could you explain the purpose of that  
11 group?

12 A Well, it is several fold: one is to become  
13 acquainted and familiar with the plant, its person-  
14 nel, its problems; secondly, to give the people at  
15 the plant a feeling that we do care and are very  
16 concerned about them and the plant that they operate.

17 Q Was this Review Board set up by Mr.  
18 Dieckamp?

19 A Yes. It is a Senior Managment Review Group.

20 Q And it not only would review Three  
21 Mile Island, but would also review Oyster Creek?

22 A Yes, but each meeting is devoted to one  
23 unit only. They have a meeting once a year for  
24 Oyster Creek, and they have a meeting once a year  
25 for Three Mile Island Unit 1, and a meeting once

1  
2 a year for Three Mile Island Unit 2.

3 Q Who are the members of this group or  
4 board?

5 A Herman Dieckamp is chairman; the other members  
6 are the vice president of Generation -- off the  
7 record?

8 Q Yes.

9 (Discussion held off the record.)

10 A (continuing) In addition to the presidents  
11 of the three operating companies and their vice  
12 presidents of Generation, also in attendance would  
13 be the senior plant staff.

14 Q When there is a meeting, for instance,  
15 on Oyster Creek, would the senior plant staff from  
16 Three Mile Island Unit 1 attend that meeting?

17 A No. To be sure I understood your question,  
18 is your question would the senior staff of TMI 1  
19 attend the Oyster Creek Meeting?

20 Q Yes.

21 A No.

22 Q The purpose of this Review Board was  
23 from a senior corporate management standpoint?

24 A Yes.

25 Q There was a Review Board Meeting concerning



1  
2 Three Mile Island Unit 2, is that correct?

3 A Yes.

4 Q Do you remember any specific issues  
5 that were brought up at that meeting by the senior  
6 plant staff?

7 A In addition to various reports given by some  
8 of the staff members of Gary Miller, I remember at  
9 the end of the meeting we talked about a couple of  
10 things, and it gives these people the opportunity  
11 of saying, here is my problem and here is what I  
12 need, and here is what I should have. I know  
13 we talked about more space for his people, more  
14 office space being required, and as a result of  
15 talking about it at that time, we were going to  
16 proceed on this line. There was some concern  
17 expressed about the number of hours and the amount  
18 of work, and so forth, of some of his people, parti-  
19 cularly salaried people that they were devoting  
20 to the company. There was some concern expressed  
21 about backup, which sort of tied in with this subject  
22 of having sufficiently adequate people trained.  
23 Since the market is so competitive for nuclear  
24 experienced people, and having a plant north of  
25 us being under construction and having one south



1  
2 of us that is in operation, the ability to hold  
3 onto people was that much more difficult.

4 We seem to have talked about, if I re-  
5 call, that there was a feeling that maybe Gary --  
6 at least I had that feeling -- that Gary should  
7 have more direct access; that the number of levels  
8 in Generation, perhaps should be looked at. Right  
9 before the accident, for example, we changed the  
10 reporting structure. Gary Miller reported directly  
11 to Jack Herbein. I would feel that this was partly  
12 expedited because of this meeting.

13 Q Looking at what we have already marked  
14 as Finfrock Exhibit Number 11, which is a program  
15 of a January 18, 1979 Nuclear Management Review  
16 Board Meeting --

17 A What date?

18 Q I believe it is a January 18, 1979  
19 meeting concerning Three Mile Island Unit 2.  
20 This would have been the only Nuclear Management  
21 Review Board Meeting concerning Three Mile Island  
22 Unit 2 that correct?

23 A I am trying to recall if it was the first  
24 or second one devoted entirely to TMI 2. It seems  
25 to me it was the second one. It certainly was not

1  
2 the first Management Review Meeting where TMI 2  
3 was discussed, although it may have been the first  
4 meeting that TMI 2 was discussed and on the agenda  
5 for the entire meeting, but I am not absolutely  
6 clear if there previously was a meeting exclusively  
7 devoted to TMI 2.

8 Q Would that have been discussed at a  
9 meeting concerning Oyster Creek or TMI 1?

10 A Perhaps with TMI 1. I could check that. I  
11 do believe that we did have a separate meeting in  
12 1978, but I am not sure.

13 MS. GOLDFRANK: I would like to request  
14 that if there was discussion of Three Mile  
15 Island Unit 2 in a previous Nuclear Management  
16 Review Board Meeting, that we be provided with  
17 either minutes from that meeting, or if an  
18 agenda was proposed concerning that meeting  
19 similar to the one that we have marked as  
20 Finfrock Deposition Exhibit 11, I would  
21 request that as well.

22 MR. YUSPEH: Off the record.

23 (Discussion held off the record.)

24 Q Do you know if prior to this  
25 January 18, 1979 meeting that there was discussion

1  
2 concerning having Gary Miller as station manager  
3 reporting directly to Jack Herbein as vice presi-  
4 dent of Generation?

5 A Yes.

6 Q Or was that discussion only subsequent  
7 to this meeting?

8 A It was discussed prior to this meeting.

9 Q Some of the concerns or issues discussed  
10 by Gary Miller at this meeting helped confirm  
11 that desire to have him as station manager or to  
12 eliminate some of the levels?

13 A It seemed like after this meeting it acceler-  
14 ated the process of changing the organization. How-  
15 ever, it was discussed previously and was agreed --  
16 I think most of us agreed that there were too  
17 many levels of supervision or management existing,  
18 and thinking in terms of a person who has the op-  
19 portunity of operating a facility that costs over  
20 a billion dollars, it seemed like that person should  
21 have direct access to the vice president of  
22 Generation.

