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NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Board

OFFICE OF SECRETARY
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BRANCH

In the Matter of)	Docket Nos. 50-424-OLA-3
)	50-425-OLA-3
GEORGIA POWER COMPANY,)	
et al.)	Re: License Amendment
)	(Transfer to Southern
(Vogtle Electric Generating)	Nuclear)
Plant, Units 1 and 2))	
)	ASLBP No. 93-671-01-OLA-3

GEORGIA POWER COMPANY'S RESPONSE TO
THE BOARD'S QUESTIONS CONCERNING
THE ILLEGAL LICENSE TRANSFER ISSUE

Georgia Power Company ("GPC") hereby provides its responses to questions which the Licensing Board posed in its Memorandum and Order (Good Cause for Illegal Transfer Discovery; Board Concerns), LBP-94-16, 39 N.R.C. 257 (May 25, 1994).

The Board's May 25 Order stated:

In reviewing the record to this date, the Board has determined that there are several issues that should be addressed in order for us to have an adequate record on the illegal transfer issue. We expect the parties to introduce appropriate documentation and testimony at the hearing to ensure that these issues are adequately addressed, and we expect witnesses that are called to be prepared to answer our relevant questions on these issues.

39 N.R.C. at 265. The Board's Order then listed six questions which it determined to be necessary for an adequate record. Id. at 265-66.

Although the Board's Order contemplated that answers to these questions would be provided at the hearing, GPC is

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providing responses at this time in support of Georgia Power Company's Motion for Summary Disposition on Intervenor's Illegal Transfer of Licenses Allegation, dated August 24, 1994, ("GPC's Motion"), in the hope that a hearing on the illegal license transfer allegation can be avoided.

I. DISCUSSION.

Question No. 1.

What nonnuclear responsibilities, if any, were assigned to SONOPCO? For any responsibilities that could affect safety at the Vogtle plant, directly or indirectly, how were those responsibilities defined?

The "SONOPCO Project," also referred to as Phase I of the formation of Southern Nuclear Operating Company ("Southern Nuclear"), was in effect from 1988 through 1990. See GPC's Motion at 9-10. During this phase, GPC received support services in connection with Plant Vogtle principally from Southern Company Services, Inc. ("SCS") pursuant to a January 1, 1984 services agreement between GPC and SCS. The Project was essentially a physical consolidation of personnel employed by GPC in the former Nuclear Operations office in Atlanta and personnel employed by SCS in Birmingham into common offices in Birmingham, with some changes in employment (e.g., some GPC employees were not selected or declined to move to Birmingham; some SCS employees became GPC employees). SCS continued to perform selected support services "off-Project," such as special engineering projects. GPC's nuclear operations officers did not change. The Project did not

have "nonnuclear responsibilities" in the sense of traditional utility activities unrelated to plants Vogtle, Farley and Hatch, such as transmission and distribution, wholesale or resale power sales, and new base load plant construction. However, the Project included support services relatively remote from activities which could affect safety at the Vogtle plant, such as accounting, corporate office security, public information, and records management.

In addition to the 1984 SCS - GPC services agreement, on April 24, 1989, Mr. McDonald, then GPC Executive Vice President, sent a letter to Mr. Allen Franklin, then President of SCS, to formalize an agreement that SCS provide certain individuals (Messrs. McCrary, Long, Meier and Farley) to perform certain tasks in a support role to GPC's operation of plants Hatch and Vogtle. See Affidavit of W. George Hairston, III, in support of GPC's Motion ("Hairston Aff."), at ¶ 16. GPC has traditionally received other support services in connection with Plant Vogtle from non-affiliated companies, including Westinghouse Electric Corporation, the nuclear steam supply system vendor, and Bechtel Power Corporation, the architect-engineer.^{1/}

"Nonnuclear responsibilities" in the sense of non-operating services, i.e., support services, provided by non-GPC personnel

^{1/} GPC has previously provided the Board with information concerning the Phase I and Phase II organizations. See, e.g., Georgia Power Company's Brief in Response to the Board's January 15, 1993 Request for Information and Briefs, dated February 4, 1993 ("GPC's Feb. 4, 1993 Brief"), at 2-11.

working within the SONOPCO Project are described in the April 24, 1989 letter agreement between GPC and SCS, described above. See Hairston Aff., Exhibit B. The support services in connection with Plant Vogtle provided by GPC personnel working within the SONOPCO Project included engineering support, licensing support, maintenance support, and quality assurance (performed by the Safety Audit and Engineering Review group). Other than the April 24, 1989 letter agreement between SCS and GPC, these support services responsibilities were defined by way of organization charts, job descriptions of personnel assigned to the Project and day-to-day oversight and tasking by GPC officers (e.g. Mr. McCoy). With the incorporation of Southern Nuclear in December, 1990, these GPC officers also became officers of Southern Nuclear, and SCS and GPC corporate office employees were transferred to Southern Nuclear effective January 1, 1991.

