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NUCLEAR REGULATORY COMMISSION

IN THE MATTER OF:

THREE MILE ISLAND
SPECIAL INQUIRY GROUP

- - -

INTERVIEW

OF

JAMES G. KEPPLER

Place - Glen Ellyn, Illinois

Date - August 24, 1979

Pages 1 - 53

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

September 12, 1979

MEMORANDUM FOR: Richard C. DeYoung, Deputy Staff Director,
NRC/TMI Special Inquiry Group

FROM: James G. Keppler, Director

SUBJECT: INTERVIEW TRANSCRIPT

In response to your memorandum of August 28, 1979, and our subsequent telephone conversation, I am enclosing a "marked up" copy of my interview transcript.

James G. Keppler
James G. Keppler
Director

Enclosure:
As stated

*The original transcript
was returned
7/25/80
9-25-79*

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INTERVIEW

OF

JAMES G. KEPPLER

Glen Ellyn, Illinois

August 24, 1979

The interview commenced at 1:05 p.m. on
August 24, 1979, in Room 3, Building 4, 799 Roosevelt Avenue,
Glen Ellyn, Illinois.

APPEARANCES:

FRED FOLSOM, Nuclear Regulatory Commission staff;

FRED FOLSOM, Nuclear Regulatory Commission staff.

* * *

1 Q. What was your position in late 1977?

2 A. Same.

3 Q. How many people reported to you?

4 A. Now or then?

5 Q. Both.

6 A. We ~~got~~ ^{have} about 100--between 150 and 160 right now.

7 And ~~at~~ that time my guess would be around 100, maybe a little
8 bit more.

9 Q. To whom do you report?

10 A. I report to the Director of the Office of
11 Inspection & Enforcement.

12 Q. Has that been the relationship since 1977?

13 A. There is a Deputy Director position, which isn't
14 filled right now.

15 Q. Normally do you report to the Deputy Director or
16 the Director?

17 A. Well, that is a good question. We report to the
18 Director's box; let's say it that way. *When DeVolgenau was Director*
and Mr. Davis was Deputy Director, we really reported to Mr. Davis.
19 ~~Someone in there.~~
How Mr. Stello would do it remains to be seen.

20 Q. Would you describe your employment history,
21 including positions held at the NRC?

22 A. Well, I graduated from college in 1956 and I worked
23 for General Electric at their Aircraft Nuclear Propulsion
24 program in Cincinnati, Ohio, from '56 to '61. In '61 I was
25 transferred to their Atomic Power Equipment Department in

1 California, and I remained there until 1965, when I joined
2 the Atomic Energy Commission as a reactor inspector. I was
3 assigned to the Chicago office ~~here~~, where I stayed from '65
4 to '67.

5 1967 I was transferred to Washington, where I
6 se as a senior reactor inspection specialist up until
7 1971, when I was made the Chief of the Reactor Testing
8 Operations Branch. And it was in 1973, toward the end of
9 '73, that I was transferred out here as Regional Director.

10 Q So you've been Regional Director since 1973?

11 A Yes, since September '73.

12 Q What is your educational background?

13 A I have a bachelor of science degree in physics.

14 Q From what institution?

15 A LeMoyne College in New York State.

16 Q What I would like to do next is ask you some
17 questions concerning an incident that occurred at Davis-Besse
18 on September 24th, 1977. Particularly I'm interested in what
19 your knowledge was prior to the accident at TMI.

20 Prior to March 28th, 1979, what knowledge did you
21 have concerning the incident that occurred at Davis-Besse on
22 September 24th, 1977?

23 A Well, I was aware of the incident. I guess I would
24 say as the Director of ^{this} an office I am aware of ^{safety related occurrences and} the types of
25 things that are made the subject of Preliminary Notifications,

1 A
1 PNs, ~~and that~~ the PN was issued, I believe, on that incident.
2 And I recall the incident ~~because it was somewhat~~ ^{being} of a rather
3 dramatic type nature, because steam and water was flashed
4 around the containment as a result of the ^{pressure} relief valve being
5 stuck open. And I remember that ~~there~~ ^{it} was an incident that
6 we responded to with some ^{inspectors} ~~people~~ over there. And I was aware
7 also that the incident had some -- or resulted in some potential
8 concerns on the part of my staff with respect to some of the
9 problems that were encountered in the incident.

10 In terms of its connection to Three Mile Island,
11 ~~I mean~~, Three Mile Island had not occurred, and I guess I have
12 no way of being able to connect the two. In fact, I guess it
13 even took several weeks or so before I realized the event at
14 Davis-Besse was somewhat similar in nature.

15 Q Could you describe some of the concerns that you
16 mentioned that members of your staff had had concerning that
17 particular incident?

18 A Well, let me see if I can try to put together how
19 I interfaced with the problems at Davis-Besse. ~~I'm trying to~~
20 ~~think how to get started here.~~

21 Let me describe our experience with this company
22 and this reactor, and then come back to the incident. That
23 might be the simplest way.

24 The Davis-Besse project was not untypical from
25 most new power plants that just started up. They go through

1 problems. There is a period of learning that seems to go on
2 between the utility and the reactor, and this is particularly
3 true of new utilities with a new power plant.

4 The kinds of problems that were experienced at
5 Davis-Besse during this first year I would have to say
6 probably were about the same level of magnitude as the kind
7 that were experienced at the other ^{new} plants that started up *during*
8 *the same time frame.* There were several personnel errors and there were several
9 equipment problems.

10 In August of '78, I guess you would say that that
11 was the first time where I became heavily involved in problem
12 areas at Davis-Besse. ~~Here~~ The plant had been in operation
13 for a little over a year and the rate of problems that was
14 occurring at the facility had not seemed to drop off any.
15 The problems were continuing at about the same level and we
16 decided to have a management meeting with the company to talk
17 about some of the problems.

18 And it was during that period of time that I became
19 aware that we still had some unresolved concerns regarding
20 the September incident at Davis-Besse, the September '77
21 incident. I knew the staff had been dealing with -- my staff
22 had been dealing with the company. But the issues had not
23 surfaced to me, surfaced at my level as anything to be
24 concerned about. Nobody raised -- I guess what I'm trying to
25 say is that the issues were going on between the inspectors

1 and the supervisors in the company at that stage.

2 One of the points that we discussed with the
3 utility when we had the meeting was how long it seemed to
4 take them to resolve issues that we brought to their attention.
5 And one of the issues was this September '77 incident, in
6 which ~~our inspectors raised some question or one of our~~
7 ~~inspectors~~ Mr. Creswell, raised concerns he had with regard
8 to whether or not the pressurizer level would ever sink to a
9 point so low that the pressurizer would become empty.

10 Q Let me clarify a point here. Was Mr. Creswell's
11 concern about the loss of pressurizer level low and the voiding
12 of the pressurizer associated with the September 24th, 1977,
13 incident or the November 29th, 1977, incident? *I really wasn't*

14 A I'm not sure, to be honest with you. ~~I'm not into~~
15 *into the technical issues that deep.*
~~these kind of things that well.~~ I know there were the two
16 incidents ~~and there were~~ two different incidents. But he --
17 his general concern was one of pressurizer level and the
18 adequacy of being able to know what the level was in the
19 pressurizer.