23 Q Who had input into the decision to  
24 raise Gary Miller's position to report directly  
25 to the vice president of Generation?

1  
2 A I can't tell you exactly when these various  
3 meetings occurred. One such discussion occurred  
4 at the President's Meeting; at that particular  
5 meeting the vice president of Generation for  
6 GPU was present, and we were talking about various  
7 job grades, levels of responsibility and so forth.  
8 It was discussed at a time that we were considering  
9 salary increases at a Salary Board Meeting in the  
10 past year, so there were several discussions on the  
11 subject, and there were also discussions within  
12 the Generation Department, and I had asked Jack  
13 Herbein to take a look at this, and talk it over  
14 with Bob Arnold.

15 Q Did Mr. Dieckamp have any input into  
16 that?

17 A Mr. Dieckamp had a feeling that there were  
18 too many levels of responsibility. He shared --  
19 in other words, we shared that feeling. I, being  
20 president of the company that operates the plant,  
21 I had no quarrel about that.

22 Q Subsequent to a Nuclear Management  
23 Review Board Meeting, do the board members them-  
24 selves meet subsequent to that meeting to discuss  
25 issues that were raised by the senior plant staff?

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A No.

Q Are there discussions or action items drawn up by that board?

A There could be, and more recently one was the subject of the building, and this became very apparent to all of us that even though it really doesn't add directly to the efficiency of electrical service, that it was absolutely necessary to put up a better structure to house people at Three Mile Island, so that was an action item.

Another action item we recognized was the need for backup people.

Q Would you explain what you mean by that?

A To anticipate not really retirement so much at Three Mile Island, because most of the work force is fairly young, but recognizing that the turnover rate is much higher at Three Mile Island than some of our other work locations, to have people trained in positions or junior positions so that when a senior person would leave we would have somebody qualified to put in that job; that program unfortunately got tabled for a while because the accident, as you know, occurred some time after this meeting.



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However, we recognized that we need these people more now than ever.

MS. GOLDFRANK: I suggest we take a recess for lunch.

(Whereupon, at 12:05 p.m., a luncheon recess was taken.)



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AFTERNOON SESSION

1:10 P.M.

W A L T E R M . C R E I T Z , having  
been previously duly sworn, resumed the  
stand and further testified as follows:

DIRECT EXAMINATION (Continued)

BY MS. GOLDFRANK:

Q We were discussing before we recessed  
for lunch, the Nuclear Management Review Board,  
and you indicated that was a board that was set  
up by Mr. Dieckamp, correct?

A Yes.

Q Concerning the function of the General  
Office Review Board, that is considered an advisory  
board to you as president of Metropolitan Edison,  
is that correct?

A Yes, it is.

Q Could you explain to me what the  
specific function of that board is?

A It has an overview function in which it is  
to advise me of matters regarding Three Mile Island;  
more specifically, those items that would relate  
to nuclear and radiation aspects of the plant.

Q This board is only concerned with

1  
2 Units 1 and 2 at Three Mile Island?

3 A Yes.

4 Q Is there a similar board concerning  
5 the fossil fuel generating plants?

6 A No, there isn't.

7 Q Do you preside over the meetings of the  
8 GORB?

9 A No. As president, I appoint a chairman,  
10 and vice chairman, and the rules of organization  
11 then state that the chairman shall make the  
12 balance of the appointments.

13 Q Who, prior to the accident on March 28,  
14 1979, was chairman of the GORB?

15 A Jack Thorpe.

16 Q For how long had he been chairman?

17 A I believe he became chairman in 1972.

18 Q What position does he have within  
19 Metropolitan Edison?

20 A He has the position with the GPU Service  
21 Corporation as manager of Environmental Affairs,  
22 or something equivalent to that title.

23 Q And you appointed Mr. Thorpe to be  
24 chairman of the GORB?

25 A Yes.

1

2 Q For what reason did you choose  
3 Mr. Thorpe?

4 A Because of his responsibility with our GPU  
5 organization, and it seemed like he would be the  
6 appropriate one to head up that committee; that  
7 was right after or sometime after I became president,  
8 sometime in the first year.

9 Q Do you receive copies of the GORB  
10 minutes?

11 A Yes.

12 Q Do you meet with Mr. Thorpe concerning  
13 GORB meetings?

14 A Jack Thorpe talks to me prior to each meeting  
15 and he calls me after each meeting, either eyeball  
16 to eyeball or by telephone. Jack does keep in  
17 communications with me.

18 Q For what reason does he call you prior  
19 to the meetings?

20 A To be sure that I am aware that there is a  
21 meeting, and I guess just to be responsive to  
22 his position as being GORB chairman.

23 Q Looking what we have previously marked  
24 as Finfrock Deposition Exhibit 3, which are the  
25 minutes of a GORB meeting held on December 20, 1977,

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Page 6, Item 4 states:

"The GORB concurred that there are no items discussed which need be transmitted to the president."

Do you see that statement?

A I see that statement. That is spelled out in the organizational structure of responsibilities. It states that one of the things that they are there to advise me of -- however, I am sure that Jack Thorpe called me sometime right after this meeting, and even though he knew I was getting the minutes, he wanted to be sure that I was aware that the meeting was held, and that these are some of the items that were discussed.

Q Are there specific items that you can remember that were forwarded to your attention aside from just general minutes?

A Only on one occasion did the chairman send me a letter stating that there were some items that GORB felt that I should be aware of, and he listed them. There were several of them. I can't recall what they were, but the letter also stated that it was GORB's feeling that the items were properly being taken care of by the Met Ed people.

Q But these were specific concerns that

1

2 the GORB felt you should become specifically aware  
3 of?

