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RELATED CORRESPONDENCE

Wednesday, June 26, 1985

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USNRC

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Chairman
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U. S. N. R. C.
Washington, D.C. 20555

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Frederick J. Shon
Administrative Judge
U. S. N. R. C.
Washington, D.C. 20555

Re: Houston Lighting and Power Co., et al.
South Texas Nuclear Project
Docket Nos. 50-498 DL, 50-499 DL

Dear Members of the Board:

Recently, the judge presiding over the law suit against Brown and Root filed by the partners in the South Texas Nuclear Project removed a gag order which had kept all documents, depositions, etc. in the suit secret. Numerous newspapers stories are now appearing in the Texas media based on these documents.

Enclosed are two articles which appear to be relevant to the issues in Phase II of this proceeding. I am forwarding these to the Board and the parties for their information.

Sincerely,
Lanny Sinkin

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

RELATED CORRESPONDENCE

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of ()
()
HOUSTON LIGHTING AND ()
POWER COMPANY, ET AL. ()
(South Texas Project, ()
Units 1 and 2) ()

Docket Nos. 50-498 OL
50-499 OL

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CERTIFICATE OF SERVICE

I hereby certify that copies of CCANP'S LETTER TO MEMBERS OF THE BOARD DATED JUNE 25, 1985 were served by hand delivery (*) or deposit in the U.S. Mail, first class postage paid to the following individuals and entities on the 25th day of June 1985.

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Lanny Sinkin

Lanny Sinkin

STNP probe found flaws by Bechtel, other firm

'84 documents say ventilation faulty

Houston Post 6-18-85

By MARK SANDERS
and HAROLD SCARLETT
Post Reporters

"Serious problems" with the construction and design of the critical ventilation work done by the current builders of the South Texas Nuclear Project were uncovered by a Houston Lighting & Power Co. investigation in 1984, documents revealed Monday.

An HL&P spokesman said Monday after his company complained about the problems to Bechtel Power Corp. and Ebasco Services Inc., they addressed the errors and have corrected all but one or two.

The 57-page report dated Sept. 25, 1984, outlined scores of problems that could threaten an operating license for the nuclear plant and impair the quality of the project, according to testimony of Thomas James Jordan, HL&P's quality assurance manager for the project.

In his sworn testimony, Jordan called the list of discrepancies "serious problems" and said: "I was disappointed with the number of these types of deficiencies."

The report criticized poorly finished and rusting duct welding, inadequate calculations for such things as the impact of tornado winds on air vents and walls, and poor calculations for keeping the plant cool.

Jordan said some of the problems with the heating, ventilation and air conditioning system were never reported to the Nuclear Regulatory Commission because they could be corrected quickly.

HL&P spokesman Don Beeth said the fact that the problems were discovered and corrected indicated an intention "by HL&P, Bechtel and Ebasco to catch problems in the bud."

"Quality assurance people consider everything serious," he said, explaining Jordan's characterization of the problems.

Bechtel and Ebasco took over the building of the project after Brown & Root Inc. was fired late in 1981. The owners of the project subsequently sued Brown & Root, but reached an out-of-court settlement last

month that freed millions of court documents from a judicial gag order.

In his testimony, Jordan said the heating, ventilation and air conditioning problems were caused by either an oversight by a particular engineer or a difference in judgment among engineers.

"Often these types of deficiencies result as a difference in engineering judgment," he said. "Sometimes, it's just an oversight due to, you know, just a judgmental error or oversight by an individual engineer."

"If the design criteria for a system or particular component was not applied to those components in the design, by definition, that's a problem," he said.

The problems outlined in the report generally would not affect the safety of the plant, he testified.

When questioned about Bechtel's reported failure to consider tornado winds on certain parts of the ventilation system, Jordan said that if the problem had gone unnoticed, "systems could possibly be ordered and fabricated and installed and not be in compliance with the design criteria for the plant."

In his March 1985 deposition, Jordan also discussed other problems at the STNP attributable to the work of Bechtel-Ebasco.

He said in early 1984, the builders were accidentally creating voids in the concrete they were pouring. That problem was later "closed, based on an improvement in that area," he said.

Defects in welding by the builders and structural steel deficiencies were also uncovered in 1984.

Jordan said HL&P sent Bechtel and Ebasco "back to the drawing boards" in November 1984 "to come up with a way to reduce the level of structural steel deficiencies."

Earlier that year, HL&P had warned the builders of the problem, but Jordan said the error was not fully corrected.

Beeth said Monday those problems, too, had been addressed and either had been corrected or were being corrected. He said there had been a "five-fold improvement" in correcting the problems with structural steel since HL&P issued the November order.

STNP backfill soil questioned

Reactor site unstable, papers allege

By MARK SANDERS
and HAROLD SCARLETT
Post Reporters

A soil scientist in the Nuclear Regulatory Commission reported doubts about the stability of backfill soil under buildings at the South Texas Nuclear Project, newly opened court documents revealed Thursday.

Soil expert Ross Landsman said in a July 1984 deposition he did not believe that backfill problems, which he discovered in a sweeping 1979 NRC investigation of the nuclear plant, were ever fully remedied or resolved.

Backfill is used to refill excavations made for the extensive foundations and other underground structures of a nuclear reactor building. Other buildings abutting the reactor dome are then built partly on top of the backfill.

Landsman said poorly compacted backfill can lead to settling of a building that can wreck piping and other utility connections going

Houston Post 6-15-85
into the reactor building. This can lead to potential safety problems during operation.

