

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

DOCKETED
USNRC

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

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In the Matter of)
Louisiana Power & Light Co.)
(Waterford Steam Electric)
Station, Unit 3))

Docket No. 50-382

OFFICE OF SECRETARY
DOCKETING & SERVICE
FRANCHISE

SUPPLEMENTAL AFFIDAVIT OF DENNIS M. CRUTCHFIELD

1. My name is Dennis M. Crutchfield. I am employed as Assistant Director for Safety Assessment, Division of Licensing, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission. A statement of my professional qualifications is attached to my Affidavit filed in this proceeding on August 7, 1984.

2. The purpose of this affidavit is to respond to Joint Intervenors' Reply dated January 25, 1985, to the NRC staff's response to "Joint Intervenors Motion to Reopen the Record and to Admit for Litigation Three Contentions Concerning Applicant's Quality Assurance Breakdown and Lack of Character and Competence to Operate the Waterford 3 Steam Electric Plant."

3. I and members of my staff have reviewed Joint Intervenors' reply and determined that it does not present any significant new information, that it does not identify any flaws in the staff's review of allegations pertaining to the Waterford facility, and that it does not identify any significant unresolved safety issues which would change any conclusions reached in SSER 7 or SSER 9.

4. Included in support of this affidavit are the affidavits of the following NRC Waterford 3 Task Force team leaders, in response to statements made by the Joint Intervenors within their respective areas of responsibility:

J. Harrison Quality Assurance

L. Shao Piping/Mechanical

5. Joint Intervenors Reply (pages 2-4), asserts as follows:
"I. The NRC Staff's Response Provides No Independent Analysis Of Joint Intervenors' Motion and Should Be Rejected."

As stated in my affidavit dated December 21, 1984 (at ¶ 3), "Each of the issues has been reviewed by the NRC staff to determine if any significant new issues have been identified which would require additional review by the NRC."

Specifically, each NRC team leader reviewed Joint Intervenors' motion filed November 8, 1984, and independently developed their individual affidavits which were filed as attachments to my affidavit of December 21, 1984. In addition, as noted in ¶ 5 of my prior affidavit, these same individuals also reviewed LP&L's answer to Joint Intervenors' motion and found themselves to be in general agreement with LP&L's answer. If the NRC staff had found significant discrepancies in LP&L's answer, those discrepancies would have been identified.

In addition, contrary to Joint Intervenors' stated belief (Reply at 3), the outcome of the NRC Waterford Task Force was not predetermined, nor was the NRC Staff ordered to find the problems insignificant. At no time during the NRC evaluation of the construction status at Waterford was any pressure exerted by senior NRC management on me to minimize the

NRC Task Force findings at Waterford 3, nor did I ever indicate to my staff that the seriousness of any findings should be minimized. To the contrary, the purpose of the Task Force was to identify and evaluate all safety issues in order that any needed corrective actions could be taken in a timely manner. This was done to the Staff's satisfaction, prior to December 18, 1984 when the NRC Staff issued a low-power license for Waterford 3. Joint Intervenors' comments (Reply at 4) about false statements having been made by LP&L with regard to CAT team inspection findings takes my statement out of context and is in error.

6. Joint Intervenors' Reply (at 5-21) asserts as follows:

"III. SSER 7 and SSER 9 Do Not Provide Reasonable Assurance That the Quality Assurance and Management Integrity Failures During Waterford 3 Construction Have Been Adequately Resolved to Ensure the Safe Construction and Operation of the Plant."

The Joint Intervenors appear to imply that SSER 7 and SSER 9 should stand alone and describe every detail considered in resolving safety issues at Waterford 3. It is impossible to include every item reviewed, every issue considered, or to document in complete detail every justification for every decision made.

The information in SSER 7 and SSER 9 extensively, but not exhaustively, documents the findings of the NRC Waterford 3 Task Force. The basis for determining the significance of a safety issue is the actual inspection or review activity itself. The documentation of this activity describes the findings and conclusions but is not represented as documenting every detail of the review process. These inspections or review activities were reported to NRC supervisors and management

routinely while in progress and at the conclusions of the activities. Therefore, NRC management generally knew what the findings of an activity were before a report on that activity was published. This was the case with SSER 7 and SSER 9.