4

5 A Even though I might see them in the minutes,  
6 for some reason or another at that particular  
7 meeting, that should be communicated to me; that  
8 was just several years ago, and it related to  
9 Unit 1.

10

11 Q That is the only occasion you can remember  
12 of such a letter being specifically forwarded to  
13 you?

14

15 A In fact, I checked through -- I thought of  
16 this myself the other week, if there was any other  
17 occasion, and there wasn't any. We checked the  
18 record, and could find no other letter or indication.

19

20 MS. GOLDFRANK: I would like to request  
21 that we be provided a copy of the letter that  
22 was forwarded to Mr. Creitz.

23

24 MR. YUSPEH: Off the record.

25

(Discussion off the record.)

26

27 MS. GOLDFRANK: Please mark as Creitz  
28 Deposition Exhibit 128, a letter dated  
29 June 21, 1976 to Mr. Creitz from Mr. J.R. Thorpe,  
30 Chairman of the General Office Review Board  
31 concerning a report of TMI 1, GORB Meeting

32



2 Number 23.

3 (The above described document was  
4 marked as Creitz Deposition Exhibit 128 for  
5 identification, as of this date.)

6 Q Mr. Creitz, this is a letter that you  
7 received from Mr. Thorpe concerning issues that  
8 he felt should be brought to your attention as a  
9 result of a TMI Unit 1 GORB meeting, is that correct?

10 A Yes.

11 Q To the best of your recollection, you  
12 do not remember any other specific time that a  
13 similar letter or memo was sent to you raising any  
14 other issues?

15 A That is correct.

16 Q Concerning the function of GORB, does  
17 it advise you with respect to Three Mile Island  
18 Unit 1 and Three Mile Island Unit 2?

19 A Yes.

20 Q Does the Generation Review Committee for  
21 Unit 2 report to you?

22 A You are talking about the committee that  
23 Herman Dieckamp is chairman of?

24 Q No.

25 A You are talking about the committee that is



1  
2 within the Generating Department itself that reports  
3 directly to Jack Herbein?

4 Q Do you receive any kind of minutes from  
5 that committee?

6 A No.

7 Q Have you ever attended any GORB  
8 meeting?

9 A Yes. Very few, unfortunately, but I have  
10 attended several in the past.

11 Q Under what circumstances would you attend  
12 a GORB meeting?

13 A Certainly, if the group felt it would like to  
14 have my attendance, I would be there; to get a  
15 firsthand knowledge and understanding of how the  
16 group functions, I would find that good reason to  
17 be there, and I did this in the beginning.

18 After becoming acquainted with the group and  
19 how it was organized and how it was running, I believe  
20 I had the necessary confidence in them. I must  
21 admit I would like to have attended more.

22 Q Were there times that the GORB did  
23 request that you attend the meeting?

24 A No. They would always be polite and let  
25 me know the meeting was going to occur, and if I wanted

1  
2 to attend I would be welcome. I had planned to  
3 attend several in the past year, but something  
4 else seemed to develop and I had to postpone my  
5 attendance.

6 Q Would those meetings be held in  
7 Parsippany or in Reading?

8 A Neither. At the site. In fact, I think it  
9 is one of the charter requirements that meetings  
10 generally be held at the site.

11 Q How did you learn of the accident on  
12 March 28th?

13 A Off the record?

14 Q Yes.

15 (Discussion off the record.)

16 A I was at home having a cup of coffee, waiting  
17 for one of my associates who lives in the neighborhood  
18 to pick me up, and I had a call from my secretary  
19 at a quarter of seven to 7:30 A.M., sometime in  
20 that area -- closer to 7:30, I believe, but I am  
21 not sure. She relayed a message to me that an  
22 emergency had been declared at the Three Mile Island.  
23 I was able to find out more about it when I got to the  
24 office.

25 You may wonder why I didn't attempt to find

1  
2 out at that instant. I only live five or six minutes  
3 from the office, and when I got to the office I'd  
4 find out more about it.

5 Q How did your secretary learn that an  
6 emergency had been declared at Three Mile Island?

7 A She had a call. I don't recall -- it was  
8 either Blain Fabian or George Troffer who alerted  
9 her.

10 Q Did she indicate to you who had called  
11 her?

12 A She did, but I talked to all these people that  
13 morning, and I am not sure exactly who notified her.

14 Q Did you ask her any further questions?

15 A She read the complete message to me that  
16 declared an emergency, and that parties at the  
17 State and Federal level had been notified, as well  
18 as, if I recall her message, the Civil Defense  
19 people, it stated.

20 Q After you received that message, you  
21 then went to your office?

22 A Yes.

23 Q When you got to your office, did you  
24 call anybody?

25 A Yes, I did. I called the plant. At that

2 particular time, I am sure the record shows,  
3 Jack Herbein was participating with the Navy,  
4 and during the early part of the morning, sometime  
5 during the first hour, I had talked to various  
6 plant people and some of the Generation cooperate  
7 people, plus Bob Arnold.

8 Q Your first call was to the plant?

9 A To the best of my recollection, my first  
10 call -- my first discussion was with the plant.

11 Q Do you remember who you spoke to at  
12 the plant?

13 A Yes, I talked to two people. I talked to  
14 George Kunder, and I also talked to Gary Miller.

15 Q In one phone call you spoke with both  
16 of those people?

17 A I believe so.

18 Q Did you initially talk with Mr. Kunder?

19 A Yes.

20 Q Did you ask to speak with Mr. Kunder,  
21 or did he answer the phone?

22 A I believe I probably asked for Gary Miller.  
23 I believe Gary was on another call or something  
24 at that instant, and George took the call for him,  
25 yes.