20 Q Excuse me. If I could just ask one more question
21 for clarification: Was it your perception that his concern
22 was with high pressurizer level as well as with low pressurizer
23 level, or was it simply a concern with low pressurizer level?

24 A I don't think I had a perception. I wasn't into
25 the detail at that time. You know, *the Regions* we deal with many problems.

1 many plants, and so forth. And my job as the Director is to
 2 focus on issues that aren't being handled and get them into
 3 the right direction. I don't get that involved in the technical
 4 aspects of it unless it is an issue that requires my direct
 5 involvement, *for resolution.*

6 I guess I was concerned at this point of the fact
 7 that here the inspector and the supervisor seemed to be dealing
 8 back and forth with the company on this and not getting anywhere
 9 with it, ~~with~~ the issue. And I was ~~concerned~~ why it hadn't
 10 been flushed up quicker, if you will, if it was such a nagging
 11 concern to people.

12 It didn't come to me as being a nagging concern to
 13 people, if you know what I'm saying. Nobody came to me and
 14 said, hey, we've got this problem and we're not getting it
 15 resolved. It sort of grew out of the discussions that we had
 16 in getting ready for the meeting. And it was used as an
 17 example to make a point with ^{Toledo Edison} ~~the company~~ that the company
 18 wasn't being quick to deal with regulatory concerns.

19 So we had the meeting with the company. We used
 20 that as a vehicle to -- I am pretty sure it was August -- to
 21 let them know that, hey, here you have been in operation now
 22 a year. We are not seeing any reduction in the problems
 23 you're having and we're getting a little uneasy about them.

24 That was the thrust of the meeting, *The tone of the meeting was*
 25 *one of trying to be helpful in contrast to an enforcement*
 meeting where we want to put you ~~on~~ notice a little bit now
them conference

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1 that we start expecting to see these problems drop down.

2 Then it was -- ~~we went into this year and it was~~
3 two problems that occurred in the early part of the year that
4 heightened our concern again with Davis-Besse, problems in
5 which there were either bad judgments made on the part of the
6 utility people or personnel errors that ^{negated} ~~indicated~~ some
7 safety-related equipment.

8 One of these was a valving problem associated with
9 the emergency core cooling system, ^{where} ~~which~~ they valved out at
10 least half of the ^{low pressure} ECCS system. And the other was a problem
11 in which they had a frozen section of piping in the high
12 pressure safety injection system, which they didn't think was
13 needed for the proper operation of the system. It was in a
14 bypass line and it ^{could} ~~would~~ have invalidated the system.

15 Those two errors -- incidents, if you want to call
16 them that -- in my view represented an indication to me that
17 we were going to have to take more firmer action with the
18 utility. ~~And~~ ^W had planned to set up a meeting with the
19 company, which had been scheduled prior to Three Mile Island.
20 But when Three Mile Island occurred we had to defer the
21 meeting because of the staff involvement with the Three Mile
22 Island accident.

23 And so we ultimately met with the company -- I
24 forget the date. May or June, I guess it was June.

25 Let me go back now, if you will, to the event, the

1 event or events that you are talking about, the September and
2 November events. The concern that we discussed ~~about~~ when
3 you mentioned Creswell's concerns was the fact that ~~when we~~
4 ~~talked at the August meeting,~~ was that he was being unable to
5 get the kind of information that he wanted to get relative
6 to those, either one or both of those events. I'm not sure
7 which. ~~But that~~ *I* was taking so long to obtain the informa-
8 tion, and he thought the company was dragging their feet on
9 it.

10 Now, that information was eventually obtained, I
11 guess in the latter part of the year, from the company. And
12 the information was forwarded to the people in Washington for
13 evaluation, ~~and the~~ *his* concern with pressurizer level ~~that he had~~
14 was viewed by the licensing people as not being an unreviewed
15 safety question.

16 Now, that is the extent of the knowledge that I
17 have of the problem.

18 Q Do you recall writing an *I*mmEDIATE *A*ction Letter
19 associated with the letter on September 24th?

20 A I may have. I write a lot of *I*mmEDIATE *A*ction
21 *L*etters. If you could show it to me, I could comment on it.
22 Has it got my signature?

23 Q Yes.

24 Let's go off the record for a minute.

25 (Discussion off the record.)

1 MR. HEBDON: Let's go back on the record.

2 BY MR. HEBDON:

3 Q For the purpose of the record, this is a letter
4 signed by Mr. Keppler to Toledo Edison Company, attention
5 Mr. James S. Grant, dated September 30th, 1977, and stamped
6 at the bottom are the words "Immediate Action Letter."

7 Do you recall that particular letter?

8 A Yes. That is my initial.

9 Q What was the basis for the requirements that are
10 included in that letter?

11 A I don't know that I can tell you, to be honest with
12 you. I am assuming that this ^{letter} was based upon discussions with
13 my staff and the people in NRR.

14 Let me see. This occurred, the event occurred on
15 the 24th. That was a Saturday?

16 Q Yes, sir.

17 A And this is the 29th, which makes it --

18 Q Thursday.

19 A So we would have been to the site during that time.
also were,

20 I know ~~the~~ NRR people ~~looked~~ at the site. I can only assume
21 that ~~it~~ ^{the IAL} was based upon the collective judgments of my staff
22 and the people they consulted with back in Washington.

23 Q What is the normal procedure for preparing an
24 *I*mmEDIATE *A*ction *L*etter?

25 A The normal procedure that is used -- what an

1 *I*mmEDIATE Action Letter is is an informal mechanism by which
2 you confirm an agreement reached between the licensee and the
3 NRC, ~~for the purposes of formalizing it.~~ It is prepared to
4 confirm a commitment or to confirm an action that is being
5 taken.

6 It is prepared, generally reviewed with the utility
7 to make sure that they agree to it. It is checked out with
8 Washington.

9 Q With whom in Washington?

10 A The appropriate I&E division that may be involved.
11 For example, this would have been, ^{checked with} the Division of Operating
12 Reactors, Operating Reactor Inspection.

13 Q Would it be checked out with NRR?

14 A It may or it may not be. That is up to them.

15 Q Up to whom?

16 A Up to the people in ^{I E} headquarters. Sometimes they
17 do, sometimes they don't. Whether this one was or wasn't, I
18 don't know.

19 Q Do you recall by any chance at that particular
20 point in time who the individual would have been that that
21 would have been checked out with in Washington?

22 A No, but sometimes our yellow would show that.

23 Q That copy there looks as though it is a copy of the
24 yellow, because it has the concurrence blocks on it.

25 A You might check with Mr. Knop. I don't recall.

1 I will tell you, normally -- normally Mr. Norelius
2 is on these for concurrence, and why he wasn't on this one
3 I can't answer. But he is usually the one that gets the
4 concurrence.

5 I guess, to answer your question -- I'm being a
6 little cute about it, but what this is is an informal order.

7 Q It is a mutually agreed upon order?

8 A. That is correct.

9 Q What would happen if the utility didn't agree with
10 something that you wanted to put in an immediate action letter?

11 A. Then we would issue a formal order ordering them
12 to do it.

13 Q And they, I am sure, understand that.

14 A. I think so. We don't write an immediate action
15 letter on something we are not prepared to go to war on.

16 Q Do you ever have much problem with utilities
17 arguing over requirements that are included in an immediate
18 action letter?

