



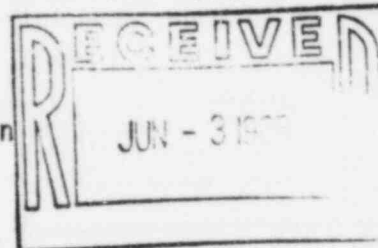
UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

May 24, 1985

MEMORANDUM: Harold R. Denton, Director
Office of Nuclear Reactor Regulation

FROM: James Lieberman, Director
and Chief Counsel
Regional Operations and Enforcement
Office of the Executive Legal Director

SUBJECT: 2.206 PETITION BY THE GOVERNMENT ACCOUNTABILITY
PROJECT RE: WOLF CREEK



By the enclosed letter dated May 15, 1985, addressed to the Commissioners, the Government Accountability Project (GAP) on behalf of the Nuclear Awareness Network filed a request pursuant to 10 CFR 2.206 asking for an inquiry into and an analysis of "significant safety-related deficiencies" at the Wolf Creek facility prior to the Commission granting full power operation. The letter has been referred to the staff for action. GAP has also provided information on this request to Ben Hayes which he forwarded to the EDO by memorandum dated May 17, 1985.

GAP asserts that the Quality First program (Q-1) has been ineffective in addressing safety-related allegations at Wolf Creek. They also contend that the NRC staff has been aware of these unresolved allegations and has refused to take possession of allegations in the Q-1 system and handle them through NRC's allegation tracking system. GAP requests that NRC take possession of the information on safety deficiencies in the Q-1 system, evaluate their collective safety significance and impact on the adequacy of the quality assurance program and explain why these allegations were not previously evaluated.

We will assist you in responding to the petition. We have enclosed a draft acknowledgment letter and Federal Register notice for your use. The letter and notice should be issued as soon as possible. If you want the licensee to respond to the petition, we will assist your staff in drafting an appropriate letter under 10 CFR 50.54(f).

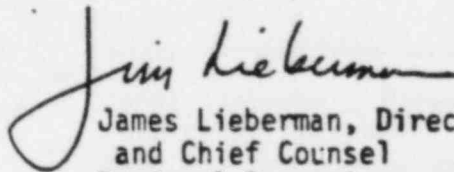
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Please ensure that I am on concurrence and distribution for all correspondence and am informed of any meetings related to this matter.



James Lieberman, Director
and Chief Counsel
Regional Operations and Enforcement
Office of the Executive Legal Director

Enclosures: As stated

cc: J. Taylor, IE
R. Martin, RIV
H. Thompson, NRR
E. Christenbury, ELD

Docket No. 50 - 482

(10 CFR 2.206)

Ms. Billie Pirner Garde
Mr. Robert Guild, Esq.
Government Accountability Project
1555 Connecticut Avenue, N.W.
Suite 202
Washington, DC 20036

Ms. Stevi Stephens, Director
Nuclear Awareness Network
347-1/2 Massachusetts
Lawrence, Kansas 66044

referred to "Mr" should be "MS."
Case for "MS" that

Dear Ms. Garde, Mr. Guild, Mr. Stephens:

This is to acknowledge receipt of your petition filed with the Commission on May 15, 1985, requesting certain actions regarding the Wolf Creek facility pursuant to 10 CFR 2.206. As is the usual practice, your petition has been referred to the staff for action. Accordingly, appropriate action will be taken within a reasonable time.

Enclosed for your information is a copy of a notice that will be sent to the Office of the Federal Register for publication.

Sincerely,

Harold R. Denton, Director
Office of Nuclear Reactor Regulation

Enclosure: As stated

cc w/encoming petition:
Kansas Gas & Electric Co.

NUCLEAR REGULATORY COMMISSION

[Docket No. 50. - 482]

KANSAS GAS & ELECTRIC COMPANY

(Wolf Creek Nuclear Generating Station)

Receipt of Request for Action Under 10 CFR 2.206

Notice is hereby given that by petition dated May 15, 1985, the Government Accountability Project on behalf of the Nuclear Awareness Network requested that the Nuclear Regulatory Commission take certain actions regarding allegations of safety-related deficiencies at the Wolf Creek facility before authorizing full-power operation. The petitioner requested the Commission to analyze safety-related deficiencies in the licensee's "Quality First" program files, determine the significance of the deficiencies for any findings on the adequacy of the licensee's quality assurance program and to investigate the licensee's conduct of the "Quality First" program. The petition is being handled as a request for action pursuant to 10 CFR 2.206 and, accordingly, appropriate action will be taken on the petition within a reasonable time.

Copies of the petition are available for public inspection in the Commission's Public Document Room at 1717 H Street, N.W., Washington, D.C. 20555 and in the local public document room at Emporia State University, William Allen White Library, 1200 Commercial Street, Emporia, Kansas 66801.

Dated at Bethesda, Maryland, this ____ day of May, 1985.

FOR THE NUCLEAR REGULATORY COMMISSION

Harold R. Denton, Director
Office of Nuclear Reactor Regulation

GOVERNMENT ACCOUNTABILITY PROJECT

1555 Connecticut Avenue, N.W., Suite 202
Washington, D.C. 20036

(202) 232-8550

May 15, 1986

DOCKETED
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The Honorable Nunzio Palladino, Chairman
Commissioner James K. Asselstine
Commissioner Frederick Bernthal
Commissioner Thomas Roberts
Commissioner Lando Zech

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

Dear Commissioners:

On behalf of the Nuclear Awareness Network (NAN) the Government Accountability Project (GAP) hereby files a request pursuant to 10 C.F.R. 2.206 regarding the Wolf Creek nuclear power plant now operating at low power near Burlington, Kansas.

