

JUL 10 1984

MEMORANDUM FOR: J. Zerbe, Director
Office of Policy Evaluation

FROM: Darrell G. Eisenhut, Director
Division of Licensing
Office of Nuclear Reactor Regulation

SUBJECT: REVIEW OF JUNE 24, 1984 PHILDELPHIA
ENQUIRER ARTICLE BY STEVE STECKLOW

We have reviewed the subject article as requested in Commissioner Bernthal's June*26 memorandum to you. The enclosure identifies statements made in the article which we have determined are sufficiently inaccurate or incomplete to warrant comment.

Original signed by
Darrell G. Eisenhut

Darrell G. Eisenhut, Director
Division of Licensing
Office of Nuclear Reactor Regulation

Enclosure: As Stated

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*See previous concurrence

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STAFF COMMENTS ON JUNE 24, 1984 PHILADELPHIA ENQUIRER ARTICLE BY STEVE STECKLOWSTATEMENT:

PALO VERDE: That test is also supposed to verify the adequacy of repairs made to another safety component that was damaged during the testing last summer, the control - rod drive assembly.

STAFF RESPONSE:

That test....summer, the control element shroud assembly.

STATEMENT:

PALO VERDE: A valve in the high-pressure safety injection system had been adjusted improperly. The valve controls the flow of water into the reactor during emergencies, it had been set so that the valve could only be partially opened.

STAFF RESPONSE:

A valve manual operator in the high-pressure safety injection system had been disconnected. The valve....so that the valve was only partially opened.

STATEMENT:

NINE MILE POINT-2 - Near Oswego, N.Y. , Owner: Niagara Mohawk Power Corp. Since April 1983, the plant has been fined \$180,000 by the NRC for dozens of quality control violations. The violations included falsifying quality control records to cover up the fact that unqualified inspectors had performed inspection of safety-related electrical equipment.

STAFF RESPONSE:

Actually Niagara Mohawk has been fined \$200,000 for violations at Unit 2 since April 1983. On April 26, 1983 NMPC was fined \$100,000 for use of trainees at Nine Mile Point 2 to inspect and accept numerous safety-related electrical installations and falsification of records in which certified inspectors signed inspection reports stating they had performed inspections which had actually been performed by trainees.

On March 20, 1984 NMPC was fined a total of \$180,000 of which \$80,000 was for two Nine Mile Point Unit 1 violations: (1) leaving open a 3/4 inch isolation valve during power operation and (2) failure to perform surveillance tests required by technical specifications. Nine Mile Point Unit 2 received a \$100,000 fine concurrently for "major deficiencies in the plant quality assurance program."

STATEMENT:

WHOOPS-2 - Hanford, Washington, Owner: Washington Public Power Supply System. This plant, the only one of the ill-fated "Whoops" project to be completed has had massive cost overruns and delays due to defective work performed by the contractor much of which had to be completely redone. Four other units in the project have been scrapped or delayed indefinitely.

STAFF RESPONSE:

There are basically two inaccuracies in the above statement. The plant designation is WPPSS-2 for Project 2. There was not one, but five WPPSS projects. Also, it is incorrect to state that the other four projects have been scrapped or cancelled. The last added projects, WPPSS-4 and WPPSS-5, have been cancelled. However WPPSS-1 has been scheduled for construction restart in July, 1986 and WPPSS-3 has been scheduled for construction restart in July 1985. Also, for perspective, using total cost per KW of generating capacity, WPPSS-2 (at less than \$3000/KW) is less expensive than the 10 highest cost/KW plants in the group of plants still under construction. (See June 14, 1984 Nucleonics Week)

STATEMENT:

BYRON-1 - Near Rockford, Ill., Owner: Commonwealth Edison Co. In January the NRC's Atomic Safety and Licensing Board flatly refused to license the completed \$3.35 billion plant because of failures in the plant's quality control program.

STAFF RESPONSE:

It took Commonwealth Edison approximately 2 years to complete a recertification program on several of its contractor's QC inspectors. This program had not been completed when the ASLB issued its decision. Since the quality of construction was indeterminate to the ASLB at the time it issued its decision, the license was denied.

STATEMENT:

MARBLE HILL - Near Madison Ind., Owner: Public Service of Indiana. This two-unit project nearly half built was scrapped last year after years of serious construction problems and NRC ordered work.

STAFF RESPONSE:

While previous delays during construction may have significantly increased the cost of the plant, there were no QA deficiencies pending at the time the plant construction was stopped.

The Following 8 Items Relate to Grand Gulf

STATEMENT:

The article states - "allegations that qualification records for some plant operators were phony"

STAFF RESPONSE:

Licensed operator qualification cards contained some as to length of course time, subject matter or proof of attendance. In all of the notations entered on the cards, a small number of the total for all operators could be classified as potentially false statements. Therefore, it is accurate to classify some aspects of qualification cards for some operators as containing false information.

STATEMENT:

The article states - "the finding that key technical data about the plant supplied by the utility to the NRC contained hundreds of errors."

