

1 UNITED STATES OF AMERICA
2 NUCLEAR REGULATORY COMMISSION
3

4 INVESTIGATION OF
5 DIABLO CANYON UNITS 1 & 2
6 INTERVIEW OF
7 EDWIN R. KAHLER
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11 Pacific Gas & Electric
12 Headquarters Offices
13 Law Department Conference
14 Room
15 77 Beale Street
16 San Francisco, California

17 Friday,
18 December 18, 1981

19 The above-entitled matter came on for hearing,
20 pursuant to notice, at 3:43 p.m.

21 APPEARANCES:

22 On behalf of the NRC Staff:

23 OWEN C. SHACKLETON, JR., Moderator
24 B. H. FAULKENBERRY
25

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ERRATA SHEET

Interview of Edwin R. Kahler, December 18, 1981

The following corrections should be made:

- Page 372, Line 4 - Change met the to met with.
- Page 372, Line 4 - Change Chin to Chen.
- Page 375, Line 17 - Change the period following report to a question mark.

The above corrections were identified by Owen C. Shackleton, Jr.

P R O C E E D I N G S

(3:43 p.m.)

MR. SHACKLETON: On the record. This is December 18, 1981 and the time is 3:43 p.m.

This is an interview of Mr. Edwin R. Kahler. Mr. Kahler is a senior quality engineer for the Pacific Gas and Electric Company.

This interview is taking place in Room 3101 of the corporate headquarters of Pacific Gas and Electric Company located at 77 Beale Street, San Francisco, California.

The purpose of this interview with Mr. Kahler is part of the investigation being conducted by the U. S. Nuclear Regulatory Commission to develop the facts and happenings surrounding the present reverification program of the seismic design of the Diablo Canyon nuclear power plant. In addition to Mr. Kahler being present, from the Nuclear Regulatory Commission, Region Five, the questioning will be done by Mr. Bobby H. Faulkenberry, chief of reactor construction, project branch. My name is Owen C. Shackleton, Jr. I am a senior investigator.

Mr. Kahler, prior to our going on transcription, I advised you of your right to have personal legal counsel present. Do you so waive that right?

MR. KAHLER: I waive that right.

MR. SHACKLETON: Thank you, sir. At this time,

1 would you please rise for the oath?

2 Whereupon,

3 EDWIN R. KAHLER

4 having been first duly sworn, was called as a witness herein,
5 and was examined and testified as follows.

6 MR. SHACKLETON: Mr. Kahler, I'd also like to advise
7 you on behalf of the Commission we're asking that you please
8 keep your testimony confidential and to yourself.

9 MR. KAHLER: Will do.

10 MR. SHACKLETON: Thank you. Now I'll turn the
11 questioning over to Mr. Faulkenberry.

12 MR. FAULKENBERRY: Mr. Kahler, what is your current
13 job title and a brief summary of your job responsibilities
14 for PG&E?

15 MR. KAHLER: I'm a senior quality engineer with the
16 engineering quality control department. It's a sub department
17 of the engineering department. We basically -- or my group is
18 basically responsible for auditing the engineering department
19 for compliance to the engineering manual which is the engineering
20 department implementation of the corporate quality assurance
21 manual.

22 MR. FAULKENBERRY: Mr. Kahler, from September through
23 November of 1981, have you had any involvement with the work
24 that has been performed by Dr. Cloud regarding the seismic
25 reverification of Diablo Canyon?

1 MR. KAHLER: Involvement? You mean --

2 MR. FAULKENBERRY: Yes --

3 MR. KAHLER: I have reviewed one draft report. I
4 have met the Pao Chin who is the project engineer. That's
5 about all our involvement. Well, there's more than that. One
6 of my personnel is assigned to accompany the Reedy Q.A. group
7 when they go to consultants as the PG&E interface between
8 Reedy and the consultant.