This request results from the continuous failure of the Nuclear Regulatory Commission (NRC) staff to address serious safety allegations in a manner which can assure that the Wolf Creek facility can operate above 5% power without endangering the public health and safety.

At a recent Commission meeting regarding the Near Term Operating License (NTOL) Plants the Commissioners were advised on the status of the Wolf Creek plant and the various staff investigations and inspections. Unfortunately that briefing was neither complete nor accurate. This request seeks to insure that the staff is required to review and also to report publicly on the full scope of safety significant problems at the Wolf Creek plant prior to the Commission granting full power operation.

Since NAN and GAP have had a continuous dialogue with the staff, particularly the Office of Nuclear Reactor Regulations, for some time we had hoped that formal legal measures would not be necessary. Unfortunately for all parties, the staff has affirmatively refused to acknowledge the serious ramifications of safety problems at the plant. In other words, this 2.206 is not based on what the Commission would prefer to regard as late-filed allegations, but instead on the inadequate handling of hardware and quality assurance information known to the staff.

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Specifically, the Staff through Region IV has refused to take possession of and pursue the allegations that have been provided through the Kansas Gas and Electric Company (KG&E) Quality First program. (The Quality First program is the utility company's allegation finding initiative program.) Since the program was widely popularized as being a progressive and totally independent effort GAP has channelled workers with quality concerns to the program. It is now clear, through the monitoring of several of the safety related allegations, that neither the company nor the NRC are going to resolve those problems.

For example, contained in the Quality First files (referred to as "Q-1 files") are the statements and supporting information from over 240 individuals who have expressed over 700 safety significant concerns. It is our understanding that not only has the Licensee ignored or buried the serious concerns of the members of the workforce, but so has the Nuclear Regulatory Commission's task force on Wolf Creek.

The staff reported to the Commission that there were only nine allegations under review at the plant. That may be technically accurate, but in reality the staff has knowledge of several hundred allegations which it has steadfastly refused to take regulatory possession of or to monitor or to enter into the NRC's allegation tracking system. This has allowed the staff to inaccurately present a picture of a plant without serious safety deficiencies.

Since the staff has refused to take possession of the files and assure the Commission and the public that the allegations contained in these files have been adequately resolved, GAP and NAN have recontacted the workers in order to take affidavits relative to their concerns. Under separate cover today the first affidavit of workers who have raised concerns in vain to site management has been forwarded to the Office of Investigations for their review. We have also requested that the Office of Investigations open an inquiry into the allegations of deliberate management mishandling of the Quality First program.

Additionally, attached to this letter is a copy of NAN's Analysis and Comments on the Nuclear Regulatory Commission's March 11, 1985 Response on the Isolation and Resolution of the Structural Steel Weld Deficiencies at Wolf Creek which NAN has provided to the members of both federal and state officials who have demonstrated an interest in the safety of the Wolf Creek plant.

In conclusion GAP requests that the Commission

1) require the Staff to take possession of the Q-1 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,

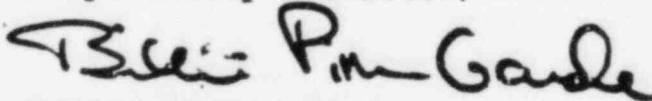
2) conduct an inquiry on the ramification of the collective safety significance and/or adequacy on the quality assurance program in the light of the information contained in the Quality First files, and

3) 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.

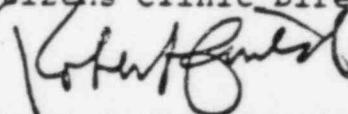
4) request OI conduct an investigation into the compromising of the Quality First program by William Rudolph, site QA Manger. Mr. Rudolph was originally responsible for the resolution of allegations made against the QA program which he supervised. He currently is responsible for the resolution of Quality First Observations (QFOs), discrepancies identified in the course of Q1 investigations.

We look forward to an early response.

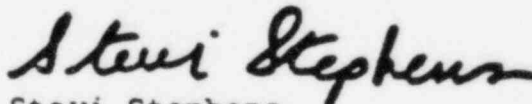
Respectfully submitted,



Billie Pirner Garde
Citizens Clinic Director



Robert Guild, Esquire
Staff Attorney



Stevi Stephens
Director of
Nuclear Awareness Network



nuclear · awareness · network

1347½ massachusetts · lawrence, kansas 66044 · (913) 749-1640

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ANALYSIS AND COMMENTS ON THE NUCLEAR REGULATORY COMMISSION'S (NRC) MARCH 11, 1985 RESPONSE ON THE ISOLATION AND RESOLUTION OF THE STRUCTURAL STEEL WELD DEFICIENCIES AT WOLF CREEK.

On March 3, 1983 the NRC imposed a \$40,000.00 Civil Penalty on Kansas Gas and Electric (KG&E) for failure to adequately control activities affecting the quality of safety-related work. Specifically, the Borated Refueling Water Storage (BN) System and the Auxiliary Feedwater (AL) System were turned over from the construction contractor, Daniels International Corporation (DIC) and accepted by KG&E start-up organization on October 28, 1982, and November 23, 1982 respectively. This followed final Quality Assurance (QA) checks with quality documentation in which hardware (actual "in the field") discrepancies were not listed. The NRC's evaluation of this incident was that "the aspect of [KG&E's] QA program which should have assured that systems and documentation deficiencies were identified, tracked and resolved has broken down."

