



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

January 4, 1988

R. Concord, GHP

MEMORANDUM FOR:

Thomas A. Rehm, Assistant for Operations
Office of the Executive Director for Operations

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

Frank J. Miraglia, Associate Director
for Projects
Office of Nuclear Reactor Regulation

Dennis M. Crutchfield, Director
Division of Reactor Projects - III, IV,
V and Special Projects
Office of Nuclear Reactor Regulation

FROM:

Jose A. Calvo, Director
Project Directorate - IV
Division of Reactor Projects - III,
IV, V and Special Projects
Office of Nuclear Reactor Regulation

SUBJECT:

SOUTH TEXAS PROJECT (STP) PLAN FOR EVALUATION
AND RESOLUTION OF ALLEGATIONS PROVIDED BY THE
GOVERNMENT ACCOUNTABILITY PROJECT (GAP)

The plan for the evaluation and resolution of STP allegations provided by GAP is presented in Enclosure 1.

The NPC Safety Significance Assessment Team (SSAT) (Enclosure 2) has completed a preliminary review of the allegations and associated materials at GAP offices in Washington, D.C., and has compiled, summarized, and categorized them by discipline or topics (see Enclosure 4). It is important to note that the SSAT had difficulty during its review in assessing the safety significance of many of the allegations due to the lack of specificity and detail of the identification of a particular component or system provided by the alleged (referred to by GAP as concerned individuals - CIs).

Because of the general lack of specificity of the allegations, it is imperative that the SSAT contact the alleged and determine if they can identify locations or components that exhibit the conditions that they have a concern over at STP. This will facilitate the SSAT subsequent inspection to substantiate the concerns or determine that the concern has been satisfactorily corrected. If an alleged cannot be contacted or if the contact yields no additional specific information to focus the inspection on a particular area or component, the individual allegation will be dispositioned as unsubstantiated and the general subject matter will be pursued further only if other related allegations provide some basis to assume that there is validity to the concern.

The SSAT wrote a brief description of each allegation reviewed. We feel that the subject matter used in some of the allegation descriptions might reveal the identity of the alleged. Thus, the GAP allegation descriptions prepared by SSAT must remain confidential until such a time that the need for the confidentiality of the alleged is no longer required.

Enclosure 5 lists the 10 primary allegations that the SSAT will investigate at STP. Enclosure 6 lists the secondary allegations that will also be considered along with the primary allegations due to their similarities to the primary allegations.

The proposed SSAT inspection team (Enclosure 7) are the same individuals that performed the initial review, evaluation, and screening of the allegations. Given the time remaining to prepare for the inspection and the general non-specific nature of the allegations, the utilization of these experienced reviewers or inspection team members will greatly facilitate the effort.

GAP has been contacted and given the primary and secondary allegation lists to allow them to contact the appropriate alleged and any others that may provide any additional information concerning the allegations selected for inspection. Depending on the results of GAP contact with the alleged, the proposed tentative schedule for the inspection effort will commence during the week of January 11, 1988.

Should you have any questions regarding these matters, please contact me at X27460.

Jose A. Calvo

Jose A. Calvo, Director
Project Directorate - IV
Division of Reactor Projects - III,
IV, and Special Projects
Office of Nuclear Reactor Regulation

cc w/enclosures:

SSAT Members
V. Stello, EDO
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F. Martin, PIV
W. Pussell, RI
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B. Hayes, OI
W. Briggs, OGC
K. Smith, OGC
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R. Brady, NRR
T. Martin, EDO
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SOUTH TEXAS PROJECT ALLEGATIONS REVIEW

SAFETY SIGNIFICANCE ASSESSMENT

STATUS REPORT

1. BACKGROUND

Direct interaction between NRC staff and The Government Accountability Project (GAP) on the matter of South Texas Project safety concerns outside of the litigation arena, began on November 19, 1987. A meeting was held in the Office of the Executive Director of Operations (EDO), Bethesda, with Thomas A. Rahm leading the NRC staff representatives and Billie P. Garde leading the GAP representatives. The backdrop for this meeting was the decision by the US District Court dated October 27, 1987. The Court had ruled to deny enforcement of a NRC subpoena on Ms. Garde because of the possibility of "abridgment of constitutionally protected associational rights." In addition, the court stated that, "Alternatives minimizing the intrusion on associational rights must be carefully and conscientiously explored before resort may be had to the court's process."