19 A. No.

20 Q Do they usually acquiesce?

21 A. I would say that if there is any disagreement, it
22 is usually over the feasibility of doing something we think
23 ought to be done, and they will counter it with something
24 else. But generally speaking, I guess I would say that they
25 view an immediate action letter as the lesser of evils.

1 Q All right. In this particular immediate action
2 letter, as I understand it, the utility was required to
3 complete these actions before returning to power.

4 A That is what it says.

5 Q How was it verified, is it verified, that they do
6 indeed complete those actions?

7 A By inspection.

8 Q So then it is the responsibility of the inspector
9 to certify that those actions are completed before they are
10 allowed to return to power?

11 A I don't know if I would use the word "certify." I
12 don't know what that means. But he would go back and verify
13 that these ^{actions} had been done to the satisfaction of the NRC.

14 Q All right. So it is his responsibility to ensure
15 that those actions are in fact done before the plant returns
16 to power?

17 A Yes. For example, he may go back there and he may
18 find -- I don't know how many things there are in here, six
19 things. He may find that -- let me answer it a different way.

20 It is our job to make a determination that the
21 licensee has completed the items.

22 Q Before he returns to power?

23 A Before he returns to power.

24 Q You have to make that determination before he
25 returns to power?

1 A Yes. That is why we write it.

2 Q Okay. And it is the inspector, then, that makes
3 that determination?

4 A ~~Well, who goes out and does it. And how it is done,~~
5 ~~you know, we have several inspectors at these plants. We don't~~
6 just have one inspector per plant. We have many inspectors.
7 Whether the same inspector will check every one of these
8 things, I don't know how that is done.

9 What I'm trying to, I guess, tell you is that
10 there is not a regimented procedure that says Inspector A will
11 go out and do checks one, two, three, four, five.

12 Q But there is a mechanism by which I&E ensures that
13 those actions are completed before the plant returns to power?

14 A You bet.

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1 Q For the record, I have here a document from
2 Mr. D. F. Ross. It is a note to Carl Seyfrit, dated October 20,
3 1977, Subject: Davis-Besse Abnormal Occurrence, 9/24/77.

4 Do you recall ever seeing that document?

5 A. I don't ever recall seeing this.

6 Q. The particular document refers to the incident and
7 forwards some concerns that were raised by Mr. Muzetis of the
8 staff of NRR. Would you have expected to receive a copy of
9 a note such as this?

10 A. Sure.

11 Q. Do you think you would recall having seen such a
12 document?

13 A. Not necessarily.

14 Q. But you don't recall --

15 A. I have not seen the document before. But I don't
16 see all the mail that comes in on a particular project. As
17 you can imagine, we have an enormous volume of mail in this
18 office, and my role is really one of a technical administrator
19 of the office. I don't get into every piece of paper that is
20 generated on an LER. I think you can appreciate I just
21 couldn't.

22 Q. Obviously.

23 A. ~~So I don't get into that kind of detail.~~ My
24 philosophy of operating an office like this is that I look for
25 the staff to flush out issues that they feel warrant my

mgc 11-2 1 attention, and I am assuming that other than issues that I
2 might raise as a result of my own reviews of the morning
3 reports, I do see all of the LERs that come in, and I look
4 at them, and I may jot a little note to a branch chief --
5 what about this or that -- but I don't get into all of the
6 details of every case. I just can't.

7 Q Do you recall ever discussing the incident --

8 A Let me ^{check} on that piece of paper, if that were to
9 come into my office --

10 MR. HEBDON: Let's go off the record for a second.

11 (Discussion off the record.)

12 THE WITNESS: I would expect that if that piece
13 of paper got out to the region, and we ^{were} had to check our file
14 to see if it's in the file, it would be routed to -- it would
15 have a stamp on it who it was routed to, and it would be
16 routed to the branch chief and the section chief and the
17 inspector.

18 BY MR. HEBDON:

19 Q If I left a copy of this with you, would it be
20 possible for you to have someone in your organization check
21 to see if this document was ever received here?

22 A Sure. Well, I can check to see if it is in the
23 file.

24 Q See if it is in the file. See if it arrived at
25 the Region.

1 A. Sure.

2 Q Did you ever discuss the incidents that occurred
3 at Davis-Besse or any of the issues raised by those incidents
4 with a Mr. Kelly or a Mr. Dunn or any other employees of B&W?

5 A. I've had no discussions with B&W.

6 Q Were you aware of the concerns about the September
7 24, 1977, incident?

8 A. No.

9 Q I'd like to talk in a little more detail about
10 Mr. Creswell's concerns. As I understand it, he has
11 basically two issues that are relevant to our review of the
12 accident at TMI and the events that preceded it. One is a
13 concern that he raised following his review of the documenta-
14 tion and the incident that occurred on September 24, 1977.
15 That concern was with securing high pressure injection pumps,
16 possibly prematurely. Are you aware at all of that concern?

17 A. No.

18 Q The other concern is associated with the November 29,
19 1977, incident where he was concerned about the fact that the
20 pressurizer level went off scale low, and possibly the
21 pressurizer was voided.

22 A. I am aware of that concern.

23 Q I think we have discussed that one a little bit
24 already. And as I understand it, that concern came to your
25 attention in August of 1978, as you said earlier, in

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preparation for a management meeting with the Davis-Besse management.

A. Well, it may have come up in the interim between the event and the August meeting, but if it did, it came up with ~~a~~ ^{the concerns} just -- we're still trying to get this piece of information, and we haven't gotten it yet. It wasn't until the preparation of the August meeting that I guess I realized that here we were waiting on some information for a good eight months and still hadn't gotten it yet. And the licensee seemed to be slow in getting it.

Q. Mr. Creswell also was concerned about low pressurizer level in a Board Notification on January 8, 1979. Could you describe your understanding of the handling of that particular Board Notification, why it came to be, and what was done with it?

A. Well, I ~~guess~~ my understanding is that after we had obtained information from Toledo Edison relative to the pressure -- what I will call the pressurizer level problem -- that information was reviewed and discussed with I&E Headquarters people and NRR people. Their review concluded that the concern relative to pressurizer water level or pressurizer water volume did not represent an unreviewed safety question. In fact, subsequent to Three Mile Island, I've been told other people ^{had} ~~have~~ raised the same concern before at an Arkansas plant and a couple of the other plants. In fact, I think Three

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1 Mile Island, ~~even~~. But at any rate, I was aware that Mr.
2 Creswell did not accept or did not take comfort in the
3 conclusion by the Washington people that this was not an
4 unreviewed safety question. And ^{he wanted} ~~one of the~~ issues brought
5 before the Atomic Safety and Licensing Boards -- and ~~I guess~~
6 for the B&W plants under hearing considerations -- consistent
7 with that request, although we did not agree with his position,
8 we forwarded it -- ^{to IE} to be forwarded to the ASLB.

9 Q Do you know what it was that caused him to take
10 exception to the conclusions reached by the people in NRR?

11 A No, not really. I guess I was a little bit taken
12 back by it. I guess I ^{should} ~~have to~~ go back a little bit and talk
13 about my interfaces with Mr. Creswell.