STAFF RESPONSE:

This refers to the deficiencies found in the Technical Specifications. The classification of all of these changes as key technical data is inappropriate. For the 205 proposed changes, we found that 37% were editorial or nomenclature corrections. In our view, such changes are not "key items."

STATEMENT:

The article states - "drywell --- was overheating because its coolant system was defective."

STAFF RESPONSE:

The system, as designed and built, actually worked. The heat losses through the insulation around the reactor vessel were higher than anticipated and this overloaded the cooling system. The system was defective only in that the capacity of the system was insufficient to accommodate the higher than anticipated demand on it.

STATEMENT:

The article states - "the same month the diesel generators caught fire."

STAFF RESPONSE:

Only one diesel generator was involved in the September 1983 fire.

STATEMENT:

The article states - "On October 28, NRC records show, two of the plant's three diesel generators became inoperable simultaneously."

STAFF RESPONSE:

The record referred to is a Licensee Event Report (LER) issued by MP&L. While the Division II engine was inoperable, a fuel oil leak was discovered on the Division I engine and it too was declared inoperable. Therefore, both engines were in an inoperable status at the same time but did not fail simultaneously.

STATEMENT:

The article states - "The cards showed that operators had passed courses they had not attended or had attended courses more advanced than those actually taken, he (Olshinski) said."

STAFF RESPONSE:

Olshinski's comments in the transcript of the December 8, 1983, meeting do not reflect the above statement attributed to him. Direct quotes by Olshinski from the transcript are "...training not completed on certain facility changes...", "...qualification cards had not been completed...", and "MP&L had identified a number of errors on the examinations concerning completion of qualification cards, length of courses that were attended and in some courses the actual attendance at courses."

STATEMENT:

The article states - "the Grand Gulf Unit 1 reactor stands idle unable to generate any electricity."

STAFF RESPONSE:

The plant has now stood adle for many months although it was capable of generating electiicity. The plant is continuing for the most part to operate at low power, around 5% power. Certain low power tests, surveillances and training are being conducted. Experience is being gained. Thus, the plant is not standing idle.

STATEMENT:

The article states - "...Mississippi, Louisiana, Arkansas and Missouri - are now squabbling...."

STAFF RESPONSE:

We are aware of only Mississippi, Louisiana and Arkansas being associated with the power to be generated at Grand Gulf.

The Remaining Items Relate to Midland

STATEMENT:

"One of the two reactors was canceled".

STAFF RESPONSE:

Unit 1 was not canceled. Rather, since the Dow pullout July 14, 1983, the decision on whether or not to continue has been deferred indefinitely. All construction on Unit 1, other than for common equipment needed to support Unit 2, which includes underpinning, was stopped.

The reason for the uncertain status of Unit 1 is understood to be due to the Dow pullout coupled with the limited electrical projections for the service area - not the soil problem.

STATEMENT:

"The walls cracked because Midland's diesel-generator building sank more than 6 inches into the ground as it was being built."

STAFF RESPONSE

The building had sunk 3½ inches when remedial action in the form of a 20-foot surcharge of sand was placed inside and around the structure to force out and accelerate settlement due to primary consolidation. Settlement of about an additional 3 or 4 inches occurred under the influence of the surcharge. The settlement has not been uniform but it is difficult to verify the differential settlement as the cause of the cracking. Much of the cracking occurred during the initial 3½ inches of settlement when the structure came to rest upon underground electrical duct banks.

STATEMENT:

"After the building sank 3 more inches, the sand was removed and construction of the building resumed."

STAFF RESPONSE:

Actually, construction of the building resumed at the time of placing the surcharge and while the surcharge was in place. Since the remedial action was to add weight, the increase in weight of the structure was consistent.

STATEMENT:

"And the NRC is wondering whether the building is safe".

STAFF RESPONSE:

The focus of the staff review is for loading combinations projected to occur in the future, not for existing loads.

STATEMENT:

"to stabilize two other buildings that the utility says could sink during an earthquake"

STAFF RESPONSE:

Settlement during an earthquake is not a concern because the completed under-pinnings transmit the load to the competent natural soils (glacial til) underlying the inadequately compacted fill soils. It is the earthquake forces, not settlements during earthquakes, in combination with other loads that is the concern in seismic analyses of large structures.

STATEMENT:

"In the meantime, the increased costs resulting from Midland's soil problems may cause cancellation of the entire project".

STAFF RESPONSE:

We understand that the soils problem is only one of many items that have increased the costs of the plant. Moreover, soils problems are only one of the manifestations of improper implementation of quality assurance which has plagued this site and led to construction delays and increased costs. Other than bad QA, reasons for plant delay have included adverse financing conditions in 74-75, and increased scope.

STATEMENT:

"The reactor, now 85 percent complete, is not expected to go on line before 1987."

STAFF RESPONSE:

Prior to the current uncertain plant status it was the applicants intent to load fuel July 1986 and go into Commercial Operation in December 1986. The NRC has noted that this schedule appeared to be reasonably achievable.