Prior to the meeting of November 19, 1987, agreement had been reached between the EDO and Ms. Garde on the main elements of a process that would provide the NRC staff limited access to information which might be of relevance in the forthcoming licensing decisions regarding South Texas Project. Consequently on November 19, 1987, NRC staff reviewers were permitted to see brief summaries of the allegations in the possession of GAP. An attempt was made by the technical experts present to assess the safety significance of the allegations. Unfortunately, the information made available to the staff was so lacking in specificity that no conclusions on safety significance could be reached. In order for the NRC staff to gain access to more detailed information, arrangements were agreed upon for the NRC technical staff to visit the GAP offices in Washington, D.C. The protocol for the NRC staff's work at the GAP offices was agreed upon to protect, to GAP's satisfaction, the identity of individuals who have made the allegations. The NRC staff has completed its preliminary review of the information made available by GAP as described below within the framework of agreements reached with GAP thus far. In addition, it is understood that GAP has provided the Office of Investigations (OI) allegations of harassment and intimidation and wrongdoing. To assure that all GAP identified allegations are reviewed and evaluated, the NRC Safety Significance Assessment Team (SSAT), which was assembled to perform the initial review of GAP's records, will forward to OI all allegations that they reviewed and categorized as harassment and intimidation or wrongdoing.

2. INITIAL NRC STAFF REVIEW OF ALLEGATIONS

An NRC team was assembled, referred hereinafter as the SSAT (safety significance assessment team), to review GAP records of interviews with alleged (referred by GAP as concerned individuals (CIs)) and individual allegations that GAP enumerated from the interviews. Enclosure 2 presents the NRC SSAT participants as well as the disciplines that were involved in this initial review of GAP's allegations documentation. As agreed, NRC SSAT reviewed GAP's records at GAP's offices in Washington D.C. These records consisted of audio tapes of most of the interviews conducted by a GAP consultant with the CIs, the consultant hand-written text extrapolated from the tapes, and allegation data sheets that contained each allegation's unique alpha-numeric code and a brief description of the concern.

The GAP consultant's hand-written text was assembled in numbered files which contained reference materials related to allegations. There are approximately 30 files with varying quantities of text and reference materials and two-3 ring binders containing the 576 individual allegation data sheets. GAP has categorized the allegations into the following areas: safety-related; intimidation and harassment, wrongdoing, and non safety-related. Enclosure 3 presents the categorization and designation of allegations used by GAP.

The NRC initial screening was performed by NRC SSAT members with expertise in particular areas of concern: mechanical engineering, electrical engineering, civil/structural engineering, Quality Assurance and Control, and management (including the safety-related aspects derived from harassment and intimidation, and wrongdoing concerns).

The GAP consultant was available to the team to explain where and how the records were kept and assembled and to answer any questions for the team.

SSAT members reviewed each allegation, its associated interview text and reference material file in their area of expertise. Screening also included listening to selected audio tapes to verify the accuracy of the written text extrapolated from them.

The results of the SSAT review and initial screening were documented and identified by allegation number. Each SSAT member wrote a brief description of each allegation as identified by GAP's consultant and indicated if the concern appeared to be safety-related or non safety-related. Also, SSAT members noted if other disciplines may be involved with a particular allegation and whether the CI needs to be contacted for additional information.

Generally, the SSAT's initial screening determined that a large majority of the allegations lacked specificity in identifying a particular location, component, or system about which the CI was concerned.

The individual SSAT member's data was refined and recategorized into allegation groups: Mechanical; Electrical; Civil/Structural; QA/QC; Harassment and Intimidation; Wrongdoing; NRC Region IV; and Management

issues. Each category has several subsets that was used to specify more closely issues that each allegation appears to be addressing. Enclosure 4 identifies the allegation groups used by the NRC SSAT.

3. COMPILING ALLEGATION DATA

A brief summary was prepared for each allegation that was made available by GAP. Three files containing approximately 50 allegations have been withheld by GAP due to confidentiality concerns on the part of the alleege.

The allegation summaries have been entered into a computerized data base along with the SSAT's preliminary categorization of the safety significance of the allegation, the grouping of common or similar allegations, and determination whether the alleege must be contacted to provide specific information needed by the SSAT to determine the safety significance of the allegation.

