

MAY 27 1970

J. P. O'Reilly, Chief
Reactor Inspection and
Enforcement Branch
Division of Compliance

PACIFIC GAS & ELECTRIC COMPANY (DIABLO CANYON 2) - DOCKET NO. 50-323

The enclosed report of the management meeting conducted subsequent to the reinspection of the licensee's QA program is transmitted for information.

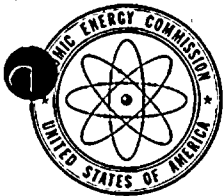
The applicant's response to Compliance's findings during the reinspection is considered acceptable. The manner of implementation will be monitored during the continuing inspection program.

J. B. Henderson
Senior Construction Engineer
Division of Compliance

Enclosure;
CO Report No. 323/70-4

cc w/enclosure:
E. G. Case, DRS (3)
P. A. Morris, DRL
R. S. Boyd, DRL (2)
R. C. DeYoung, DRL (2)
D. J. Skovholt, DRL (2)
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R. W. Smith, CO:V
G. S. Spencer, CO:V
REG Central File

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DATE ▶	5/26/70	5/26/70				



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May 13, 1970

J. P. O'Reilly, Chief
Reactor Inspection and Enforcement Branch
Division of Compliance, Headquarters

DIABLO CANYON UNIT NO. 2, PACIFIC GAS AND ELECTRIC COMPANY
DOCKET NO. 50-323

The attached report contains the details of our interview with PG&E's management on May 7, 1970. The purpose of the meeting was to apprise the licensee of our findings from the reinspection of the QA program under development for the Diablo Canyon project.

Although we had anticipated that more of the detailed QA procedures would have been approved and implemented by now, we believe PG&E's approach of issuing the procedures on a trial basis (open for comment with relative ease for revision) is appropriate since the approach seems to promote quality procedures which are more likely to be strictly followed by the implementing organizations within the company.

You will note that PG&E has approved and implemented both the Audit and the Record Control procedures. We had previously expressed a particular concern in these areas because of the design effort currently in progress that will be applicable to Unit No. 2. In view of our previous inspection findings concerning implementation of extensive QC procedures concerning the construction effort on Unit No. 1 and since excavation work for Unit No. 2 will not be completed until the fall of 1970, it appears that PG&E is properly directing the development of the QA manual. Therefore, we can conclude with reasonable assurance that Unit No. 2 will be designed and constructed in accordance with an appropriate QA program.

*IS/OR/Staff 5/25/70
Cott*

G. S. Spencer

G. S. Spencer
Senior Reactor Inspector

Attachment:
CO Rpt. No. 50-323/70-4
by A. D. Johnson
dtd 5/13/70

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U.S. ATOMIC ENERGY COMM.
DIVISION OF COMPLIANCE

U. S. ATOMIC ENERGY COMMISSION
DIVISION OF COMPLIANCE
REGION V

Report of Inspection

CO Report No. 50-323/70-4

Licensee: Pacific Gas & Electric Company
None
Category A

Date of Inspection: May 7, 1970

Date of Previous Inspection: March 26-27, 1970

Inspected by:

A. D. Johnson
A. D. Johnson
Reactor Inspector

5/13/70

Reviewed by:

G. S. Spencer
G. S. Spencer
Senior Reactor Inspector

5/13/70

Proprietary Information: None

SCOPE

Type of Facility: Pressurized Water Reactor

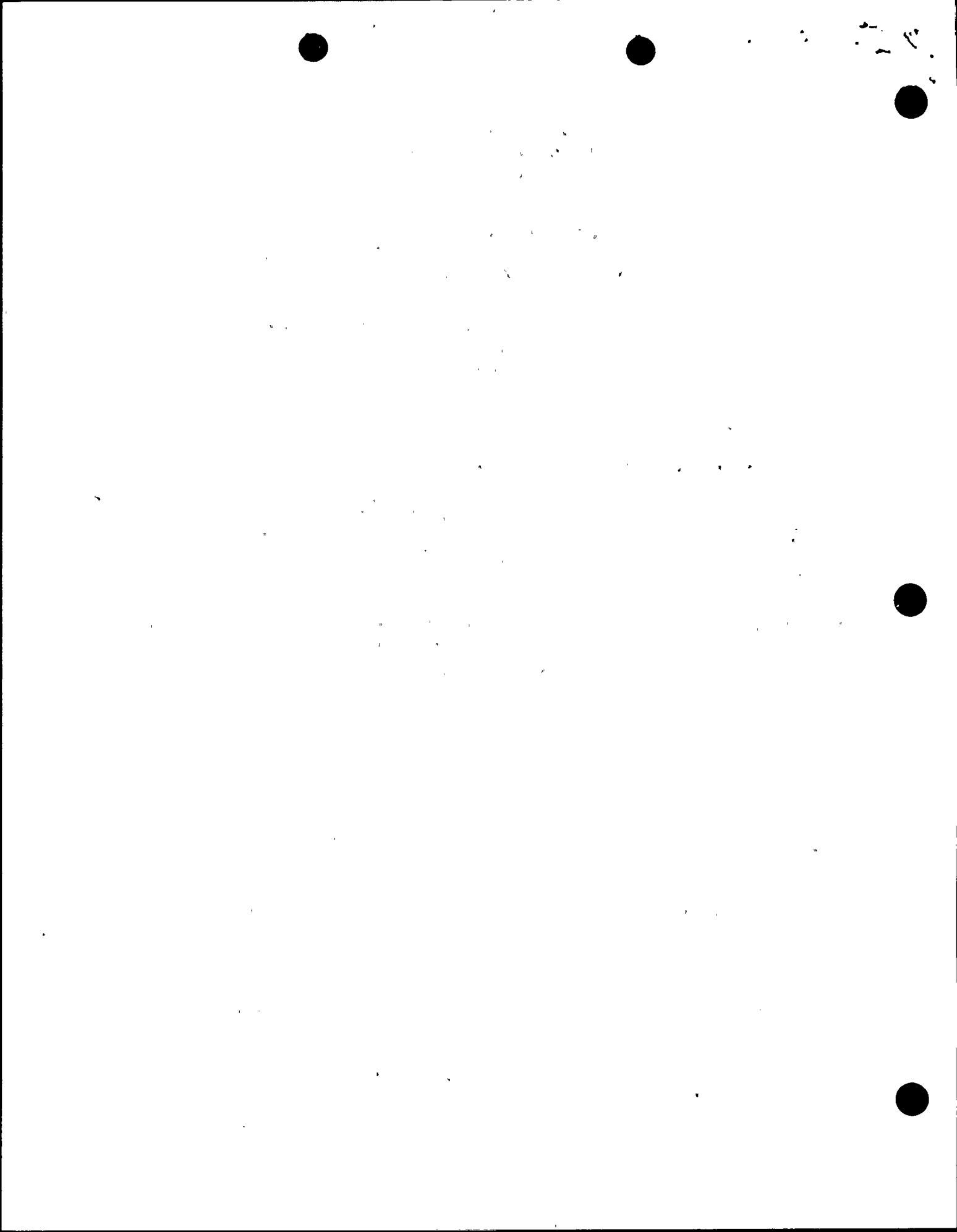
Power Level: 3250 Mwt

Location: Diablo Canyon, San Luis Obispo County,
California

Type of Inspection: Routine - Announced

Accompanying Personnel: G. S. Spencer, Senior Reactor Inspector

Scope of Inspection: Apprise PG&E's management of the significant findings obtained during the reinspection of the QA program on March 26-27, 1970.



SUMMARY

The Pacific Gas & Electric Company (PG&E) corporate offices in San Francisco, California, were visited on May 7, 1970, to discuss with PG&E's management the findings obtained from the reinspection of the QA program related to the Diablo Canyon project. PG&E's management expressed an intention to continue the priority effort to complete and implement formal procedures to assure compliance with the QA requirements prescribed in the approved policy section (Volume I) of the QA manual.

The QA procedures formulated to date are in use on a trial basis, open for comment and revision prior to official approval and implementation. Two procedures (Audits and Record Control) have been officially approved and implemented since the reinspection of the program on March 26 and 27, 1970.

DETAILS

A. Persons Contacted

The post-QA reinspection management meeting was held with the following PG&E representatives in attendance:

J. D. Worthington	-	Vice President - Engineering
D. V. Kelley	-	Project Engineer
B. W. Schackelford	-	Chief, Civil Engineering
J. O. Schuyler	-	Supervising Mechanical Engineer
R. V. Bettinger	-	Supervising Civil Engineer
W. R. Forbes	-	Supervising Inspection Engineer
G. V. Richards	-	Director, Quality Engineering

B. Meeting Results

Subsequent to opening remarks by Mr. G. S. Spencer and a general discussion of the results of the reinspection of the QA program conducted on March 26-27, 1970, the following specific inspection findings were presented to which the licensee responded as indicated below.

Quality Assurance Program (Criterion II)

The detailed procedures implementing the approved section of the QA manual, although generally in use, had not been approved. Therefore, compliance with the provisions of the procedures was not considered mandatory.



PG&E's Response

Worthington expressed concern that possibly they were "overdoing" their program requirements (e.g., surveillance requirements) and were apprehensive that official implementation of the formulated procedures might be considered (by AEC) as irrevocable. Therefore, the procedures are undergoing a trial period prior to final approval.

The inspectors explained that PG&E's internal procedures certainly are subject to their revision and should be revised as the need arises, both in the direction of expansion and retraction.