The NRC places great emphasis on the need for licensees [KG&E] to "implement a QA program that identifies and corrects construction deficiencies in a timely manner." However, "based on a review of the circumstances surrounding this violation [the NRC] determine[d] that [KG&E's] untimely notification of the conditions under the reporting criteria of 10 Code of Federal Regulations 50.55(e) (50.55e) was also a violation." The NRC insisted that KG&E's actions should include a "...review of related Quality documentation", that KG&E's "response should also address measures taken or planned to ensure that [their] QA procedures are adequate..." and that "appropriate documentation [be] available."

To prevent recurrence of such a violation, KG&E established a Quality Documentation Review Task Force on January 20, 1983. A corrective action program was subsequently submitted to Region Four NRC (RIV) on March 2, 1983. Among KG&E's commitments to the NRC were "implementation of organizational and personnel changes that should improve quality" and a "documentation review which will be expanded to include additional detailed review of those areas where documentation deficiencies have been experienced."

More specifically, in KG&E's January 13, 1983 inter-office memo (KWCLC-2403) Gary Fouts, KG&E Construction Manager, informed Luther Warrick, DIC Project Manager, of the establishment of a Task Force to investigate and review documentation due to "concern about completion and accuracy of the turnover Quality documentation and backup Quality documentation" and that "the concern of the review of both groups of documents has been somewhat substantiated by the recent KG&E QA surveillance of the BN system."

The NRC disclosed that these late 1982 KG&E audits "revealed numerous documentation deficiencies that were carried on a list separate from the systems exception list. This separate list was referenced on the exception list as a single line entry to 'resolve discrepancies with the BN travelers.' The exception list stated that the traveler [documentation] discrepancies were cosmetic and did not affect hardware. Your [KG&E] audit, however, discovered that some hardware discrepancies (lack of heat numbers) were included in this discrepancy list. The scope of the problems discovered in this audit were discussed during the enforcement conference on February 18, 1983." [Minutes from this meeting should be requested.]

During the approximate time frame of January 1983, a Special Projects Group under the direction of Craig Moring as "piping document co-ordinator" was given authority through a KG&E inter-office memo to "fix travelers". Jim Tweedy, "traveler review lead" in piping and hangers, was assigned two engineers and two clerks to check the documentation. Inquiries should be made as to the exact identity and function of these persons and organizations, what occurred within these organizations after the discrepancies in the BN system were discovered, and why the discrepancies within the BN system were considered unique.

"Due to potential deficiencies in the Wolf Creek Quality programs", KG&E submitted a letter (KMLNRC 83-019) outlining a Systems Turnover Quality Action Plan and delineating the commitments made by KG&E to RIV. Among these:

- 1) "To assure that KG&E construction and startup personnel will conduct a complete walkdown of all future safety-related systems."
- 2) "As a tool to monitor the effectiveness of the DIC and KG&E turnover verification reviews, KG&E QA will perform a surveillance of each safety-related system after the formal systems turnover."
- 3) "A management audit by an outside firm will be performed of both DIC Quality and KG&E QA organizations" which was expected to be completed by the end of August 1983. [This independent audit should be requested and reviewed.]
- 4) "As a related matter, the KG&E procedure for reporting 50.55e deficiencies will be revised to clarify responses." [Implementation of this procedure was reported closed out in Inspection Report 50-482/83-11 on May 20, 1983.]

-3-

The Combined Review Group comprised of KG&E and DIC employees was established as an additional quality check point to provide final Quality construction documentation review. This group has issued status reports for all of the weeks within the months of November 1983, December 1983, January 1984 and the first week of February 1984. [As DIC contends that this group was responsible for discovering future documentation discrepancies, these status reports should be requested and reviewed for information pertaining to the Structural Steel Weld deficiencies which arose.]

In the early spring of 1984, KG&E developed its Quality First (Q1) program to receive, evaluate and resolve Quality concerns from workers at the Wolf Creek site. All workers are required to be processed through Q1 before leaving the site and to sign a statement revealing any Quality concerns. In essence, worker allegations related to safety are contained within Q1's case files. Of the thousands of exit interviews conducted, KG&E has established approximately 250 case files which include their investigations and resolutions of employee safety allegations.

Until September of 1984, Q1 was under the direction of William Rudolph, also KG&E QA site Manager since April 20, 1983. Thus, employees relayed allegations to Q1, which were a direct reflection against QA, to the QA Manager. When the NRC inspected Q1 in September of 1984, it found that processing of wrong-doing concerns (i.e. drugs, alcohol, intimidation, harassment, discrimination, falsification of documentation) was particularly deficient, informational flow had no feedback mechanism for wrong-doing concerns directed to Security or KG&E management, which may include technical deficiencies. Nor was there any feedback mechanism from Security or KG&E management regarding corrective action or disposition of wrong-doing concerns for file closeout. Although the potential conflict of interest under the direction of Bill Rudolph was reduced when his replacement coincided with the NRC's inspection, KG&E management is still in direct control of Q1 with no systematic check or review by any independent body.

In spite of these Quality organizations and commitments by KG&E, they received a disconcerting twenty-one Violations and two Deviations from the NRC during 1983. These were issued primarily for failures within the QA program. This was more than double the number they had received in 1982. In 1984 KG&E once again received an inordinate number of Violations and Deviations. Among the most serious during these two years were violations for intimidation of Quality Control (Q/C) inspectors occurring in March of 1983. Another incident involving the termination of a QA inspector on August 4, 1983 transpired when the inspector identified "Q-related problems with documentataion of various safety-related items as well as concerns in the hardware of items." This information, reported to Bill Rudolph, KG&E QA site Manager, resulted in his decision to terminate this employee. Yet Rudolph was later put in charge of Q1 processing of worker allegations regarding safety concerns.

