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Staff Exh. II-49

UNITED STATES
NUCLEAR REGULATORY COMMISSION

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In the Matter of)
)
GEORGIA POWER COMPANY)
(Vogtle Electric Generating)
Plant, Units 1 & 2))

Docket Nos. 50-425/50-425
License Nos. NPF-68/NPF-81
EA 94-036
BRANCH

DEMAND FOR INFORMATION
REGARDING THOMAS V. GREENE, GEORGIE R. FREDERICK,
HARRY MAJORS, AND MICHAEL W. HORTON

I

Georgia Power Company (Licensee) is the holder of Facility License Nos. NPF-68 and NPF-81 (Licenses) issued by the Nuclear Regulatory Commission (NRC or Commission) pursuant to 10 CFR Part 50. The Licenses authorize the operation of the Vogtle Electric Generating Plant (VEGP) Units 1 and 2, in accordance with conditions specified therein.

II

On December 17, 1993, an investigation of licensed activities was completed by the NRC's Office of Investigations (OI) at Licensee's VEGP facility. The investigation was initiated in response to information received in June 1990 by NRC Region II alleging, in part, that material false statements were made to the NRC by senior Licensee officials regarding the reliability of the Diesel Generators (DGs). The pertinent events involved in this matter are described below.

On March 20, 1990, during a refueling outage at VEGP Unit 1, GPC declared a Site Area Emergency (SAE) when offsite power was lost concurrent with the

NUCLEAR REGULATORY COMMISSION

Docket No. 50-424/425-OLA-3 EXHIBIT NO. II-49
In the matter of Georgia Power Co. et al., Vogtle Units 1 & 2
 Staff Applicant Intervenor Other
 Identified Received Rejected Reporter SB
Date 9/22/95 Witness HOOD/MATHEWS/SKINNER

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failure of the only Unit 1 DG that was available (1A). The other Unit 1 DG (1B) was unavailable due to maintenance activities.

The NRC immediately responded to the SAE at the VEGP site with an Augmented Inspection Team (AIT). The NRC effort was upgraded to an Incident Investigation Team (IIT) on March 23, 1990. The IIT was composed of NRC Headquarters technical staff and industry personnel. The results of this investigation are documented in NUREG-1410, "Loss of Vital AC Power and the Residual Heat Removal System During Mid-Loop Operations at Vogtle Unit 1 on March 20, 1990."

On March 23, 1990, the NRC issued a Confirmation of Action Letter (CAL) to GPC that, among other things, confirmed that GPC had agreed not to return VEGP Unit 1 to criticality until the Regional Administrator was satisfied that appropriate corrective actions had been taken, and that the plant could safely return to power operations.

On April 9, 1990, GPC made a presentation to the NRC in the Region II offices in support of GPC's request to return VEGP Unit 1 to power operations. As part of this presentation, GPC provided information on DG starts in response to a specific NRC request that GPC address DG reliability in its April 9 presentation. GPC submitted a written summary of its April 9 presentation in an April 9, 1990 letter, "Vogtle Electric Generating Plant Confirmation of Action Letter."

On April 12, 1990, the NRC formally granted permission for VEGP Unit 1 to return to criticality and resume power operations.

On April 19, 1990, pursuant to 10 CFR 50.73, GPC submitted Licensee Event Report (LER) 50-424/90-006, "Loss of Offsite Power Leads to Site Area Emergency."

On June 29, 1990, GPC submitted a revised LER, 50-424/90-006-01. The purpose of the submittal was to clarify information related to successful DG starts that were discussed in the April 9, 1990 letter and the April 19, 1990 LER, and to update the status of corrective actions in the original LER.

From August 6 through August 17, 1990, the NRC conducted a Special Team Inspection at VEGP, as a result of NRC concerns about, and allegations related to, VEGP operational activities. This inspection examined the technical validity and safety significance of the allegations, but did not investigate alleged wrongdoing. The Special Team informed GPC that the June 29, 1990 submittal failed to address the April 9, 1990 data and requested that GPC clarify DG starts reported on April 9, 1990. Results of this inspection are documented, in part, in NRC Inspection Report No. 50-424,425/90-19, Supplement 1, dated November 1, 1991.