Landsman's concerns were reinforced by another court exhibit — a 1984 audit review by the Houston Lighting & Power Co. which detected some of the same backfill problems found in the 1979 investigation.

Survey pleases officials at MTA

Metropolitan Transit Authority officials are pleased with the results of a new poll about Metro's performance, but they also say it remains to be seen whether the highest-ever approval rating will help when the authority takes a new transit plan to voters, probably in the near future.

■ Details/page 18A

That investigation led to a \$100,000 fine against HL&P for lax management of the nuclear project and was a factor in the 1981 firing of Brown & Root Inc. from the project.

The March-April 1984 audit by HL&P concluded that the backfill practices of Bechtel Power Corp., which replaced Brown & Root as the project's designer-builder, were "unacceptable because of the large number of deficiencies identified."

HL&P's reviewers said Bechtel's quality control people had not performed an "effectiveness inspection" of backfill operations since October 1982 — a period of almost 16 months at the time the report was written.

They said the backfill performance of Ebasco Services Inc., the new plant constructor, and Pittsburg Testing Laboratory, which does backfill tests, was satisfactory, even though the report

See Backfill/page 28A +

Backfill soil problems eyed in STNP deposition

Continued from page 1A

listed 15 deficiencies for Ebasco and 16 for the testing lab.

But HL&P spokesman Don Beeth said the utility has "no present discomfort about the stability and safety of the backfill," and any remaining backfill problems are being resolved.

He said the new backfill questions are one of the issues raised by project opponent Lanny Sinkin that will be considered at a resumed NRC licensing hearing to begin July 11.

"We are going to litigate this," Beeth said, "and we are completely confident that we are going to satisfy the licensing board on this point."

Beeth disclosed the NRC early in 1984 issued a notice of violation involving Bechtel's backfill testing procedure, and that led to the HL&P audit. He said Jerry Goldberg, HL&P's nuclear group vice president, ordered an "extremely thorough and complete audit of the entire soils program."

The 1984 audit was the first indication of recent construction problems to emerge from court documents recently unsealed after a \$750 million settlement by Brown & Root of a damage suit brought by the project partners.

Landsman, who has a Ph.D. in soil mechanics, was a reactor inspector with the NRC's Region III (Midwest) office in Glen Ellyn, Ill., when he was brought in as part of a nationwide NRC team for the exhaustive 1979 investigation of the nuclear project near Bay City.

When asked in his deposition for his reaction to the 1984 audit, Landsman noted it had turned up some of the same non-compliance items he had found in 1979. In view of those circumstances, he added:

"If it was a Region III plant and (we) found all those things, I think we would stop the soils work."

Landsman said the 1984 audit results were "even more disheartening" because the NRC's Region IV staff, which covers Texas, in 1980 had closed out his 1979 citations — over his strong objections — as resolved.

The soil specialist said he returned to the South Texas Project in June 1980 on a followup inspection and got into bitter arguments with Region IV staffers about their plans to close out the soil issues.

Both Landsman and his Region III boss, D.W. Hayes, who headed the 1979 investigating team, filed protests that led to a meeting at NRC headquarters in Washington in an effort to resolve the internal dispute.

Landsman said a resolution was reached, and he accepted it with the proviso that Region IV work with the NRC's nuclear reactor regulation group in making a final decision.

But later, he said, Region IV canceled the cooperation agreement and closed out the soil issues on its own.

The NRC's 1979 investigation by a multi-region team came after some critics charged that the Region IV staff was not properly policing construction of the troubled nuclear plant.

At the time of his deposition, Landsman was helping supervise the mothballing of the Midland, Mich., nuclear plant, which had to be abandoned when it was almost completed because of extensive backfill problems.

In inspecting the South Texas Project, Landsman said he was concerned about the looseness of the upper 6 to 9 inches of the top lift, or layer, or backfill.

"This material was so loose on top it was like beach sand," he said. "You actually sank into the top layer . . . and I thought it was, well, I want to say strange, but that's not the right word. Why are we putting a building on this loose material?"

Landsman said the sand used as backfill at the South Texas Project appeared to be too uniform for good compaction, no one really knew how much compaction had been done, and testing procedures were inadequate.

Responding to an NRC show-cause order after the 1979 investigation, HL&P ordered extensive testing and hired a trio of recognized soil experts as an independent review committee.

The three experts later reported

the backfill was more than adequate, and that the loose soil in the top layer was no real problem.

Asked if he believed the three soil experts were qualified, Landsman replied in his deposition:

"Yes, except I know who was paying them to write the report, okay."

An attorney told Landsman he was making a serious charge by accusing the respected experts of lying.

"I'm not saying they lied," Landsman replied, "but you can word things to sound — in this one issue, for instance — any way you want it to sound."

Landsman charged that the Region IV staff dismissed his non-compliances as resolved on the basis of preliminary reports and promises of corrective steps before any action was actually taken.

But Joseph I. Tapia, a Region

IV reactor inspector, said he believed Landsman's findings were "in error," and another NRC Region II soils expert he called in for the June 1980 re-inspection agreed with him. Tapia acknowledged he and Landsman had heated words during the re-inspection.

Landsman said he had learned before the visit that the mechanical-electrical auxiliary building at the project had sunk on one side. He said Region IV people told him this was because construction of the building had proceeded unevenly, and the heavier portion of the building had sunk.

But when he revisited the site, he discovered it was the lighter side of the building that had tipped, and he believed it was because of poor soil compaction.

He said, however, that he never followed up on the tilted building issue because "I had just had it by the time I left the site."