On September 4, 1984 a \$64,000.00 Civil Penalty was levied against KG&E for intimidation of this QA inspector. The NRC rated this a Severity Level II violation, the most severe received by KG&E to date. KG&E now holds the dubious distinction of being the only licensee of a nuclear facility to be fined for intimidation of a worker. This worker was reinstated in the fall of 1984 and subsequently fired again in January of 1985. He is now suing KG&E for failure to adhere to the courts orders: reinstating employee to a comparable position, compensating back wages, posting status of decision on Wolf Creek site, and expunging worker's record. KG&E is appealing the court's decision and requesting the Fifth Circuit Court's interpretation of the Employee Protection Act be upheld. In brief, it states that in order for an employee to be protected he must report his concerns directly to the NRC, not to the utility. Conversely, KG&E contends that the safety allegations of workers are being properly processed and adequately resolved by Q1. Due to concerns over conflict of interest within KG&E's Q1 management, the NRC's assessment of improper processing of Q1 corrective actions and particularly KG&E's contention that worker allegations be directed to the NRC not to them, all 250 case files should be requested and thoroughly reviewed.

On November 21, 1984, the NRC imposed another Civil Penalty on KG&E in the amount of \$75,000.00. The penalty was escalated \$25,000.00 due to the NRC's appraisal of KG&E's failure to correct discrepancies when found. "Contrary to the [requirements], the inspection program for safety-related Structural Steel Welds (SSW) was not adequately executed to assure conformance to the requirements of construction Procedure QCP-VII-200 Revision 4 and the American Welding Society (AWS) D 1.1-75 Code nor were adequate records kept to document the quality of the welds. Furthermore, once deficient welds were identified, no actions were taken to correct the deficiencies."

The chronology of the SSW problems is as follows:

DIC Corrective Action Report (CAR) 29 was issued on March 22, 1983 indicating a failure of 148 out of 241 SSW which were randomly reinspected. A potential 50.55e was reported to RIV on March 23, 1983 and Non-Conformance Report (NCR) 1SN 10381PW was issued. This NCR dispositioned the defects as "cosmetic" and called for rework on 6 (2.5%) of the welds. This NCR was closed on August 30, 1983, the potential 50.55e was withdrawn on October 21, 1983 and DIC CAR 29 was closed on October 22, 1983 with the Architect/Engineer (A/E) disposition: "use-as-is."

Simultaneously, CAR 31 was issued on August 10, 1983 indicating 20% of the Miscellaneous Structural Steel Weld Records (MSSWRs) were missing. In August of 1983 NCR 1SN 11975CW was issued documenting 42 missing weld records in the pumphouse, even though the discovery of missing records was documented on the NCR on June 30, 1983.

Although KG&E's QA/QC program required MSSWRs to be prepared and retained [QCP-VII, QP-IV-III, ANSI Code N45.2, Bechtel Spec 10466-QA-1] no 50.55e was reported by KG&E relative to the discovery of missing documentation until a telephonic report to the NRC on September 18, 1984. This occurred only after the June 11-September 18, 1984 time period "review of QA/QC and Q1 personnel qualifications and subsequent interviews when the NRC inspector became aware of potential problems with DIC CARs 29 and 31." The NRC immediately called and enforcement meeting with KG&E on October 29, 1984. By November 21, 1984 the violation and \$75,000.00 Civil Penalty were issued.

In August of 1983 when NCR 1SN 11957CW was issued documenting the 42 missing records in the pumphouse, "KG&E along with RIV NRC performed other inspections", yet the NRC claims to have had no knowledge of the problems with missing documentation until June-August of 1984. This is a decided discrepancy within the NRC's response. Also of concern is why a delay of one year occurred before this "clearly reportable 50.55e item" was reported to the NRC.

Despite the concerns evidenced by CAR 31 regarding documentation discrepancies, CAR 29 which indicated hardware discrepancies on the same welds that showed documentation problems, was closed approximately two months after CAR 31 was issued. Inquiries should be made into why there was no connection made between CARs 29 and 31 by DIC and KG&E Quality management organizations; why KG&E did not issue a 50.55e relative to CAR 31 document discrepancies in August of 1983; why CAR 31 was issued in August of 1983 instead of June of 1983 when the 42 missing weld records were discovered; how these buildings with the MSSWRs could have been turned over and accepted by KG&E from February 1984 onward without CAR 31 being completed and closed; and why CAR 31 was not closed until January 26, 1985 when the corrective action date on it is January 26, 1984.

During the February 27, 1985 KG&E/NRC meeting in Bethesda on the MSSWRs, Richard Denise (RIV) questioned John Berra (DIC) about the reason why these missing MSSWRs did not surface earlier than late 1984. Berra replied, "sample NRC inspection done in the summer of 1983 [occurred] and no deficiencies were found", yet in February of 1983 DIC had performed a random reinspection of Structural Steel fillet welds and indicated an unacceptable percentage of welds were defective. Further, CAR 29 was generated on March 22, 1983 to document these failures. It indicated 148 out of 241 welds inspected were deficient.

On September 11, 1984, KG&E and DIC informed the NRC that there were no records for 319 weld joints in the reactor building alone, of which 48 did not meet code/design original requirements. The NRC's position was that the August 30, 1983 NCR was improperly dispositioned and the underlying premise for

its closure was faulty. It further appeared that "the quality status of the majority of all structural steel welds was at best indeterminate." By September 28, 1984, numerous inspection records were found missing, welds were found missing or unacceptable and records which were located indicated unacceptable welds were documented as being acceptable.