In Paragraph 2 (page 6), the Joint Intervenors indicate that the staff had predetermined the outcome of its review of the allegations "...prior to much of its now-heralded inspection efforts during the summer and early fall of 1984 and prior to any review or reinspection by LP&L in response to the NRC-defined concerns." The Joint Intervenors fail to recognize that there was a substantial onsite review effort from April 2, 1984 through the end of May 1984. During that period (as noted in SSER 7, pp. 3-4), the staff completed the necessary site work to reach a conclusion on the allegations it had in hand at that time, other than those items for which the staff needed additional information. Additional information for 23 issues was requested in the June 13, 1984 letter from Mr. Eisenhut to Mr. Cain. An SSER write-up was prepared for all of the items listed in SSER 7, except for wrongdoing issues under investigation by OI, OIA issues, and nine remaining allegations listed in SSER 9 as being under review when SSER 7 was issued. The staff's subsequent conclusions relative to the issues listed in the June 13, 1984 letter were reached as a result of our review of LP&L's responses and the Staff's onsite efforts, continuing through the end of 1984. Contrary to Joint Intervenors' assertions, these issues were not closed out before we had reviewed LP&L's responses and corrective actions.

The statement made by Mr. Dircks, cited by the Joint Intervenors at page 7, note 3, was contained in a memorandum dated March 12, 1984,

a copy of which was provided to the Appeal Board and parties as an attachment to a Staff motion on April 11, 1984. The actual statement contained in this memorandum was as follows:

Construction of the Comanche Peak and Waterford facilities is nearing completion. There remain a number of issues that need to be resolved before the staff can make its licensing decisions. The issues remaining for these plants are quite complex and span more than one Office. In order to assure the overall coordination/integration of these issues and to assure issues are resolved on a schedule to satisfy hearing and licensing decision needs, I am directing NRR to manage all necessary NRC actions leading to prompt licensing decisions. . . .

* * *

The first phase of this program will be the identification of issues needed to be resolved for each plant prior to hearing and licensing decisions. Once the issues have been identified a Program Plan for resolution of each item should be developed and implemented. The Program Plan should address the scope of the work needed, the identification of the responsible line organization, and the schedule for completion. In principle, this effort will therefore be similar to the effort undertaken regarding the allegation review on Diablo Canyon except that this effort should encompass all licensing, inspection, hearing, and allegation issues.

Mr. Dirck's memorandum of March 12, 1984, led to the formation of the Waterford Task Force. Contrary to the Joint Intervenors' assertion, this memorandum was written prior to Chairman Palladino's memorandum of April 23, 1984 (Reply at 7 n.3), and clearly establishes that the staff was to review all significant allegations. There was never any directive "to ensure the expeditious licensing of the plant," as is asserted by the Joint Intervenors (Reply, at 7).

Joint Intervenors, in Section III.A (at 7-11) provide examples of how they believe SSER 7 was organized in order to "obfuscate" the NRC staff's findings. In Section III.B (at 11-13), they provide examples

which they contend represent unduly restrictive analyses and staff conclusions which lack a factual basis. Finally, in Section III.C (at 13-21) they attempt to show that SSER 9 provides no assurance that safety problems at Waterford do not persist. The Joint Intervenors have misinterpreted these issues, as described in detail in the attached affidavits of Lawrence C. Shao and John J. Harrison. In addition, the following general comments are provided.

The last paragraph before Item C (page 13) in the Joint Intervenors reply states "...that SSER 7 was intended to disguise the significance of the QA and "character" breakdown at Waterford 3..." The QA team findings on pages 13 and 14 of SSER 7, the Summary on page 15 of SSER 7, many of the allegation writeups such as A-48 on pages 96 through 100, all point to a partial breakdown of the site QA program. SSER 9 also indicates that there was a partial breakdown involving some subcontractors. The Staff has been forthright in describing these matters and did not attempt to "disguise" their significance.

Joint Intervenors (at 14) stated that solutions to problems at Waterford were "negotiated." No such negotiation occurred. In fact, the NRC staff, while reviewing corrective actions, in some cases required additional information and additional actions, beyond those which it initially required, in order to thoroughly evaluate the facts and to ensure the adequacy of corrective actions taken.

7. I and members of my staff have reviewed Exhibits 1-5 attached to Joint Intervenors' reply. Exhibit 1 is a memorandum from Nunzio J. Palladino to the Commissioners on the subject of taking steps to avoid licensing delays. The Joint Intervenors contend that this letter was

part of an effort by the NRC "to ensure the expeditious licensing of the plant" as a predetermined activity. This is not a valid interpretation. My understanding of this memorandum and the referenced direction (JI Reply at 6) from the Executive Director for Operations, is that the NRC Waterford Task Force was formed to identify issues so that decisions could be made with respect to the issuance of a license in a manner that avoided unnecessary regulatory delays. The thrust of the NRC effort has been to focus on potential safety issues in an expeditious manner, not to avoid them. Further discussion of this matter is provided above, at pages 4-5.

