

8-10-73

UNITED STATES OF AMERICA
ATOMIC ENERGY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

In the Matter of)	
)	
CONSUMERS POWER COMPANY)	Docket Nos. 50-329
)	and 50-330
(Midland Plant, Units 1 and 2))	

MEMORANDUM EXPRESSING THE VIEWS
OF THE APPLICANT, CONSUMERS POWER COMPANY,
CONCERNING THE REGULATORY STAFF'S SUBMISSION
IN COMPLIANCE WITH ALAB-132

On June 28, 1973, the Atomic Safety and Licensing Appeal Board (Appeal Board) directed the AEC Regulatory staff to report the results of any "full-field inspection of the Midland plant [conducted] subsequent to March 26, 1973" ^{1/} In addition, the staff was ordered to furnish the Appeal Board "with its comments, in light of any such inspection, on the applicant's report to the Appeal Board." ^{2/}

1/ Consumers Power Co. (Midland Plant, Units 1 and 2), ALAB-132, RAI-73-6, pp. 436-7.

2/ Id. The "applicant's report" referred to by the Appeal Board was filed by Consumers Power on May 25, 1973 pursuant to Condition 1 of ALAB-106. See Consumers Power Co. (Midland Plant, Units 1 and 2), ALAB-106, RAI-73-3, p. 186 (March 26, 1973). Though not directly pertinent to this memorandum, the Appeal Board directed that the staff report required by ALAB-132 "also include all of the information called for by Condition 2 in Part IV of ALAB-106, as of the date of the staff's report." ALAB-132, RAI-73-6, p. 437 (footnote omitted).

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By letter dated July 20, 1973, the Regulatory staff transmitted, in compliance with the Appeal Board's directives, the report of an inspection of the Midland site conducted by the Directorate of Regulatory Operations from June 26-28, 1973, together with the staff's comments on the report of the Applicant which had been filed on May 25 pursuant to Condition 1 of ALAB-106.

This memorandum is submitted pursuant to the Appeal Board's Order of July 26, 1973, which furnished both the Saginaw Intervenors and the Applicant an opportunity to express "their views on the July 20, 1973, submission of the Regulatory staff in compliance with ALAB-132" and also "discuss the material submitted by the staff on July 24, 1973, in response to the request of a member of this Board."

I. Regulatory Staff's Submission

On July 20, 1973, the Regulatory staff transmitted to the Appeal Board the report of an inspection of the Midland site conducted from June 26-28. Concurrently, the staff submitted its comments concerning the Applicant's May 25 report describing action being taken to assure that the construction work already performed and materials at the site are in satisfactory condition.

The inspection report consists of two parts; a basic ten page document and a three page appendix. The report is in compliance with the requirements of ALAB-132 in that it represents

the timely submission of both the results of the staff's most recent full-field inspection of the Midland site^{3/} and all of the information called for by Condition 2 in Part IV of ALAB-106.^{4/}

The basic report reveals that preconstruction and restoration work was underway during the inspection in preparation for the restart of construction.^{5/} No previously identified enforcement matters remained unresolved at the time of the inspection, there was no evidence of a need for the issuance of nonconformance reports, and "[n]o violations of AEC requirements were identified."^{6/} In addition, a comprehensive program was underway to insure the quality of work and materials.^{7/}

The report does reveal some initial confusion over the Bechtel QA/QC organization at Midland in relation to Appendix B of 10 C.F.R. Part 50. Basically, the problem seems to have centered around certain details of the Bechtel QA organization and the reporting relationship between the Midland QC Engineers

^{3/} See ALAB-132, RAI-73-6, p. 436; Appeal Board Order dated July 5, 1973.

^{4/} See ALAB-132, RAI-73-6, p. 437; ALAB-106, RAI-73-3, p. 186; RO Inspection Report No. 050-329 & 330/73-05, pp. 2-4.

^{5/} RO Inspection Report No. 050-329 & 330/73-05, pp. 4-5.

^{6/} Id. pp. 2 and 4.

