

Washington Public Power Supply System

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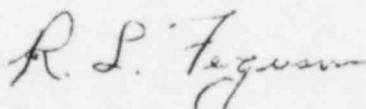
Docket No. 50-508

December 6, 1982
G03-82-1256U. S. Nuclear Regulatory Commission, Region V
Office of Inspection and Enforcement
1450 Maria Lane, Suite 260
Walnut Creek, California 94596-5368Attention: Mr. D. M. Sternberg
Chief, Reactor Projects Branch No. 1Subject: SUPPLY SYSTEM RESPONSE TO THE NRC SYSTEMATIC
ASSESSMENT OF LICENSEE PERFORMANCE (SALP) REPORT

Attached are the Supply System responses (Attachment I) to the NRC, Region V, SALP Review Board Report regarding Washington Nuclear Projects Nos. 3 and 5, presented November 4, 1982.

Recent management initiatives designed to increase Supply System involvement in site technical issues are described in our supplementary response to IE Report No. 50-508/82-16.

If you have any questions regarding this letter, please contact me.

R. L. Ferguson
Managing Director

JAP:nj

Attachment

cc: J. Adams - NESCO
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ATTACHMENT

SUPPLY SYSTEM RESPONSES TO THE NRC, REGION V, SALP REPORT

I. INTRODUCTION

During the period of July 1, 1981 through July 31, 1982, the NRC performed its annual Systematic Assessment of Licensee Performance (SALP) regarding Washington Nuclear Projects 3 and 5. The results of this evaluation were presented to the Supply System on November 4, 1982.

The following SALP Report items are those which the Supply System feels should be further explained, therefore, we have provided responses to such. The items include 1) the particular NRC comment(s) and 2) the Supply System response.

II. ITEMS

A. Supply System Detached (Not Involved)/Perception of "Overview"

1. NRC Comments (SALP Report, pp. 5 and 6):

- a) The report states that if the current Supply System management is to be faulted, it would be for a tendency to act as a scorekeeper for quality problems rather than being involved in their identification, resolution and corrective action.
- b) The report also states that the Board questions the licensee's interpretation of his "overview" role of the CM's activities. And it appears that in the functional area of design and the various site construction areas, the licensee interprets "overview" as involvement in site quality problems only when such involvement is otherwise thrust upon the licensee due to financial or regulatory concerns.

2. Supply System Response:

The report contains numerous comments regarding a need for increased licensee involvement, particularly in technical and quality related matters. This is further characterized in the report that the Supply System's interpretation of "overview" promotes some detachment from day-to-day problems.

The Supply System's interpretation of "overview" may have indeed tended to promote the impression of some detachment from day-to-day problems at the site. By design the Supply System manages and monitors Ebasco; setting and measuring the standards of performance, while determining what must be accomplished but not necessarily how. Under this philosophy

Ebasco has been given full responsibility and authority for directing the Contractors, a factor which has contributed significantly to the improvements in the pace and general quality of construction as noted in the report (SALP Report, Page 5). Ebasco has been delegated the responsibility for execution of the QA Program, however, the Supply System has the ultimate responsibility for project quality.

Accordingly, it is clearly both necessary and our intent to increase our technical and quality involvement as the project approaches the transition from bulk construction to systems turnover. This is evidenced by recent management initiatives leading to increased involvement and new commitments added to continuing the previous related efforts. These initiatives are described in our supplementary response to IE Report No. 50-508/82-16.

B. Reluctance of Contractors to Openly Address Quality Problems

1. NRC Comments (SALP Report, p. 7):

The report states that in the general area of addressing non-conforming conditions, there appears to be a reluctance on the part of the licensee's Contractors to openly address quality problems. This is evidenced by the fact that most site Contractors have a filter system which assures thorough review of a quality problems prior to the entering of such problems on the site wide, Ebasco controlled, nonconformance reporting system.

2. Supply System Response:

WNP-3 site Contractors are indeed involved in addressing quality problems.

The following criteria defining a nonconformance has been implemented at WNP-3 and in part reads, "Items discovered to be out of tolerance of specification at routine check points of an inspection process shall not be considered as a nonconformance provided:

- a) The condition is corrected prior to acceptance of the work. Such rework must be documented in the Contractor's QA records, which must define the condition noted and actions taken to correct the deficiency.
- b) The work does not proceed beyond the check point until the correction is made.
- c) The condition does not affect work previously accepted.

d) No violation of Procedure or ASME Code is evident."

The use of a contractor "filter" system is a method which ensures that the above program requirements are implemented and does not constitute a circumvention of the nonconformance reporting system. WNP-3 site Contractors identify and provide to Ebasco, all nonconformances to contract requirements on the defined nonconformance report form per contract requirements.

C. Inadequate Surveillance Preplanning and Follow-up

1. NRC Comment (SALP Report, p. 8):

The report states that there appears to be excessive use of personnel for audits and surveillances without sufficient preplanning in the case of surveillances and prompt follow-up to assure resolution of findings and effective corrective action to prevent recurrence.