GAP's initial categorization of these allegations listed duplicate concerns under different review disciplines. Because of this, the SSAT initially had to consider approximately 700 concerns. When these duplications were reconciled there were 576 concerns, representing the same number of allegations, identified by GAP. Of these, 159 concerns are variations of an initial concern relative additional facets of the original concern such as possible documentation problems, or intimidation or harassment related to or caused by the initial concern.

The remaining concerns have been combined into groups with similar concerns (allegations) and will be reviewed together to assure that the magnitude of each issue is recognized and that common concerns are detected. Also, the grouping of the concerns will ensure a certain degree of protection of the identity of alleegees. In addition, GAP will advise whether the allegations withheld from NRC review because of reasons of confidentiality or because they involved members of the NRC staff, are covered by the established NRC SSAT allegation groups. The NRC allegation (concern) grouping scheme is shown in Enclosure 4.

The SSAT's primary effort will be expended on these allegations that are identified as safety-related concerns. These issues will be initially examined to determine whether they could affect criticality or power ascension either because these operations could represent unacceptable safety risks due to the alleege's concerns or because the allegation would be uninspectable after the plant starts up. Following this, the most safety significant allegations will be identified and reviewed in detail by the SSAT.

Because there is very little specificity included in the GAP allegations, it is imperative that the SSAT contact the alleegees and ask them to identify specific locations, systems, or components that exhibit the conditions that they allege to exist at South Texas Project so that the staff can substantiate the alleege's concern, or conclude that the concern has been satisfactorily corrected.

4. ALLEGATIONS SELECTED FOR SITE INSPECTIONS

Enclosure 5 lists the 10 primary allegations that the SSAT will investigate at South Texas. Enclosure 6 lists the secondary allegations that will also be considered along with these primary allegations due to their similarities to the primary allegation.

Out of the 576 GAP allegations enumerated, only those 16 concerns identified in Enclosure 6 as "specific" can be tied to a specific location, system, or component. The rest refer only in general terms to items of concern. It is therefore imperative that the SSAT contact the alleged in the remaining concerns to obtain enough specific information to conduct a detailed review. Some of the GAP's alleged will require that a confidentiality agreement be completed by NRC before they agree to deal with us.

If an alleged cannot be contacted or if the contact yields no additional specific information to focus the investigation on a particular system, component or location, the individual allegation will be dispositioned as unsubstantiated and the general subject matter will be pursued further only if other related allegations provide some basis to assume that there is validity to the concern.

In addition to the SSAT inspection on site, other sources of information such as Regional Inspection reports pertaining to the resolution of South Texas Project allegations, NRC inspections data and safety evaluation reports, the licensee's SAFETEA records, and other documentation that currently exists will be reviewed to determine whether they provide any additional information related to an alleged's concern. These supplemental investigations will not focus explicitly on an individual alleged's concern, they will also include other unrelated issues such that the alleged's identity will be protected, if required.

5. SSAT INSPECTION ROLE

The SSAT will inspect the selected GAP allegations at the South Texas Project (STP) site. The SSAT consists of experts in construction and inspection activities in nuclear power plants. The proposed organization of the NRC inspection team, as well as the inspectors names and their assignments are presented in Enclosure 7. The staff selected for the inspection team are the same individuals that performed the initial review, evaluation, and screening of the allegations. Given the time remaining to prepare for the inspection and the general non-specific nature of the allegations, the use of these experienced reviewers as inspection team members will greatly facilitate the effort.

A major concern of the allegation review and inspection process is the protection of the confidentiality of the alleged (concerned individuals). Arrangements will be made to contact the alleged by GAP. If required, the NRC will draw-up any confidentiality agreements with the alleged.

In addition, the inspection plan will consider combining other related or unrelated concerns with the selected GAP allegations to ensure that the substance of the allegations does not reveal the identity of these alleged requesters confidentiality.

A detailed inspection plan will be prepared by the SSAT leader and its deputy with assistance from the team members. Inspector guidance will be established prior to the commencement of the inspection to assure consistency in the inspection process. Emphasis will be placed on root cause determinations of any substantiated allegations including the identification of any generic implications. To further facilitate the selected allegation resolution process, the SSAT will utilize available Region IV inspection reports on disposition of allegations, as well as any NRR inspection reports and safety evaluation reports for STP.