2 Q What did Mr.Kunder explain to you?

3 A That we had met the criteria to declare a  
4 general emergency -- first a plant emergency,  
5 and then a general emergency, and he told me the  
6 condition that had occurred was that the radiation  
7 level alarm in the reactor building had indicated  
8 an excessive amount of radiation which, in turn,  
9 declared the general emergency.

10 He also told me that it was probably a  
11 radiation release to the atmosphere on-site which  
12 he felt was caused by a leak in the steam generator.  
13 He had told me that monitoring people were sent  
14 to all site locations, and that the helicopter  
15 from the State Police was on hand or was in the  
16 process of being on hand to also help in the  
17 monitoring of radiation, to take people to the  
18 west shore. I believe he said at that time the  
19 predominant wind direction was westerly.

20 Q Did you ask him any questions?

21 A I am sure I did. I am sure I did ask him  
22 some questions.

23 I guess my questions were probably more related  
24 to the monitoring, and in advising the proper  
25 State and Federal officials, and I am sure that he

1  
2 either covered that, or I asked him about it,  
3 but out of that conversation I did hear firsthand  
4 from the plant, and I don't know if George Kunder  
5 mentioned it to me or Gary Miller mentioned it to  
6 me, that the NRC was notified, and that the  
7 Pennsylvania Emergency Agency was notified, the  
8 State Police, County officials, and so forth were  
9 advised according to the emergency plan.

10 I might have asked what caused it, and if  
11 I did at that point, I am sure the answer was that  
12 they went through the sequence of events as they  
13 saw them at the time, and when the unit tripped.  
14 I am sure they told me what they knew at that  
15 instant.

16 Q Do you remember specifically what Gary  
17 Miller informed you during that phone call?

18 A Again, I find it difficult. I am not sure  
19 what George might have told me versus what Gary  
20 might have told me, but I did get the important  
21 message relative to radiation. What I didn't  
22 mention was as of this point there had been no  
23 off-site readings of radiation.

24 Q Did you issue any instructions to  
25 Mr. Kunder and Mr. Miller?



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2 A Other than to keep me posted on changes  
3 in condition, I certainly didn't attempt to give  
4 any technical instructions. I really didn't  
5 feel qualified. I had to believe that the plant  
6 was in good hands with Gary Miller and staff.

7 Q Did you inquire of Mr. Kunder and  
8 Mr. Miller as to whether Mr. Herbein had been  
9 contacted?

10 A That was discussed, I am sure. I knew that  
11 Jack Herbein had been contacted earlier in the  
12 morning.

13 Q How did you learn that Mr. Herbein had  
14 been contacted?

15 A I knew it. I am not sure if it was a matter  
16 that Mr. Miller or Mr. Kunder mentioned to me. I  
17 also talked during that first hour at work to  
18 some of Jack Herbein's corporate staff people and  
19 Bob Arnold, so in effect I talked to five people  
20 during that first hour. I knew Jack was aware of  
21 the trip, and that he was told about the emergency  
22 being called.

23 Q Would Mr. Arnold have been in Parsippany?

24 A Bob Arnold was in Parsippany that morning.

25 Q You spoke with him at his office in

1

2 Parsippany?

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A Yes.

4

Q What : you indicate to Mr. Arnold?

5

A If I recall, Bob had had some discussion with  
6 some plant people, and I believe it was more a  
7 matter of Bob telling me, reviewing with me his  
8 observations up to that point, and I believe it  
9 was the first time that -- when I talked to Bob,  
10 that he had indicated that he would expect there  
11 was some damage to the fuel assemblies. Bob Arnold  
12 was the first person that mentioned that possibility  
13 to me.

14

Q That would have been in the first hour

15

that you were at your office somewhere between

16

7:30 and 8:30?

17

A Sometime between 8:00 and 9:00.

18

Q Did you ask him upon what he was basing

19

that opinion?

20

A Yes. Either I asked him or he -- I am sure  
21 I indicated some surprise. I am sure we all learned  
22 a lot about radiation in nuclear power plants since  
23 the accident, and I sort of felt, or he felt that  
24 because of the high level of radiation that appeared  
25 to be in the containment building, the probability

1

2 of fuel damage was very high.

3

Q Did you speak with anybody else  
4 that morning besides Mr. Arnold and Mr. Kunder and  
5 Mr. Miller?

6

A In the course of the early part of the morning,  
7 I talked to someone from Jack Herbein's -- some  
8 of Jack Herbein's managers, and I am sure in that  
9 first hour that included Richard Klingaman, and  
10 then to George Troffer, I believe.

11

Q Do you remember your conversations with  
12 Mr. Klingaman?

13

A I was really searching for information.  
14 Thinking back to that morning, I was looking for  
15 information. I guess, subconsciously, I realized  
16 that within a very short period of time the news  
17 media would be looking for a story and information.  
18 I guess I wanted to be able to tell them something  
19 about what happened other than we had an accident,  
20 so I wanted to be able to say something. It  
21 was only several days before that, that I had  
22 seen a movie called THE CHINA SYNDROME, and I  
23 was particularly sensitive to having the ability  
24 to tell the public what happened, and I guess I  
25 was really mainly interested in trying to -- one

1  
2 of my concerns -- I had a lot of concern about  
3 the plant, but I also recognized that it was  
4 important to be able to say something to the news  
5 media based on what information George Kunder  
6 had indicated to me plus what Gary Miller and  
7 Bob Arnold had indicated to me. I can't recall  
8 anything additional coming out in my conversations  
9 with George Troffer and Dick Klingaman.

10 Q You felt that your responsibility  
11 that morning would be to inform the press as to  
12 what happened?

13 A I felt that it was important that we have  
14 something appropriate to tell the press so that  
15 they would have adequate and proper information  
16 for their stories.

