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**PUBLIC  
SERVICE  
INDIANA**

July 25, 1980

S. W. Shields  
Senior Vice President -  
Nuclear Division

Mr. Gaston Fiorelli  
U.S. Nuclear Regulatory Commission  
Region III  
799 Roosevelt Road  
Glen Ellyn, IL 60137

Docket Nos.: STN 50-546  
STN 50-547

Construction Permit Nos.: CPPR-170  
CPPR-171

Dear Mr. Fiorelli:

SUBJECT: Marble Hill Nuclear Generating Station - Units 1 and 2

In accordance with the provisions of Section 2.201 of the NRC's "Rules of Practice", Part 2, Title 10, Code of Federal Regulations, Public Service Company of Indiana, Inc. (PSI) offers the following information, in addition to PSI's letters (Numbers 0411806512 and 0529806512) dated April 11, 1980 and May 28, 1980, in response to the Item of Noncompliance No. (50-546/80-03-06; 50-547/80-03-06).

The purpose of this letter is to provide an updated status for Item 80-03-06.c.

Item of Noncompliance (50-546/80-03-06; 50-547/80-03-06)

10 CFR 50, Appendix B, Criterion XVI requires that, "Measures shall be established to assure that conditions adverse to quality such as failures, malfunctions, deficiencies, defective material, equipment, and nonconformances were promptly identified and corrected.

In case of significant conditions adverse to quality, the measures shall assure that the cause of the condition is determined and Corrective Action taken to preclude repetition.

The identification of the significant condition adverse to quality, the cause of the condition and the corrective action taken shall be documented and reported to appropriate levels of management.

The Marble Hill Preliminary Safety Analysis Report Chapter 17, Section 17.1.16 states that, "Conditions adverse to quality may be identified through PSI review of documents, conduct of surveillance, performance of audits, and conduct of preoperational and startup testing. Failures, malfunctions, deficiencies, deviations, defective materials and equipment, and

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nonconformances identified by PSI shall be documented on PSI Deviation Control Records by the Cognizant PSI Reviewer, Auditor, or Inspector.

Corrective action measures are required by Marble Hill Generating Station Construction Management Manual Procedure CMP Number 3.1, "Control of Field Nonconformances".

Contrary to the above:

- c. Numerous Nonconformance Reports (twenty-five) were found where in the corrective action was not timely or expeditious as is required by Procedure Number CMP 3.1, Section 1.0. Considerable time passes with no actions taken or the actions taken were incomplete. Some of these issues were "open" for four to twelve months for no apparent reason. For example, FCAR Number 364-79 dated September 11, 1979, and FNR Number 083 dated October 17, 1978 has not been resolved.

#### Corrective Action Taken and Results Achieved

Previously described in PSI's letter (Number 0411806512) dated April 11, 1980.

#### Corrective Action to Prevent Recurrence from May 28, 1980 Letter

- c. Modifications to the Tracking and Trending Program to improve its efficiency have been developed.

PSI is continuing to arrange for additional personnel whose primary duty is follow-up on overdue responses and close out of deficiencies. Pending the hiring of additional qualified personnel to devote full time efforts toward follow-up on overdue responses, a review board of existing personnel is also being established to perform follow-up and update status lists.

#### Updated Corrective Action to Prevent Recurrence

- c. The Review Board was established to assure that the backlog of open nonconformances is dispositioned in an appropriate and expeditious manner. The Board is now following up on overdue responses. As additional personnel are available, they are being used to augment this force. The Tracking and Trending Program is being implemented and follow-up is being performed on the overdue responses. Due to the Confirming Order, a large backlog of nonconformance reports exist for which corrective action cannot be completed until the resumption of Safety Category I work. Therefore, the Review Board shall obtain resolutions reviewed and approved by the PSI Project Engineering and Quality Assurance organizations, and require each major Contractor to supply PSI with an implementation plan which addresses how this backlog will be handled.



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Date When Full Compliance Will Be Achieved

- c. The Tracking and Trending Program is being used to ensure nonconformances which can be corrected prior to the resumption of Safety Category I work are followed up in a timely manner. It is expected that the Contractors will have their implementation plans developed to address correction of the backlog of nonconformances by November 1, 1980.

Sincerely,

A handwritten signature in cursive script, appearing to read "S.W. Shields".

S.W. Shields  
Vice President-  
Nuclear Division

TD/kt

cc: E.R. Schweibinz, P.E.  
J.J. Harrison