The following tentative schedule is proposed for this inspection effort:

- December 28, 1987 - January 1, 1988
 - Initial planning
 - Selection of GAP allegations to be inspected
 - Selection of inspection team members
 - Present identified allegations to be inspected to GAP (All the above actions have been completed)
- January 4 - 8, 1988
 - Detailed inspection planning and inspector guidance preparation
 - Arrangements with GAP to contact alleged
- January 11 - 15, 1988
 - Interview alleged if NRC is successful in arranging interviews through GAP
 - Tentative start of onsite inspection depending on number of alleged to be interviewed
- January 18 - 22, 1988
 - Onsite inspection of selected allegations
- January 25 - 26, 1988
 - Summary of allegation inspection results
- January 25 - February 3, 1988
 - Allegation inspection report preparation
- February 1, 1988
 - Tentative Commission briefing on full power license for STP, Unit 1

Enclosure 2

SOUTH TEXAS PROJECT ALLEGATIONS

NPC SAFETY SIGNIFICANCE ASSESSMENT TEAM (SSAT) MEMBERS

INVOLVED IN THE INITIAL REVIEW OF GAP RECORDS

<u>MEMBER</u>	<u>ORGANIZATION</u>	<u>DISCIPLINE</u>
Paul O'Connor	PD-TV/NRR	Project Manager
Edward Tomlinson	PD-TV/NRR	Elect. Inst. & Misc.
Jef Pajan	EMEB/NRR	Mechanical
Donald Lipinski	ESGR/NRR	Civil/Structural
Hansraj Ashar	ESGR/NRR	Civil/Structural
Jaquie Durr	Region I	QA/QC
Patrick Milano	OE	QA/QC
Richard Correia	LQAB/NRR	QA/QC
George Johnson	EMTB/NRR	Welding
Jose Calvo	PD-TV/NRR	Project Director

SOUTH TEXAS PROJECT ALLEGATIONS

GAP ALLEGATION CATEGORIZATION AND DESIGNATION

SECTION*	DISCIPLINE	CATEGORY	ALLEGATION	RELATED ALLEGATIONS
I - Safety Related	A- Piping/Mech/Inst	a. Hardware	0001 - 9999**	.1, .2, .3, etc.
II - Intimid/Harass.	B- Electrical			
III - Wrongdoing	C- Civil/Structural	b. Doc./Draws.		
IV - Non-Safety Rel.	D- HVAC	c. Insp./Testing		
	E- Engr/Design	d. Other		
	F- Procurement/Purchas			
	G- Equipment Qualif.			
	H- Fire Protection			
	I- QA/QC/N-S/Systems			
	Completion			
	J- Welding			
	K- Safety/security			
	L- HR			
	M- Seismic & Environmental			
	N- Generic (all disc)			
	O- Personnel			
	P- Management			
	Q- Training			
	R- NRC			
	S- Safeteam			
	T- EBASCO			
	U- HL&P			
	V- S.C & i/O			
	W- ANI			
	X- Qualification of			
	Personnel			
	Y- Bechtel			
	Z- Document Control			

EXAMPLES

I A a - 0001 = Safety related/Piping/hardware specific allegation number

I A b - 0001.1 (same), subset documentation

* Note: NRC allegation numbers use Arabic numbers 1 through 4 rather than Roman numerals to facilitate use of a computerized data base.

** Allegation numbers are cross referenced to actual GAP allegation number.

SOUTH TEXAS PROJECT ALLEGATIONSS

NRC SSAT ALLEGATION GROUPS

A. MECHANICAL AND PIPING

- | | | |
|----------------------------|------------------------|---------------------------|
| 1. PIPING : | A. Pipe | C. Configuration |
| | B. Hydro : | D. Chloride Contamination |
| 2. VALVES | A. Limitorque | C. Missing |
| | B. Installation | |
| 3. MATERIALS | A. Traceability | |
| | B. Compatability | |
| 4. HVAC | A. Procurement | C. Fabrication |
| | B. Installation | D. Testing |
| 5. SESIMIC QUALIFICATION : | | |
| 6. FASTENERS | A. Counterfeit/Foreign | |
| 7. WELDING : | A. Weld Rod : | C. Welder ID |
| | B. Qualifications | D. Traceability |
| 0. OTHER : | | |