17 I don't wish to imply that this was my only  
18 concern, but I recognized that this was an important  
19 responsibility. Perhaps, as I mentioned, because  
20 of the credibility gap that developed in  
21 THE CHINA SYNDROME, I wanted to be able to tell  
22 the news media, the people, exactly what happened.  
23 Before the accident we recognized the importance  
24 of being forthright and trying to keep the public  
25 properly informed, and yet I must admit I was nervous.

1  
2 I didn't want to make a statement accredited to  
3 the company that might have been over-pessimistic  
4 as well as over-optimistic. I was concerned about  
5 creating panic. At the same time I didn't want to  
6 indicate that everything was in good shape or  
7 good hands, and yet looking back at it I guess  
8 there were times when we were more optimistic  
9 than we should have been.

10 Q Did you speak with the press that day?

11 A Yes. We had so many calls coming in that  
12 it was more than our Communications Department  
13 could handle. We assigned other people to assist,  
14 and we tried to respond to individual calls which  
15 wasn't too successful. There were just too many of  
16 them. I think we learned something from that; that  
17 was one of our early learning experiences in an  
18 emergency. We had to find a better way of dealing  
19 with the news media. My first involvement with  
20 the press was that evening when I visited the  
21 plant. I talked to some people from various  
22 radio and newspapers and television stations  
23 briefly outside of the Emergency Center.

24 Q When did you arrive at Three Mile  
25 Island that day?

2 A I arrived there in the evening about 10:00 P.M.,  
3 I believe, or sometime between 10:00 P.M. and  
4 11:00 P.M.

5 Q From approximately 8:00 in the morning  
6 until you arrived on-site, you were in your office  
7 in Reading?

8 A Yes, trying to be kept updated on what was  
9 happening, and chatting with our communications mana-  
10 ger, Blain Fabian, and talking to other company  
11 people, other GPU people, some members of Congress,  
12 the Lieutenant Governor on I believe two occasions,  
13 and also thinking in terms of what our people can  
14 and should be telling the public at this point  
15 that was proper and with credibility.

16 I must also admit that the following  
17 morning I had agreed to appear on GOOD MORNING  
18 AMERICA and THE TODAY SHOW, so I was also trying  
19 to get some data together for that appearance.

20 Q When you arrived on-site between  
21 10:00 and 11:00 P.M. that evening, where did  
22 you go?

23 A I went to the Emergency Center. I did not  
24 go to the Island.

25 Q You went to the Observation Center?



- 1
- 2 A Yes.
- 3 Q At that point you spoke with reporters?
- 4 A Jack Herbein -- yes, with reporters.
- 5 Q Why were you directly speaking with the  
6 news media as opposed to Blain Fabian advising the  
7 news media as to the state of events?
- 8 A I can think of several reasons. First of all,  
9 we did have a press conference earlier that day  
10 in which Jack Herbein participated; I was not there.  
11 When I left the Observation Center I was, shall  
12 we say, cornered by some of the news media, and  
13 I certainly didn't want to walk away from them,  
14 so I spoke about two or three developments, or  
15 about two dozen of them within about 10 seconds.
- 16 Q You proceeded to answer their questions  
17 at that time?
- 18 A Tried to, yes. It was really not an  
19 organized news conference. Many questions were  
20 being asked at the same time.
- 21 Q With respect to the press conference  
22 that Mr. Herbein held that afternoon, were you  
23 aware prior to his holding that press conference  
24 that he would hold it?
- 25 A Yes. In fact, when Jack arrived up at the

1  
2 Island, I remember talking to him telling him  
3 that simply responding to the various members of  
4 the news media is not working, and that it seemed  
5 we should try to talk to many or most of them at  
6 the same time, and that there were many of them  
7 up at the Three Mile Island location, and we  
8 felt it would be apropos to do it there, and  
9 that Jack Herbein should be the spokesman since  
10 he does have knowledge of the plant and should be  
11 able to technically respond to questions.

12 Q Was Mr. Fabian involved in the decision  
13 to allow Mr. Herbein to hold the press conference?

14 A Yes. In fact, Blain Fabian was in my office  
15 for a large part of that first day, and either I  
16 mentioned in talking to Blain Fabian by phone, or  
17 he was in my office at the time it was discussed,  
18 and I believe it was the latter.

19 Q He agreed that Mr. Herbein should  
20 hold the press conference?

21 A Yes.

22 Q Why was it decided to allow Mr. Herbein  
23 to hold the press conference, as opposed to  
24 Mr. Fabian?

25 A I guess, because of the technical aspects of

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the events of the accident. It just seemed more appropriate that Jack Herbein should be there. Perhaps, if I had it to do over again, I would have both a communicator plus a technical person there. The point is that a communications manager really doesn't have the answers. None of us really had the answers. However, a person like Jack Herbein, who is familiar with the technical aspects of the plant, could more directly respond to questions that might come up.

(Continued on next page.)

Creitz

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Q How long did you stay on site that evening or at the Observation Center that evening?

A Several hours. I recall getting to the motel sometime around 2:00 o'clock.

Q You stayed at a motel near the Island?

A Yes.

Q The next day you were at the Observation Center?

A Well, the following morning, as I mentioned earlier, I had a date with the Good Morning America and Today Show. I had agreed to meet those people at 5:30 or a quarter after 5:00 that morning. After those two events, I then met with Jack Herbein at the Hershey Motor Lodge, and Jack and I conducted another press conference.

From there, we went back to the Observation Center.

Q What involvement have you had with the recovery effort associated with Three Mile Island?

