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Georgia Power
the southern electric system

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July 23, 1984

United States Nuclear Regulatory Commission
Office of Inspection and Enforcement
Region II - Suite 3100
102 Marietta Street
Atlanta, Georgia 30303

File: X7BG10
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Reference: 50-424/84-05, 50-425/84-05

Attention: Mr. H. C. Dance

With reference to the items identified in your inspection report 424, 425/84-05, Georgia Power Company (GPC) wishes to submit the following relative to the subject report and to our investigation and handling of possible intimidation of Pullman Power Products (PPP) inspectors.

Immediately after being informed on June 24, 1983, of the NRC investigation of the above situation, GPC established a task force headed by Mr. W. E. Ehrensperger, a retired senior officer of GPC, to review and evaluate the PPP quality control and quality assurance program/organization giving due consideration to the above identified concerns. This effort was conducted in a manner to avoid any conflicts with the related ongoing NRC investigation and focused on the technical work process and QC procedures along with evaluation of salary administration and personnel practices of PPP. The review of PPP's salary administration practices focused on three specific areas:

- o The rationale used in establishing salary increases,
- o PPP's handling of certain disciplinary actions, and
- o job rotation practices among QC inspectors.

The review determined that PPP QC inspectors were well qualified and knowledgeable, and found no evidence that PPP management had intentionally used the salary administration program to intimidate inspectors. No evidence of "short-cuts" was found nor was evidence that inspectors were being called on by their superiors to overlook problems. Although the question of intimidation was not specifically asked (again to avoid conflict with ongoing NRC activities), there was continuous opportunity for inspector personnel to appraise the interviewers had such problems existed. Task force recommendations were accepted by GPC and have been implemented by GPC and PPP. On August 22, 1983, GPC informed the NRC of the results and response to the task force's review.

In addition to the response to the task force's review and recommendations, GPC and PPP have expanded management attention to the PPP program to assure increased attention to the subject concerns and to the contractor's overall program. This increased management involvement

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continues and has resulted in, but not limited to, the following management and/or program improvements:

- o Temporary assignment of the GPC Construction Project Manager full time to direct PPP activities ✓
- o Regular attendance of PPP executive management at Project Management Board Meetings to discuss related problems and program improvement ✓
- o Replacement of a key PPP site manager ✓
- o Restructuring the GPC surveillance program to better monitor the quality of PPP's work, including the initiation of a verification program to verify the results of PPP's QC personnel ✓
- o Frequent PPP corporate management visits and exits with GPC at Plant Vogtle including frequent site visits by the PPP corporate QA Director ✓
- o Additions of PPP inspectors to better meet workload coupled with a continuous monitoring program of the craft to inspector ratio ✓
- o Establishment of lead PPP inspectors to give better support and supervision for inspectors ✓
- o Scheduling of regular site meetings between PPP employees and PPP management to discuss employee concerns and management actions ✓
- o Employee information programs to explain the contents and requirements of "Whistle Blower" and labor laws ✓
- o Correction efforts to improve identified PPP pay inequities including giving site department managers more input in relating performance to salary increases ✓

In an effort to evaluate the effectiveness of the above, a number of additional management assessments have been conducted and additional programs instigated with some specifics as follows:

- o In February, 1984, GPC conducted a survey of PPP QA and QC personnel consisting of thirty welding and hanger inspectors, eight lead inspectors and twelve QA engineers. The PPP personnel interviewed were asked specific questions concerning intimidations and management pressure to accept poor quality work. No evidence was provided. In fact, the individuals stated that they had definitely not accepted poor quality due to management pressure. Certain individuals did state that they have experienced pressure to produce but again stated that they had not performed less than quality work due to the stated perceived production pressure.
- o A follow-up review of PPP's salary administration program was

conducted by GPC corporate personnel in June, 1984. This review verified the positive findings of the original salary administration review and established that PPP has continued to ensure that salary adjustments are equitable and noncoercive.