B. ELECTRICAL

- | | |
|----------------------------------|--------------|
| 1. SPLICES : | A. Raychem : |
| 2. CABLE AND CONDUIT | |
| 3. INSTRUMENTATION : | |
| 4. ENVIRONMENTAL QUALIFICATION : | |
| 0. OTHER | |

C CIVIL/STRUCTURAL

1. CONCRETE
2. SOILS
3. COATINGS
0. OTHER

D. QA/QC

1. DESIGN CONTROL
2. PROCUREMENT
3. DOCUMENT CONTROL
4. QC INSPECTION
 - A. Inspection Records
 - B. Travellers
 - C. Hold Point
 - D. Authorized Nuclear Inspector
 - E. NCRs
5. ASBUILT vs DESIGN
6. SYSTEM TURNOVER
7. FSAR/SPECIFICATIONS
8. PROCEDURES
0. OTHER

E. HARRASSMENT & INTIMIDATION (SAFETY RELATED ISSUES ONLY)F. WRONG DOING (SAFETY RELATED ISSUES ONLY)

G. NRC

H. MANAGEMENT

1. H&P
2. BECHTEL
3. EBASCO
4. INTERMECH
5. PERSONNEL PRACTICES
6. TRAINING
7. SAFETEAM
0. OTHER

0. OTHER

SOUTH TEXAS PROJECT ALLEGATIONS

PRIMARY ALLEGATIONS SELECTED FOR INSPECTION

- I. Mechanical Piping 1Aa-0560 - CI concerned with the quality of pipe joints.
- II. Valves - 1Aa-0563 - CI concerned that many valves are installed backwards.
- III. HVAC - 1Ja-0356 - CI concerned with adequacy of HVAC welds.
- IV. Fasteners - 1Fa-0082 - CI concerned that counterfeit fasteners are installed at STP.
- V. Welding - 1Ja-0130 - CI concerned with the adequacy/quality of weld not used at STP.
- VI. Electrical Cable/Instrumentation - 1Ra-0119 - CI concerned with the adequacy of Raychem splices at STP.
- VII. A) Civil/Structural 1Ca-0638 - CI concerned with concrete drilling through rebar.
B) 1Ca-0494 - CI concerned with crack in bottom of fuel handling building.
- VIII. Coatings - 1Ra-0059 - CI concerned with coatings used on the structures and equipment.
- IX. QA/QC - 1Ra-0601.1 - CI concerned with "as built" vs. "as designed" configurations of valves.
- X. NRC/Region IV - 1Aa-0554 - CI called NRC several times concerning certain problems and had no return response.

SOUTH TEXAS PROJECT ALLEGATIONS

SECONDARY ALLEGATIONS

CATEGORY - MECHANICAL/PIPING

<u>Allegation No.</u>	<u>Description</u>
1Aa-0560	Deficient Pipe Joints
1Aa-0162	Pipe to Tank Connections
1Ba-0307	Filter Screens in NSSS Loop - Specific (sp.)
1Eg-0754	Installation of Pumps, Valves, Instruments
1Pe-0279	Installation of Pumps, Valves, Instruments
1Ea-0556	Installation of Pumps, Valves, Instruments
1Ea-314	Steam Generator Installation (sp.)
1Ea-0556	Installation of Pumps, Valves, Instruments
1Ea-0432	Pipe Materials (sp.)

VALVES

1Aa-0563	Valve Installation (See 1Eg-0754 above)
1Aa-0081	Valve Maintenance (sp.)
1Ga-0305.1	Valve Installation
1Aa-0445	Valve Installation

MATERIALS (Covered under other categories)

HVAC

1Ca-0046.1	Ductwork Welds
1Da-0109	HVAC Installations
1Pa-0117	HVAC Material Traceability
1Da-0296	HVAC Installations
1Da-0337	HVAC Seal Material (sp.)
1Ea-0356	HVAC Welds
1Da-0450	HVAC Damper (sp.)
1Da-0504	HVAC Material
1Ab-0714	HVAC Installation
1Mc-0619	(See 1Da-0296)

FASTENERSAllegations No.Description

1Aa-CC36	Bolts Installation
1Fa-CC48	Bolt Traceability
1Fa-C084	Bolt Traceability
1Ia-0387	Bolt Installation
1Fa-0011	Bolt Traceability
1Fa-0082	Bolt Traceability
1Ia-0082	Bolt Traceability (sp.)
1Ya-0087	Bolt Traceability
1Aa-0132	Bolt Traceability
1Fa-0164	Bolt Traceability
1Fa-0488.1	Bolt Traceability