14 Jim Creswell is not an easy ^{individual} ~~guy~~ to get to know. I found
15 him very difficult to talk to. My impression of him is that
16 he is a sharp engineer. He knows the physics of reactors
17 quite well, but I found him very difficult to communicate with.
18 You couldn't lay your hands on what was bothering him. One
19 minute he was happy; the next minute he wasn't happy. And
20 he raised -- I guess since his involvement in Davis-Besse,
21 going back to when the plant first started up -- he
22 raised a number of questions, wrote a number of memos relative
23 to concerns he had. We would respond to these ^{issues} ~~things~~. There
24 wasn't one of them that was ignored. The issues raised we
25 responded to, but he would take that response, and he would go

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1 away. A couple of months later he would come back with a
2 slightly different slant to the problem, and I guess I would
3 say that his supervisors viewed him as a frustrating individual
4 to deal with. You just couldn't get from him whether he was
5 totally satisfied, totally unsatisfied; he just wouldn't take
6 a position at all.

7 Then he would come back a week or two later with --
8 you'd think everything was all put to bed with him -- and he'd
9 come back with a slightly different approach to the problem.

10 We have a system in this office which I set up to try
11 to handle inspector concerns. This individual never used that
12 system at all. He --

13 Q. Is there a name for that system?

14 A. Yes. We have a regional procedure on it. I think
15 it is a manual chapter on handling inspector concerns.

16 Q. You say it is a regional procedure?

17 A. Yes.

18 Q. Would it be possible to get a copy of that
19 procedure?

20 A. Certainly. I guess what I'm trying to tell you is
21 from my perspective, I was aware that we had some level of
22 discontent down here, but that it was one of these things that
23 was going back and forth, and when it came time to -- when
24 it came to the matter of notifying the Board, my reaction was,
25 well, if he is not happy, he hasn't told me this. But if he

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1 wants to notify the Board, we will notify the Board and let
2 them make their decision. That is about the way I viewed it
3 at the time.

4 Q What significance did you assign to the issues that
5 he raised in his memo?

6 A The significance that I viewed was that the staff
7 had looked at these issues, and I had been told that they had
8 all been reviewed. So from my perspective, I viewed his
9 approach as one of not being satisfied with answers that he got
10 and wanted to bring them up in new form for review, which he
11 had the right to do.

12 Q Do you feel that any of the issues raised by
13 Mr. Creswell were relevant to the accident that occurred at
14 TMI?

15 A I don't think I can answer that at the moment. I
16 have not read the TMI report. I don't know what the conclusions
17 were. The report came out just before I went on vacation.
18 Your question is a good question, and I just don't have a good
19 answer to it.

20 I think if you were to sit around this office, any of
21 the regional offices, and follow the activities that go on,
22 there are a number of problems that are reported to the NRC.
23 They are reviewed. We try to highlight generic concerns,
24 and I guess you say to yourself, well, what do you set with
25 after TMI, and I guess with that kind of hindsight you set

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1 with the fact that we obviously have not done ~~the~~ searching
2 review of LERs that we should perhaps be doing, and we've got
3 to upgrade that.

4 I can't tell you off the top of my head how much review
5 went into this particular event. I think quite a bit did.
6 Obviously, if it is connected and there was a warning message,
7 it wasn't enough. But I guess what I'm suggesting is that
8 there are an awful lot of problems that are flushed out during
9 the course of a year's worth of surveillance of nuclear power
10 plants, and I don't know that -- I guess I don't know what
11 you can do to bat 100~~X~~ percent.

12 I think we do have to do a better job of LER review.
13 Whether that would have prevented TMI, I can't say.

14 Q Are you aware of any investigation that was
15 conducted by Mr. Kohler and Mr. Foster of this region?

16 A Yes.

17 Q Who initiated that investigation?

18 A We did.

19 Q Who specifically?

20 A Well, Mr. Creswell asked for the investigation,
21 and we conducted it.

22 Q In what form did he ask for that investigation?

23 A Well, he told these people that he thought the
24 company -- either the company or perhaps its contractors
25 may have been deceiving in terms of when they had information

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1 and when they presented it to us.

2 Q Do you recall specifically what that information
3 related to?

4 A Yes. I believe it related to the pressurizer level
5 evaluation.

6 Q Do you recall what Mr. Kohler and Mr. Foster were
7 told to do?

8 A No, I wasn't involved directly in that. I was
9 involved in the fact that they came to me and asked me, did I
10 feel an investigation should be conducted.

11 Q Who is "they" now?

12 A This would have been Heishman and Norelius would have
13 come to me with that. I'm not sure whether Knop was still
14 involved at that time. But in any way, it would have been
15 supervisors that came forth. They came to me and told me they
16 thought an investigation should be conducted. ^{and asked if} ~~Did I agree?~~
17 ~~and~~ I said yes. And they also came forth to tell me that it
18 was their decision not to use Mr. Creswell on the investigation
19 because they thought he was emotionally involved in the issue,
20 and that he was the guy bringing forth the allegations, ^{and} that
21 we should have somebody independent. ~~And~~ ^{My} only comment to
22 them was that I agreed, but get somebody that is acceptable
23 to Mr. Creswell.

24

25

1 Q Is it common practice to conduct investigations of
2 allegations raised by inspectors?

3 A Yes.

4 Q Is it common practice to include the inspector in
5 the group that investigates the allegation?

6 A No.

7 Q So then it was the normal practice?

8 A Mr. Creswell was not very happy with that decision.

9 Q But it is your perception that the normal practice
10 would be not to include the inspector who raised the allegation?

11 A Right.

12 Q What was the result of that investigation?

13 A Well, I don't know that I can give you all the
14 details. But the result of the investigation was that we had
15 concluded that there was no deliberate attempt to mislead the
16 Commission.

17 Q Did you reach any conclusions about the technical
18 content of the concerns that Mr. Creswell had?

19 A I can't answer that. I don't know.

20 Q Do you recall how Mr. Creswell responded to the
21 results of the investigation?

22 A Well, I was told initially that he was very
23 unhappy. I was then told by Mr. Norelius, after he and
24 Foster had briefed him, I was told by Mr. Norelius that he was
25 happy.

1 I'm not sure when that investigation was done. I
2 believe it was in early March.

3 Q It was around that time frame, February or March of
4 '79.

5 A I guess the next contact that I had directly with
6 Mr. Creswell was when I was in the bathroom one day. He
7 walked in and I asked him, how did the investigation go,
8 because I was under the impression at that time that he was
9 happy with the results of the investigation. And he made
10 some comment like, "do you really want to know?" And I said,
11 "yes, I wouldn't ask you if I didn't want to know." And he
12 said, "well, I still have some concerns and I will talk to you
13 about it."

14 ~~And I guess it was~~ -- I had to go back to
15 Washington, ~~I guess it was~~ that next day. And when I got
16 back from Washington my secretary said that he wanted to see
17 me. So I went upstairs to see him one day. ~~And~~ I recall the
18 day because it came up later in the discussion. But it was
19 six days before TMI.

20 He wanted me to shut down Davis-Besse. He felt
21 that the Davis-Besse plant was unsafe and it should be shut
22 down. ~~And~~ I must have spent about three or three and a half
23 hours with him. The concerns were people-oriented concerns
24 rather than design-oriented concerns. He thought the company
25 was incapable of doing the job right. He concluded that

1 they were incapable of getting their act in order. And it was
2 a very subjective, emotional type of discussion.

