

SEP 10 1984

MEMORANDUM FOR: J. N. Grace, Director, Division of Quality Assurance, Safeguards and Inspection Programs, Office of Inspection and Enforcement

FROM: R. W. Starostecki, Director, Division of Project and Resident Programs, Region I

SUBJECT: NINE MILE POINT UNIT 2 - MANAGEMENT ANALYSIS COMPANY ASSESSMENT, PHASE I AND PHASE II INTERIM REPORTS

Enclosed, please find a copy of the interim reports issued by Management Analysis Company (MAC) which address the first and second phases of the four-phase assessment being conducted at Nine Mile Point Unit 2 in response to Enforcement Action (EA) 83-137.

Phase I encompasses a review of Niagara Mohawk Power Corporation's (NMPC) response to deficiencies identified by the Construction Assessment Team (CAT) inspection conducted in November and December of 1983 (IR 50-410/83-18). Generally, the Phase I effort was hampered by incomplete implementation of corrective actions by NMPC, in that of the 66 CAT findings composed of 358 specific deficiencies only 38 findings and 172 deficiencies were able to be evaluated by MAC. The remainder of the items were either not yet verified as acceptable by NMPC or the corrective actions committed to were not totally in place. Of the 38 CAT items reviewed, MAC identified 6 deficiencies in the adequacy of corrective actions planned and performed. Our initial analysis of the interim report findings indicates that Reactor Controls Inc. (RCI) received a disproportionate share of deficiencies relative to the scope of their site effort. Of particular concern is the failure of RCI to identify undersized weld conditions (CAR 84.0043) in response to CAT Item 25-83.

The intent of Phase II was to conduct an assessment of the concerns identified in the NRC Region I Systematic Assessment of Licensee Performance (SALP) report, dated December 29, 1983. Our initial review of the Phase II Interim Report indicates that the assessment team focused on specific item or violation references contained in the SALP report tables rather than the larger issues brought out within the analysis of the licensee's performance. As a result of our assessment of the report, we have obtained a commitment from Niagara Mohawk Power Corporation to address the performance analysis aspects of our SALP in the final Phase II report.

Region I will continue to evaluate the MAC findings and track NMPC item commitment dates. Additionally, we intend to perform a Construction Team Inspection in late fall 1984 to independently verify the licensee's response to EA 83-137 findings.

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Please contact me should you have questions. Subsequent reports resulting from the ongoing reviews will be provided to you as made available to Region I.

Original Signed By:

R. W. Starostecki, Director
Division of Project and Resident
Programs

Enclosures: As Stated

- cc w/encl:
- D. G. Eisenhut, D/DOL
- J. G. Partlow, DD/DQASIP
- J. M. Taylor, DD/IE
- H. B. Kister, DPRP, RI
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Mallmk 9/7/84

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