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REPORT OF INTERVIEW WITH DAVID B. MATTHEWS

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On September 5, 1991, David B. MATTHEWS, Director, Project Directorate II-3, Office of Nuclear Reactor Regulation (NRR), U.S. Nuclear Regulatory Commission (NRC), was interviewed by Office of Investigations (OI) Investigators Larry L. Robinson and Craig T. Tate in his NRC office at White Flint, Rockville, MD. The nature of the interview pertained to alleged material false statements made to NRC by Georgia Power Company (GFC) officials regarding the reliability of the Emergency Diesel Generators (EDGs) at the Vogtle Electric Generating Plant (VEGP) subsequent to a VEGP Site Area Emergency (SAE) on March 20, 1990.

At the outset of the interview, MATTHEWS provided to the interviewing investigators a 2-page memorandum, undated and unsigned, captioned <u>VOGTLE MEETINGS RE MANAGEMENT CONCERNS</u>. This memorandum is appended to this report of interview.

MATTHEWS stated that he attended a meeting a Region II offices with GPC officials on April 9, 1990, in which GPC made a presentation regarding the status of corrective actions and plans for future actions regarding the March 20, 1990, SAE. He stated that he observed the same lack of responsiveness and apparent disdain for regulatory involvement on the part of George BOCKHOLD, the VEGP general manager, that he had observed on previous occasions, as outlined in the appended memorandum. MATTHEWS stated that during the portion of the GPC presentation on diesel generators, he asked BOCKHOLD how he could equate the "successful start" data in his presentation to the Reg Guide 1.108 terminology for defining diesel generator reliability, namely valid tests. MATTHEWS stated that he never got a responsive answer from GPC. MATTHEWS advised that Ellis MERSCHOFF, NRC, Region II, also struggled with this "successful starts" versus valid tests terminology at this April 9 meeting.

MATTHEWS advised that at the NRC meeting immediately following the GPC presentation, he did not raise any objection to allowing VEGP to restart because he had no technical basis upon which to make an objection.

MATTHEWS stated that the verbal presentation did not constitute GPC's official request for restart. He advised that he understood that the GPC officials prepared their final draft of the official request letter on their way back home after the meeting. He stated that this letter, dated April 9, 1990, recapped the verbal presentation, but also incorporated changes in order to respond to questions raised in the meeting.

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NUCLEAR REGULATORY COMMISSION
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MATTHEWS stated that on Thursday, April 12, 1990, after NRC had a chance to review GPC's official letter of request for restart, Stewart D. EBNETER, Regional Administrator, Region II, NRC, set up a 7:45 a.m. conference call as a final "base touch" with NRR and the NRC Incident Investigation Team (IIT) regarding any NRC objections to VEGP restart. The conference call basically reviewed the information in the letter. The IIT representatives, CHAFFEE and LAZARUS, were to discuss the information that they had assembled during the incident investigation, and were also to discuss their perception of the licensee's attitude, degree of cooperation, and forthrightness, both in general and with respect to BOCKHOLD in particular. MATTHEWS advised that CHAFFEE and LAZARUS were ambivalent. He said they did not like BOCKHOLD, but did not really have any specific criticism of him. MATTHEWS stated that he thought Milt HUNT, an NRC, Region II engineer, was on the conference call, because either he or his section chief was called upon by EBNETER to give a status on the diesels. MATTHEWS said that whoever gave the status said that in this point in time the EDGs could be relied upon. MATTHEWS stated that Ben Hayes, Director, OI, NRC, was on the phone call, but MATTHEWS did not recall if Hayes' opinion was solicited on any issue. MATTHEWS advised that both PARTLOW and VARGA, NRC, were on the call.

MATTHEWS stated that EBNETER directed the conference call, and solicited everyone's views. He stated that EBNETER did not discourage any diverse opinions. He advised that EBNETER polled everyone on the call regarding their objections, if any, to VEGP restart. He advised that he could not recall specifically if this polling was done by negative consent or by addressing each individual. MATTHEWS advised that the way he expressed his objection to VEGP restart is detailed int he memorandum provided to OI.