WELDING

1Ja-0104	Weld Rod Traceability
1Ja-130	Weld Rod Traceability
1Xd-0571	Welders
1Ja-0687.1	Welders (sp.)
1Da-0120	Welders
1Ja-0192	Welders
1Ja-0354.2	Welders
1Jb-0053	Welders
1Xd-0064	Weld Rod Traceability

ELECTRICAL & COMPONENTS

1Ba-0119	Cable Installations
1Ba-0175	Cable Installations
1Ba-0449	Cable Installations
1Ba-0008	Cable Installations
1Ea-0409	Cable Installations
1Aa-0126	Incore Instrumentation
1Ea-0465	Shielding for Panels (sp.)
1Aa-0566	Instrument Valves (sp.)
1Aa-128	Flow Transmitter Installation (sp.)

CIVIL/STRUCTURAL

1Ca-0638	Concrete Drilling
1Ca-0494	Concrete Settlements (sp.)
1Cc-0114	Fill
2Id-0121.1	Fill

COATINGSAllegation No.

1Ga-0059

Description

Coating Traceability/Application (sp.)

QA/QC

1Id-0040
 1Fb-0094
 1Ia-0601.1
 1Eb-0612
 1Ib-0705
 1Ib-0751
 1Db-0090
 1Ga-314
 1Eb-159
 1Et-0159.2
 1Ja-0254
 1Eb-0612
 1Ab-0174
 1Cb-0638.1

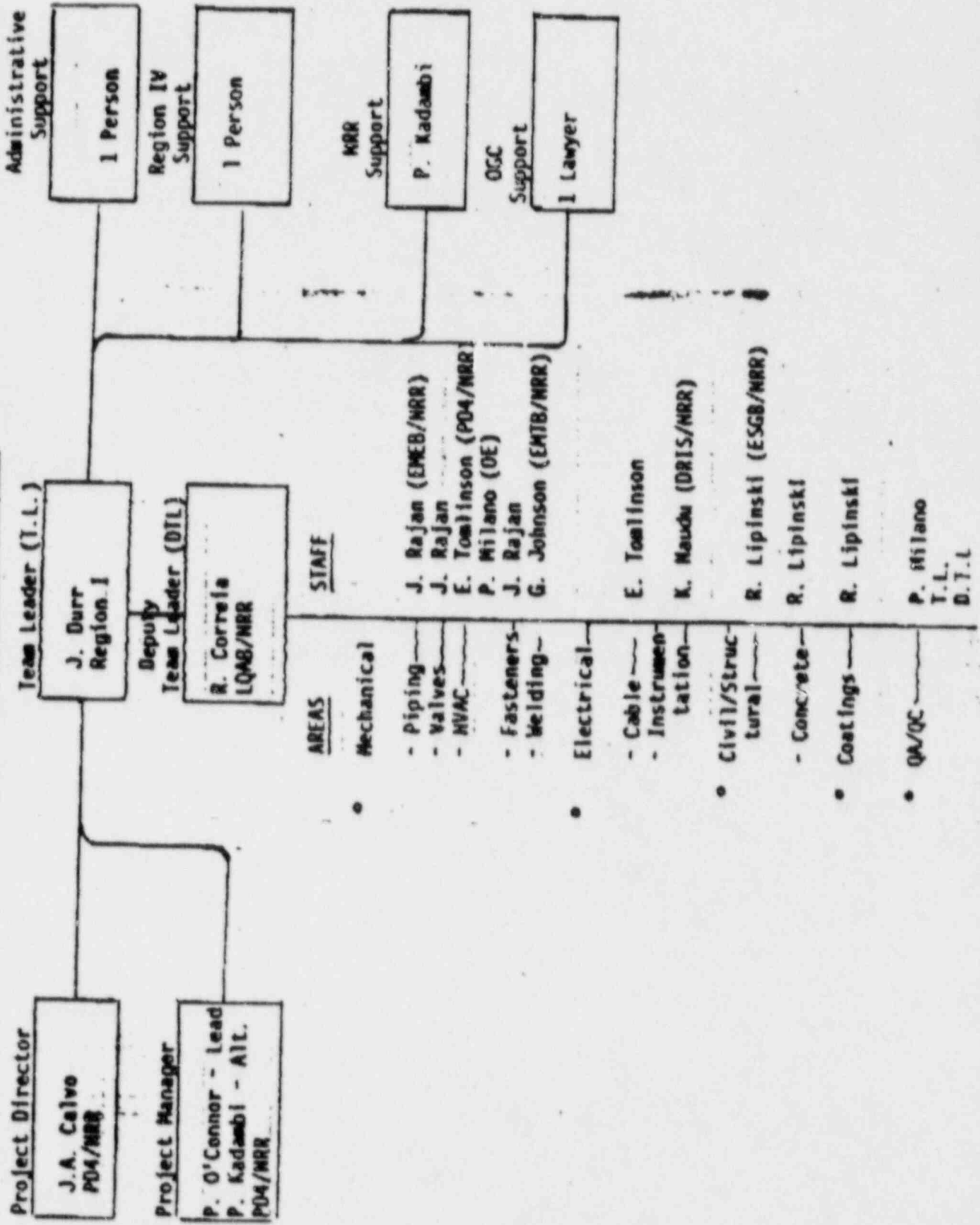
Configuration Control
 Configuration Control
 Configuration Control
 Configuration Control
 Configuration Control
 Configuration Control
 Records
 S. G. Inspection
 Pipe Whip Restraint Inspection
 Pipe Whip Restraint Inspection
 HVAC Weld Inspection
 Support Installation Inspection
 HVAC Installation Inspection
 Concrete Drilling Inspection