Test Control (Criterion XI)

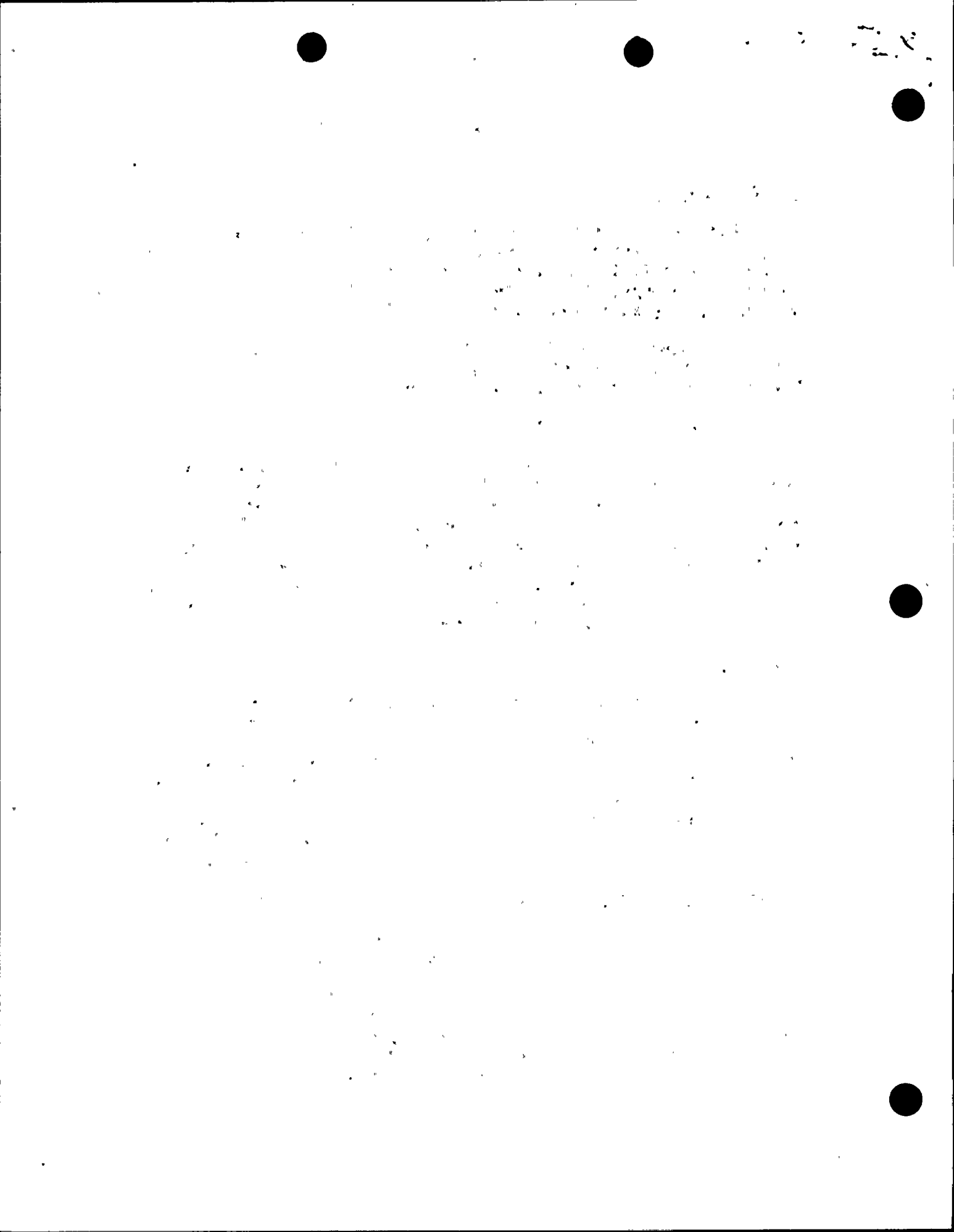
The policy section of the QA program charges the Startup Engineer (Construction Department) with the responsibility for determining equipment acceptance criteria and for preparation of the appropriate preoperational and acceptance procedures to demonstrate that the installed systems and components operate in accordance with the design requirements. The Engineering Department has not been delegated a direct responsibility for review and approval or comment of the prepared test procedures to assure that the acceptance criteria are consistent with the designed function of any given system or component.

PG&E's Response

Worthington explained that PG&E relies on a close working relationship between the Engineering and the Construction Departments to assure that proper engineering considerations are incorporated into the test criteria and procedures. He also pointed out that the responsible construction personnel are professional engineers and that the policy manual requires that the appropriate engineering personnel be notified of any deficiency identified as a result of a component or system test. The Engineering Department also receives a copy of the completed test results and therefore has the opportunity to comment on them.

Nonconforming Material, Parts, or Components (Criterion XV)

The draft procedure that pertained to disposition of nonconforming material or work contained the provision that items corrected "in the normal course of business" need not be handled under the formal procedure. Although everyone concerned understood the term to mean that only "minor deviations" fall outside of the category requiring formal action, the term could be interpreted to mean that any discrepancy identified and corrected in the normal course of business could be handled in an informal manner.



PG&E's Response

Mr. Richards commented that the procedure had not been officially revised as yet because of disagreement as to how the procedure should be worded. Richards indicated that the procedure would be revised and promulgated in the immediate future. He added that it has been given a priority status.

Audits (Criterion XVIII)

An active audit program appears to be in effect at the site in connection with the construction activities associated with Unit No. 1. However, audits had not been conducted concerning the design activities of the Engineering Department.

PG&E's Response

Mr. Richards commented that an audit of the Civil Engineering Department has been completed and that an audit of the Mechanical Engineering Department was scheduled to be completed during May 1970.