3 ~~And~~ I pointed out to him that -- we talked about
4 the investigation and a few other things. But I told him that
5 my bottom line was that I could not support his recommendation
6 for a shutdown without some evaluation on my part that said
7 that a threat existed to the public health and safety.

8 Q Did he provide you with any specific examples?

9 A No. His main concern seemed to be oriented that the
10 people were incapable of doing the job.

11 Q But did he cite any specific examples of their lack
12 of competence?

13 A He brought forth the fact that it took them so long
14 to get ~~with~~ evaluation done. And he talked about the fact that
15 they have a number of design changes that have not been acted
16 upon, a big backlog of design changes. And he talked about
17 the fact that they were making a lot of personnel errors, that
18 kind of thing.

19 Q Was it your perception that the number of design
20 changes that they had backlogged was any greater or less than
21 another utility in a comparable position?

22 A It was my perception that this utility ^{needed to} ~~was in~~
~~upgrade their regulatory performance, I did not believe a shut-down was~~
23 ~~pretty sad shape, but not sad enough to shut down.~~ I guess ^{warranted,}
24 that is a judgmental decision. But I feel to shut down ^a ~~the~~
25 power plant I have to have what I would call a reason to

1 believe that the public health and safety is jeopardized. And
 2 the fact that they've got a big backlog of design changes
 3 doesn't give me that feeling. It is something that needs to
 4 be taken care of and it should be taken care of. But I don't
 5 judge that as warranting a shutdown of a facility.

6 Q Did you feel that the number of operator errors
 7 that they were having was greater than a comparable or greater
 8 than other plants in a similar stage?

9 A Yes, and that was a point of discussion. I ^{feel} feel
 10 that the number of operator errors was quite high. On the
 11 other side of the coin, most of the operator errors were not
 12 of the type that posed what I would call a serious problem
 13 for the facility. They were failures to do certain surveil-
 14 lance tests, ~~or they made --~~ but they weren't the type of
 15 errors that placed the plant in a highly degraded condition.

16 Nevertheless, my view of the matter was that
 17 operator errors were being condoned ^{by the management} ~~over there~~, and the more
 18 errors the greater the likelihood would be that you could have
 19 a more serious problem later on. And that was, as I mentioned,
 20 the thrust of the meeting that we had set up as a result of
 21 the events that had occurred in March over there. That led
 22 us to have a top-level ^{Enforcement Conference} ~~meeting~~ with the company and to discuss --
 23 more than discuss, but to lay out plans for corrective actions.

24 BY MR. FOLSON:

25 Q That is the meeting you speak of a year before?

1 A. No, that is the meeting I'm talking about that
2 took place this year.

3 Q. This year?

4 A. Yes.

5 BY MR. HEBDON:

6 Q. There was one meeting around August, I believe,
7 that you mentioned it was during the preparation for that
8 meeting that Mr. Creswell's concerns originally came to your
9 attention.

10 A. That's right.

11 Q. Now, there was another meeting, as I understand it,
12 and that you are referring to now, some time around March of
13 1979.

14 A. The meeting, the first meeting with the company
15 took place in August of '78. Then, as a result of the fact
16 that things weren't improving a lot and a result of the two
17 events that were reported in March, we had set up another
18 meeting with the company to take place in early April. Then
19 TMI came along and I think the meeting was ultimately held in
20 mid-May.

21 Q. But this subsequent meeting that was scheduled in
22 April and eventually held in May was to discuss mainly the
23 same types of concerns that had been discussed in August?

24 A. It was to discuss -- it was more than that. It was
25 to discuss the repeat of the concerns, but it was also to

1 require the company to come forth with a game plan to fix them
2 and deal with them. We felt that they were taking much too
3 long to get the operation turned around the way they were
4 going, and that we, while we were not in a position to say
5 that the operation was unsafe, we felt uncomfortable with the
6 operation, and we felt that actions had to be taken to minimize
7 the problems that were taking place.

8 So this led to -- we defined in great detail the
9 concerns we had. We gave examples for the concerns. Some
10 of this information was provided by Mr. Creswell. We have,
11 since that time, had two additional meetings with the company
12 where they have discussed with us the status of the corrections
13 and corrective actions they have taken.

14 Q Do you feel that the utility has now begun to
15 resolve the problems?

16 A I think they are in the right direction right now,
17 yes.

18 Q To your knowledge, has consideration ever been
19 given to shutting down a plant as a result of a lack of
20 competence on the part of the management?

21 A Yes.

22 Q Do you know if any plants have ever been shut
23 down for that reason?

24 A No, there hasn't been.

25 Q Do you recall any specific examples where

1 consideration was given to shutting them down?

2 A. Yes. We had some serious discussions raised about
3 shutting down Commonwealth Edison's nuclear plants.

4 Q How was that eventually resolved?

5 A Through the approach we used at Davis-Besse. We
6 had top-level meetings and required the company to take
7 certain specific actions *to upgrade their regulatory performance* ~~that we outlined, the remedies to,~~
8 if you will -- let me try to tell you the problem or a problem,
9 if I could put it this way to you.

10 I think a utility that owns a multi-million or
11 billion dollar project, whatever it is these things cost, I
12 think generally speaking these are responsible organizations.
13 I don't think any of them want to have a blemished record.
14 They live in the public limelight and, if nothing else, they
15 want to have a good reputation.

16 Some of them have greater difficulty than others
17 in achieving compliance. I think our threshold for getting
18 on top of utilities is such that we generally start with an
19 observation, if you will, that things aren't headed in the
20 right direction. And if things don't improve, then you set
21 up another level of management meetings and so on. And
22 generally speaking, I would say it is the *consciousness of opinion* ~~feeling of people~~
23 that by talking to responsible levels of management you get
24 the job done.

25 If there is ever a clear health and safety type

1 concern, I have never seen the Commission hesitate to act on
2 that and move in and require a plant to be shut down. But if
3 you run into problems that are what I would call less than
4 desirable performance on the part of the utility, ~~if you will,~~
5 if you can understand what I'm talking about, I think that
6 there has been a reluctance on the part of the agency to take
7 action that would require a shutdown of a facility. And I
8 guess the reason I would say that is probably because of cost
9 considerations, probably, because of maybe a lack of belief
10 that that is the best method to serve the public health and
11 safety.

12 But normally speaking our philosophy has been that
13 you don't shut down a nuclear power plant unless you can show
14 that there is a ^{real} ~~serious~~ ^{threat} ~~safety problem~~ lurking in the winds.
15 And when you run into a licensee whose performance is not
16 as desirable as it should be, I think the general approach
17 has been one of working with that utility to improve its
18 regulatory performance and upgrading it that way.

19 I don't know whether I am answering your question
20 or not.

21 Q I think you have.

22 Were you aware that Mr. Creswell discussed his
23 concerns with Commissioners Bradford and Ahearne and their
24 staffs?

25 A Eventually.

1 Q When did you become aware of that and by what
2 mechanism?

3 A I'm trying to think how I did become aware of it.
4 I can't recall when I became aware of it.

5 Q Was it before or after TMI?

6 A After.

7 At one point in time--I told you that I talked to
8 Mr. Creswell on March 22. That was the date that I had my
9 discussion with him.