Question No. 2.

What organizational units or executive personnel of Georgia Power had any form of oversight activity (including management control, audits, investigation, personnel, quality assurance or control, or root cause assessments) with respect to SONOPCO? What were those activities for each unit or executive person? What is the approximate total time spent on these activities by each unit or person?

Within the SONOPCO Project organization (see response to Question No. 1 above) the following GPC personnel performed work, including oversight activity, in connection with Plant Vogtle: the entire Plant Vogtle site management up through and including the General Manager; and the corporate line management above the

Plant Vogtle General Manager (i.e., the Vice President, the Senior Vice President and the Executive Vice President (Mr. McCoy, Mr. Hairston and Mr. McDonald, respectively)). The corporate office Vogtle Project staff provided support services for the plant, including engineering support, licensing support, maintenance support and Safety Audit and Engineering Review ("QA"). Outside of the SONOPCO Project, oversight existed in the CEO of GPC (who, as of December 1988, was also the President of GPC) and ultimately the Board of Directors of GPC. The GPC CEO had management control over the GPC Executive Vice President working within the SONOPCO Project. See GPC's Motion at 11-13. During the 1988 to 1990 time frame of the SONOPCO Project, the GPC CEO had Mr. McDonald reporting directly to him, "a pretty close relationship." He also exercised management oversight through GPC's Management Council (GPC executive officers), and periodic reports by Mr. McDonald to the Board of Directors, as Mr. Dahlberg explained in his June 10, 1994 deposition ("Dahlberg June 10 Dep.") in this case at 131-132. He also obtained, on a consistent basis, information from Mr. McDonald concerning operational activities, problems, outage performance, NRC and INPO ratings and budget performance -- things that were relevant to the overall operation of the plant (Dahlberg June 10 Dep. at 41-42). A Nuclear Operating Oversight Committee of the GPC Board also reviewed the safety performance of the plant (Dahlberg June 10 Dep. at 111-112).

Question No. 3.

Did SONOPCO as an entity, or any of its personnel that were not employed by Georgia Power, ever make decisions or recommendations concerning personnel actions to be made by Georgia Power? Please detail.

In addition to the information provided in the response to Question No. 1, above, the Southern Nuclear Operating Company was not incorporated until December 17, 1990. See GPC's Motion, Stip. 19. Therefore, the SONOPCO Project during the 1988 through 1990 time frame did not make actual decisions or recommendations. Rather, the individual officers and employees working within the SONOPCO Project made decisions and recommendations on behalf of the companies with which they were employed. Non-GPC personnel working within the SONOPCO Project did not make decisions concerning personnel actions to be made by GPC. However, SCS personnel, including Mr. Farley and Mr. McCrary, and those Administrative Services personnel working under Mr. McCrary, did make recommendations from time to time concerning personnel actions to be taken by GPC. For example, Mr. Farley made a recommendation to Mr. McDonald concerning the selection of Mr. McCoy for an officer's position within the SONOPCO Project. However, all decisions concerning the election of GPC officers were made by the GPC Board of Directors. See GPC's Motion at 17-18. SCS personnel working within the SONOPCO Project under Mr. McCrary also made recommendations to GPC employees working within the SONOPCO Project in connection with employee placement and development, compensation and benefits, equal opportunity,

labor relations and employee information systems, concerning GPC employees at Plant Vogtle. These support services were provided pursuant to the January 1, 1984 services agreement between GPC and SCS, as described in the April 24, 1989 letter of agreement attached as Exhibit B to the Hairston Affidavit.

Question No. 4.

Did any non-Georgia Power personnel of SONOPCO ever have operating responsibilities at Vogtle? What were those responsibilities? For each such exercise of responsibility, was there always a Georgia Power person supervising the performance of the operating responsibility? What is the source of information for the answers to this question?

Non-GPC personnel working within the SONOPCO Project did not have operating responsibilities at Vogtle. There was, however, an 11-day period when the individual who was acting as the Plant Vogtle General Manager was not a GPC employee. On October 15, 1990, Mr. William Shipman, a GPC employee working in the corporate office, was transferred to Plant Vogtle as the acting General Manager, to temporarily fill the position formerly held by George Bockhold, until a permanent replacement was selected. On January 1, 1991 (and after Southern Nuclear Operating Company was incorporated), Phase II of the formation of Southern Nuclear began and corporate office personnel working within the SONOPCO Project were transferred wholesale into the newly incorporated Southern Nuclear; Plant Vogtle site personnel remained GPC employees. See GPC Motion at 9-10.

As a result, while serving as the acting Plant Vogtle

General Manager, Mr. Shipman was automatically transferred from GPC to Southern Nuclear on January 1, 1991, along with the other corporate office personnel. On January 12, 1991, Mr. Shipman was selected to be the permanent replacement for Mr. Bockhold and was transferred from Southern Nuclear back to GPC as the Plant Vogtle General Manager.