On August 30, 1990, GPC submitted a letter, "Clarification of Response to Confirmation of Action Letter." The purpose of the submittal was to clarify the diesel start information that was addressed in the April 9, 1990 submittal.

III

The NRC has reviewed the evidence associated with these events, submittals, and representations to the NRC. Specifically, the NRC reviewed information gathered as part of the OI investigation, information gathered during the IIT, NUREG-1410, Supplement 1 of NRC Inspection Report 90-19, discovery responses in the Vogtle operating license amendment proceeding (Docket Nos. 50-424 OLA-3, 50-425 OLA-3), and other related information. The NRC has identified apparent violations of regulatory requirements involving five separate instances that occurred from April 9 to August 30, 1990, where the Licensee failed to provide information that was complete and accurate in all material respects. These violations are addressed in the Notice of Violation and Proposed Imposition of Civil Penalties issued to the Licensee on this date, and incorporated herein by reference.

The NRC has also identified several current Licensee employees whose significant performance failures contributed to one of these violations and whose failures to ensure that complete and accurate information was submitted to the NRC occurred after they were explicitly advised of inaccuracies and problems in the draft submittal. The circumstances surrounding these performance failures are described below.

On June 29, 1990, the draft cover letter for the LER revision was being reviewed at the VEGP site. The draft had originated in GPC corporate headquarters and included language personally developed by the Senior Vice President - Nuclear Operations (George W. Hairston, III) and the Vice

President - Vogtle Project (C. Kenneth McCoy). During this review, a VEGP Technical Assistant (TA) (formerly the Acting VEGP Assistant General Manager - Plant Support) (Alan L. Mosbaugh) noted that the draft cover letter was incomplete and challenged the accuracy of the reasons stated in the draft cover letter in conversations with the Supervisor - Safety Audit and Engineering Review (SAER) (Georgie R. Frederick), the VEGP Assistant General Manager - Plant Support (Thomas V. Greene), the VEGP Manager - Engineering Support (Michael W. Horton), and a Licensing Engineer - Vogtle Project (Harry W. Majors). Mr. Mosbaugh stated that: (1) the letter failed to clarify the DG starts reported on April 9, 1990 (2) DG record keeping practices were not a cause of the difference in the DG starts reported in the April 19, 1990 LER because adequate information to formulate an accurate count was available when the counting errors were made, and (3) the erroneous counts resulted from personnel errors in developing the count. Mr. Majors, Mr. Horton, Mr. Frederick, and Mr. Greene were fully aware of these assertions but failed to adequately resolve these concerns before issuance of the June 29, 1990 letter.

Mr. Majors had staff responsibility for preparing the cover letter for the LER revision and was specifically instructed by the Senior Vice President - Nuclear Operations to work closely with the site to ensure that the submittal was accurate and complete. Despite this clear direction, and after having been informed by the site of the clear failure of the June 29, 1990 draft cover letter to address the April 9, 1990 letter that it referenced and that the April 9, 1990 errors were different from the April 19, 1990 errors,

Mr. Majors failed to address these concerns prior to issuance of the LER revision.

Mr. Horton was responsible for the Diesel Start Logs and agreed with the audit report findings regarding deficiencies in their condition. Given that his logs had not been used to collect the DG start data, he pointed out that it was wrong to state that the condition of his logs caused errors in the information initially provided to the NRC. Mr. Horton, who understood and agreed that DG record keeping practices were not a cause of the difference in the DG starts reported in the April 19, 1990 LER and the June 29, 1990 letter, nevertheless approved the erroneous draft as a voting member of the Plant Review Board (PRB) without resolving the problems in the draft.