Among many requirements relative to the SSW problems, the NRC requested KG&E to demonstrate that problems of QA activities experienced within the SSW area were not also present elsewhere at Wolf Creek. A letter dated January 9, 1985 from Congressman John Dingell, Chairman of the Sub-Committee on Oversight and Investigation, was sent to Nunzio Palladino, Chairman of the NRC, echoing identical concerns. The letter voiced worries on behalf of the committee that "these problems were not found until construction of the Wolf Creek plant had been virtually completed" and requested assurance that "a QA breakdown such as that which occurred in the SSW program did not extend to other aspects of design and construction of Wolf Creek."

On January 23, 1985 Chairman Palladino issued his response to Chairman Dingell "which raised more questions than it answered." Among those appear to be his citation of the establishment of an NRC Task Force at Wolf Creek in July of 1984 to "insure the overall inspection program at the Wolf Creek Station would be completed on a schedule consistent with the utility's projected fuel load date." A subsequent lengthy investigation and extensive report has been published by a Louisiana reporter releasing evidence that these Task Forces assigned to all Near Term Operating License Plants (NTOLs) are under the direction of the Department of Energy (DOE). The division between the NRC and DOE has been made very distinct by the Energy Reorganization Act of 1975. Congressman Ed Markey, Chairman of the Sub-Committee on Energy, Conservation and Power is now investigating this involvement. Palladino personally issued a March 20, 1984 memo indicating that the NRC must make licensing of these NTOLs their highest priority regardless of safety implications.

Palladino's response went on to inform Chairman Dingell that the "NRC's Office of Investigations (OI) has several investigations underway whose conclusions would provide insight into this [SSW] problem." Those investigations relate to a number of issues including missing, falsified, or erroneous QA records. With these investigations incomplete, the NRC issued Wolf Creek's low-power testing license on March 11, 1985 and resolved the SSW problems with the issuance of a voluminous response to Kansas officials which was mailed the same day the license was issued. These investigations, which could involve potential criminal activity by KG&E management have still not been completed.

Palladino additionally responded to Dingell's concerns over the NRC granting KG&E exemptions from welding regulations that "the NRC has not 'granted' exemptions from conformance to AWS D 1.1 as the deficient welds required, but rather 'accepted

changes' that KG&E requested to ammend the Final Safety Analysis Report (FSAR) Section 3.8.3.6.3.3."

Needless to say, we do not have the expertise to question the technical issues of the A/E resolutions. However, it is of major concern that there seems to be no regulatory guide for the review of compliance with regulations relative to QA breakdowns. Instead, the NRC, rather than utilize regulatory guidance, relays on engineering judgement for reinspections. Consequently, it puts into question the regualtions governing other areas reviewed for reinspection.

The assurances within the NRC response that deficiencies do not extend to other areas at Wolf Creek are questionable. DIC contends that the MSSWRs were controlled by an "open-ended" traveler system as opposed to the "closed-ended" system present in other disciplines. Secondly, usage of the "triplicate traveler" was not put into effect within the MSSWRs until approximately 1980, by which time the SSWs were almost complete. Thirdly, the fact that the utility did not discover documentation problems earlier was blamed on the absence of the Combined Review Group. An outline of the precise differences between the two traveler systems should be required including: the reason why the MSSWRs were on an open-ended system when all other areas involving AWS D 1.1 welding were on closed-ended systems; whether all closed-ended systems are recorded with travelers documented in triplicate; when the triplicate traveler system was introduced; if other systems did not have triplicate travelers until 1980 as well, why there are not similar documentation deficiencies within those systems; how many of the MSSWRs were recorded in triplicate (it has been determined that a portion were); and of those, in how many cases were all three travelers missing; and lastly if the Combined Review Group was not established until late in 1983, how can there be any assurance that all other areas prior to this time are not deficient as well (recalling that the Combined Review Group did not discover the documentation problems even once it was functioning.)

The other areas which could be potentially affected by AWS D 1.1 welding deficiencies are: 1) Pipe Whip Restraints, 2) Embedment Fabrications, 3) Fire Dampers, 4) Safety-Related Ductwork and Supports, 5) Electrical Raceway Supports, 6) Electrical Equipment Installation, and 7) Stud Welding.

On November 26, 1984, report KQWLKQW 84-456 was submitted to Bill Rudolph constituting the review done of all (twenty) KG&E CARs by KG&E Quality Engineer, T. M. Halecki. This brief, two page report consists of a list of the CARs and a two line summary, "...other than CAR 19 (MSSWR) no other significant problems pertaining to DIC inspection and documentation were noted by review." However, approximately five weeks later on January 2, 1985, Surveillance Report S-1223 was issued, signed by T. W. Halecki, showing an electrical weld problem. DIC CAR 1-EW-0046 was subsequently initiated on electrical equipment foundation welds for deficiencies in welding and shimming of electrical installation, a AWS D 1.1 area. This CAR remains open.

In summary, the parallel between the chronology of the deficiencies experienced within the BN system and the SSWs is remarkable. The Violation, Civil Penalty and KG&E's corrective action commitments on the BN system occurred in March of 1983. Simultaneously, in March of 1983, DIC CAR 29 indicating SSW defects was issued. Just three months later, in June of 1983, SSW documentation was discovered missing. One of KG&E's commitments to the NRC to correct potential conflicts in their Quality program was to revise the procedure for timely reporting of 50.55es. This was resolved and closed on May 20, 1983. Yet, no 50.55e was reported relative to missing MSSWRs until the fall of 1984.