^{7/} Id. pp. 8-9.

and the Project Superintendent.^{8/} However, there is no outstanding issue in this proceeding as to whether or not the QA/QC plans of the Applicant and Bechtel comply with Appendix B. Such compliance has been noted by the Regulatory staff,^{9/} verified by the Licensing Board,^{10/} and affirmed by this body.^{11/} In any event, the misunderstanding has been resolved. This is reflected in the supplement to the inspection report which, among other things, states that "[t]he Bechtel organization structure now establishes an appropriate reporting level."^{12/} The resolution of the matter is further defined by the affidavit attached to this memorandum.^{13/}

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- ^{8/} Id. p. 10. During the inspection, the "Bechtel Organization Chart for Quality Assurance," dated April 1973, was examined. According to the inspector, the QA portion of the chart "was fairly clear and appeared to meet the requirements of 10 CFR, Appendix B." Id. Nevertheless, the inspector expressed uncertainty as to whether or not "Criterion I", dealing with the need for independence of QA/QC personnel from those performing construction activities, was being met. RO Inspection Report No. 050-329 & 330/73-05, pp. 5, 7, 10.
- ^{9/} Staff Safety Evaluation, p. 73 (November 12, 1970).
- ^{10/} Initial Decision, ¶29 (December 14, 1972).
- ^{11/} ALAB-106, RAI-73-3, p. 184.
- ^{12/} RO Inspection Report No. 050-329 & 330/73-05, Supplement dated July 19, 1973.
- ^{13/} Submitted with this memorandum as Attachment A is an affidavit executed by William S. Gibbons, who is Quality Assurance Manager for the San Francisco Power Division of Bechtel with responsibility for the Midland Quality Assurance Program.

The three page appendix to the basic inspection report outlines the extent to which the Applicant's program for assuring the quality of work already performed and materials at the site, as described in the Applicant's report of May 25, had been implemented as of the time of the inspection. The appendix substantiates the Applicant's factual representations and discloses that the program described in the May 25 report is, in fact, being implemented. In particular, the appendix makes it clear that adequate measures are being taken to deal with problems arising from the corrosion of materials on site and to determine the integrity of structural concrete.

The Regulatory staff's comments concerning the Applicant's May 25 report pursuant to Condition 1 of ALAB-106 are likewise in compliance with the terms of ALAB-132.^{14/} They reflect the staff's position that

Based on a review of the licensee's report, and in light of the results of the staff inspection on June 26-28, the AEC Regulatory Staff has concluded that the program described in the licensee's report is adequate to establish the condition of construction work already performed and the condition of materials now in storage at the site, and to assure appropriate corrective action with respect to any

^{14/} See ALAB-132, RAI-73-6, p. 431 at 436-7; Appeal Board Order dated July 5, 1973.

nonconforming work or material important to safety. 15/

Consumers Power Company is in agreement with the staff's conclusions and submits that the staff inspection discloses that the Applicant and its architect-engineer have taken measures fully adequate to assure that QA/QC programs and construction programs will be synchronized and that there will be properly trained personnel on site to implement the QA/QC plan.

II. Material Submitted by the Staff on July 24, 1973

In ALAB-132 the Appeal Board indicated that it had not been advised of the results of any inspections conducted after January 7, 1971. 16/ Subsequently, Dr. Buck requested, and the

15/ AEC Regulatory Staff Comments on Applicant's Report Pursuant to Condition 1 of ALAB-106, pp. 1-2 (July 20, 1973). This conclusion was based on the following considerations:

1. The licensee has adequately identified the nature of the problem and the work and materials involved.
2. Adequate provisions have been made for assessing the present condition of work already performed and materials in storage.
3. Provision has been made for evaluating nonconformances and correcting deficiencies identified as a result of the licensee's inspections.
4. The June 26-28 inspection of the Midland site indicates that the licensee's program is being followed and that it has been effective to date.

Id. pp. 2-3.

16/ ALAB-132, RAI-73-6, p. 436.

Regulatory staff provided, on July 24, 1973, reports of all inspections conducted after January 7, 1971, up to but not including the inspection completed on June 28, 1973.^{17/}

The reports themselves reflect the ongoing inspection and enforcement program of the Directorate of Regulatory Operations. Together with other reports available to the Appeal Board they indicate that a total of nine inspections were conducted in connection with the Midland Plant over the period that construction activities at the site were suspended.^{18/}

^{17/} See letter from David E. Kartalia to Dr. John H. Buck, July 24, 1973. Copies of these reports were also provided to all participants in this proceeding. The report of the June 26-28 inspection, of course, was distributed on July 20, 1973. Id.