During the 11-day period when Mr. Shipman was acting as the Plant Vogtle General Manager and was not a GPC employee, he reported directly to the GPC Vice President of Plant Vogtle, Mr. Ken McCoy. The foregoing information is based on personnel records.

Question No. 5.

Who first called Mr. Dahlberg about the site area emergency? What SONOPCO non-Georgia Power personnel called Mr. Dahlberg at any time concerning the site area emergency. What was discussed? How were the people who called Mr. Dahlberg supervised?

Mr. Dahlberg was questioned about who contacted him about the site area emergency during his April 6, 1994 deposition ("Dahlberg April 6 Dep.") in this case. Mr. Dahlberg recalled that GPC management first contacted him by telephone to inform him about the event, but he did not recall who specifically called him. Dahlberg April 6 Dep. at 45. Mr. McCoy, who was asked during his April 6, 1994 deposition ("McCoy Dep.") about who he contacted concerning the site area emergency, recalled that he spoke to Mr. Dahlberg a number of times on the day of the event. McCoy Dep. at 37-38.

At the time of the event, Mr. McDonald was out of town and GPC believes that either Mr. Hairston or Mr. McCoy would have first contacted Mr. Dahlberg. Mr. Dahlberg does not recall which SONOPCO Project non-GPC personnel may have spoken with him about the site area emergency. He believes, however, that he would have discussed the event sometime with individuals in GPC's public relations department and with SONOPCO Project personnel ("nuclear operating personnel"), although he does not recall any specific discussions. Dahlberg April 6 Deposition at 46.

Question No. 6.

What, if anything, has Georgia Power done to assure itself that SONOPCO has not exercised safety functions for which Georgia Power is responsible? Similarly, what, if anything, has Georgia Power done to assure itself that SONOPCO has not improperly pressured Georgia Power personnel in the performance of their safety responsibilities. Please document whatever studies, inquiries, or reports, of any kind, were done by way of assurance.

GPC has assured itself through the GPC management structure, described in GPC's Motion at 11-13, that no entity (other than GPC) exercised safety functions for which GPC was responsible, and that no entity improperly pressured GPC personnel in the performance of their safety responsibilities. As part of the SONOPCO Project structure, Shared Employment Agreements were executed by Mr. McDonald (then Executive Vice President of GPC and Executive Vice President of Alabama Power Company ("APC")) and Mr. Hairston (then Senior Vice President of GPC and Senior Vice President of APC). Those Shared Employment Agreements

provided that Messrs. McDonald and Hairston, individually, "shall devote his time, attention and energies in the performance of the duties designated by GPC, and will, during such time, be under the sole supervision, direction and control of GPC." GPC's Motion at 12.

During Phase I of the formation of Southern Nuclear, GPC performed safety analyses and submitted to the NRC an amendment and an update to the Plant Vogtle Final Safety Analysis Report which assured that changes to the organization were in compliance with NRC regulations.^{2/} See Stipulations Nos. 13, 17 and 18.^{3/} In addition, in December, 1988, the NRC conducted an inspection of the GPC corporate offices in Birmingham to review areas of corporate organization, responsibilities and functions; thereafter the NRC issued an inspection report. See Stipulation Nos. 14 and 15. Also, on May 15, 1989, GPC's Mr. Fred Williams provided a response to an inquiry by Oglethorpe Power Corporation, documented in an April 26, 1989 memorandum from Mr. Hobby, about GPC's organizational structure. See Stipulation Nos. 35 and 37.

^{2/} A discussion of the NRC requirements respecting the FSAR, the application of those requirements to the GPC organizational changes affecting Plant Vogtle, and NRC's practice of permitting similar organizational changes is included in GPC's Feb. 4, 1993 Brief at 11-19.

^{3/} The "Stipulations" referred to herein are those that were transmitted to the Board by letter from John Lamberski, dated August 1, 1994.

Respectfully submitted,



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Dated: August 24, 1994

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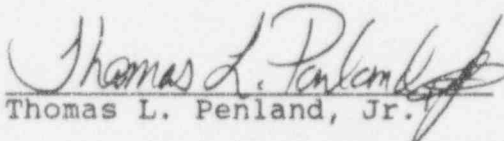
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) ASLBP No. 93-671-01-OLA-3

OFFICE OF SECRETARY
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CERTIFICATE OF SERVICE

I hereby certify that copies of "Georgia Power Company's Response to the Board's Questions Concerning the Illegal License Transfer Issue," dated August 24, 1994, were served by deposit with an express mail delivery service upon the persons listed on the attached service list, this 24th day of August, 1994.


Thomas L. Penland, Jr.

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

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Generating Plant,
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