Mr. Frederick was aware that the audit (that formed the basis for the reasons stated in the June 29, 1990 letter) was narrow in scope and did not identify a specific cause for the error in the number of 18 starts reported in the April 19, 1990 LER. Mr. Frederick was also aware that observations stated in the audit report were inappropriately being used to identify the root causes for the errors in the April 19, 1990 LER. Mr. Mosbaugh and Mr. Horton made Mr. Frederick aware of this inaccuracy, but Mr. Frederick, with apparent indifference, defended the inaccuracy. Also, Mr. Frederick was made aware by Mr. Mosbaugh on June 12, 1990 that, to identify the root cause of the error in the April 19, 1990 LER (i.e., personnel errors), the audit scope would need to include an assessment of the performance of the Unit Superintendent and the VEGP General Manager, the individuals that developed the initial count. Yet, the audit report did not include either of these individuals in the list of

persons contacted during the audit. On June 29, 1990, Mr. Frederick was again made aware by Mr. Mosbaugh that the root cause for the difference was personnel error. Despite this knowledge, Mr. Frederick failed to adequately address these concerns prior to issuance of the June 29, 1990 letter.

Mr. Greene was apprised of concerns regarding the June 29, 1990 letter by Mr. Mosbaugh (an individual who had been involved in preparing the April 19, 1990 LER and had been involved in developing an accurate DG start count). Mr. Mosbaugh identified to him the failure of the June 29, 1990 draft cover letter to address the inaccuracies in the April 9, 1990 letter that it referenced and Mr. Mosbaugh pointed out the erroneous causes stated for the reasons for the difference in the June 29, 1990 DG start counts. Mr. Greene was apparently indifferent to these concerns and, as a voting member of the PRB, approved the proposed June 29, 1990 submittal without addressing these concerns.

IV

The conduct of these individuals indicates a lack of regard for and adherence to regulatory requirements and a lack of management control and supervision over licensed activities, and raises a question as to whether the Licensee and these individuals will, in the future, provide complete and accurate information to the NRC and otherwise comply with NRC requirements.

Therefore, further information is needed to determine whether the Commission can have reasonable assurance that in the future the Licensee, with the

involvement of particular Licensee personnel identified above, will provide complete and accurate information to the Commission and otherwise conduct activities in accordance with the Commission's requirements.

V

Accordingly, pursuant to sections 161c, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.204 and 10 CFR 50.54(f), in order for the Commission to determine whether the Licenses should be modified to restrict the participation of the individuals named below in licensed activities or other enforcement action taken to ensure compliance with NRC regulatory requirements, the Licensee is required to submit to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, within 30 days of the date of this Demand for Information the following information, in writing and under oath or affirmation:

- A. A description of the current positions and responsibilities for Messrs. Thomas V. Greene, Georgie R. Frederick, Harry W. Majors, and Michael W. Horton.

- B. An explanation of why, notwithstanding being notified that the June 29, 1990 letter failed to clarify the April 9, 1990 letter that it referenced and that it included erroneous root causes for the difference between the April 19, 1990 and June 29, 1990 DG start counts,

Mr. Greene, as a voting member of the PRB, approved the inaccurate and incomplete June 29, 1990 submittal.

- C. An explanation of why, notwithstanding his direct knowledge that the observations stated in the audit report were inappropriately being used to identify the root causes for differences between the April 19, 1990 LER and the June 29, 1990 DG start counts and his being notified that the correct root cause for the difference was personnel error, Mr. Frederick failed to address this concern prior to issuance of the June 29, 1990 letter.

- D. An explanation of why, notwithstanding his being notified that the June 29, 1990 letter failed to clarify the April 9, 1990 letter and that the April 9, 1990 errors were different from the April 19, 1990 LER errors, Mr. Majors failed to address these concerns prior to issuance of the June 29, 1990 letter.

- E. An explanation of why, notwithstanding his disagreement with the statement that DG record keeping practices were the cause for the error in the April 9, 1990 letter, Mr. Horton, as a voting member of the PRB, approved the June 29, 1990 letter.

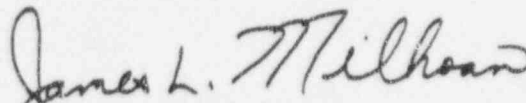
- F. An explanation of the corrective actions taken, or planned by the Licensee to address each of these individuals' performance failures.