^{18/} Construction at the Midland site was temporarily halted in December 1970 as a result of licensing delays. Between that time and the resumption of new construction the following reports were issued:

1. RO Inspection Report No. 050-329 & 330/71-1
(see Saginaw Exhibit 36)
2. RO Inspection Report No. 050-329 & 330/71-02
3. RO Inspection Report No. 050-329 & 330/72-01
4. RO Inspection Report No. 050-329 & 330/72-2
5. RO Inspection Report No. 050-329 & 330/73-01
6. RO Inspection Report No. 050-329 & 330/73-02
7. RO Inspection Report No. 050-329 & 330/73-03
8. RO Inspection Report No. 050-329 & 330/73-04
9. RO Inspection Report No. 050-329 & 330/73-05
(see Staff Submission of July 20, 1973).

A description and discussion of each of the many matters covered by these reports would serve no useful purpose. However, they do provide some useful insights into the inspection and enforcement process when read collectively.

First, the reports suggest the existence of an effective AEC program of inspection and reporting. Activities of the Directorate of Regulatory Operations (DRO) appear to be characterized by a diligence, competence and attention to detail which is clearly conveyed in the contents of the reports.^{19/}

Secondly, the reports disclose an open, cooperative and responsive attitude on the part of the Applicant with respect to the activities of DRO inspectors. Management personnel have been receptive to information provided by inspectors and have freely discussed matters of concern.^{20/}

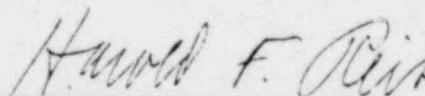
^{19/} For instance, inspections include, as a matter of course, an interview with management personnel. These meetings provide an opportunity for AEC inspectors to inquire into areas of interest. The "spot check" inspection technique is intelligently utilized and applied in depth. For example, in one case a pressure vessel weld (W-34) was first visually examined. Then the supporting documentation behind this weld -- from the radiographic procedures utilized and the certification of the radiographic operator back to the weld procedure and materials employed and individual welder qualifications -- was inspected and verified. See RO Inspection Report No. 050-329 & 330/73-4, pp. 7-8. Even the condition of shipping containers has, on occasion, been noted and recorded. Id.

^{20/} PO Inspection Report No. 050-329 & 330/73-01, p. 4. See also RO Inspection Report No. 050-329 & 330/73-02, pp. 4-5; RO Inspection Report No. 050-329 & 330/71-02, pp. 4-5.

Lastly, and of most significance, the inspection reports document the Applicant's efforts to improve its level of performance and material conditions at the site. Thus, a problem relating to the placement of concrete has been met by the Applicant with a proposal for worker training sessions and the addition of a concrete placement engineer to the site QC staff.^{21/} Concerns expressed by DRO inspectors over the condition of material at the site^{22/} will be met with a comprehensive program designed to establish the condition of materials now at the site and to assure appropriate corrective action where necessary.^{23/} Any possible ambiguities with respect to the detailed structure of Bechtel's QA/QC organization have been eliminated.^{24/}

In sum, the Regulatory staff's submission of July 20, 1973 establishes that conditions at the Midland site are fully compatible with the resumption of construction, and that current QA/QC, inspection, and enforcement programs are adequate to the task of assuring quality work. The reports furnished on July 24 support these conclusions.

Respectfully submitted,



Harold F. Reis
Newman, Reis & Axelrad
1100 Connecticut Avenue, N.W.
Washington, D.C. 20036

Attorneys for Applicant

Dated: August 10, 1973

^{21/} RO Inspection Report No. 050-329 & 330/71-02, p. 4.

^{22/} See RO Inspection Report No. 050-329 & 330/72-01, p. 3.

^{23/} See RO Inspection Report No. 050-329 & 330/73-05; Applicant's Report on Quality Assurance Action Being Taken to Assure Satisfactory Condition of Work Already Performed and Materials Now On Site (May 25, 1973).

^{24/} See pp. 3-4 supra.