- o The GPC QA department conducted an assessment of the PPP quality program in June, 1984, with the assessment being directed at verification of recommended actions and commitments for enhancement of the PPP organization and programs.
- o GPC has strengthened its surveillance program of site contractors work by reinspection and verification of selected inspectors work. We are currently formalizing our documentation of GPC's surveillances and verification actions.
- o GPC realized that improving contractor management and increasing GPC involvement in activities would not by itself provide employees the necessary freedom to discuss their concerns. Therefore, in December, 1983, GPC implemented our Quality Concerns Program. This program provides all employees of GPC and its contractors associated with the Vogtle Project a system to express their concerns about quality and/or safety problems and have them resolved. This program assures that all concerns will be treated confidentially and that the submitter's identity is protected. The details of this program have been presented to all site personnel and presented off-site to major contractors' home office personnel. The Quality Concerns Program provides all Vogtle employees, including PPP QC personnel, not only the freedom but obligation to express concerns of harrassment or intimidation.
- o PPP has initiated its own internal Quality Concerns program. This program is patterned after the program developed by GPC and is administered by a full-time program coordinator employed by the contractor. This coordinator functions in a staff relationship with the contractor's organization at Plant Vogtle and has direct line responsibility to PPP corporate offices in Williamsport, Pennsylvania. The PPP program has been implemented and is currently in place. The program is monitored and reviewed by the GPC Quality Concerns Coordinator and all concerns involving issues having potential safety significance are either deferred to GPC for investigation and resolution or are jointly processed by GPC and PPP.
- o In order to ensure that no form of harrassment or retaliation takes place in the future, PPP has committed to the development and implementation of a comprehensive training program for all levels of supervision. The training program is being designed to ensure that all supervisors are fully aware of the legal prohibitions regarding retaliation for statutorially-protected activity. The training sessions will also emphasize the supervisor's role in encouraging employees to perform quality work and to bring quality questions and concerns to the attention of management or the Quality Concerns Program.

- o In a related sense, GPC formed a task force under our Quality Concerns Program in December, 1983, to investigate a quality concern by a PPP employee who had been reprimanded for not performing the required amount of nondestructive examinations (NDE). The task force interviewed all available PPP NDE technicians, observed work practices and reviewed documentation. The review was conducted of work assigned and completed with no evidence that production pressures were degrading quality control actions. All persons interviewed felt that production was not stressed to the point that quality was sacrificed.

In addition to the above, specific discussion and response pertaining to the open items listed in Inspection Report 424, 425/84-05 is as follows:

Unresolved Item 84-05-01, "Insufficient Organizational Freedom/Control of Services through Effective Audits"

GPC had a program and continues to have a program to assure that contractors comply with the requirements of 10 CFR 50, Appendix B. The PPP QA Program was reviewed and the independence of the PPP QA/QC organization complies with 10 CFR 50, Appendix B. There is no requirement in Appendix B that disallows the contractor's QC organization from reporting administratively to the Project Manager, the highest level of contractor management on site. GPC did take action in December, 1982, to have PPP revise their program to require the PPP QA audit function to report to the Corporate QA office. This was done to strengthen PPP's program and bring it in line with GPC policy.

Checking for harassment of QC inspectors was never included as a specific checklist item or mentioned in QA audit reports. Audit reports did address quality of work and implementation of QA programs. Although we found no evidence of inspector intimidation, GPC recognized that conditions did exist such that employees at times may have seemed intimidated. The actions outlined in the second paragraph of this letter were taken to relieve this situation.

GPC has initiated an annual assessment audit program to assess the effectiveness of on-site contractors' QA programs including the independence of QA/QC inspectors to prevent harassment or intimidation. GPC has also implemented the Quality Concerns program mentioned earlier to allow employees including inspectors a path to upper management if they feel harassed or intimidated. GPC has conducted audits, surveillances, verification reviews and assessments of PPP's program and site activities. There has never been any indication of any substandard or poor quality work performed by PPP which can be attributed, in any way, to retaliation, harassment, intimidation or lack of independence of the inspector.

Inspector Follow-Up Item 84-05-09, "Clarification of Engineering and Procedural Requirements"

The concern of QC inspectors being pressured or receiving

interference from their own QC management was reviewed by the Piping Quality Improvement task force. The task force found no evidence of "short cuts" being taken or inspectors being called on to overlook problems. Frequently, there are questions about procedures and specifications. These questions are answered in various ways: verbally, written memo to individual, or written memo to all inspectors.

There is a concern with the handling of these answers, i.e., everyone is not always aware of the questions and answers. Some people feel the questions and answers are changes to existing requirements. All memos concerning clarifications of PPP procedures are now approved by either the QA/QC Manager or the appropriate Assistant QA/QC Manager.

In addition, GPC, BPC, and PPP has had meetings to resolve or clarify differences concerning specifications and drawings on hangers. These meetings continue to be held as required to assure proper understanding of specifications and drawings.

Inspector Follow-Up Item 424, 425/83-05-02, "Unsatisfactory Piping Welds from the Pullman Fabrication Shop"

This item was identified to the NRC as a potential 10 CFR 50.55 (e) item and GPC has conducted extensive evaluations of the quality of welding in pipe spools and corrected all discrepancies. In addition, GPC increased shop surveillance activity in the PPP shop to visually inspect 100% of the pipe welding.

Inspector Follow-Up Item 424, 425/84-05-08, "Control of Nonconformance Reports"

After identifying a problem with shop welds on pipe spools, GPC initiated inspection teams to reinspect the PPP fabrication shop welds. PPP was aware of this and did not want to duplicate inspections or NCR's. "Void" is an acceptable disposition on an NCR. Also, clarifications and administrative corrections are made to NCR's by a QA engineer or a QC supervisor. Occasionally, QC inspectors verbally discuss problems with field engineers and during the engineer's review of the problem he decides to write an NCR. When the engineer writes the NCR, he will list the inspector's name who asked the question in the space for QC Inspector." PPP's present policy is to send a copy of the NCR to the listed inspector to keep them informed of voids, changes, or NCR's written by others. A new form replacing the present NCR form, in the next revision of the NCR procedure, requires the individual writing the NCR to put his name as initiator.

