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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

OFFICE OF NUCLEAR REACTOR REGULATION  
Thomas E. Murley, Director

In the Matter of ) Docket No. 50-482  
KANSAS GAS AND ELECTRIC COMPANY, )  
KANSAS CITY POWER & LIGHT COMPANY, )  
KANSAS ELECTRIC POWER COOPERATIVE, INC. )  
(Wolf Creek Generating Station) ) (10 CFR § 2.206)

DIRECTOR'S DECISION UNDER 10 CFR § 2.206

I. INTRODUCTION

By Petition dated May 15, 1985, and an amendment thereto dated May 31, 1985, (hereafter referred to as the Petition) submitted to the Commission pursuant to 10 CFR § 2.206, Ms. Billie Pirner Garde of the Government Accountability Project (GAP), on behalf of the Nuclear Awareness Network (NAN), (hereafter referred to as the Petitioners) contends that the Nuclear Regulatory Commission (NRC or Commission) staff failed to address serious safety allegations to ensure that the Wolf Creek facility could operate above 5 percent power without endangering the health and safety of the public. Specifically, the Petitioners allege that: (1) because the NRC staff had not taken possession of and pursued the allegations provided through the Kansas Gas and Electric Company (KG&E) Quality First (Q1) Program, neither the company nor NRC resolved those allegations; (2) the licensee and the NRC staff ignored or "buried" over 700 safety-significant concerns received from over 240 individuals; and (3) the NRC staff failed to assure the Commission and the public that the allegations in these files were adequately resolved.

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The Petitioners requested that NRC:

- 1) require the staff to take possession of the Q1 files and provide to the Commission and the public the analysis of why the alleged significant safety-related deficiencies identified for the past year (Note: refers to year preceding May 15, 1985) by members of the work force do not pose a danger to the public health and safety,
- 2) conduct an inquiry on the ramifications of the collective safety significance and/or adequacy on the quality assurance program in the light of the information contained in the Quality First files,
- 3) require an explanation from both NRR and Region IV as to why they allegedly allowed the allegations to be exempt from the regulatory analysis for determination of safety significance, and
- 4) request that the Office of Investigations (OI) conduct an investigation into the alleged compromising of the Quality First program by William Rudolph, site Quality Assurance (QA) manager.

By letter dated June 12, 1985, the then Director of the Office of Nuclear Reactor Regulation (NRR), acknowledged receipt of your Petition and informed you of his conclusion that the matters identified in your Petition did not require any immediate action to protect the health and safety of the public. On the basis of that conclusion, in part, the Director issued a full-power license for Wolf Creek Generating Station on June 4, 1985. He further stated that appropriate action would be taken on your Petition.

I have now completed my evaluation of the Petition. For the reasons set forth in the discussion below, the Petitioners' requests for action are denied.

## II. BACKGROUND

In early 1984, KG&E initiated the Q1 program at the Wolf Creek Generating Station to establish "the necessary administrative and investigative measures to ensure that all quality concerns related to safe plant operations, quality of work, compliance with requirements or management are appropriately evaluated, investigated, dispositioned, verified, and documented."<sup>1</sup> While the NRC does not require its licensees to have such programs, it does encourage its licensees to implement them. The program, available to all site employees, affords them an opportunity to report concerns personally to Q1 investigators or anonymously by a telephone "hot line."

Information about the program and instructions for reporting concerns are posted at the site and made available to site employees. In addition, employees are interviewed by Q1 personnel when they terminate their employment at Wolf Creek and asked if they have any quality concerns to report for Q1 investigation. As of the end of May 1985, the Q1 program had received a total of 752 concerns from 271 individuals.

On June 3, 1985, the NRC held a public meeting to discuss and decide whether a full-power license should be issued for the Wolf Creek Generating Station. Immediately prior to that meeting, the Commission had held a closed meeting with the staff and the Office of Investigations (OI) to discuss the significance of investigations then pending on Wolf Creek and the staff's efforts regarding review of the Q1 program. With the exception of several pages, the transcripts of the closed meeting have now been publicly released.

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<sup>1</sup>KG&E's Quality Concern Reporting System, Procedure No. III.29, Revision 0, dated February 24, 1984.

Following the staff's discussion of the relevant licensing issues and KG&E's presentation at the public meeting, the Commission voted unanimously to authorize the Director of the Office of Nuclear Reactor Regulation to issue a full-power license for Wolf Creek; as noted above, that license was subsequently issued on June 4, 1985.

