Brune L.

UNITED STATES

NUCLEAR REGULATORY COMMISSION

REGION III

799 ROOSEVELT ROAD

GLEN ELLYN, ILLINOIS 60137

APR 2 0 1075

Consumers Power Company
ATTN: Mr. Stephen H. Howell
Vice President
1945 West Parnall Road
Jackson, Michigan 49201

Docket No. 50-329 Docket No. 50-330

## Gentlemen:

This refers to the inspection conducted by Mr. Yin of this office on March 16-18, and 24-26, 1976, of activities at the Midland Plant Construction site authorized by NRC Construction Permits No. CPPR-81 and No. CPPR-82 and to the discussion of our findings with Mr. Slager and others of your staff at the conclusion of the inspection.

The enclosed copy of our inspection report identifies areas examined during the inspection. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel.

During this inspection, certain of your activities appeared to be in noncompliance with NRC requirements, as described under Enforcement Items in the Summary of Findings section of the enclosed inspection report.

This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office within thirty days of your receipt of this notice a written statement or explanation in reply, including for each item of noncompliance: (1) corrective action taken and the results achieved; (2) corrective action to be taken to avoid further noncompliance; and (3) the date when full compliance will be achieved.



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In regard to the unresolved matters identified in the Summary of Findings section and the findings contained in Appendix A and Appendix B of the enclosed inspection report relative to our examination of the U. S. Testing Company and Champion, Inc. quality assurance manuals, it is our understanding that you intend to take prompt action to assure these programs and related activities are in full compliance with NRC requirements.

As discussed with you by Mr. Hayes of this office on April 13, 1976, we are concerned with the repeated occasions of reinforcement steel omissions in safety related structures and weakness in the Midland Quality Assurance Program that permits these problems to occur and remain undetected by the first line of quality control. In connection with this, we plan to conduct an in-depth inspection of this area, including a review of corrective action previously initiated by Consumers Power Company. As such, we have omitted from the enclosed inspection report the results of our preliminary review of: (1) reinforcement steel omissions reported to the NRC on March 22, 1976, and (2) the Bechtel Power Corporation Nonconformance Report No. 260 documenting a previous omission of reinforcement steel. These findings will be included in a subsequent inspection report.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this notice, the enclosed inspection report, and your response to this notice will be placed in the NRC's Public Document Room, except as follows. If this report contains information that you or your contractors believe to be proprietary, you must apply in writing to this office, within twenty days of your receipt of this notice, to withhold such information from public disclosure. The application must include a full statement of the reasons for which the information is considered proprietary, and should be prepared so that proprietary information identified in the application is contained in an enclosure to the application.

We will gladly discuss any questions you have concerning this inspection.

Sincerely yours,

James G. Keppler Regional Director

Enclosure: IE Inspection Reports No. 050-329/76-02 and No. 050-330/76-02

bcc w/encl:
PDR
Local PDR
NSIC
TIC
Ronald Callen, Michigan Public
Service Commission
Dr. Wayne E. North
Myron M. Cherry, Chicago