9 MR. FAULKENBERRY: Mr. Kahler, it's been determined
10 that four separate draft reports of Dr. Cloud's work were
11 submitted to PG&E. These draft reports were submitted to
12 PG&E on the approximate dates of October the 21st, October the
13 26th, November the 6th, and November the 12th, 1981. Did you
14 receive any of these draft copies?

15 MR. KAHLER: I commented on the one that's dated,
16 I believe, November 6th on the front, it's crossed out and
17 marked in 12.

18 MR. FAULKENBERRY: Okay. For the record, Mr.
19 Kahler is referencing our report, entitled "Preliminary
20 Report, Seismic Reverification Program" dated November the
21 6th, 1981, and it was transmitted under a transmittal note
22 from G. E. Raiston to Jim Rocca dated November 10th, 1981.
23 Did you review and comment on the material contained within
24 this report?

25 MR. KAHLER: Yes, I did.

1 MR. FAULKENBERRY: Would you tell us who within
2 PG&E asked you to review and comment on this material?

3 MR. KAHLER: I believe the report was sent to us as
4 a copy for comment -- I'm not sure of the transmittal process,
5 but there was a cover letter on this and we were sent a copy
6 of the cover letter with the report. The copy was actually
7 sent to Jack Kilian, who is my immediate supervisor, and he
8 asked me to comment on it.

9 MR. SHACKLETON: Excuse me, but could you spell your
10 supervisor's name for the record?

11 MR. KAHLER: Jack Kilian, K-i-l-i-a-n.

12 MR. SHACKLETON: Thank you.

13 MR. FAULKENBERRY: Mr. Kahler, referencing this
14 report that we are discussing, there is a sheet attached to
15 the report with a handwritten note entitled "Cloud Report" and
16 there are some initials on it.

17 MR. KAHLER: Those are my initials.

18 MR. FAULKENBERRY: Is this the comment that you made?

19 MR. KAHLER: Yes.

20 MR. FAULKENBERRY: And submitted. And for the
21 record I read, the comment states, "The writing style was
22 awkward and unpolished. Statements are made that show PG&E
23 in the worst light when the same thing could be said without
24 the emphasis. Some places statements are made with qualifica-
25 tions and then stated some place else without the qualification

1 which out of context looks pretty bad." Mr. Kahler, could
2 you address that comment, and give us your intent and the basis
3 for that comment?

4 MR. KAHLER: Well, if you go through the report,
5 you will see notes in the margin. Some of them are my
6 comments. The -- as I stated, I feel the report is awkwardly
7 written and unpolished. Could we stop for a moment and go
8 off the record? I've got to collect my thoughts.

9 MR. SHACKLETON: We'll go off the record at this
10 time to give Mr. Kahler time to go through the report. The
11 time is now 3:50 p.m.

12 (Whereupon, a brief recess was taken, and the
13 record was played back.)

14 MR. SHACKLETON: We are now back on the record. The
15 time is 3:58 p.m. Please continue, Mr. Kahler, and provide
16 your comments concerning the subject report.

17 MR. KAHLER: In a number of instances, for example
18 -- as far as the style of writing, the same exact sentences
19 are used in the introduction of the report, in the body of
20 the report, in the summary of the report and in the conclusion
21 of the report. It's just an awkward style of writing. As far
22 as showing the statements that show PG&E in the worst light,
23 I was looking at this, that the report should be neutral. Some
24 of the statements that are made here, I believe could easily
25 be taken out of context. For example, on page 23 of the

1 report, paragraph 3.3.2.3, they're discussing the intake
2 structure and they get into -- the title of the paragraph
3 is "Design information from PG&E to equipment suppliers and
4 qualifiers." "Conclusion is no information was found to be
5 given to equipment suppliers." However, on the next page
6 they state that the only structure in the containment that
7 is Class 1 is the auxiliary saltwater pump and it was qualified
8 by PG&E. Therefore, there wouldn't have been any transmittals.
9 That's the type of thing that I was talking about, something
10 that could be easily taken out of context just as a paragraph.
11 There's a paragraph from the report. It looks very damaging
12 when in fact it's supported some place else as being of no
13 value.