### III. DISCUSSION

The requests of the Petitioner are treated seriatim below:

- A. "require the staff to take possession of the Q1 files and provide to the Commission and the public the analysis of why the significant safety-related deficiencies identified for the past year by members of the workforce do not pose a danger to the public health and safety."\*

The NRC staff carried out a continuing evaluation of the Q1 program's effectiveness since its inception in early 1984 through mid-1985 to assure that safety significant quality concerns had been evaluated and resolved by the licensee. This evaluation included reviews of both the programmatic aspects of the Q1 program and the content and resolution of the individual concerns contained in the Q1 files. Because the NRC does not require, but encourages, programs of this nature, the NRC has not prescribed any specific regulatory requirements to govern such employee concerns programs, and therefore has not delineated any specific inspection criteria by which to evaluate such programs. The NRC has its own program to evaluate allegations that it receives relative to construction or quality deficiencies

\*Note: This would be the one year period preceding May 1985, the date of the petition.

important to safety at nuclear power stations and has developed appropriate procedures to evaluate such allegations. Accordingly, the NRC staff used this general guidance for reviewing allegations submitted to the NRC to evaluate the Q1 program. The NRC also reviewed the Q1 program to assure that KG&E reported verified safety significant deficiencies. Between September 25, 1984, and May 31, 1985, six reviews involving the KG&E Q1 program were carried out by NRC regional and headquarters personnel. These publicly available reports\* are summarized below:

The first five reviews thoroughly examined programmatic aspects of the KG&E Q1 program as well as closed case files, including files involving possible wrongdoing issues, exit interview files, and files containing drug-related issues. While the reviews found that several programmatic aspects of KG&E's Q1 program were deficient, as explained below, the NRC did not identify any violations of, or deviations from NRC requirements, nor did the NRC find any indications that the Q1 program failed to properly assess and resolve any significant safety concerns.

From May 27, 1985 through May 31, 1985, a 16-member NRC staff team performed a final, special review of the Q1 files. The NRC inspection team consisted of the Wolf Creek resident inspectors and representatives of the Office of Nuclear Reactor Regulation (NRR), Region IV's Division of Reactor Safety and Projects, Region IV's Office of Investigations, and the Office of Inspection and Enforcement at NRC Headquarters. The inspection team reviewed all Q1 files (271 case files containing a total of 752 concerns) in-depth to determine whether KG&E had properly dealt with the concerns brought to the Q1 organization by employees of KG&E and its contractors. This review consisted of 679 onsite inspector

\*See NRC Inspection Reports: 50-482/84-37, September 25-27, 1984; 50-482/84-48; October 9 - November 2, 1984; 50-482/84-52, November 13 - December 13, 1984; 50-482/84-58, December 17-28, 1984, and January 7-18, 1985; 50-482/85-09, January 21 - February 15, 1985; and 50-482/85-28, May 27-31, 1985

hours. Although Region IV had previously reviewed approximately 40 percent of the 271 case files, the special inspection team included these files in its review to provide total continuity and another level of review. Sixty-one percent (61%) of the total number of reported concerns comprised technical safety concerns.

The review revealed that KG&E and Q1 had properly classified, followed up in-depth, and appropriately corrected each of the technical concerns. The team concluded, however, that KG&E Q1 failed to provide appropriate trending to management and did not require enough feedback and other information from other KG&E organizations to support closure of thirty-four (34) concerns related to harassment and intimidation, drug, and falsification issues. Nevertheless, the NRC team obtained information and interviewed personnel outside the Q1 organization which enabled the team to conclude that these thirty-four concerns were not a restraint to full-power operation. Furthermore, despite the programmatic deficiencies noted above, the team also concluded that KG&E's Q1 program did reach proper resolution on technical issues in a responsible manner and that an appropriate level of management integrity was evidenced by such proper resolution, management involvement in the program, and the program's independence. Overall, the team concluded, after a careful review of all files and concerns, that there were no issues that would be a restraint to full power operation of the Wolf Creek Generating Station.

B. "conduct an inquiry on the ramifications of the collective safety significance and/or adequacy on (sic) the quality assurance program in the light of the information contained in the Quality First files."