10 By the way, a very important point on that discus-
11 sion. I feel it is a very important point. I told
12 Mr. Creswell that I could not support his position of wanting
13 to shut the facility down, and I told him what my game plan
14 would be and why, and so on and so forth.

15 Q The program of meetings with management?

16 A Right.

17 But I also told him that if he felt that he wanted
18 to go talk to somebody *in a higher position* ~~else~~ about it, he had my blessing and
19 I would be more than happy to see that he talked to other
20 people, but I would also send in my assessment of the
21 situation, too.

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1 Now I guess when I did hear that Mr. Creswell had
2 talked to Commissioner -- I suppose he talked to Commissioner
3 Ahearne, ~~and when he did talk to him, and I guess~~ when they
4 were holding Commission meetings back on TMI and so forth,
5 I felt a little bit concerned that the Commissioner had never
6 come to me and asked me or asked the people in the region
7 about the matters that Creswell was talking to him about,
8 and I was bothered, ~~I guess~~, to some degree that he was
9 hearing a one sided story.

10 So I made a decision with the ^{Consensus} ~~blessing~~ of my management
11 in Headquarters to go see Commissioner Ahearne. I had never
12 met Commissioner Ahearne, and I wanted to meet him, and I
13 wanted to go in and tell him why I did what I did in handling
14 Davis-Besse -- not to repudiate Mr. Creswell or anything, but
15 just to tell him my side -- why I did what we did. And when
16 I was back there, he had Commissioner Bradford there, and at
17 that time I found out that, from them, that Creswell had been
18 back to see them before he had come to me on March 22.

19 That came out during that discussion.

20 Q You don't recall ever receiving some questions
21 from Commissioner Ahearne that seemed to be related to the
22 issues that had been raised?

23 A Yes, I do.

24 Q When were those questions received? Was it before
25 or after your conversations with Commissioner Ahearne?

1 A. Those questions were before.

mgc 13-2 2 Q Did you connect those questions with the concerns
3 that had been raised by Mr. Creswell?

4 A. In part, because I knew when that letter came that
5 Creswell had talked to Ahearne.

6 Q So then, prior to your meeting with Commissioner
7 Ahearne, you knew that Mr. Creswell had talked with him?

8 A. Yes. That is the reason I went back there.

9 Q And how did you become aware that he had talked
10 with him?

11 A. That is what I'm trying to think. I can't tie it.
12 I'm sorry. I've drawn a blank on how I found out.

13 Q Now as I understood you --

14 A. It may have been -- oh, I guess I know. It was
15 during the Commission meetings subsequent to Three Mile
16 Island that Mr. Creswell was called upon by Commissioner
17 Ahearne at that meeting.

18 Q I'm getting confused here. When did you go back
19 to talk to Commissioner Ahearne?

20 A. I can get you that date. It would have been
21 probably May.

22 Q So this was after TMI-2?

23 A. Yes. I guess we're getting off. Let me start
24 over again.

25 Q Okay.

1 A. In order of sequence, Creswell expressed his
2 concerns to me about Davis-Besse.

3 Q And the fact that it should be shut down?

4 A. Yes, on March 22. I will tell you what. Could
5 I get my notebook, my calendar?

6 Q Certainly. Let's go off the record for a few
7 minutes.

8 (Discussion off the record.)

9 MR. HEBDON: Let's go back on the record.

10 THE WITNESS: I met with Mr. Creswell on March 22
11 and TMI occurred on March 28, I believe. My meeting with
12 Commissioners ^{meeting with} Ahearne and Bradford were May 23. Now the
13 purpose of the Commissioner Ahearne and Bradford, that meeting
14 was initiated at my request with a call to Commissioner
15 Ahearne. I didn't know Bradford was involved at all. I called
16 ^{Commissioner} Ahearne, because I was concerned that ~~Ahearne~~ ^{he} had gotten a
17 one-sided story from Mr. Creswell. And I felt compelled to
18 go back and tell my side of why we acted the way we did on
19 Davis-Besse.

20 Now you mentioned the letter that ^{Commissioner} Ahearne raised, and
21 I don't have that in here, but I had a meeting with my staff
22 on April 4 to discuss the Commissioner Ahearne letter on
23 Davis-Besse, so I was aware of that letter at that time.
24 That letter -- what we did, we prepared a response to that
25 letter at the regional level, and that was sent back the week

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1 I was at Three Mile Island, which was the week of April 9,
2 ~~and~~ ^{but} that response was never sent to Commissioner Ahearne
3 until late May.

4 BY MR. HEBDON:

5 Q Okay. When you got the letter from Commissioner
6 Ahearne, did that in combination with anything else tell you
7 that Commissioner Ahearne and Mr. Creswell had been in
8 communication with each other?

9 A Yes. I knew at the time of that letter that
10 there was some tie between them, and it wasn't because of the
11 letter, but I believe the Commission hearings that had taken
12 place -- I'm saying hearings -- the Commission meetings that
13 were taking place during this period of time had discussed,
14 had involved Mr. Creswell appearing at the meeting in response
15 to an invite from Commissioner Ahearne.

16 Q Now these were the Commission meetings concerning
17 Three Mile Island?

18 A Yes. But during one of those meetings -- and I
19 apologize; I just can't pick the time of it -- but during that
20 week or so after Three Mile Island, there were meetings going
21 on every day in which the press was involved and so on. I'm
22 sure that we have -- we can pin that down, if you like, in
23 terms of when Mr. Creswell got up at a Commission meeting.

24 Q That's all right. We can just ask Mr. Creswell.

25 A Fine. But there is a document like that that has

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1 the meeting minutes.

2 Q So as I understand it, it is the fact --

3 A I am assuming that that is the tie-in I have as
4 to why I would know. It seemed to me -- and I just can't
5 remember precisely -- that I was aware at the time we got
6 the Commissioner Ahearne letter that I had known at that time
7 that he had talked to Creswell.

8 Q Now as I understood you, you said that when you
9 went back to talk to Commissioner Ahearne that is when you
10 became aware that Mr. Creswell had actually gone back to
11 Washington and talked to him personally?

12 A I was told by Commissioner Ahearne's assistant --
13 one of his assistants -- that Creswell had been back there
14 prior to the time he talked to me on March 22.

15 Q And that is the first time that you realized that
16 he had actually gone back there as opposed to just talking to
17 him on the phone?

18 A Well I don't know how it was done. ^{He'd} ~~I'd~~ been in
19 touch, I should say.

20 Q All right. What was your understanding of the
21 concerns that he raised with the Commission or with the
22 Commissioners?

23 A I didn't have any understanding of them.

24 Q Well, you knew they related to Davis-Besse.

25 A Yes. I'm sorry.

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1 Q Do you recall any more detail of your understanding?

2 A No. But basically the things that were in the
3 letter -- the companies performance, the problems with LERs,
4 the problems with design changes, basically the material that
5 was in the letter. None of it was what I would call a surprise
6 to me.

7 Q Could you describe what you recall from your meeting
8 with Commissioners Ahearne and Bradford?

9 A Well, it was a very cordial meeting. I spent about
10 an hour with them, and the tone or the purpose of requesting
11 the meeting was not to discuss Creswell but was to go back --
12 I knew the Commissioner had concerns about Davis-Besse -- to
13 tell him what I was doing about those concerns and why I had
14 acted the way I did.