The reporting criteria of a 50.55e requires:

- 1) a licensee to notify the NRC of each deficiency found in design, which, were it to have remained uncorrected, could have affected adversely the safety of operations of a plant representing:
 - i) significant breakdown in any portion of Q/A program,
 - ii) significant deficiency in final design not conforming to SAR,
 - iii) significant deficiency in construction,
 - iv) significant deviation from performance of specifications which will require extensive evaluation, redesign or repair,
- 2) a licensee to report deficiencies within 24 hours to the NRC, and
- 3) a licensee to submit a written report within 30 days to the NRC.

However, as recently as February 2, 1985, KG&E received another Violation for failure to follow procedure for reporting non-conformances. An NCR dated in September of 1984 with numerous non-conformances relating to disassembly of pipe supports by insulation contractors against regulations, was not reported as a 50.55e until December 12, 1984. Pipe supports also falls into the area of AWS D 1.1 welding.

Two further commitments by KG&E involved conducting complete walkdowns of all future safety-related systems and additional KG&E surveillance of each safety-related system after the formal system turnover occurred. Yet, KG&E's walkdowns failed to be influenced by these major hardware and documentation discrepancies obvious within the MSSWRs. Even though these discrepancies in hardware and documentation were available within their CARs, NCRs, 50.55es, etc., by February of 1984 KG&E accepted as complete, the turnover of a number of buildings with glaring safety-related deficiencies. Further, if KG&E did surveillance of systems after turnover as they were committed to, they failed in this redundant effort to recognize these major discrepancies.

Despite KG&E's appearances of instituting numerous additional quality organizations to assure discovery of deficiencies, KG&E has either been unable to uncover and report these problems in a timely manner, or if they have discovered deficiencies, they have not implemented adequate corrective measures to prevent recurrence or resolution. It would appear that KG&E's QA program is either seriously defective or blatantly deceptive.

The QA/QC program is the only means by which the public can be assured a nuclear facility has been constructed in a safe manner. The implementation of the QA/QC program is under the direct control of the licensee [KG&E]. Although the NRC performs periodic checks on the QA/QC system, these are primarily reviews of issues brought to their attention by KG&E. The NRC must rely on KG&E to follow the 50.55e reportability criteria. In concluding the documentation problems within the MSSWRs was not reportable under 50.55e requirements, KG&E exercised their discretion. Similarly, they were delinquent in their reporting of the deficiencies in the BN system. In both instances, these serious deficiencies were only discovered inadvertently by NRC's review of other areas.

The NRC, and ultimately the public, must rely on the integrity of utility management to discover, report and resolve all issues involving potential safety concerns. This represents the most disconcerting defect in the system. In concept, a system which allows a utility with no previous nuclear experience, to monitor, analyze and correct problems within their own QA/QC program (with no independent review body) is at best questionable. It is unconscionable that a utility with the magnitude of vested interest KG&E has in getting Wolf Creek on line and in the rate base as soon as possible in order to recover financial debts be allowed to survey, and expected to report and resolve deficiencies. More importantly than theory, however, has been the practical application of this internal monitoring program. It has been repeatedly evidenced that KG&E has succeeded only in their lack of conformance to NRC regulations, lack of adherence to their own quality commitments, lack of effectiveness of their redundant quality organizations, and lack of integrity and competence within their management.

The NRC apparently has not maintained a chronology of safety defects, documentation problems and reportability of deficiencies which have occurred at Wolf Creek. The NRC continues to refer to each recurring incident as "isolated" and does not acknowledge problems within other areas which blatantly confirm the existence of a dangerous pattern of identical QA breakdowns.

Seemingly, the NRC intends their response to satisfy any concerns on the "isolation" of the SSW problems. They requested investigations be conducted to discern potential problems with AWS D 1.1 welding in other areas, and they accepted as conclusive a two page report of a review of twenty KG&E CARs by a KG&E Quality Engineer [Enclosure]. Not only is it of major concern that they allow KG&E to perform their own evaluation, but they apparently do so without requiring KG&E to submit any supporting documentation. Moreover, even though the NRC accepted KG&E's review and assessment that no other problems in areas of AWS D 1.1 welding existed, within the NRC's own response, they reference DIC CAR 1-EW-0046 and KG&E Surveillance Report S-1223 issued in January of 1985 (although they do not submit these reports in their response for officials to review) showing electrical equipment foundation weld problems in an area with AWS D 1.1 welding. Evidence of extending into other

areas of AWS D 1.1 welding did not deter the NRC from closing out the SSW issue. Nor was the NRC's decision to issue an operating license to a utility under investigation for potential criminal activity (i.e. missing welds, falsification of weld records and falsification of inspection reports) altered until investigations could be completed. These investigation are still not resolved.

Of utmost concern is KG&E's continued intimidation and harassment of QA/QC inspectors. This is far from an "isolated" incident. In March of 1983, four QC inspectors were interviewed and corroborated another inspectors allegations of being harassed into signing off inspection reports erroneously. An August 1983 incident involved the termination of a QA inspector who reported safety violations and resulted in an unprecedented Civil Penalty against KG&E in September of 1984 for this intimidation. Again in October of 1984 allegations from two inspectors performing reinspection of the SSWs were reported. These employees claimed they were intimidated into producing results which would show the welds were acceptable.