NRC/RTV

1Sd-0267.1
 1Aa-0554
 1Ia-0555

Confidentiality
 Deficiencies (sp.)
 Deficiencies (sp.)

**SOUTH TEXAS PROJECT ALLEGATIONS
NRC SAFETY SIGNIFICANCE ASSESSMENT TEAM (SSAT)
PROPOSED FOR INSPECTION EFFORT**



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EXHIBIT - G

The Washington Post

W & The Washington Post Company

SUNDAY, JANUARY 24, 1968

Texas Nuclear Plant Probed for Violations

Workers Filed Hundreds of Complaints

By Cap Peterson
Washington Post Staff Writer

The Nuclear Regulatory Commission has launched a last-minute inspection of a Texas nuclear power plant after reviewing hundreds of allegations from dozens of workers that the plant is poorly engineered, was constructed with substandard materials and may violate safety standards.

Employees of the South Texas Nuclear Project near Bay City said the NRC has told them the inspection will not affect their application for a full-power license, which may be approved as early as next month.

The South Texas Nuclear Project is one of a handful of nuclear plants awaiting licensing by the NRC. The two-unit power station is owned by a four-utility consortium headed by the Houston Power & Light Co. (HP&L) and has been under construction for more than 12 years. The first unit of the \$5.5 billion project was fueled last month and is expected to begin low-power operation this month.

Unlike the Seabrook and Shoreham nuclear plants still awaiting NRC licenses in the Northeast, the South Texas plant has not been a target of antinuclear activists or community opposition. However, it has been dogged by allegations of shoddy construction and inept management as its cost soared to more than 400 percent of the initial \$1 billion estimate.

The NRC fined HP&L \$100,000 in 1960, citing inadequacies in quality-control programs. A year later the utility fired its main contractor,

Brown & Root, and hired the Bechtel engineering and construction firm to complete the plant.

NRC officials sent an inspection team to Bay City last week after reviewing more than 800 complaints of wrongdoing under Bechtel's management, about half involving potential safety defects. According to an NRC document, the alleged problems range from valves being installed backward to the use of welding materials, nuts and bolts that may not have been designed to handle the stress of a nuclear plant.

The allegations were made by more than 50 plant workers through the Government Accountability Project (GAP), an organization that defends whistle-blowers. GAP has refused to divulge names of the workers, who fear retaliation, but allowed the NRC to examine the complaints after a federal judge rebuffed NRC's effort to get the workers' names through a subpoena.

HP&L spokesman Graham Painter said the utility had not been allowed to see the allegations but said plant officials think that they are "old complaints."

"If that's the case, we're not concerned," Painter said. "If we looked at it, either we took corrective action or it didn't amount to much."

Edna Ottney, a nuclear consultant

"If 10 percent of these allegations are true, that plant is not safe I would not live close to the South Texas plant."

