



UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

December 4, 1973

50-329/330

Director
Office of the Federal Register
National Archives and Records Service
Washington, D. C. 20408

Dear Sir:

Attached for publication in the Federal Register are an original and two certified copies of a document entitled:

CONSUMERS POWER COMPANY
ORDER TO SHOW CAUSE

Per telecon with Mr. Lewis, please handle as Schedule I for publication on Wednesday, December 5, 1973.

Publication of the above document at the earliest possible date would be appreciated.

Sincerely,

THIS DOCUMENT CONTAINS
POOR QUALITY PAGES

Paul C. Bender
Secretary of the Commission

Enclosures:
Original and 2
certified copies

cc: ✓ Docket Clerk (Dir. of Reg.)
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UNITED STATES OF AMERICA
ATOMIC ENERGY COMMISSION

In the Matter of)
)
CONSUMERS POWER CO.) Construction Permit
(Midland Plant, Units) Nos. 81 and 82
1 and 2))

ORDER TO SHOW CAUSE

I

CONSUMERS POWER CO., 212 West Michigan Avenue, Jackson, Michigan ("the licensee"), is the holder of Construction Permit Nos. 81 and 82, which authorize the construction of nuclear power reactor Units 1 and 2 at the Midland Plant in Jackson, Michigan, under certain conditions specified therein.

II

As described in Part III below, reviews conducted by the Directorate of Regulatory Operations of various activities performed under Construction Permit Nos. 81 and 82 have revealed significant deficiencies in the implementation of the licensee's quality assurance program.

By memorandum dated November 26, 1973, a copy of which is attached hereto, the Atomic Safety and Licensing Appeal Board wrote to the Director of Regulation, referring to some of these matters and urging that appropriate enforcement action be taken against the licensee. The Appeal Board memorandum also raised serious questions concerning the licensee's implementation of quality assurance (QA). The Appeal Board memorandum warrants

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examination of the question whether applicant will meaningfully comply with its own quality assurance program and with Commission regulations (10 CFR Part 50, Appendix B) throughout the construction process.

III

1. Inspections occurring on September 29 - October 1, 1970, revealed several instances of the licensee's nonconformance with quality assurance program requirements involving concrete work. These matters were discussed by the Appeal Board in its Memorandum and Order of March 26, 1972 (ALAB-106), in which the Appeal Board imposed certain additional conditions on the licensee with respect to its quality assurance program.

2. Inspections conducted on September 10, 11, and 27, 1973, revealed several additional violations of 10 CFR Part 50, Appendix B, Criteria II and V, involving inadequate recordkeeping procedures relating to quality assurance and unavailability of certain quality assurance records.

3. Inspections conducted on November 6-8, 1973, identified serious deficiencies associated with cadweld splicing of concrete reinforcing bars. These constitute violations of 10 CFR Part 50, Appendix B, Criteria II, V, XIII, XV and XVII.

4. By letter dated November 9, 1973, the Director of Region III of the Directorate of Regulatory Operations confirmed that all cadwelding operations at the site would be stopped on that date, and that such

operations would not be resumed until a site inspection by Commission inspectors established that an acceptable program for cadwelding has been implemented.

5. On November 19, 1973, the licensee informed the Director of Region III of the Directorate of Regulatory Operations that its corrective action commitments relative to cadwelding activities would be completed on that date. Accordingly, a special inspection was performed on November 20-21, 1973. That inspection revealed that, while some corrective action had been taken, cadwelding procedures continued to be inadequate.

IV

In view of the foregoing and pursuant to the Atomic Energy Act of 1954, as amended, and the regulations in 10 CFR Parts 2 and 50, IT IS HEREBY ORDERED THAT:

The licensee show cause, in the manner hereinafter provided, why all activities under the construction permits should not be suspended pending a showing by the licensee that it is in compliance with the Commission's regulations pertaining to quality assurance, and that there is reasonable assurance that such compliance will continue throughout the construction process.

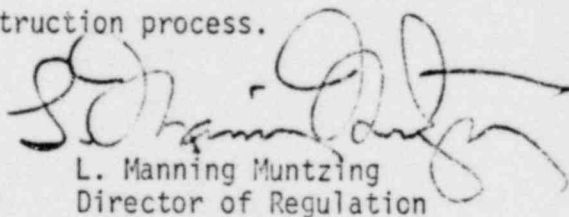
No cadwelding operations at the site shall be resumed pending a further order and determination by the Director of Regulation. As a practical

matter, the completion of cadwelding is a prerequisite for performance of further construction work on significant structures and components important to nuclear safety.

In view of the foregoing, it is found that, pending a further order and determination by the Director of Regulation, the public health, interest or safety requires continued suspension of the cadwelding activities.

The licensee may, within twenty days of the date of this order, file a written answer to this order under oath or affirmation. Within the same time, the licensee or any interested person may request a hearing. If a hearing is requested, the Commission will issue an order designating the time and place for hearing. Upon failure of the licensee to file an answer within the time specified, the Director of Regulation will, without further notice, issue an order suspending any further activities under Construction Permit Nos. 81 and 82.

In the event that a hearing is requested, the issues to be considered at such hearing shall be : (1) whether the licensee is implementing its quality assurance program in compliance with Commission regulations, and (2) whether there is reasonable assurance that such implementation will continue throughout the construction process.


L. Manning Muntzing
Director of Regulation

Dated at Bethesda, Maryland,
this 3rd day of December, 1973.