Disallowing Quality inspectors to perform their function negates the most important safety check within the QA/QC system. Extending their appallingly lax attitude toward quality even further, KG&E is requesting, through the appeal process, that any responsibility toward their Quality personnel be alleviated and foisted upon the NRC. Simultaneously, KG&E is issuing assurances to the state of Kansas, through their Q1 program, that worker allegations concerning safety are being handled properly. There is absolutely no assurance that this is occurring. There has been no independent review of Q1 case files. In fact, requests to retain and review these files by attorneys intervening in the rate case, have been steadfastly refused. Nor has there been an independent investigation into intimidation and harassment of QA/QC personnel. In view of the serious, repeated breach of commitment by KG&E to allow safety-related problems to be identified and corrected, a review of all Q1 case files (with emphasis on intimidation and harassment), and interviews of select QA/QC personnel should be conducted immediately.

In conclusion, once again the NRC's response has raised more questions than it has answered. Firstly, neither KG&E or the NRC's resolution of the MSSWR deficiencies is satisfactory. They have concentrated on technical reanalysis and have paid woefully inadequate attention to the cause behind the SSW problems: KG&E's significant Q/A breakdown revolving around substantial documentation falsification and major deficiencies in the function of KG&E and DIC Quality organizations.

Secondly, the NRC has accepted KG&E's contention that the SSW problem is an isolated incident when there are repeated episodes of recurrence. They further rely on KG&E's redundant quality organizations which have failed consistently to discover deficiencies.

Thirdly, the NRC continues to allow KG&E to perform self-analysis without any independent review, when KG&E has conspicuously failed to correct monumental quality problems or utilize additional quality program enhancements.

Lastly, the rampant intimidation and harassment of Quality personnel not only jeopardizes the safe operation of Wolf Creek, but is indicative of the arrogance and irresponsibility of KG&E quality organizations. It is also a direct reflection upon management integrity.

The NRC and KG&E must be held accountable. If the state of Kansas is to have any assurance that Wolf Creek has been constructed properly and will be operated safely, it must engage in the following:

- 1) request and review additional documentation,
- 2) conduct a limited investigation into intimidation and harassment of Quality personnel (including review of Q1 case files), and
- 3) invite the NRC and KG&E to a Kansas forum to respond to inquiries into these numerous concerns raised about the quality of construction practices and the function of quality organizations at Wolf Creek.

CHRONOLOGY

9/80 DIC CAR 7 issued (100% reinspection of socket welds (fillet) on small bore piping made prior to 6/80.

9/80 50.55e on socket welds reported.

8/81 DIC CAR 9 (deficiencies in mechanical/welding surveillance program: adverse trend in electrical area. DIC begins to question AWS D 1.1 welding when these ASME deficiencies arise.)

8/82 DIC CAR 19 issued (100% reinspection of fillet welds made prior to 4/1/81 on ASME pipe hangers. They began looking into other areas.)

10/22/82 BN system turned over.

11/23/83 AL system turned over.

11/82 DIC CAR 9 closed.

11-12/82 KG&E audits uncover deficiencies in the BN system.

1/20/83 Establishment of Quality Documentation Review Task Force.

2/3/83 Intimidation of a QC inspector.

2/18/83 Enforcement Conference on BN discrepancies.

2/83 Began looking at AWS D 1.1 areas.

3/2/83 KG&E's Corrective Action Report to improve Quality Documentation review.

3/3/83 \$40,000.00 Civil Penalty levied for BN system problems.

3/22/83 CAR 29 issued (148 out of 241 welds defective.)

3/23/83 Potential 50.55e reported to RIV on SSW defects.

3/83 NCR 1SN 10381PW issued (weld discrepancies considered cosmetic. 6 welds reworked.)

4/20/83 Bill Rudolph assigned as QA site Manager.

5/20/83 Implementation of procedure for timely reporting of 50.55es revised to clarify response.

6/30/83 42 missing welds on NCR 1SN 11957CW documented.

7/25/83 Interim 50.553 report on SSWs.

8/4/83 Termination of QA inspector.

8/10/83 DIC CAR 31 issued [Through Revision 7, 10/20/84] (20% of MSSWRs missing, accepted as missing because of weld quality established during sample reinspection. Not closed until 1/16/85. Cause concluded to be result of lack of procedural compliance with respect to responsibility for organization, completion and maintainance of records.)

8/83 NCR 1SN 11957CW issued (documenting 42 missing welds records in the pumphouse, dated 6/30/83.)

8/30/83 NCR 1SN 10381PW complete.

10/21/83 Potential 50.55e withdrawn.

10/22/83 DIC CAR 29 closed (A/E dispositioned: "use-as-is".)

11/83-2/84 Combined Review Group status reports.

2/84 First building with missing MSSWRs turned-over.

3/84 KG&E's Q1 established under direction of Bill Rudolph.

6-8/84 NRC says they first learn of potential records problems.

9/4/84 \$64,000.00 Civil Penalty for intimidation of QA inspector.

9/18/84 50.55e report on SSW (22% of MSSWRs missing) reported telephonically, TE3564-K152.

9/84 Rudolph replaced as director of Q1 due to conflict of interest.

9/25/84 KG&E/NRC meeting to present reinspection information.

10/12/84 Inspection Report 50-482/84-12 issued: inspection period 5/14-8/31/84 (p 16q: TE53564-K91 closed, "The suspect welds were found to be acceptable even though they did not look exactly like text book type weld.")

10/17/84 Interim Potential 50.55e telephonic report.

10/17/84 KG&E CAR 19 issued.

10/84 Reinstatement of QA inspector.