The Petitioners claim that there are statements and supporting information from over 240 individuals who have expressed over 700 safety-significant concerns. They also state that it is their understanding that the licensee has

ignored or "buried" the serious concerns of these individuals. The Petitioners further allege that the NRC has also ignored these concerns, and they assert that it is clear to them that neither the company nor the NRC are going to resolve those problems.

As summarized previously, the NRC staff extensively reviewed the process and content of the Q1 program used by KG&E to identify, track, and correct quality concerns at the Wolf Creek Generating Station. Despite critical comments provided by the staff to KG&E on certain programmatic elements, the results of this continuing review indicate that the Q1 program has been effective in investigating and resolving the safety concerns identified by KG&E employees and employees of firms under contract to KG&E during the construction of Wolf Creek.

The Region IV follow-up and ongoing review of the Q1 files did not show any indication that the licensee had attempted to ignore or "bury" the technical concerns of any individuals. The multi-disciplinary NRC team found that KG&E investigated, resolved, and corrected, as appropriate, all technical safety concerns that were reported by employees. The responsible KG&E organizational element proposed corrective actions and Q1 program personnel reviewed those corrective actions to ensure that the quality concerns had been properly addressed. KG&E's Q1 program, in concert with other KG&E and its contractor's programs, suitably resolved every technical safety issue that it examined, including all the technical issues the Petition raises.

On the basis of the staff's review of 100 percent of the quality concerns provided to the Q1 program and the assessment of KG&E's resolution of the safety aspects of these concerns, there is no evidence to support the allegation that either the licensee or the NRC staff ignored or "buried" any safety concern. The information in the Q1 files, to which full access has been afforded NRC

since the inception of the program, showed no safety significant technical issue remained unresolved and raised no substantive questions regarding the overall adequacy of the QA program. Therefore, further evaluation of the safety significance of these concerns is not warranted.

C. "require an explanation from both NRR and Region IV as to why they allowed the allegations to be exempt from the regulatory analysis for determination of safety significance."

The Petitioners also contend that the NRC staff failed to assure the Commission and the public that the allegations contained in the Q1 files were adequately resolved and that the staff inaccurately presented a picture to the Commission of a plant without serious safety deficiencies in that the staff reported to the Commission that there were only nine allegations under review of the plant.

The NRC staff discussed the results of its review of the Q1 program case files with the Commission during the June 3, 1985, public meeting on issuance of a full-power license to KG&E for the Wolf Creek Generating Station. The NRC staff presentation clearly and definitively identified the number of concerns handled by the Q1 program, the extent of the licensee's investigation of those concerns, and the results of the staff's investigation of all of the case files and concerns in the Q1 program. The staff did state that nine issues required some supplemental work which was done by the staff. The issues were satisfactorily settled. (The transcript of this meeting is a public document available in the Commission's Public Document Room.) The staff concluded that there were no technical issues that would cause them to recommend against issuing a full power license. The staff also indicated in the public record that, although there were some issues identified by the Office of Investigations (OI) that related to the investigative methodology of the Q1



investigators, the NRC staff had inspected the technical and safety aspects of the issues about which OI had expressed concern and found no evidence weighing against full power licensing. In short, the staff had in fact already analyzed the technical allegations in the Q1 files for safety significance.

D. "request OI conduct an investigation into the alleged compromising of the Quality First program by William Rudolph, site QA manager."

The Petitioners indicated that they have provided information to OI on the Q1 program and have requested that OI open an inquiry into allegations of deliberate mishandling of the Q1 program. In addition, the Petitioners, by an amendment to their May 15, 1985, petition, dated May 31, 1985, stated their concern that the briefing the Commission was to receive from the NRC staff regarding issuance of a full-power license for Wolf Creek would not be thorough and complete, and they identified specific issues that were included in Q1 files that they had provided to OI.

