

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

DOCKETED
USNRC

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD,

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In the Matter of)
)
WASHINGTON PUBLIC POWER SUPPLY SYSTEM,)
et. al.)
)
(WPPSS Nuclear Projects Nos. 1 and 2))

Docket Nos. 50-460 CPA
50-397 CPA

COALITION FOR SAFE POWER SUPPLEMENT TO
REQUEST FOR HEARING AND PETITION FOR LEAVE TO INTERVENE

Pursuant to an Order dated December 15, 1982 of the Atomic Safety and Licensing Board in the above-captioned proceeding, the Coalition for Safe Power hereby submits its Supplement to Request for Hearing and Petition for Leave to Intervene. The contentions the Coalition for Safe Power seeks to have admitted in this proceeding as follows:

CFSP 1

Petitioner contends that delays in the construction of WNP-1 and 2 have been under the full control of the WPPSS management. The Applicant was responsible for the delays and the delays were dilatory and thus Applicant has not shown the "good cause" as required by 10 CFR 50.55 (b).

WPPSS cites the following reasons for requesting an extension on WNP-1 and 2:

- 1) changes in project scope due to regulatory actions (primarily improvements as a result from the lessons learned from the TMI-2 incident);
- 2) construction delays and low productivity;
- 3) labor strikes;
- 4) design changes; and
- 5) delays in delivery of equipment and materials.

House Report No. 96-1452, "Evaluating Nuclear Utilities' performance: Nuclear Regulatory Commission Oversight", Oct. 2, 1980 summarizes the management problems that have effected the WPPSS plants:

Region V has in recent months sharply escalated its enforcement activities relating to the Washington Public Power Supply System construction of a major system of nuclear reactors. At present, the utility has no nuclear reactors in operation. Five are under construction by WPPSS, however, and its first unit is meant to be operational in two years. As Region V enforcement documents disclose, the construction of that unit has been plagued with severe quality assurance problems. Those problems have resulted in repeated NRC enforcement meetings with the WPPSS management-and recently with Washington State officials concerned about the utility's apparent problems. p.44

Once again, the absence of an acceptable quality assurance program has significantly contributed to the emergence of these problems. In several cases the faulty work was discovered so late that there is some question about how or even whether adequate corrective work can be done. p. 44-45

Moreover, the quality assurance program at the site has been so deficient over the past four years that records that would have disclosed the results of tests on some other construction work have been lost outright, requiring 100 percent reinspection of some work and "re-qualification" of procedures. This apparent massive confusion at the WPPSS site has been partly attributed by an NRC inspector to WPPSS' difficulties in managing a large array of contractors doing construction work, including safety-related work...The inspector observed that the Licensee management had not been effective in requiring contractor compliance with specification requirements. p.46

Corroboration of the WPPSS difficulty in overseeing its contractors is found in the early 1978 falsification of certain welding records by lower level personnel in the mechanical contractor's organization. Despite the seriousness of those findings of falsification, they did not appear to be as significant as the far more widespread quality assurance problems of lost records and inadequate testing data. p.46

The problems experienced by WPPSS in attempting to construct its first nuclear reactor heighten the Committee concern over the need for NRC identification of major management problems at utilities prior to the issuance of an operation license. p.47

The Washington State Senate Energy & Utilities Committee "WPPSS Inquire," a report to the Washington State Senate & the 47th Legislature, March 1, 1981 examined the "causes of cost overruns and schedule delays on the five WPPSS Nuclear Power Plants."

The Committee identified a number of areas of management failure, each of which significantly contributed to the cost and schedule problems on the projects...The cumulative impact of these deficiencies leads the Committee to conclude WPPSS mismanagement has been the most significant cause of cost overruns and schedule delays on the WPPSS projects. (emphasis added) WPPSS Inquire supra, Executive Summary.

Specially, the Committee concluded that evidence was lacking to show:

that the officially adopted completion dates for the plants are used by WPPSS management to monitor or control the progress of work at the plant site. Supra, p.22

The report further states:

this finding is consistent with the findings of the Administrative Auditor's team of experts. As stated in the S-1 Report: 'The team was told of four or five levels of schedules which were said to be in use on the Supply System projects. How many of these are useful and used was not clear. There was evidence that all are waiting for the next one which will show everything.' Supra,

Applicant has had full control over the labor difficulties upon which it blames construction delay. Labor disputes have been tied to WPPSS management:

Because contractors, continue to receive full payment of profit and overhead during a labor dispute, their incentive to bargain in good faith and reach an early settlement is reduced...Additionally, the projects schedules are potentially delayed because contractors have less economic incentive to reach early settlement of labor disputes. Supra, p. 28-29.

