



UNITED STATES
ATOMIC ENERGY COMMISSION
DIRECTORATE OF REGULATORY OPERATIONS
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

TELEPHONE
(312) 898-2660

DEC 17 1973

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

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

Gentlemen:

This letter refers to the inspections conducted by Directorate of Regulatory Operations, Region III representatives on November 6-8, 15, and 20-21, 1973, relative to the Midland Plant Units 1 and 2, authorized by AEC Construction Permits No. CPPR-81 and CPPR-82. This also refers to the telephone discussions held with you and Mr. Kessler on November 9, 1973, and to the meeting held with you and other members of your staff at the conclusion of the inspection on November 21, 1973.

Areas examined during the inspection are identified in the enclosed inspection report. Within these areas, the inspection consisted of selective examination of procedures and records, interviews with plant personnel, and observations by the inspectors. A copy of the enclosed inspection report was provided to Mr. H. R. Reis, Consumers Power Company's consultant lawyer, on December 14, 1973. At the same time, a copy of the report was mailed to Mr. Myron M. Cherry.

During this inspection, it was determined that certain of the activities under your Construction Permit appear to be in violation of AEC regulations, the Midland Plant Preliminary Safety Analysis Report, and certain Bechtel Corporation specifications. The apparent violations and references to the pertinent requirements are listed under Enforcement Action in the Summary of Findings Section of the enclosed inspection report.

In view of the circumstances associated with these violations and the subsequent issuance of the Show Cause Order by the Director of Regulation, on December 3, 1973, this report has been referred to our Regulatory Operations Headquarters staff for further review, evaluation, and possible action. You will be informed of the results of this review.

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As discussed with Mr. Keeley by Mr. Vetter of my staff, it is my understanding that Consumers Power Company has waived their review of the report for proprietary information and that this waiver will be confirmed by you in writing. Accordingly, a copy of the enclosed report has been placed in the AEC's Public Document Room.

No reply to this letter is necessary; however, should you have any questions concerning this inspection, we will be glad to discuss them with you.

Sincerely yours,

James G. Keppler
Regional Director

Enclosure:

RO Inspection Rpt No. 050-329/73-10
and No. 050-330/73-10

cc: Mr. A. H. Aymond, President
and Chairman of the Board

bcc: RO Chief, FS&EB
RO:HQ (4)
Licensing (4)
DR Central Files
RO Files
PDR
Local PDR
NSIC
DTIE
OGC, Beth, P-506A
J. Murray, GC (2)
Ronald Callen
Dr. Wayne E. North