INVESTIGATOR'S NOTE: This memorandum stated that based upon MATTHEWS' review of "all of the information that had come to my attention over the previous months in connections with events at Vogtle and my personal experience as the Project Director" caused him to reach a conclusion, "that the overall management attitude reflected in the preceding events was one that did not reflect an appropriate safety consciousness and could lead to non-conservative decisions in response to off-normal events at Vogtle."

MATTHEWS stated that no one disagreed with his issue, but no one supported it strongly either. He advised that EBNETER accepted his dissenting vote on restart, and did not try to influence him to change his mind.

MATTHEWS reiterated that he had no technical basis for an objection to restart, and that EBNETER took his dissent into consideration in a businesslike, professional manner, but, notwithstanding, made the decision in favor of restart.

MATTHEWS provided no further information pertinent to the material false statement allegation.

This report of interview was prepared on September 24, 1991.

Larry L. Robinson, Investigator Office of Investigations Field Office, Region II

Attachment

MEMORANDUM FOR: Personal files - D. B. Matthews

SUBJECT: VOGTLE MEETINGS RE MANAGEMENT CONCERNS

This is to document a series of meetings at which my concerns regarding issues of management integrity and attitude at the Vogtle facility were presented and discussed. The genesis of these concerns is attitudes reflected by senior management (Assistant General Manager, General Manager, Vice President - Vogtle Project) at GPC dating back to pre-licensing activities for Unit 2. My involvement with the project stems from April 1988 to the present. As part of my resonsibility for oversight of operational safety, I hold periodic meetings with GPC management on a rotating basis at each of the GPC sites, including SONOPCO headquarters in Birmingham. It was during one such of these meetings held at the Vogtle site on October 31, 1989, that I became alarmed at the attitude reflected by the General Manager towards open communication with the NRC and the apparent disdain for regulatory involvement with ongoing plant activities or problem resolution. This was very similar to the attitudes reflected during an enforcement conference held in early 1989 to discuss an event that occurred during Unit 2 hot functional testing involving operator errors. A subsequent meeting on this issue with GPC upper management was required in order to address lingering concerns on the part of myself and the Regional staff regarding the effectiveness of the corrective actions. This meeting was held prior to the staff's recommending that the Commission authorize full power operations at Unit 2.

On April 4, 1990, I attended a briefing by OI on the preliminary findings of their investigation of an allegation directed towards the Assistant General Manager at Vogtle relating to actions taken by him in his capacity as Operations Manager in 1988. The allegation extended to the issue of overall operating philosophy of plant management.

On April 9, 1990, I participated in a meeting with GPC personnel in the RII offices to discuss actions taken by GPC to address the March 20 event that involved a station blackout and resulted in the declaration of a site area emergency. During this meeting I saw instances of the General Manager being non-responsive to NRC questions and a reflection of the disdainful attitude towards NRC involvement that I had seen on previous occasions. I raised this point in the subsequent discussion held among the NRC personnel. Gus Lainas and Steve Varga of NRR were both in attendance. The remainder of the personnel were with Region II. At that time the collective decision of the staff was that Unit 1 should be permitted to restart. Based on my perception that no technical problems stemming from the event remained to be addressed by GPC, I supported this decision.

On Wednesday, April 11, I began reviewing all of the information that had come to my attention over the previous months in

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connection with events at Vogtle and my personal experience as the Project Director. I reached a conclusion that the overall management attitude reflected in the preceeding events was one that did not reflect an appropriate safety conciousness and could lead to non-conservative decisions in response to off-normal events at Vogtle. I immediately shared my views with Lainas and Varga; and we briefed Jim Partlow later that day. Representatives of the IIT that were investigating the March 20 event participated in this briefing by phone. The meeting resulted in a decision to discuss my reservations about Unit 1 restart with Region II at 7:45 the next morning (April 12). Members of the OI staff participated in the April 12 meeting. The conclusion reached by Stu Ebneter was that he saw no reason to delay restart of Unit 1. I did not concur in that decision and asked him to delay informing the utility until I had an opportunity to discuss my concerns with Jim Taylor. He agreed and Jim Partlow accompanied me to the EDO's office to meet with Mr. Taylor.

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