Inspector Follow-Up Item 424, 425/84-05-03, "Storage and Protection Deficiencies"

GPC has had an ongoing program to assure adequate storage and

protection of material and equipment. As with all our ongoing programs, GPC continues to look for improvement. GPC and PPP management are aware of the storage problems and are taking actions to resolve them by improving the coordination and cooperation among the organizations involved. Individual GPC area managers have been assigned personal responsibility to maintain specific areas of the plant relative to housekeeping, which is a large part of the storage problem.

In addition, to further enhance storage conditions, PPP has initiated a new program to prioritize the resolution of storage deficiencies and has established a new superintendent with associated craft, who are only responsible for resolving storage discrepancies. PPP Procedure XIII-5, Paragraph 6.2.4 requires PPP to protect flange surfaces during storage. We are not aware of any violations of this requirement. We are aware of two instances where acid or corrosive substances were spilled or used. These are documented in NCR's and are available for review.

Inspector Follow-Up Item 424, 425/84-05-04, "Licensee Review of Charges of Fraudulent Welding Inspection Verification"

A sample of work of each individual was reinspected and except for one arc strike, no hardware discrepancies were identified. Minor discrepancies (i.e., inspector initialed instead of signing process sheet, no procedure revision entered on certain lines, welding stencil entered on wrong line, etc.) were found to documentation and were corrected. The inspectors were trained to prevent recurrence. There was no evidence of any fraudulent sign-offs.

Inspector Follow-Up Item 424, 425/84-05-05, "Adequacy of Training Program for Inspectors, Field Engineers, and Craft"

This item was reviewed by the Piping Quality Improvement task force and their recommendations have been implemented. PPP has developed a comprehensive training program for QC, Field Engineering and craft personnel.

Inspector Follow-Up Item 424, 425/84-05-06, "Control of Foreign Materials in Piping"

PPP procedure requires all purge dams to be recorded on the process sheets as to type used and when installed. Removal must be verified and indicated on the process sheet unless a water soluble material was used. QC personnel are now recording purge dams issued and returned instead of craft personnel.

PPP procedures require PPP QC to inspect the inside of pipe or equipment to assure that foreign material is removed and internal cleanliness meets requirements. For ASME piping, process sheets have a hold point requiring this inspection prior to fit-up.

GPC has taken steps to protect floor drains including placing plates over the hubs and monitoring drains during routine housekeeping. All drains will be cleaned as part of our flushing program.

Inspector Follow-Up Item 424, 425/84-05-07, "Pipe Improperly Sand Blasted"

In February, 1983 the existing inspection program for inspecting pipe after sand blasting was modified to include wall thickness checks. All previous sand blasted pipe was reinspected and all identified discrepancies documented and corrected.

Inspector Follow-Up Item 424, 425/84-05-10, "NF Boundary"

The NF Boundary has been defined in design criteria, drawings, specifications and procedures by Bechtel, the A/E and N-stamp holder. The boundary definition may differ from that observed on other jobs by some employees but complies with the ASME requirements. 1 ?

Inspector Follow-Up Item 424, 425/84-05-11, "Welding Material Control"

Personnel responsible for recording welding material issue and return have been trained in procedural requirements. Errors/omissions have been made and these problems have been documented in NCR's. PPP has an ongoing training program for craft personnel to inform them of procedural requirements on records. The rod room attendants receive training on records and are not allowed to work as an attendant until completion of this training. In addition, PPP QA document reviewers review each record prior to being filed in the PPP QA vault.

Inspector Follow-Up Item 424, 425/84-05-12, "Weld Symbols"

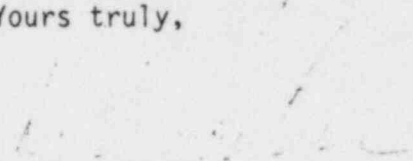
The specifications for welding and NDE [?]utilizes AWS A2.4 symbols. In the past, the designer had specified some weld symbols that required GPC and PPP to request clarification. These have been resolved with the designer.

Inspector Follow-Up Item 424, 425/84-05-13, "Unqualified Welding Procedures"

PPP has identified minor discrepancies in the application of qualified welding procedures. These discrepancies have been identified in nonconformance reports and properly resolved. Qualification records are available for PPP welding procedures and PPP has not performed work at Plant Vogtle with unqualified welding procedures.

GPC had developed, and has available on site, documentation packages addressing our response to each of the identified concerns. We are prepared to discuss our program enhancements and corrective actions in total detail during future inspections.

Yours truly,


D. O. Foster

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