14 MR. FAULKENBERRY: Okay, thank you, Mr. Kahler.
15 Mr. Kahler, did -- have you seen the final draft report of
16 Dr. Cloud's which we identify as the November the 12th, 1981
17 report. This is the report that was submitted to the NRC.
18 Have you seen a copy of that?

19 MR. KAHLER: I don't believe I have.

20 MR. FAULKENBERRY: Do you have knowledge of whether
21 or not the comments that you made on the November the 6th
22 draft were ever incorporated into the November the 12th draft?

23 MR. KAHLER: No, I do not. My comments were made
24 on this report for Mr. Rocca as benefit as what I felt was in
25 the report. And that's -- my comments were not intended to

1 go to Cloud. They were intended for Mr. Rocca to review.

2 MR. FAULKENBERRY: So you submitted your comments
3 to Mr. Rocca?

4 MR. KAHLER: Yes.

5 MR. FAULKENBERRY: Do you know if Mr. Rocca in turn
6 submitted them to Dr. Cloud or not?

7 MR. KAHLER: No, I don't.

8 MR. FAULKENBERRY: From your standpoint, during the
9 time frame from October through November of 1981, was it
10 considered by you to be standard practice or standard proce-
11 dure within PG&E to review and comment on results of a con-
12 tractor's work prior to the results being placed in a final
13 report?

14 MR. KAHLER: During that time frame?

15 MR. FAULKENBERRY: That time frame. Let's address
16 that time frame first. Yes.

17 MR. KAHLER: I believe normally when we let out a
18 contract for them to provide a report that we review prelimi-
19 nary reports before they're published as final.

20 MR. FAULKENBERRY: Are you saying that is consistent
21 with your understanding with regard to Dr. Cloud's work as well
22 as any other consultant's work?

23 MR. KAHLER: I'm not sure about Dr. Cloud's work.
24 I was only aware of the one draft on it.

25 MR. FAULKENBERRY: So you're primarily addressing

1 other consultants?

2 MR. KAHLER: Yes. Not necessarily Dr. Cloud's
3 report.

4 MR. FAULKENBERRY: Now, is this policy and pro-
5 cedure that you've just described, was that standard policy
6 and procedure in effect prior to October of 1981?

7 MR. KAHLER: I'm not certain. The only thing I
8 can give you an example is our specifications. We generally
9 ask for preliminary drawings and data before they're finalized
10 for our review. I really can't address reports from design
11 type consultants.

12 MR. FAULKENBERRY: Maybe to rephrase the question
13 in a little bit different way, Mr. Kahler, did that seem to
14 be out of the ordinary to you when this result of Dr. Cloud's
15 work was submitted to you for review and comment?

16 MR. KAHLER: No.

17 MR. FAULKENBERRY: Did you submit any of your
18 comments directly to Dr. Cloud or did all of them go back
19 to Mr. Rocca?

20 MR. KAHLER: All of our comments went to Mr. Rocca.

21 MR. FAULKENBERRY: At the time you reviewed and
22 commented on this draft report, had you ever been made aware
23 by people within PG&E, by people within the NRC, or others
24 that the results of Dr. Cloud's work should not be reviewed
25 by PG&E prior to it being submitted to the NRC?

1 MR. KAHLER: I'm not aware of any requirement as of
2 the time frame that this report was out. That we made these
3 comments. I know there was some comment -- or some concern
4 as to what did independent really mean. But at that point I
5 don't believe there was any formal -- anything formal from the
6 NRC or internally that really described how Dr. Cloud was
7 going to be -- in what capacity he was really going to be
8 acting in, and I'm not sure we had direction at that time as
9 to how to treat that.