A Again, this is not my technical background. I have to rely on other people like Jack Herbein and Bob Arnold. Robert Arnold was placed in charge of the recovery operation, which fully met

2 with my approval, and I would say that from my  
3 conversations with Jack Herbein during the early  
4 stages of the recovery observation I was kept  
5 current on what was happening and how we were  
6 progressing. More recently, we have named Bob  
7 Arnold, officer of Metropolitan Edison Company,  
8 and he also retains his title as vice president  
9 of the GPU Service Corporation, and that places  
10 the company in a more proper perspective to the  
11 recovery operation.

12 We do have the responsibility to  
13 operate that plant and we felt it would be proper  
14 to make Bob Arnold an officer of Metropolitan  
15 Edison Company.

16 Q Whose decision was it to make Bob Arnold  
17 an officer of Metropolitan Edison Company?

18 A It was a discussion I had with Mr. Dieckamp  
19 about a month or two months ago about the proper  
20 and official formation of the recovery operation  
21 and we agreed that the talents of both companies  
22 should be officially placed into the recovery  
23 operation and Robert Arnold should head it up.  
24 Since Metropolitan Edison still is the operator  
25 of the plant, it seemed like Bob Arnold, therefore,

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Creitz

2

should also be an officer of the Metropolitan

3

Edison Company.

4

Q Was this at your suggestion or

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Mr. Dieckamp's suggestion?

6

A I don't recall how the discussion got started,

7

but I do recall it was Mr. Dieckamp's suggestion that,

8

perhaps, he should be named a senior vice president

9

of Metropolitan Edison.

10

Q Does Mr. Arnold retain his responsibilities

11

as vice president for generation of the Service

12

Corporation?

13

A He still has the title, and even though much

14

of his time will be spent on the recovery operation,

15

he will still be involved to some degree in some

16

of the other activities.

17

Q As senior vice president of Metropolitan

18

Edison, does Mr. Arnold then report to you?

19

A In that capacity he does, yes.

20

Q Is that limited just to the recovery

21

effort?

22

A No; anything that relates to Generation for

23

Metropolitan Edison, Robert Arnold is the senior

24

officer.

25

Q So that Mr. Herbein, as vice president



Creitz

of Generation, Nuclear --

A His title now is vice president of Generation Operations, if I recall.

Q And he would then report to Mr. Arnold?

A Yes.

Q And Mr. Arnold would report to you?

A Yes.

Q Yet at the same time Mr. Arnold would retain his responsibilities as a vice president of Generation for the GPU Service Corporation reporting to Mr. Dieckamp?

A That's right.

Q Was it ever thought prior to the accident to have Mr. Arnold be a senior vice president of Metropolitan Edison?

A I never thought of it, and it was never discussed with me.

Q Mr. Dieckamp or Mr. Arnold never discussed it with you?

A No.

Q How do you oversee the recovery effort that is being administered by Mr. Arnold?

A Would you repeat the question, please.

(Last pending question read.)

Creitz

1  
2 A You mean, how do I view it or how do I  
3 receive intelligence from it?

4 MR. YUSPEH: Or how do you supervise  
5 it?

6 A Bob Arnold, as senior vice president, has  
7 that responsibility, and as now a senior vice presi-  
8 dent of Metropolitan Edison, he has that responsibi-  
9 lity to Met Ed and also to the GPU system, and this,  
10 as you know, has happened recently, and I do want  
11 to sit down with Mr. Arnold and develop a reporting  
12 plan so that I can be kept properly aware of what  
13 he is doing and how he is doing it and why he is  
14 doing it and when he will be doing it.

15 Q Prior to Mr. Arnold being named as  
16 senior vice president, how were you kept informed  
17 as to what the recovery efforts were on the Island?

18 A Primarily through Jack Herbein. Jack was  
19 my senior person in the recovery team and, therefore,  
20 I relied on Jack to keep me informed of technical  
21 matters he felt I should be aware of.

22 Q Would you have contacts with him  
23 every day or once a week or how frequently?

24 A It varied. During the early period of the  
25 accident, as I recall, it was many times a day.

1  
2 More recently, it was a matter of when something  
3 would happen that he felt I should be aware of.  
4 I was confident that Jack, working with Bob Arnold,  
5 that we had top talented people there, and I  
6 certainly didn't want to overburden this recovery  
7 operation by simply spending a lot of time talking  
8 to them if it wasn't necessary. It is a matter of  
9 judgment, I guess.

10 Q Since March 28, you testified before the  
11 President's Commission concerning the accident which  
12 occurred on March 28, 1979, is that correct?

13 A Yes.

14 Q Have you testified before any other  
15 organization concerning the March 28 accident at  
16 Three Mile Island?

17 A I appeared before Senator Hart's Committee.

18 I submitted no direct testimony. I  
19 was with Mr. Kuhns and Mr. Dieckamp, who had  
20 submitted written testimony, and I was available  
21 for any questions that they wanted to ask me.

22 Q When would you have testified before  
23 the Hart Committee?

24 A That was prior to the Presidential Commission  
25 Hearings.

1  
2 Q That was some time in May?

3 A Off the record?

4 Q Yes.

5 (Discussion held off the record.)

6 A It was the latter part of May and early June,  
7 possibly.

8 Q You did not prepare a written statement  
9 or testimony before the Hart Committee?

10 A That is correct.

11 Q Did you also testify before the Udall  
12 Committee?

13 A No.

14 Q Have you been interviewed by the NRC?

15 A No. Let me go back.

16 Although I have not been personally  
17 interviewed, I have been asked to provide answers  
18 to two questions that the NRC had.

19 Q Did you provide those answers in  
20 written form?

21 A Yes.

22 MS. GOLDFRANK: I would like to request  
23 that we be provided copies of Mr. Creitz'  
24 answers to those questions.

25 MR. YUSPEH: Off the record.

(Discussion held off the record.)

