

U. S. ATOMIC ENERGY COMMISSION
DIRECTORATE OF REGULATORY OPERATIONS

REGION III

Report of Construction Inspection

RO Inspection Report No. 050-329/73-02
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Licensee: Consumers Power Company
212 West Michigan Avenue
Jackson, Michigan 49201

Midland Plant - Units 1 and 2
Midland, Michigan

Licenses No. CPPR-81
and No. CPPR-82
Category: A

Type of Licensee: PWR (B&W) - 662 Mwe (each unit)

Type of Inspection: Special Management Meeting

Date of Inspection: April 17, 1973

Date of Previous Inspection: February 23, 1973

Principal Inspector: *R. A. Rohrbacher*
R. A. Rohrbacher

5-14-73
(Date)

Accompanying Inspectors: None

Other Accompanying Personnel: *W. E. Vetter*
W. E. Vetter

Reviewed By: *W. E. Vetter*
W. E. Vetter, Chief
Reactor Construction Branch

5-14-73
(Date)

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SUMMARY OF FINDINGS

Enforcement Action

No violations of AEC requirements nor safety problems were identified during the meeting.

Licensee Action on Previously Identified Enforcement Matters

No previously identified enforcement matters remained unresolved at the time of the meeting.

Design Changes

No design changes were identified.

Unusual Occurrences

No unusual occurrences were identified.

Other Significant Findings

A. Current Findings

1. Construction Status

The Midland construction site has been inactive since late 1970. Consumers Power Company (CP) representatives stated that construction activities at the site are now expected to be restarted in late May or early June 1973.

2. Project Status

On December 15, 1972, CP was issued AEC construction permits for Midland Plant Units No. 1 and No. 2. The Atomic Safety and Licensing Appeal Board, on March 26, 1973, modified the initial decision and the construction permits issued as a result thereof by imposing additional QA conditions upon the applicant.

B. Unresolved Matters

Bechtel Corporation Organization for the Midland Project

The Bechtel Corporation (Bechtel) organization chart for the Midland project was not clear relative to lines of reporting responsibility

and lines of technical direction. CP indicated that appropriate changes would be made. This matter remains open pending review of a modified organization chart.

C. Status of Previously Reported Unresolved Matters

No unresolved matters were identified during the previous inspection.

Management Interview

Not applicable.

REPORT DETAILS

The following people were in attendance during the meeting:

Consumers Power Company (CP)

S. H. Howell, Vice President - Electric Plant Project
W. E. Kessler, Project Manager
C. Q. Hills, Quality Assurance Administrator
T. C. Cooke, Project Superintendent
M. P. Hanson, Project Engineer

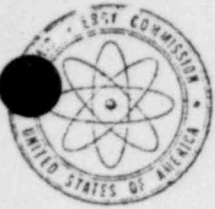
Results of Inspection

A special corporate management meeting was held at the CP corporate offices located in Jackson, Michigan, on April 17, 1973. The following topics were included in the meeting agenda.

- A. Recent CP organization changes relative to the Midland construction project. (Paragraph 1, below.)
 - B. The organization interface between CP and Bechtel. (Bechtel is to be responsible for site construction and for a significant amount of QA/QC work during construction.) (Paragraph 2, below.)
 - C. Activities of the Babcock and Wilcox Company (B&W) relative to 10 CFR Part 50, Appendix B, Criteria VII and XV. (Paragraph 3, below.)
 - D. The significance and mandatory aspects of the March 26, 1973, memorandum and order of the Atomic Safety and Licensing Appeal Board (ASLAB). (Paragraph 4, below.)
 - E. The CP audit program for the Midland project. (Paragraph 5, below.)
 - F. Plans for restart of construction at the Midland construction site. (Paragraph 6, below.)
1. CP has established a Project Quality Assurance Service Department under the direction of the Quality Assurance Administrator. The Administrator reports directly to the Vice President for Electric Plant Projects and is responsible for QA/QC activities common to the Midland Plant.
 2. In response to questions concerning the Bechtel organization for the Midland project, CP acknowledged that organizational chart

clarification and expansion were needed and that appropriate changes would be made. CP indicated that the organizational clarification would be accomplished with reference to comments during the meeting relative to quality assurance/quality control organization freedom from cost and scheduling responsibilities.

3. The requirements for documentation of quality of NSS components supplied by B&W were discussed in detail. RO:III stated that procurement requirements relating to quality, and documentary evidence that these requirements were met, are to be available at the construction site prior to use or installation of components and equipment. Measures to establish control of nonconforming items, relative to components received from B&W, were also discussed in detail to assure the associated requirements were clearly understood by the applicant.
4. RO:III discussed the reporting aspects of the ASLAB memorandum and order of March 26, 1973, and stated that information, to answer additional questions by CP, would be sought from RO:HQ on this matter.
5. The CP Quality Assurance Administrator summarized the audit program planned for the Midland project during this meeting. Audit program requirements based on 10 CFR Part 50, Appendix B, were discussed in the interest of clarification. New audit procedures and schedules are being prepared by CP and a more comprehensive audit schedule is to be prepared.
6. The applicant stated that construction buildings and earth moving equipment will be moved to the construction site sometime during the latter part of May or early June 1973.



UNITED STATES
ATOMIC ENERGY COMMISSION
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REGULATORY OPERATIONS, REGION III

A. RO Inspection Report No. 050-329/73-02, 050-330/73-02

Transmittal Date : May 15, 1973

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B. RO Inquiry Report No. _____

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C. Incident Notification From: _____
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