10 MR. FAULKENBERRY: All right. Has any direction
11 been provided since that time, and I'm referencing the time
12 you actually received that report and commented on it. Has
13 any direction been given to you with regard to how you should
14 handle Dr. Cloud's results of his work?

15 MR. KAHLER: Well, since the November 19th order of
16 suspension, I believe at that point everybody pretty much
17 considered that he was completely independent, and that we
18 would not comment on any of his work. Just assist him in
19 whatever way we can.

20 MR. FAULKENBERRY: Were any of the comments that
21 you provided to Mr. Rocca for submittal to Dr. Cloud, were
22 they intended by you only for the purpose of removing adverse
23 information?

24 MR. KAHLER: I wouldn't say it was to remove
25 adverse information. I think we are aware that a writing

1 style can convey an attitude or emotion. At best, I would
2 like to see at least a neutral type of emotion. The way I read
3 the report it would -- it was more of an adverse -- to PG&E.

4 MR. FAULKENBERRY: Were any of the comments that
5 you provided to Mr. Rocca intended by you to place PG&E and
6 its contractors in a more favorable light?

7 MR. KAHLER: I would probably have to answer yes to
8 that. I would -- at least in a neutral light, rather than an
9 adverse one.

10 MR. FAULKENBERRY: Maybe it would help to clarify
11 your statements to those previous questions if I asked you,
12 could you tell us in your own words, what was the intent of
13 the comments that you provided to Mr. Rocca?

14 MR. KAHLER: The intent was to try to get a more
15 concise, better written report that aimed at best at neutrality.
16 To try to get out what I thought were some statements like
17 the one I pointed out previously, the type of thing that could
18 be easily taken out of context and appears to be a complete
19 statement in itself when it fact it isn't. That was the main
20 emphasis of my comments.

21 MR. FAULKENBERRY: Mr. Kahler, to the best of your
22 knowledge, does PG&E have a policy, written or otherwise,
23 of not volunteering information to the NRC unless it's
24 specifically asked for by members of the NRC?

25 MR. KAHLER: I don't believe so. At least I'm not

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1 aware of any policy. I think we have tried to demonstrate
2 in the past, and for example, when you were here in October,
3 that we tried every way we could to find the information that
4 you requested.

5 MR. FAULKENBERRY: Mr. Kahler, do you know of any
6 effort that has been made by any employee of PG&E, including
7 yourself, to revise the results of Dr. Cloud's work such that
8 it is not a true reflection, and a complete reflection and
9 an accurate reflection of Dr. Cloud's findings?

10 MR. KAHLER: Could you repeat -- I missed the first
11 of that. Could you repeat it?

12 MR. FAULKENBERRY: Okay, I'll repeat the question.
13 Do you know of any effort that has been made by any
14 employee of PG&E, including yourself, to revise the results
15 of Dr. Cloud's work such that it does not reflect a true, a
16 complete and an accurate record of his findings?

17 MR. KAHLER: No, I'm not aware of any effort at all
18 to try to revise Dr. Cloud's findings. As a matter of fact,
19 I think the department has been trying to do their best to
20 get a true and accurate picture of our work.

21 MR. FAULKENBERRY: Thank you, Mr. Kahler. That's
22 all the questions that I have for you. Owen, do you have
23 anything to add?

24 MR. SHACKLETON: Thank you, Mr. Kahler. For the
25 record purposes, how long have you been employed by Pacific

1 Gas and Electric? Just roughly.

2 MR. KAHLER: I've been employed -- eight years.

3 MR. SHACKLETON: Is there anything further you would
4 like to say regarding the questions that have been asked this
5 afternoon.

6 MR. KAHLER: I can't think of anything, no.

7 MR. SHACKLETON: All right. We thank you very much
8 for sitting down and going over this subject with us and
9 helping us in this investigation.

10 We'll now go off the record. The time is 4:10 p.m.

11 (End of interview.)

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