Q Have you made a statement to any other organization concerning the March 28, 1979 incident at Three Mile Island?

A Are you talking about any Government body or group?

Q Whether it is a private organization or a Government body.

A Yes.

Q Do you remember what other organizations you have made statements to?

A And by "a statement," do you mean if I participated at a meeting in the form of a speaker?

Q Yes, right.

A The Pennsylvania Foundrymen's Association, several consumer advisory groups, one in York, another in Lebanon; I have appeared with Herman Dieckamp at meetings in various communities, and formally or in response to an occasional question, I might have provided some information.

I have spoken to our Berks County Manufacturing Executive Committee, and spoken to some news media people, of course, since the accident.

Off the record?

(Discussion held off the record.)

A (continuing) I think that generally covers the types of groups that I might have spoken to.

Q Did you prepare any written statements concerning the accident that would have been or were submitted to any of these organizations?

A I provided some handouts that were prepared by either GPU or Metropolitan Edison; not my talk per se, but handouts similar to these (handing).

MS. GOLDFRANK: Off the record.

(Discussion held off the record.)

MS. GOLDFRANK: Mr. Creitz has provided Mr. Yuspeh with copies of four brochures that he provided at various meetings that he attended concerning the accident on March 28, 1979 at Three Mile Island, and Mr. Yuspeh will make copies of these and provide them to the Commission.

One is entitled "A Report to the Met Ed Community" dated June 15, 1979, "Report Number 3," and its contents comprise a letter to the community from Mr. Creitz, a summary report entitled "Population Dose and



1  
2 Health Impact of the Accident at the Three  
3 Mile Island Nuclear Station," and a map of  
4 the 20-mile radius area of TMI 2 showing  
5 radiation levels;

6 The second pamphlet is a "Report to  
7 the Met Ed Community," dated May 30, 1979,  
8 Report Number 2, which contains a letter  
9 to the community from Mr. Creitz, a description  
10 of the TMI 2 accident by Mr. Herman Dieckamp,  
11 president, GPU Corproation, and a Three  
12 Mile Island Unit 2 schematic;

13 A third pamphlet is a "Report to the  
14 Met Ed Community," dated May 10, 1979,  
15 Report Number 1, and contains a letter to the  
16 community from Mr. Creitz, Mr. Dieckamp's  
17 testimony before the Subcommittee on Nuclear  
18 Regulation of the Senate Committee on  
19 Environment and Public Works, dated April 23,  
20 1979, and Mr. Kuhns' testimony before that  
21 subcommittee also, and a chronology prepared  
22 by the Nuclear Regulatory Commission;

23 And the fourth pamphlet is entitled,  
24 "The TMI 2 Story," which is dated May 25,  
25 1979, prepared by the General Public Utilities

1  
2 Corporation.

3 BY MS. GOLDFRANK:

4 Q Were any transcripts made of any of  
5 the testimony that you gave before any of the  
6 various organizations aside from the testimony  
7 you gave before the President's Commission and  
8 the testimony you gave before the Hart Committee?

9 A Let me be sure I understand.

10 Before the President's Commission,  
11 I did not provide a statement at the hearing itself.  
12 I had prepared a short summary statement, and I  
13 assume that was submitted.

14 Q However, a transcript was made of that  
15 hearing?

16 A Yes.

17 Q Are you aware of any other transcript  
18 made of any other meetings at which you made state-  
19 ments before organizations?

20 A Yes, there was a transcript of the hearing  
21 before Senator Hart's Group, which was in April and  
22 not in May or June, as I previously had mentioned.

23 Q Other than those two, were there any?

24 A Other than that, I am not aware -- probably  
25 the record of the Pennsylvania Foundrymen's Associa-

1  
2 tion might have reference to my presence and my  
3 talk. I haven't seen it. I have seen a copy of  
4 transcript of the TODAY SHOW and GOOD MORNING  
5 AMERICA. I have seen a transcript of one or both  
6 of the two press conferences I was involved with  
7 at Hershey and in Middletown on the 29th and, I  
8 think, the 31st of March. The Consumer Advisory  
9 Groups that I spoke to do keep minutes, and I am  
10 sure that there will be some record that I did  
11 appear there. To what degree my conversation will  
12 be covered by these records, I don't know.

13 Q You have not been provided with transcripts  
14 from the Consumer Advisory Groups?

15 A Those meetings just occurred recently.

16 MS. GOLDFRANK: I would like to request  
17 that we be provided with copies of the transcripts  
18 of the two press conferences that Mr. Creitz  
19 held as well as transcripts of his appearances  
20 before the Today Show and the Good Morning  
21 America Show.

22 Off the record.

23 (Discussion held off the record.)

24 A Those meetings with the Consumer Advisory  
25 Council were held on August 9. In addition, I

1  
2 talked to various employee groups, and had the  
3 opportunity to talk to employees and respond to  
4 questions.

5 Q These were Metropolitan Edison employees?

6 A Yes.

7 Q Would that have been at Three Mile  
8 Island?

9 A No, that would have been in Lebanon, York, and  
10 Reading.

11 Q Were any transcripts or recordings made  
12 of those talks?

13 A I am not aware of any -- correction. There  
14 was a recording made of the one in Lebanon. The  
15 thought was that we would use it as a base for  
16 discussion purposes with other employee groups.  
17 That plan was scrapped.

18 I don't know if the tape was scrapped  
19 or not.

20 MS. GOLDFRANK: If there is a copy of  
21 that tape, we would like to be provided with  
22 a copy of it.

23 Q If you do think of other organizations  
24 that you can remember having spoken with concerning  
25 the March 28 accident, we would appreciate if you

1  
2 would let us know through Mr. Yuspeh.