H. Given the violation of NRC requirements, an explanation as to why NRC should have confidence that the Licensee, with the involvement of Messrs. Greene, Frederick, Majors, and Horton, will in the future conduct licensed activities in accordance with all NRC requirements, including the requirement of 10 CFR 50.9, "Completeness and accuracy of information." Responses to this paragraph shall be provided separately for each individual.

Copies of the response also shall be sent to the Assistant General Counsel for Hearings and Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555 and to the Regional Administrator, NRC Region II, 101 Marietta Street, Suite 2900, Atlanta, GA 30323.

After reviewing your response, the NRC will determine whether further action is necessary to ensure compliance with regulatory requirements.

FOR THE NUCLEAR REGULATORY COMMISSION


James L. Milhoan
Deputy Executive Director
for Nuclear Reactor Regulation,
Regional Operations, and Research

Dated at Rockville, Maryland
this 9th day of May 1994



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D. C. 20555-0001

MAY 09 1994

Thomas V. Greene
Southern Nuclear Operating Company
40 Inverness Center Parkway
Birmingham, Alabama 35242

SUBJECT: DEMAND FOR INFORMATION REGARDING THOMAS V. GREENE,
GEORGIE R. FREDERICK, HARRY MAJORS, AND MICHAEL W. HORTON


Dear Mr. Greene:

Enclosed for your information and use is a DEMAND FOR INFORMATION REGARDING THOMAS V. GREENE, GEORGIE R. FREDERICK, HARRY MAJORS, AND MICHAEL W. HORTON (DFI) that is being issued to the Georgia Power Company (Licensee) on this date. This DFI deals, in part, with your actions in providing information to the NRC on the Vogtle diesel generators and is being issued to obtain additional information to determine whether NRC should take further action to restrict your participation in NRC licensed and regulated activities.

You are invited to submit a response to the enclosed DFI, separate from the response to be submitted by the Licensee. We will consider any response that you choose to provide, along with the responses of the Licensee, in determining whether enforcement action that may impact your future participation in licensed activities is warranted in this case.

If you do respond, your response should be submitted in writing to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555 within 30 days of the date of the enclosed DFI. Should you have any questions on this matter, please call James Lieberman, Director, Office of Enforcement, at 301-504-2741.

Sincerely


James L. Milhoan
Deputy Executive Director for
Nuclear Reactor Regulation,
Regional Operations and Research

Enclosure: As Stated

cc w/o Enclosure:
Georgia Power Company



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

MAY 09 1994

Georgie R. Frederick
Georgia Power Company
Vogtle Electric Generating Plant
River Road
Waynesboro, Georgia 30830

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GEORGIE R. FREDERICK, HARRY MAJORS, AND MICHAEL W. HORTON

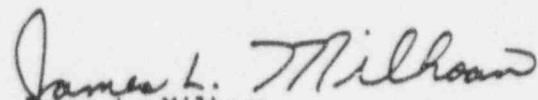
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Deputy Executive Director for
Nuclear Reactor Regulation,
Regional Operations and Research

Enclosure: as stated

cc w/o Enclosure:
Georgia Power Company



UNITED STATES
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MAY 09 1994

Harry Majors
Southern Nuclear Operating Company
40 Inverness Center Parkway
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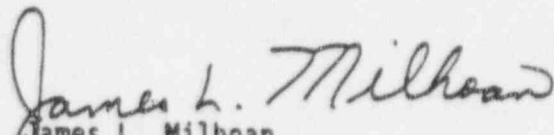
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James L. Milhoan
Deputy Executive Director for
Nuclear Reactor Regulation,
Regional Operations and Research

Enclosure: as stated

cc w/o Enclosure:
Georgia Power Company



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

MAY 09 1994

Michael W. Horton
Southern Nuclear Operating Company
40 Inverness Center Parkway
Birmingham, Alabama 35242

SUBJECT: DEMAND FOR INFORMATION REGARDING THOMAS V. GREENE,
GEORGIE R. FREDERICK, HARRY MAJORS, AND MICHAEL W. HORTON

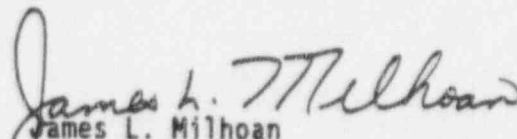
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