UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

NOV 2 1979

MEMORANDUM FOR: Ronald L. Ballard, Chief
Environmental Projects Branch No. 1, DSE

FROM: Robert E. Jackson, Chief
Geosciences Branch, DSS

SUBJECT: REVIEW OF CONSTRUCTION DEWATERING FOR BAILLY PLANT - GEOTECHNICAL ENGINEERING ASPECTS

Your memorandum to me dated October 25, 1979, subject "Dewatering Monitoring at the Bailly Site" asked for our review of a NIPSCO report entitled "Supplementary Information, Hydrogeologic Evaluation of Construction Dewatering" which is dated August 27, 1979.

Because our previous branch reviewers on the Bailly plant are either dedicated to the SEP program or have transferred to NMSS, we plan to engage the U. S. Army Corps of Engineers to continue the work. We plan to ask them to include the Dewatering report in the material they are reviewing for us on the Bailly plant. We expect the review of this report will be complete by early spring, 1980.

Robert E. Jackson, Chief
Geosciences Branch
Division of Systems Safety

cc: J. Knight
W. Kreger
L. Hulman
R. Jackson
E. Heller
D. Lynch, LPM

MTG. ON BAILY

Vassallo, Varga, Rubenstein, Schroeder, Knight, Jackson, Lynch, Hellet, Hood: 10/12/79

Vassallo:

Schrob has called NRC (Case) and wants to talk to Denton on people. will D. Tu call out, so Schrob wants to talk to Case and Gossick.

Argument is that NRC has had documents for a "long time" and review schedule is not fast enough.

Lynch:

Sequence of Events leading to present situation.
"Solution for Redunification" is on the docket"

NIPSCO (Bohn's concern) by assigning to Corps, may lose lose schedule control and raise new issues. Schrob is taking over pushing the NRC to get job of review complete.

Vassallo wants Bailly done first (has priority in case of conflict between the Midland and Bailly.

Bailly: Dave will help in monitoring the contract.

10/23/79

| (Number, office symbol, room number, building, Agency/Post) | Initials | Date |
|---|---|---|
| 1. F. Schauer | | |
| 2. R. Jackson | | |
| 3. | | |
| 4. | | |
| 5. | | |

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|---|---|---|
| Action | File | Note and Return |
| Approval | For Clearance | Per Conversation |
| As Requested | For Correction | Prepare Reply |
| Circulate | For Your Information | See Me |
| Comment | Investigate | Signature |
| Coordination | Justify | |

REMARKS

Come to my office on Wed, 10/24, at 1:00 p.m. to discuss the attached. Let Jane know if this time is not convenient.

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

| FROM: (Name, org. symbol, Agency/Post) | Room No.—Bldg. |
|---|---|
| J. Knight | Phone No. |

5041-102

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

☆U.S.GPO:1978-0-261-647 3354

Knight — Pls look into this & take mat. 10/22

DRAFT
October 16, 1979

Dear Dr. Hendrie:

It is my duty as president of NIPSCO to ask you to remedy the NRC's Staff's prolonged failure to assign the resources needed to complete its review of the pile foundations of the Bailly Generating Station, Nuclear-1.

I deeply regret having to write this letter. However, I have concluded that no alternative remains open to this Company which is being grieviously harmed by the continued lengthy stoppage in construction resulting from the Staff's failure to complete its review.

Under normal circumstances, I would not burden the Chairman of the Commission with a complaint concerning the Staff's allocation of its resources. However, in this instance the past and potential future harm to the Company is so extensive and the Staff's performance is so deficient that your attention is mandatory. Moreover, the situati n has been exacerbated because both we and the Commissioners have been lulled into believing that the Staff's review was continuing and nearing completion when it appears that, in fact, no such review was taking place. We realize these are serious allegations but, as summarized below, they are substantiated by the chronology of events.

You are aware, I know, that in accordance with the Bailly construction permit NIPSCO has submitted to the Staff information to enable the Staff to follow the developing design

of the foundations for the facility. I shall not detail the entire history of exchanges between NIPSCO and the Staff, but direct your attention to the period since March 1978 when NIPSCO submitted the so-called "shorter piles" proposal on which Staff review remains incomplete. From the time of that submittal until as recently as August 1979, NIPSCO has responded to Staff inquiries in what we believe is a responsible manner and on a timely basis.

When the Commission itself inquired as to the status of the review, the Staff responded on January 10, 1979, that it planned "as expeditious a review of the December 4th report [submitted by NIPSCO] as possible in order to complete its overall review of NIPSCO's March 8, 1978, proposal." The Staff expressed the "hope" that its "initial review" would be completed by late January or early February 1979, but stated that problems of personnel availability made "the schedule for completion of the review difficult to establish."

In fact, the next formal communication to NIPSCO from the Staff on this subject came more than five months later in the form of a letter of June 28, 1979, requesting additional information on three limited subjects: the "soft spots," pile load tests, and sheeting and bracing.

Meanwhile, as you know, on June 8 the Commission had requested the Advisory Committee on Reactor Safeguards to promptly address several questions concerning the Bailly foundation. The Staff orally advised the ACRS on July 9 and 12 that the Staff's

review had not been completed although it had concluded that the proposal has "considerable merit" and the Staff told the ACRS of its June 28 request for information on three limited subjects.

On July 10, the Staff advised the Commission of its June 28 letter to NIPSCO and stated that it was "awaiting NIPSCO's response to [those] information requests . . . before concluding its review."

A reasonable man would infer from the foregoing that the Staff's review was continuing, had substantially narrowed the remaining matters under consideration, and conceivably was nearing completion.

In fact, during this period the Staff explicitly advised the Commission, the Congress, and the world at large that the pile foundations at Bailly were being reviewed as a matter of priority even in the post-TMI reallocation of resources. We are aware of several instances in which representations were made to that effect; we suspect there were many. For example, the May 21, 1979, Staff briefing of the Commission outlined the priorities for "casework" and identified the "Bailly foundation" as a priority construction permit matter having "special review considerations." Mr. Gossick's letter of July 12, 1979, to Senator Russell Long contains the same identification of Bailly.

It is little wonder that the Company believed that the Staff's review was nearing completion.

And now, unbelievably, more than eighteen months after our proposal was submitted, we have been informed orally by the

Staff that, notwithstanding all of the information it has sought and obtained, notwithstanding the views it has expressed to the Commission and the ACRS, notwithstanding its periodic reports on the priority and status of its review, the Staff not only has not completed its review but it cannot do the review at all. Instead it proposes to retain the Corps of Engineers to commence now the review of the piles foundation. We have been told that the Staff "foresees" completion of the Corps' review by late March 1980; no estimate is given for the Staff's review of the Corps' report.

We are well aware that heavy competing demands are currently imposed upon the Staff's overburdened manpower resources. However, we must conclude that, in light of the circumstances we have described, the Staff's intention to abdicate its responsibility to complete the review of the Bailly piles foundation after eighteen months is unacceptable.

I urge you to take immediate, effective, and continuing steps to insure that review of the Bailly piles proposal is completed as soon as possible.

Yours very truly,

Edmund A. Schroer