2. Supply System Response:

In July 1982, WNP-3 Project Quality Assurance initiated a review of Ebasco's surveillance program to assess its overall effectiveness, including the planning, reporting and management involvement in ensuring corrective action. Certain deficiencies in the program were apparent at that time and an effort was initiated with Ebasco to develop a plan for correcting the deficiencies.

Ebasco initiated actions to strengthen the overall surveillance program. Monthly surveillance schedules are based on the four-week construction schedule and incorporate where applicable audit results, NRC items of concern, corrective action implementation and follow-up items. These items, as well as surveillance reports and current construction activities are being analyzed to detect trends and adjust schedules for follow-up surveillances.

To ensure surveillance findings are resolved and do not recur, proper management personnel are being directly involved for action. Problems noted during surveillance activities will first be addressed between surveillance and Contractor personnel. This will be supported by active participation by Ebasco Construction Supervision in the event that corrective actions are either ineffective or not promptly executed. This should reduce repetitive findings and promote more effective management participation in quality matters.

Major advantages resulting from this Supply System review of the Ebasco surveillance program include 1) an overall strengthening of project surveillance programs, 2) greater Supply System involvement in these activities and 3) allowing the Supply System to have a "window" into Contractor activities.

D. Controls Applied to Backfilling Operations

1. NRC Comment (SALP Report, p. 9):

The report stated that inspectors questioned the controls being applied to excavation and backfilling operations for safety related yard piping, i.e., component cooling water lines and for excavations adjacent to the reactor auxiliary building shear walls in April and May, 1982.

2. Supply System Reponse:

All excavation and backfill scope of work from different Contractors has been transferred to the primary Civil Contractor (3240-263). The majority of the excavation around the reactor auxiliary building is complete. Earthwork Specification 466 has been revised to implement Quality Class I requirements for backfill activities for safety related items.

The Supply System believes the design requirements for soil excavation and compaction meet SAR requirements.

To ensure that design requirements are not compromised, the Supply System has directed Ebasco to evaluate its control on Contractors regarding soil excavation and compaction activities.

E. Ebasco Prematurely Released MK/ESI/Lord to go to Work

1. NRC Comment (SALP Report, p. 12):

The report states that correspondence was initiated between Ebasco and the Contractor following this audit (readiness) but Ebasco still released the Contractor to go to work rather than restrict the Contractor's work activities pending resolution of the program deficiencies.

2. Supply System Response:

Readiness audits are conducted prior to start of Class I construction activities and are generally performed both to assess the effectiveness of Ebasco's review of Contractor's program and procedures, and to measure the Contractor's potential to implement that program. Because these audits generally are performed prior to Contractor construction activities, the

amount of program implementation available for audit is limited. Additionally, it is not unusual that all program elements not be in place at this time.

The readiness audit of MK/ESI/Lord was performed during April, 1981. Resultant Quality Findings Reports were in the areas of Organization, QA Program (Training), Procurement Document Control, Control of Purchased Equipment, Records Maintenance and Audits. Ebasco/Supply System meetings were held to assess the severity of the findings and to discuss the extent and immediacy of the corrective action to be taken. Corrective action commitments from MK/ESI/Lord were reviewed by Ebasco/Supply System and a decision was made that the nature of the deficiencies was such that work was allowed to commence in conjunction with the correction of the identified deficiencies. The primary consideration in this decision was that the work to be performed in the period May through June, 1981 was limited to the rough setting of mechanical penetrations. No other Class I construction activity was to be performed during that period. Capability to perform subsequent activities was controlled by Ebasco via the procedure and program review cycle.

There has never been a reluctance on the part of Ebasco to curtail Contractor activities when quality problems were known to exist. This is evident when reviewing our files on Stop Work Orders, Corrective Action Reports and other documents that direct immediate corrective action from Contractors. These actions have always included participation at appropriate levels of management.

F. Supply System Involvement in Filler Metal Investigation

1. NRC Comment (SALP Report, p. 12):

The report states that, regarding the MK/ESI/Lord filler metal investigation (without direct Supply System involvement), this problem was an example of what the Board believes to be excessive detachment on the part of the licensee.

2. Supply System Response:

The Supply System disputes the Board's contention that the licensee exhibited "excessive detachment" in the resolution of this quality problem. Ebasco exercised prudent judgement in their role as construction Manager and kept the Supply System intimately aware of the situation and the proposed course of action. The proposed corrective actions were acceptable to the Supply System, and we acted deliberately in allowing the 224 Contractor and Ebasco to resolve the problem and the quality

concerns. In this particular situation, direct intervention by the Supply System would have jeopardized timely resolution of the problem.

G. Ebasco QA II and G Program is Contrary to Supply System Intent

1. NRC Comment (SALP Report, p. 15):

The report states that Ebasco outlined a program which went considerably beyond the obvious written intent of (and appears contrary to) the Supply System directive.

2. Supply System Response:

The Supply System gave the following direction to Ebasco regarding the verification program for Quality Class II and G items:

- a) Review of specifications to confirm proper quality requirements have been included and determine the minimum level of inspection appropriate. Identify and delete excessive or needless requirements.
- b) Implement an inspection program for Quality Class II and G items commensurate with the requirements specified above.

Ebasco's response to this direction was not contrary to the intent of the Supply System, indeed it accurately reflected our purpose.