—Edna Ottney, nuclear consultant

test who investigated the complaints for GAP, said the allegations "touch just about everything," from improper installation of safety devices to falsification of thousands of quality-control data. He said the NRC makes no distinction between operating licenses.

"If 10 percent of these allegations are true, that plant is not safe," said Ottney, who has investigated similar complaints for the NRC. As an employee of a consulting firm under contract to the NRC, Ottney several years ago investigated worker complaints about the Tennessee Valley Authority nuclear plants, all of which are now closed for safety reasons.

South Texas, she said, "is worse than TVA. I would not live close to the South Texas plant."

John Corder, a former South Texas worker who agreed to be interviewed on the record, acknowledged that he reported problems to plant and NRC officials before taking them to GAP, but he contended that nothing was done to correct them.

Corder, a 27-year Bechtel employee who describes himself as a "good company man," was a superintendent at South Texas until he was dismissed last November as part of what the company said was a work force cutback.

"Nobody cares," he said. "Nobody wants to hear it. They're behind schedule and out of money. They say they'll fix it after the plant is running."

Corder accompanied the NRC inspection team on a tour Tuesday of the South Texas plant, where he had complained of numerous construction deficiencies in the recently completed Unit 1. Although he was not allowed to enter Unit 1 of the plant for which the NRC said were security reasons, Corder said he was able to point out identical problems with metal fasteners on an electrical panel in Unit 2.

"The fasteners are gone. Missing," he said. "The panel is just stuck up there." The panel is a protective covering over high-voltage switch plates that control electrical equipment in the plant.

Corder declined to characterize the plant as safe or unsafe. "It's maddening," he said. "I still worry about it at night."

NRC spokesman Joe Gilliland confirmed that Corder had earlier pointed out construction defects to an agency inspector. Gilliland said he did not know how serious the defects were or what corrections, if any, the agency had ordered.

According to NRC and GAP documents, other workers have raised questions about the adequacy of electrical splices, pipe joints and welds. While the individual complaints may appear minor, Ottney said, they suggest that the plant's quality-control program is defective.

The NRC inspects relatively little of a nuclear power plant before deciding whether to grant it an operating license. Instead, the agency relies heavily on a "paper trail" of quality-assurance documents that are supposed to ensure the plant meets NRC standards as it is being built.

Ottney said several quality-control inspectors told her that they were instructed not to verify construction documents and that most said they complied for fear of losing their jobs. "The guys are rolling over now in that TVA South Texas are afraid of the nuclear jobs," she said. "There are no other jobs for them. It was just horror."

"I suspect that's a fair statement," Corder, who worked on the plant, a half-shutdown nuclear plant at Bechtel dating back to the early 1970s. "I have pointed out engineering flaws before, and it was always an arm-wrestle. But it never before led to a vendetta against employees like it has here."

Palmer said NRC officials had told the utility that "it's typical to have these allegations at the last minute" and that the review "should have no effect on licensing."

NRC spokesman Gilliland said the agency may have told HP&L that the latest inspection "has not been a delaying factor" in the licensing process because a commission vote on the license has been postponed for other reasons.

Low-power tests were delayed last month when the plant developed an unexplained vibration in its cooling system, and the NRC is analyzing a potential problem with its "thimble tubes," shafts that are used to introduce sampling equipment into the reactor. The tubes corroded in a similar plant in Belgium, allowing radioactive water to spill into the reactor building.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing document was served upon the addressees listed below, by hand delivery on January 26, 1988.

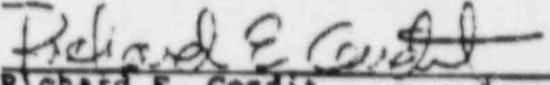
1. NRC Commissioners:

L. W. Tech, Jr., Chairman
Thomas M. Roberts
Kenneth Rogers
Frederick M. Bernthal
Kenneth M. Carr

U.S. Nuclear Regulatory Commission
1717 H Street, N.W.
Washington, D.C.

2. Secretary

U.S. Nuclear Regulatory Commission
1717 H Street, N.W.
Washington, D.C.


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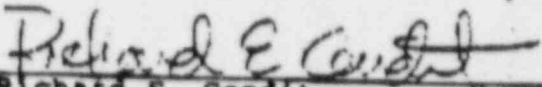
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