

JUL 14 1981

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

Consumers Power Company  
ATTN: Mr. James W. Cook  
Vice President  
Midland Project  
1945 West Parnall Road  
Jackson, MI 49201

Gentlemen:

This will acknowledge receipt of your letter dated June 15, 1981, which was submitted in response to the item of noncompliance which we brought to your attention in Inspection Report 50-329/81-09; 50-330/81-09 forwarded by our letter dated May 21, 1981.

As discussed with Mr. Don Horn of your staff in a telephone conversation with Mr. Ross F. Indsman of my staff on July 6, 1981, we still perceive this matter as an item of noncompliance. While our citation as originally written only quoted a portion of the appropriate requirement, the concern as discussed during the inspection related more broadly to the failure to properly evaluate the technical adequacy and the quality assurance capabilities of Woodward-Clyde Consultants prior to procurement of services and properly document these evaluations in accordance with the requirements of your QA Program Procedure No. 7-1, "Principal Supplier Evaluation". Specifically, this procedure requires that prior to procurement (1) a quality assurance evaluation be performed and, "When the QA evaluation is complete, the QA organization prepares an evaluation form, accepting or rejecting the principal supplier and forwards the form to the Director, Purchasing Department"; and (2) a technical evaluation be performed and, "The organization making the technical evaluation . . . prepares a Supplier Evaluation accepting or rejecting the supplier and forwards the form to the Director, Purchasing Department." Your statements to remedy or mitigate this finding are inadequate.

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Therefore, we request that you submit a second letter to this office within 25 days of the date of this letter to respond to our concerns regarding the bypassing of your procedural requirements. Your response should be submitted under oath or affirmation and should include (1) corrective action taken and results achieved; (2) corrective action taken to avoid further noncompliance; and (3) the date when full compliance will be achieved.

Your cooperation with us is appreciated.

Sincerely,

*C. E. Norelius*

C. E. Norelius, Acting Director  
Division of Engineering and  
Technical Inspection

cc: DMB/Document Control Desk (RIDS)  
Resident Inspector, RIII  
Ronald Callen, Michigan  
Public Service Commission  
Myron M. Cherry

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Landsman/db  
7/8/81  
7-13-81

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Norelius  
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