10/26/84 Inspection Report 50-482/84-22. (Significant Violation: inspection period 6/11-9/28/84. "During a review of QA/QC and Q1 personnel qualifications and subsequent interviews, NRC inspector became aware of potential problems with DIC CARs 29 and 31.")

10/29/84 Enforcement Meeting KG&E/RIV.

11/15/84 RIV Confirmation Action Letter (Guidance on KG&E corrective action program.)

11/21/84 Violation and Civil Penalty issued: \$75,000.00. (\$25,000.00 was assessed for failure to correct discrepancies when found.)

11/26/84 KG&E Quality Engineer's report on KG&E's CARs. (Summarized no other problems in AWS D 1.1 welding except in MSSWs.)

11/84 Non-Destructive Examinations by NRC begin (to verify KG&E's corrective action program. They continue to 2/85.)

12/4/84 Enforcement Conference at Wolf Creek with KG&E/NRC.

12/12/84: Construction Deficiency Report (CDR) reported to RIV. (concerning insulation contractors: DIC generated 31 NCRs--the first on 6/1/84--on pipe supports being partially disassembled. The first 6 NCRs were through 7/27/84, which caused KG&E to issue CAR 14. As a result of DIC reinspection of pipe supports, 25 NCRs were generated, 16 between 9/4-9/20/84 identifying Potential 50.55e.)

12/31/84 KG&E issues final CAR 19 report (1,0509 of 6,816 MSSWRs for safety-related SSWs are missing: 22%).

12/31/84 KG&E pays \$75,000.00 fine.

1/9/85 Congressman Dingell's letter of concern: Wolf Creek MSSWRs.

1/2/85 Surveillance Report S-1223 issued signed by T. W. Halecki.

1/85 DIC CAR 1-EW-0046 issued. (Electrical Equipment welds attaching equipment to foundation embeds have AWS D 1.1 discrepancies. "An analysis of hardware application of AWS D 1.1 welding identified one other area to be investigated for AWS welding problems. This is in the area of electrical equipment installation where permanent installation is by welding the equipment mounting frame to foundation embeds.")

1/11/85 QA inspector terminated again.

1/21/85 KG&E issued supplement to final report.

1/23/85 Palladino's response to Dingell. (As part of the Task Force effort, the NRC staff conducted a SCVI at Wolf Creek...there were no pervasive breakdowns in QA identified.)

2/25/85 Inspection Report 50-482/84-23 (Intimidation of two weld inspectors during reinspection of SSWs. Reported to NRC 10/84 concerning performance of SSW reinspection program. Task Force Director and NRC inspector interviewed individuals/ allegations not substantiated.)

2/25/85 Inspection Report 50-482/84-23 (KG&E receives violation for not reporting nonconformances to NRC within 24 hours. "Failure To Follow Procedure With Respect To Handling Of Potential Reportable Non-conformances", checked on NCR as "reportable" in 9/84.)

2/27/85 KG&E/NRC meeting in Bethesda to discuss SSW problems.

2/28/85 Inspection Report 50-482/85-58 (p5 & 8: closed; allegation 4-84-A-98...given to RIC from DOL 8/25/85 stating MSSWRs generally inadequate.)

2-3/85 KG&E supplemental information submitted to NRC.



INTEROFFICE CORRESPONDENCE

TO: W.J. Rudolph II
FROM: T.W. Halecki *TWH*
DATE: November 26, 1984
SUBJECT: Review of KG&E Generated Corrective Action Request

KQWLKQW 84-456

In support of KG&E CAR No. 19, I have reviewed all of the KG&E initiated CAR's. The general review was conducted to determine if any of the CAR's were similar in nature to the Quality Assurance problems as noted by KG&E CAR No. 19. CAR No. 19 noted inadequacies in inspection and documentation by Daniels. This review will determine if other CAR's pose any significant problems as far as inspection by Daniels. Listed below are the CAR's reviewed and the results of the review.

<u>CAR No.</u>	<u>SUBJECT</u>	<u>SITE IMPACT</u>
1	Drawings out of revision	No Impact
2	Storage vault does not contain the proper environmental controls	No Impact
3	No security procedures	No Impact
4	Gulf Alloy not providing the correct documentation for various fittings	No Impact
5	Internal pipe cleanliness	No Impact
6	Internal pipe cleanliness	No Impact
7	Internal Pipe cleanliness	No Impact
8	Inadequate document control on obsolete documents and change information not controlled and translated into travelers	No Impact
9	Deficiencies in the mechanical/welding surveillance program, surveillances not being performed as prescribed	No Impact
10	QE not reviewing travelers for accuracy	No Impact
11	Not issued	N/A
12	Work Request not properly processed, temporary modification log used in correctly and nonconformance reports not properly initiated, tracked and closed.	No Impact

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1E-50501-K019

ATTACHMENT 12

KQWLKQW 84-456

Page 2

13	: Permanency of corrective action	No Impact
1/31/84 — 14	Insulation contractors tampering with pipe supports <i>closed 12/11/84</i>	No Impact
— 15	Minimum separation violated	No Impact
16	Inadequate documentation and documentation review	No Impact
17	Inadequate review, processing and documentation pertaining to KG&E Work Request	No Impact
18	Start-up Field Reports not being properly processed	No Impact
19	Miscellaneous Structural Steel Welding (AWS-D1.1) (This is the subject of the CAR Review)	N/A
20	Lack of procedural compliance for start-up and operations activities	No Impact

In summary, other than CAR No. 19, no other significant problems pertaining to Daniels inspection and documentation were noted by the review.

TWH/sjs

RESPONSE REQUIRED: YES _____ BY: _____

NO X