During July 1985, OI performed three investigations\* of specific Q1 cases which were examples of types of cases for which NRC had provided critical programmatic comments previously to KG&E. These investigations confirmed the existence of programmatic weaknesses that had been identified earlier. Moreover, beginning in June 1986, OI carried out an investigation into whether KG&E's management used the Q1 program in such a way as to suppress employee concerns from being fully investigated and/or having appropriate corrective action implemented so that employee concerns would not interfere with the issuance of the Wolf Creek Generating Station operating license. The OI investigation focused on the Q1 program of late August through December 1984. Early in this period, the Q1 program reported to Mr. William Rudolph as QA Manager. The reporting responsibility for this program was subsequently transferred to the

\*OI Case Numbers 4-85-011; 4-85-012; and 4-85-013

Vice President, Quality, and then to the Group Vice President, Technical Services. These changes in reporting responsibilities minimized the potential for conflicts of interest in the processing of allegations. Further, the investigation included interviews with 21 then-current and former Q1 employees, along with the KG&E Chief of Security and the KG&E Vice President, Nuclear. On the basis of these interviews, certain Q1 case files were selected for review. Two NRC inspectors, experienced in the inspection of nuclear power plants, assisted the OI investigators in the technical reviews of the selected Q1 case files.

OI completed its investigation in November 1987 and concluded that a substantial number of concerns that merited a thorough investigation were given only superficial attention, were inadequately investigated, and their documented closures were accepted by Q1 management. Despite the number of shortcomings identified in the Q1 program by this investigation, OI concluded that the evidence did not establish wrongdoing on the part of KG&E management.

Quality First Observations (QFOs) are issues that are discovered during a Q1 investigation that are outside of the original scope of review. They are referred to the responsible KG&E organization for investigation and correction. With regard to the QFOs for which Mr. Rudolph was responsible, the NRC staff reported in Inspection Report 50-482/85-09 that as of February 15, 1985, 11 QFOs had been initiated as a result of Q1 investigation of concerns and forwarded to the responsible organizations for action and closure, and that Q1 had received responses from the responsible organization for all of them. However, OI recommended that NRC not place great reliance on the Q1 investigative program as it existed in late 1984. (As noted earlier, that NRC staff was well aware of the limitations of the Q1 investigative program regarding certain types of wrongdoing issues and conducted its reviews of the technical

significance of these issues accordingly.) The NRC staff transmitted a synopsis of the investigation to KG&E by letter on November 24, 1987, and also released the synopsis to the Public Document Room at that time.

As described in Part III.A, above, the NRC carried out independent inspections regarding the adequacy of the handling of each technical safety concern by the Q1 program and concluded that each concern was properly resolved and that there were no issues that would be a restraint to full-power operation of the Wolf Creek Generating Station. The NRC staff will continue to independently review and investigate allegations provided directly to the NRC related to the Wolf Creek Generating Station, irrespective of whether they are contained in the Q1 program files.

On the basis of the staff's inspection results that were discussed with the Commission during the June 3, 1985, public meeting to consider issuance of the Wolf Creek Generating Station full-power license, I conclude that the briefing given to the Commission was complete and thorough and no additional review of the Q1 files, as requested by the Petitioners, is necessary. On the basis of the NRC staff's investigation of the Q1 Program and its implementation, I further conclude that there is no reason to conduct any further investigation into Mr. Rudolph's activities in the Q1 Program.

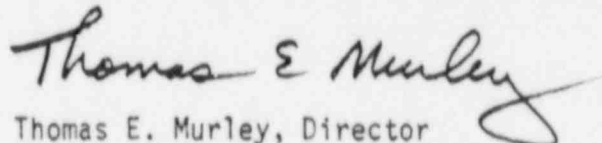
#### IV. CONCLUSION

The institution of proceedings pursuant to 10 CFR § 2.202 is appropriate only where substantial health and safety issues have been raised, See Consolidated Edison Co. of New York (Indian Point, Units 1, 2, and 3), CLI-75-8, 2 N.R.C. 173, 175 (1975); Washington Public Power System ((WPPS) Nuclear Project No. 2), DD-84-7, 19 N.R.C. 899, 924 (1984). This is the

standard that I have applied to the concerns raised by the Petitioners in this decision to determine whether enforcement action is warranted.

For the reasons discussed above, I find no substantial basis for taking the actions requested by the Petitioners. Rather, based on the NRC staff's inspections relating to the concerns raised in the Petition and its subsequent evaluation of those inspections, I conclude that no substantial health and safety issues have been raised by the Petitioner. Accordingly, the Petitioner's requests for action pursuant to 10 CFR § 2.206 are denied as described in this decision. As provided by 10 CFR § 2.206(c), a copy of this decision will be filed with the Secretary of the Commission for the Commission's review.

FOR THE NUCLEAR REGULATORY COMMISSION

  
Thomas E. Murley, Director  
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland,  
this 22nd day of August, 1988.