

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

AUG 2 1976

Dudley Thompson, Acting Director, Division of Field Operations
Office of Inspection and Enforcement, Headquarters

CONSUMERS POWER COMPANY (MIDLAND 1 and 2)
DOCKET NOS. 50-329 and 50-330
RECOMMENDED HEADQUARTERS NOTICE OF VIOLATION

During April and May, 1976, Region III conducted several inspections at the Midland construction site to review the licensee's implementation of its quality assurance program. Specifically, we were concerned with the omission of reinforcement steel in safety-related building structures on numerous occasions during the past two years. While individual occurrences were identified, evaluated, and resolved by Consumers Power Company and its contractors, the real extent of the problem and the need for broad corrective action were not fully recognized by the licensee. Stated more generally, while the overall QA/QC program caught specific problems, it was ineffective in preventing them from recurring.

Our inspection effort identified five items of noncompliance, which are set forth in the draft Notice of Violation to the licensee and in the attached inspection report. These items of noncompliance do not demonstrate, in our view, a major breakdown in the overall QA/QC program since they are limited to certain specific occurrences. On the other hand, it is disturbing to us that, in view of the very limited construction activities underway during this period, the QA/QC program exhibited shortcomings in this limited area. Further, we are sensitive to the history of this facility especially the Construction Permit hearings that were held and the Show Cause hearing following deficiencies in the licensee's cadwelding program. We are also aware that as a part of this history, the Atomic Safety and Licensing Appeals Board expressed their displeasure with the quality assurance program at Midland, and suggested that further problems in this area should be cause for stopping construction. Also, in the forefront of any consideration is my testimony before the ASLB where I stated, "I want to go on record as saying that it is my position that if the company fails to live up to its obligations that we're not afraid to step in and stop construction just like we did this time."



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REQUEST FOR ADDITIONAL INFORMATION Midland

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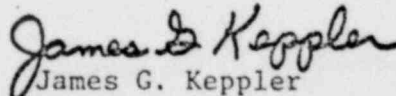
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Keeping in mind all of the above, we weighed seriously the NRC enforcement sanction which would be most appropriate. Pertinent factors in this consideration included the following:

1. The identified problems relating to missing rebar have all been found and reported by Consumers Power Company.
2. The problems of missing rebar, while repetitive in nature, have not resulted in a loss of structural integrity.
3. The licensee or its constructor have on three earlier occasions attempted to take corrective action by the issuance of stop work orders on safety-related concrete pours.
4. After discussion of this matter with the licensee corporate management on May 20, 1976, the licensee submitted a detailed plan of action setting forth corrective action for each item of noncompliance and deviation identified describing their program for upgrading quality assurance activities.
5. The noncompliance items do not, in our view, represent a breakdown in the overall QA program. Furthermore, these items do not provide an action point total exceeding 100 points. In view of this, the matter does not appear to warrant civil penalty action according to the guidance in MC.0800.

Based on the above, I have concluded that a Headquarters Notice of Violation is the appropriate form of enforcement action at this time. A draft letter is attached for Headquarter's consideration. We are planning an accelerated inspection effort at the Midland site and if problems continue to persist, stronger enforcement action will be recommended.

In view of the past history of this facility, I suggest that a copy of our inspection report, letter to the licensee, and rationale for our actions be sent to the Atomic Safety and Licensing Appeals Board for information.


James G. Keppler
Regional Director

Attachments:

- A. Ltr to Licensee
- B. IE Inspection Rpts
No. 050-329/76-04
and No. 050-330/76-04

cc w/attachments:

- E. Volgenau, Director
- J. Davis, Deputy Director
- B. H. Grier, IE:HQ
- ✓ W. P. Ellis, IE:HQ
- R. Warnick, Regional Coordinator

UNITED STATES
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799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

Consumers Power Company
ATTN: Mr. John Selby
President
1945 West Parnell Road
Jackson, Michigan 49201

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

Gentlemen:

This refers to the special inspections conducted during April and May, 1976, by Messrs. D. Hayes, I. Yin and others of our Region III (Chicago) Office of activities authorized by NRC Construction Permit Nos. CPPR 81 and 82. This also refers to the meetings held at your engineering offices in Jackson, Michigan on May 20 and June 7 and 8, 1976, attended by yourself and Messrs. S. Howell, G. Keeley and other members of your staff with Mr. J. G. Keppler and other members of the Region III staff.

These special inspections, directed at the implementation of the Midland QA/QC program, were conducted as a result of the finding by Consumers Power Company that reinforcement steel had been omitted or incorrectly placed on several occasions in the Auxiliary Building. The inspections consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspectors.

This inspection effort identified five items of noncompliance which are set forth in the enclosure to this letter. In addition to these items, we are particularly concerned that the quality assurance/quality control program did not prevent the repetitive instances of improper placement of rebar in safety-related concrete structures. While such instances of improper rebar placement were identified, evaluated and resolved, the Consumers Power's QA/QC program did not appear to identify the cause or recurring nature of this problem such that repetition could be prevented.

We note that on June 7, 1976, safety-related concrete work was stopped by the Constructor at the Midland site. Your letters of June 18 and June 24, 1976, detailed the corrective actions being undertaken by Consumers Power Company to assure that continued concrete work would be performed according to



the quality assurance/quality control program and instituted several additional measures to prevent repetition of the previous problems. Our letter of June 25, 1976, confirmed our understanding of the action to be taken prior to resuming safety-related concrete work, and we verified that such action was taken before work was resumed.

As you are aware from the "Criteria for Determining Enforcement Action" which was provided to you by letter dated December 31, 1974, and which was discussed by Mr. J. G. Keppler during the May 20, 1976 meeting, enforcement actions available to the Commission in the exercise of its regulatory responsibilities include administrative action in the form of written Notices of Violation, civil monetary penalties, and orders pertaining to the modification, suspension or revocation of a license. After serious consideration of the history of items of noncompliance related to the quality assurance program at Midland, the items of noncompliance found during the recent inspection and the company's response to take corrective action after these items were brought to your attention, we have concluded that Notice of Violation is the appropriate form of enforcement action at this time.

In view of the corrective action described in your letters of June 18 and June 24, no further response is required to these items of noncompliance. However, we wish to impress upon you the necessity that management action must be taken to assure on a continuing basis that personnel involved in construction, fabrication and installation at the Midland plant understand the need for strict adherence to NRC requirements and the quality assurance program as required by 10 CFR Part 50, Appendix B. We plan to continue to conduct unannounced inspections to ascertain whether appropriate corrective action has been taken with regard to the items of noncompliance identified in the enclosure and whether the quality assurance/quality control program is being implemented. The NRC will take responsible enforcement action including the use of civil penalties or suspension of construction activities if necessary,

Consumers Power
Company

- 3 -

should these inspections continue to show repetitive problems with the implementation of your quality assurance program.

Sincerely yours,

Dudley Thompson
Acting Director
Division of Field Operations

Enclosures:

1. Notice of Violation
2. IE Inspection Rpts
No. 050-329/76-04
and No. 050-330/76-04