15 He brought up Creswell very early in the discussion,
16 and we talked about some of the points that Creswell had been
17 concerned about. I think the Commissioner was surprised to
18 learn that -- I think the Commissioner was surprised to learn
19 that Creswell had not tried to come to me before he went to
20 the Commissioner.

21 I gave the Commissioner a copy of our procedure for
22 handling problems. I explained to the Commissioner some of the
23 things that I do in the office to try to elicit information
24 from the staff on concerns they have. I would call it a very
25 friendly discussion -- one that it was hard to predict in

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1 terms of how useful it was for him. But I felt somewhat
2 better after it.

3 Q Did the Commissioners give you any indication of
4 whether or not they felt that the actions taken at Davis-
5 Besse were appropriate?

6 A I would say the feeling I got from the Commission
7 was one of -- that they felt that we were too complacent,
8 that perhaps not -- I wouldn't say complacent from the stand-
9 point of derelict in handling things -- but that the safety
10 record of the industry had put us in a position of being
11 complacent.

12 I think the Commissioner expressed a view to me that
13 he thought that if we have some plants that are able to
14 operate at this level of performance

15 (indicating)

16 and we have others only operating at this level

17 (indicating)

18 that maybe we ought to shut them down until we can get them
19 to operate at this level.

20 (indicating)

21 I remember making the point to Commissioner Ahearne
22 that he would be the first one to throw me out of his office
23 if I came down there and suggested shutting down a nuclear
24 power plant without a health and safety reason, and he
25 indicated that ^{may} may or not be true.

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But I would say, ^{he} one, that indicated -- that we have
got to be tougher ^{regulations of} on the industry; ^{and} ~~one, that would indicate~~
that our threshold for actions is not low enough.

1 Q Did he give you any indication that he felt that
2 Davis-Besse ought to be shut down?

3 A No. I told him what we were doing and I told him
4 we would keep him informed. Of course, we did subsequently
5 have a Commission meeting on the restart of Davis-Besse.

6 Q But that was as a result of the TMI accident; is
7 that correct? That wasn't associated with the specific
8 concern about Davis-Besse management?

9 A If you go back and take a look at that, it was
10 almost all concerned with it. They did not hold meetings on
11 the restart of all of the reactors, you will recall. They
12 selectively picked Davis-Besse, and about 90 percent of it
13 was devoted to Commissioner Ahearne's concerns about manage-
14 ment.

15 Q As I understand it or as I recall, the Commission
16 did eventually decide to allow them to restart Davis-Besse.

17 A Yes they did.

18 Q So that even in light of the raising of conscious-
19 ness that occurred after TMI, they still determined that the
20 management at Davis-Besse was capable of operating the plant
21 safely.

22 A Yes.

23 Q Why was Mr. Creswell sent to TMI following the
24 accident?

25 A We sent a lot of people to TMI.

1 Q Approximately how many?

2 A I think that first week there might have been
3 seven or eight.

4 Q Out of approximately how many?

5 A Out of maybe 25.

6 Q Did Mr. Creswell's concerns about Davis-Besse and
7 the issues that he had raised and the interactions that he had
8 had with the management here at Region III play any role in
9 his being assigned to TMI?

10 A In fact, when TMI occurred we were not aware -- I
11 mean, I was aware that he had had the discussion with me. His
12 supervisor, his branch chief, became aware of it because I
13 told him.

14 But no, we sent Mr. Creswell to TMI because we
15 thought he was highly qualified and could make a contribution.

16 Q And the fact that he had been involved with these
17 various concerns, that didn't play any role in the decision
18 to send him?

19 A You mean in terms of knowledgeable about B&W?

20 Q Well, it would seem like for an assignment such as
21 the assignment to TMI, you would want to pick people that were
22 technically qualified and mature.

23 A I think what we did was to pick people that were
24 technically competent on pressurized water reactors. That
25 was our first criteria. ~~And~~ I didn't make the selection of

1 the people that went. It was done by the branch chief and it
2 was done looking at the schedules and who was available. There
3 were a lot of factors. But we obviously wouldn't send ~~a guy~~ ^{an inspection}
4 who was only skilled on a boiling water reactor.

5 Q What I would like to do is ask you some general
6 questions concerning the functioning of I&E and the relation-
7 ship of I&E to some other organizations.

8 What is your general perception of the relationship
9 between I&E headquarters and the I&E regions?

10 A ~~Well, that is a subject I could talk about forever.~~
11 I think the relationship ^{has not been} ~~is not~~ as it should be. There is a
12 certain lack of sensitivity, if you will, between the two
13 organizations. The role of I&E headquarters is primarily
14 oriented at dealing with the Commission and answering their
15 questions, keeping the Congress informed, dealing with issues
16 that might come down from higher up, if you will.

17 They are understaffed, and as such, when an issue
18 comes in from the region ~~which you have to send back~~ for some
19 help on, I think that it is not viewed as their primary -- it
20 is not viewed as a major item to them unless it is the type of
21 issue that would impact on people higher than them.

22 So what I am saying is that the concerns of head-
23 quarters are not the primary concerns of the regions, and
24 vice versa. So if you were to ~~study~~, take a look at the numbers
25 of technical issues that have been sent in to headquarters and

1 look at the types of response and action that has been taken
2 on them, you would find that there are varying degrees of
3 success achieved.

4 I think headquarters is grossly understaffed for
5 what they have to do.

6 Q What is your perception of the relationship between
7 I&E regions and NRR?

8 A I think it is highly dependent upon personalities.
9 I think some inspectors have a very good relationship with
10 some of the people in NRR and some don't have. I guess I
11 would view it as a case by case type basis. I think you would
12 find that there is more shortcutting that goes on than people
13 might like to admit, in the sense of the I&E people in the
14 field keeping NRR informed, rather than going through I&E
15 headquarters, simply because they feel they can get better
16 results with NRR.

17 Q Would it be fair to say, then, that you feel that
18 I&E headquarters is to some extent a bottleneck in the formal
19 relationship between I&E regions and NRR, and as a result
20 people tend to bypass around that bottleneck and go directly
21 to NRR?

22 A I would say it *has been* viewed that way, yes.

23 Q How effectively does the relationship between I&E
24 and NRR facilitate the feedback of operational experience into
25 the licensing process?

I should point out that Mr. Stello, our Director, is acutely aware of the past problems and is taking steps to improve Headquarters/Regional relationships.

1 A Would you say that again?

2 Q Let me rephrase it a little bit. How effectively
3 do the concerns and the problems and the issues that the
4 inspectors are seeing in the field get fed back to the people
5 that are doing the design reviews and the licensing reviews
6 of new facilities?

7 A I don't know that I can give you a quantitative
8 type answer. I guess my feeling is that it isn't bad. I
9 think the feedback on operating problems is pretty good, in
10 that in terms of the reviews of new plants that come up, that
11 a lot of that information is gleaned into the process.

12 Where I would be critical and depart a little bit
13 in the answer here is I think that a problem may be identified
14 at a given facility and we think it is a potential safety
15 problem, let's say, and the regions inform headquarters concern-
16 ing the problem and headquarters turns it over to NRR to look
17 at for the other operating reactors that are already licensed.
18 And NRR might take the position, well, we just have got so
19 many other things going, we will put this on the back burner
20 to be looked at two years from now.