3 A Yes.

4 Q Have you been notified by any organization  
5 or individuals as to their intent to interview you  
6 or take your deposition subsequent to today?

7 A Other than the NRC, which you have a copy  
8 of, I am not aware of any other organization that  
9 has indicated this. I am thinking of a document  
10 that we received from the Susquehannah Alliance  
11 which specifically mentioned some of us by name,  
12 relative to the placing of water into the Susquehannah  
13 River. I really didn't read all of the fine print  
14 and, therefore, don't recall if it indicated that  
15 I was placed on notice, so to speak, that I would  
16 have to provide any written or oral information.

17 MR. YUSPEH: I would just state for  
18 the record that there is an upcoming deposition  
19 on August 21 regarding civil litigation pending  
20 with the Susquehannah Valley Alliance dealing  
21 with the question of the cleanup of water  
22 discharged into the Susquehannah River, and  
23 that certainly goes to the question of systems  
24 that the company has developed for the clean-  
25 up of such water, and to the best of my

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knowledge, the company will be represented by  
Bob Arnold at such deposition.

Q You have not been notified that the  
NRC anticipates interviewing you or deposing  
you subsequent to today?

A I have no knowledge of that.

MS. GOLDFRANK: I have no further  
questions at this time.

Q We will recess your deposition. This  
means that at the moment we do not have further  
questions, but it is possible that we may call you  
back at some future date. If the occasion so  
arises, we will contact you through your attorney.

(Whereupon, at 2:30 p.m., the within  
deposition was recessed.)

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WALTER M. CREITZ

Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_\_ 1979.



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I N D E X

<u>WITNESS</u>	<u>DIRECT</u>
Walter M. Creitz	2

E X H I B I T S

<u>CREITZ DEPOSITION</u>		
<u>FOR IDENTIFICATION</u>		<u>PAGE</u>
127	Resume of Walter M. Creitz	2
128	A letter dated June 21, 1976 to Mr. Creitz from J.R. Thorpe, concerning a report of TMI 1, GORB Meeting Number 23	90

C E R T I F I C A T E

STATE OF NEW YORK )  
: ss:  
COUNTY OF NEW YORK)

I, ROBERT ZERKIN, a Notary  
Public of the State of New York, do hereby  
certify that the foregoing deposition of  
WALTER M. CREITZ, was taken before me on the  
14th day of August, 1979.

The said witness was duly sworn before  
the commencement of his testimony, that the  
said testimony was taken stenographically by  
myself and then transcribed.

The within transcript is a true record of  
the said deposition.

I am not related by blood or marriage to  
any of the said parties, nor interested directly  
or indirectly in the matter in controversy, nor  
am I in the employ of any of the counsel.

IN WITNESS WHEREOF, I have hereunto set my  
hand this 15<sup>th</sup> day of August 1979.

*Robert Zerk*  
-----  
ROBERT ZERKIN

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A P P E A R A N C E S :

METROPOLITAN EDISON COMPANY:

SHAW, PITTMAN, POTTS & TROWBRIDGE, ESQS.  
Attorneys for Metropolitan Edison Company  
1800 M Street, NW  
Washington, D.C. 20036

BY: ALAN R. YUSPEH, ESQ.  
of Counsel

PRESIDENT'S COMMISSION ON THREE MILE ISLAND:

JOAN GOLDFRANK, ESQ.  
Associate Chief Counsel

oOo

W A L T E R M . C R E I T Z , having been  
first duly sworn by Joan Goldfrank, Esq., took  
the stand and testified as follows:

MS. GOLDFRANK: Please mark Mr. Creitz'  
resume as Deposition Exhibit 127.

(Above-described document herein marked  
Creitz Deposition Exhibit 127 for identification,  
this date.)

DIRECT EXAMINATION

BY MS. GOLDFRANK:

Q Please state your name.

A Walter M. Creitz.

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knowledge, the company will be represented by  
Bob Arnold at such deposition.

Q You have not been notified that the  
NRC anticipates interviewing you or deposing  
you subsequent to today?

A I have no knowledge of that.

MS. GOLDFRANK: I have no further  
questions at this time.

Q We will recess your deposition. This  
means that at the moment we do not have further  
questions, but it is possible that we may call you  
back at some future date. If the occasion so  
arises, we will contact you through your attorney.

(Whereupon, at 2:30 p.m., the within  
deposition was recessed.)

*Walter M. Creitz*  
-----  
WALTER M. CREITZ

Subscribed and sworn to before me  
this 27th day of August 1979.

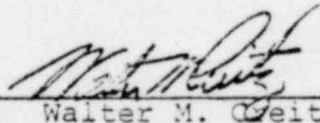
*Rita M. Powers*  
-----

RITA M. POWERS  
Notary Public, Muhlenberg Twp., Berks Co.  
My Commission Expires September 30, 1982.

PRESIDENT'S COMMISSION ON THE  
ACCIDENT AT THREE MILE ISLAND

Corrections to August 14, 1979 deposition of Walter Creitz

<u>Page</u>	<u>Line</u>	<u>Change</u>	<u>To Read</u>
3	5	Zip Code 19620	19640
53	15	priming	timing
53	17	I do not want to repeat	I will not repeat
92	19	quarter of seven	quarter past seven
96	7	PA Emergency Agency	PA Emergency Management Agency
103	15	10 seconds	10 minutes

  
\_\_\_\_\_  
Walter M. Creitz

Subscribed and sworn to  
before me this 27th day  
of August , 1979

  
\_\_\_\_\_  
RITA M. POWERS

RITA M. POWERS  
Notary Public, Nuthenberg Twp., Berks Co.  
My Commission Expires September 30, 1982