Labor representatives told the Committee that WPPSS management problems reduced labor's productivity in five general categories:

POOR CONSTRUCTION MANAGEMENT PRACTICES

POOR ENGINEERING

POOR COORDINATION OF SCHEDULES

LOW WORKER MORALE

POOR SAFETY PRACTICES AND PROCEDURES. Supra, p.45.

The Committee requested WPPSS' response but did not receive it.

However, the report quotes a Mr. Mc Elwee of WPPSS management:

We have never claimed and we do not claim that low productivity is the fault of labor. Low productivity is generally our fault, management. Either the material is not available when and where it should be or the engineering is not available when and where it should be, or the equipment or we've gotten interferences or our planning is incomplete or what have you. Supra, p. 45-46.

The Committee determined that WPPSS's claim that on half of the cost overruns (including the cost of delay) were caused by regulatory requirements to be unconvincing. It was (based on a limited study of WNP 1,2, and 4) that change orders caused by regulatory requirements fell in the range of 5 to 11 %. Supra, p. 45. The Committee concluded that :

WPPSS does not have nor has it ever had, an effective change management system. The failure of WPPSS management to institute such a system is a direct and principal cause of project schedule delays. Supra, p. 38.

and the Administrative Auditor found that:

Changes directed by the Nuclear Regulatory Commission were found to be significant but not necessarily controlling and never more important than the lack of lack of timely engineering and procurement. (emphasis added) S-1, Report, p.2-6.

The committee also concluded that this matter had been brought to the the attention of WPPSS management numerous times to no apparent avail. Supra, p. 39.

Applicant states that "changes in project scope due to regulatory actions" and "design changes" caused delay in construction. It is, however, is difficult to see how just such a conclusion was made give the findings of the WPPSS Inquire:

WPPSS does not record the added cost or time of rework done as the result of regulatory changes or any other causes...Mr. L.E. Buchant, the director of a Boeing consultatn team examining WPPSS change management system, testified Sept. 19, 1980, that WPPSS was incapable of accurately measuring the effect of regulatory changes. Supra,

The Committee concluded that WPPSS management directly affected the procurment of materials:

Integrated management [adopted by WPPSS at all sites by 1979] affected all aspects of project administration and construction. It slowed pocurement and design, interferred with material and engineering support of construction, contributed to unnecessary rework, added to acess and interferred with problems on the job site, and confused inspection.

Particularly harmful [consequences] were restrictions on employment in materials inspection. Inadequate quality inspection capability has created an extensive back-log of uninspected high priority materials stockpiled on site, which cannot be released for construction.

WPPSS Inquiry, supra, at 34.

Thus, it is concluded all Applicant's alleged reasons for construction delay have been attributable, directly or indirectly, to WPPSS management and thus do not constitute a showing of "good cause."

CFSP12

Petitioner contends that the pending request for an extension for the construction permit for WNP-1, pursuant to 10 CFR 50.55(b), is invalid due to the "deferral" of continued construction for up to five years. Moreover, the request is not a "reasonable period of time" as required for the Commission to grant such an extension.

By January, 1981 Applicant had already gone 65 months over an original expected construction schedule of 60 months. Supra, p. 20. On April 29, 1982 the WPPSS Board of Directors decided to "defer" construction for up to five years. The Washington State Senate Energy & Utilities Committee concluded that evidence was lacking to show that "the officially adopted completion dates for the plants are used by WPPSS management to monitor or control the progress of work at the plant sites." Supra, p.22. Furthermore, WPPSS management has taken responsibility for construction delays:

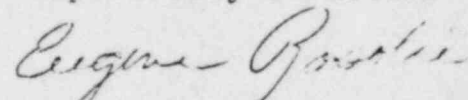
Low productivity is generally our fault, management. Supra, p.45

Petitioner submits that the time necessary to complete WNP-1 given its prior management and schedule history in combination with a delay of up to five years constitutes an unreasonable period of time.

CONCLUSION

The above stated contention met the requirements of 10 CFR 2.714(b) and should be admitted as issues in the above-captioned proceeding

Respectfully submitted



Eugene Rosolie
Coalition For Safe Power

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REGULATORY & SERVICE
BRANCH

CERTIFICATE OF SERVICE

I hereby certify that copies of COALITION FOR SAFE POWER SUPPLEMENT TO REQUEST FOR HEARING AND PETITION FOR LEAVE TO INTERVENE in the above captioned proceeding have been served on the following by deposit in the U.S. Mail, first class, or as indicated by asterisk by express mail or Federal Express, this 10th day of January, 1983:

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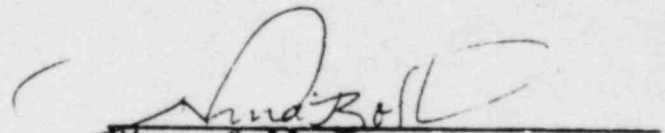
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