21 *When*
21 ~~And the regions hear that, and to them we have~~
22 ~~flushed up an important problem. They don't have time to look~~
23 ~~at it right away, and it discourages, if you will, the approach.~~

24 As an example, we identified a problem a couple of
25 years ago at a facility, maybe even longer ago than that, about

1 a pressurized water reactor allowing purging of the contain-
2 ment while the plant was in operation. ~~And the company came~~
3 ~~back to us, and~~ ~~we~~ raised the issue with the company first.
4 The company came back and said, ^{they were} ~~say~~ we are discontinuing the
5 practice because ^{they} ~~we~~ realized under certain accident type
6 conditions this could be pretty bad.

7 We forwarded that ^{problem to HQ's} ~~thing~~ to be looked at generically.
8 That problem still hasn't got off the board. That is the type
9 of thing. Now, we have no control over that. Here we have
10 identified what we think is a pretty good issue. We are captive
11 of NRR in terms of their deciding what issues will get
12 priorities.

13 What we don't have is the capability to impact on
14 their priority system, ~~if you will~~.

15 Q Is there a method in I&E to exchange information
16 among inspectors of similar plants in different regions?

17 A No.

18 Q Would such a system be useful?

19 A The answer would be yes. But how practical it would
20 be I don't know. Let me give you an example. Back when there
21 were very few reactors, it used to be fairly common practice
22 for the inspectors to exchange inspection reports. They would
23 have time to read them. They could see them. They could see
24 what the other people were finding and compare notes that way.
25 They used to talk a lot.

1 The growth of the organization and the numbers of
2 facilities and the numbers of problem and so forth has put up
3 a barrier to accomplish that. The inspectors don't have time
4 to read other inspection reports now.

5 What we have attempted to do or the approach that
6 has evolved is one of trying to inform the industry, the
7 other regions, of people with common problems through notices,
8 circulars, the bulletin concept, which I think is a good
9 system, but which is not foolproof. I am sure that you
10 could go through all of the LERs that have been reported and
11 raise several that you think should have been the subject of
12 bulletins or circulars or information notices.

13 What I think is needed and what I support is the
14 concept of a centralized LER review program. I think that
15 the regions still need to ~~do their thing on~~ individual review
16 of LERs, but I think we need to have people who focus solely
17 on potential generic problems and get those into the system.

18 Now, if you want to talk about inspectors comparing
19 notes and so forth --

20 Q. Well, the type of thing I had in mind would be a
21 program where, say once a quarter, you brought together all
22 the inspectors that inspect B&W plants, either at one of the
23 regions or at some centralized location.

24 A. That might be practical when you got seven or
25 eight or nine B&W plants. But what do you do when you want

1 to talk about all the Westinghouse plants? And then, you see,
2 you have another problem. We talk about the B&W plants, but
3 there are probably, I daresay -- well, I won't say for sure.
4 There are differences between the B&W plants. Some of them
5 have different architect-engineers. These plants aren't
6 duplicates as you think of them that way. There are major
7 differences between the plants still, and what may be a
8 problem at one plant may not be at another plant.

9 You are not dealing with 100 percent duplication
10 here.

11 BY MR. FOLSOM:

12 Q Could it be the fact that there isn't a problem
13 at one plant and there is at another, that that would be a
14 basis for exchanging information? I don't have this problem
15 in Plants A and B in my district because of this design.
16 Would you consider in your district suggesting to your
17 licensee a change?

18 A Well, I would sooner take the approach that I
19 heard recommended by somebody, that says that when an LER
20 occurs at a given plant, that you require all of the other
21 licensees with that plant to address that LER in terms of the
22 need for corrective action. That makes more sense to me
23 than bringing the inspectors together and asking them to go
24 out and check on certain things.

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1 BY MR. HEBDON:

2 Q Wouldn't the answer from the other licensees be,
3 that can't happen here?

4 A Not necessarily. I don't know. I wouldn't infer
5 that from my experience.

6 Q Do you know of any other events that are precursors
7 of the accident that occurred at TMI?

8 A No.

9 Q Do you have any additional information that might
10 be relevant to our inquiry surrounding the accident at TMI?

11 A No. I ~~think~~ I guess I would comment that I've
12 heard complaints that the utility was a weak utility, perhaps
13 not relatively well prepared to deal with the problems they've
14 had and so forth. I don't know how true those statements are,
15 but I destroyed the myth that Three Mile Island or that
16 Metropolitan Edison was inferior to other utilities, and it
17 couldn't happen there. I would say that kind of problem
18 could have happened at a number of plants -- maybe not that
19 specific type thing, but the combination of equipment problems
20 and people problems and so forth.

21 I don't think, in other words, that comments that I've
22 heard that would rank Metropolitan Edison as a real loser in
23 the business are comments that should be taken seriously.
24 I think a lot of attention has focused on Davis-Besse and on
25 the adequacy of Toledo Edison Company. I would dare say that

mgc 15-2

1 if you looked into Sacramento Municipal Utility District,
2 if you looked into Florida Power Corporation, if you looked
3 into Arkansas, I think you would find the same problems that
4 existed at Davis-Besse.

5 Q And the same problems that existed at TMI?

6 A Pardon?

7 Q And the same problems that existed at TMI?

8 A Yes. I think so. I don't think you would find --
9 in other words, I am trying to say to you I don't think that
10 Davis-Besse is as poor a licensee as people have made it out
11 to be. I think we have surfaced a lot of problems at Davis-
12 Besse, and I think we have made a lot of these problems at
13 Davis-Besse. I think you will find the same number of personnel
14 errors and so forth exist at other facilities.

15 BY MR. FOLSOM:

16 Q If I gather the content of what you are just saying
17 is that if you've got a very well trained and critical
18 inspector group, you are going to turn up more operational
19 problems with a licensee.

20 A I think there is some truth in that.

21 Q And that might not necessarily be a criticism of
22 the licensee, as compared with other licensees in other
23 districts.

24 A Yes. You have the right context.

mgc 15-3 1 BY MR. HEBDON:

2 Q I've also heard an argument put forth that one of
3 the reasons that Davis-Besse had so many LERs, for example,
4 was that possibly they were a little bit more zealous in their
5 reporting of incidents than some other utilities might be.
6 And there is considerable variability in what needs to be
7 reported under an LER, and that Davis-Besse tended to be in
8 the direction of --

9 A There is some truth to that. And also -- I don't
10 want to make light of it. Every time you make a comment, it
11 sounds defensive, and I don't want to be in that posture.
12 If you take a look at the LERs reported by Davis-Besse, you
13 will find that about 10 percent of them are inadequacies of
14 performing surveillance tests.

15 ~~Well is that important? You bet your boots it is important.~~
16 ~~It is important.~~ I don't dismiss it, but it isn't the kind of
17 a problem that poses a threat to the public health and safety
18 either.

19 So I guess my feeling is that I watch the way -- let
20 me say it off the record.

21 (Discussion off the record.)

22 MR. HEBDON: Let's go back on the record.

23 MR. FOLSOM: I have no further questions.

24 MR. HEBDON: No, I don't have any more.

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BY MR. HEBDON:

Q Do you have any additional comments to add.

A Not that I can think of.

MR. HEBDON: Okay. That completes the interview.

Thank you very much.

(Whereupon, at 2:45 p.m., the interview was
concluded.)