Exhibit 2 is a marked up draft of an LP&L Policy Statement. It is neither signed nor dated. Joint Intervenors represent this exhibit as supporting the allegation that construction had control over day-to-day operations of the QA department. However, LP&L's management and QA organization at the approximate time the draft was written were well known to the Staff. LP&L's QA organization was approved by the Staff as providing sufficient independence of the QA function, because the QA organization reported to a senior management position sufficiently high in the LP&L organization to ensure that the QA function would not be compromised.


Exhibits 3, 4, and 5 are offered as examples to support Joint Intervenors' proposition that LP&L did not maintain adequate oversight of procurement activities. Exhibit 3 is an LP&L Response to Violations identified in NRC Inspection Report 50-382/76-08. The NRC reviewed LP&L's corrective action and found it acceptable in December 1976 (NRC Inspection Report 50-382/76-11). Exhibits 4 and 5 are mostly illegible

handwritten notes which cannot be fully evaluated. However, the NRC Waterford Task Force and NRC Region IV are not aware of any significant unresolved problems with LP&L's oversight of procurement activities during construction. This conclusion is based on routine inspections as well as a recent Task Force evaluation of procurement documents in connection with our review of allegations.

8. Based upon the matters set forth herein and in the attached affidavits, I and other members of the Staff are satisfied that SSERs 7 and 9 adequately and properly treat each of the matters referred to in the Joint Intervenors' reply. In our view, the Joint Intervenors' assertions concerning the adequacy and integrity of the staff's review of Waterford-related allegations and our documentation of that review in SSERs 7 and 9 are totally without merit.


Dennis M. Crutchfield

Subscribed and sworn to before me
this 1st day of March 1985


Notary Public

My commission expires: 1/1/86

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

In the Matter of

LOUISIANA POWER AND LIGHT COMPANY)

(Waterford Steam Electric Station,)
Unit 3))

Docket No. 50-382

SUPPLEMENTAL AFFIDAVIT OF LAWRENCE C. SHAO

I, Lawrence C. Shao, depose and say:

1. I am the Deputy Director, Division of Engineering Technology, Office of Nuclear Regulatory Research, United States Nuclear Regulatory Commission. My Professional Qualifications are attached to my affidavit filed on December 21, 1984. The instant affidavit is submitted in response to Joint Intervenors' Reply, dated January 25, 1985.

2. I have been the civil/structural and mechanical/piping team leader assigned to the Waterford Task Force from March 1984 to the present. As part of my recent responsibilities in this regard, I have reviewed or supervised the review of certain issues submitted as part of Joint Intervenors' Reply dated January 25, 1985, set forth on page 8 of the Reply. The following constitutes the results of this review.

4. The Joint Intervenors (at 8, lines 8-10) state that "the staff does not indicate whether such a certificate was provided or whether NCR W3-6514 was properly dispositioned."

As previously stated in SSER 7 (at 278), a list was made of the Mercury Co. installed Bergen Patterson supports. Any structural steel installed by Mercury on any of the listed supports was acceptable without heat number traceability, because all the structural steel used with the supports in fact was found to have a Certificate of Compliance verifying that it met ASTM A36 specifications. The staff had previously responded to these concerns in SSER 7 (at 279 as follows: "The NRC staff determined that NCR W3-6514 was properly closed and that the structural steel used on instrument piping supports was properly certified. Accordingly, this issue has neither safety significance nor generic implications" (emphasis added).

5. The second issue discussed in the Joint Intervenors' Reply at 8, lines 11-24, is directly related to the first issue. The statement that traceability was lost on some hanger material related to the fact that Mercury Co. chose to use heat number traceability in addition to the Ebasco certificate of compliance (C of C) requirement. The only 10 CFR 50, Appendix B, and SSER requirement was that the structural steel used on the hangers involved have a C of C furnished by the material supplier. Accordingly, NCR W3-6514 was properly dispositioned upon finding that the structural steel used was "properly certified."

6. I hereby certify that the statements contained herein are true and correct to the best of my knowledge and belief.

Lawrence C. Shao

Lawrence C. Shao

Subscribed and sworn to before
me this 4th day of March, 1985

Malinda L. McDonald

Notary Public

My Commission expires 7/1/86