



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

Attachment A

(K-1)

June 21, 1982

MEMORANDUM FOR: James G. Keppler, Regional Administrator

FROM: C. E. Norelius, Director, Division of Engineering
and Technical Programs
R. L. Spessard, Director, Division of Project and
Resident Programs

SUBJECT: SUGGESTED CHANGES FOR THE MIDLAND PROJECT

Historically, the Midland Project has had periods of questionable quality assurance as related to construction activities and has had commensurate regulatory attention in the form of special inspections, special meetings, and orders. These problems have been given higher public visibility than most other construction sites in Region III. As questions arise regarding the adequacy of construction or the assurance of adequate construction, we are faced with determining what regulatory action we should take. We are again faced with such a situation.

Current Problem

The current problem was caused by a major breakdown in the adequacy of soils work during the late 1970's. Because of the increased regulatory attention given the site, we expect that exceptional attention would be given to this activity and that licensee performance would be better than other sites or areas which have not had such significant problems and therefore have not attracted this level of regulatory attention. However, that does not appear to be the case and Midland seems to continually have more than its share of regulatory problems. The following are some of the specific items which are troublesome to the staff.

Technical Issues

1. In the remedial soils area, the licensee has conducted safety related activities in an inadequate manner in several instances - removal of dirt around safety related structures, pulling of electrical cable, drilling into safety related utilities.

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2. In the electrical area, in trying to resolve a problem of the adequacy of selected QC inspectors' work conducted in 1980, the licensee completed only part of the reinspection even when problems were identified, and appears inclined to accept that 5% of electrical cables may be misrouted (their characterization of "misrouting" may imply greater significance than we would attach to similar findings).
3. In the pipe support area, in trying to resolve a problem of the adequacy of QC inspections conducted in 1980, the licensee has portrayed only a small percentage of defects of "characteristics" identified and has not addressed the findings in terms of a large percentage of snubbers which may be defective because of the characteristics within each snubber that may be defective (e.g., if only one characteristic was defective out of 50 reviewed on a single hanger, the percentage is small; but if the one defective characteristic makes the hanger defective the result would have a much greater significance level). The licensee had done a detailed statistical analysis in an attempt to show that the small percentage of characteristics were found rather than broadly approaching the problem with significant reinspections to determine whether or not construction was adequate.

Communications

Multiple misunderstandings, meetings, discussions, and communications seem to result in dealing with the Midland Project. Some examples are:

1. NRC staff attending a meeting in Washington on March 10, 1982, heard the Consumers Power Company staff say that electrical cable pulling related to soils remedial work was completed. It was determined to be ongoing the next day at the site.
2. When Region III attempted to issue a Confirmatory Action Letter, J. Cook informed W. Little of his understanding that both J. Keppler and H. Denton had agreed that the subject of the CAL was not a safety related item subject to NRC regulatory jurisdiction. Such agreements had not in fact occurred and following a meeting, Consumers Power Company issued their commitments in a letter to Region III.
3. In reviewing a licensee May 10, 1982 letter, responding to the Board Order, the NRR staff had an unsigned letter and Region III had a signed copy both dated the same date but differing in content.
4. Recently a Region III inspector in closing out and exiting from his inspection described the exit meeting as being the most hostile he had ever participated in.

5. The responses to any Region III enforcement letters issued to Midland are more lengthy and ^{more} argumentative than are any other responses from any other licensee in Region III. This point was made in the SALP response provided by Midland, and the SALP response in itself from Midland is an example of the type of response which we commonly receive from the site. The length of the response is at least as long as the initial SALP report.
6. Multiple requests for briefing meetings and other statements by the utility to the effect that we should review procedures in developmental stages imply that Midland wants the NRC to be a part of their construction program rather than having us perform our normal regulatory function.

Staff Observations

1. With regard to corrective actions of identified noncompliances, the Midland response seems to lean towards doing a partial job and then writing up a detailed study to explain why what they have done is sufficient rather than doing a more complete job and assuring 100% corrective action has occurred. In the detailed writeups that are prepared, it is the staff's view that the licensee does not always represent the significance properly, and the analyses and studies often raise more questions than they solve; thus time appears to have been wasted in writing an analysis rather than in fixing the problem.
2. Midland site appears to be overly conscious with regard to whether or not something is an item of noncompliance and spends a lot of effort on defending whether or not something should be noncompliance as opposed to focussing on the issue being identified and taking corrective action. This appears in part to be due to their sensitivity of what appears in the public record as official items of noncompliance. This sensitivity may have resulted from the extended public visibility which has attended construction of the facility. The staff's view is that the Midland site would look better from the public standpoint and be more defensible from NRC's standpoint, if they concentrated on fixing identified problems rather than arguing as to the validity of citations. This type of view was expressed by the utility during a recent effort to clarify in detail that certain construction items on the soils remedial work should not be subject to NRC's regulatory action.
3. The Midland project is one of the most complex and complicated ever undertaken within Region III. The reason is that they are building two units of the site simultaneously and additionally have an underpinning construction effort which in itself is probably the equivalent of building a third reactor site. The massive construction effort and the various stages of construction activity which are involved make the site extremely complicated to manage. This activity appears to cause a lot of pressure on the licensee management.

4. Mr. J. Cook, the Vice President responsible for the Midland site is an extremely capable and dynamic individual. However, these characteristics in conjunction with the complexity and immenseness of operation as set forth in 3, above, may actually be contributing to some of the confusion which seems to exist. The staff views that (1) he is too much involved in detail of plant operations and there are times when the working level staff appears to agree and be ready to take action where Mr. Cook may argue details as to the necessity for such action or may argue as to the specific meaning of detailed work procedures, (2) this kind of push may lead to such things as letters both signed and unsigned appearing in NRR and causing confusion, (3) this push may lead to some animosity at the licensee's staff level if NRC activities are looked on as slowing progress of construction at the site.

Recommendations

It appears essential that some action be taken by NRC to improve the regulatory performance of the Midland facility. The following specific suggestions are made.

1. The company must be made aware and have emphasized to them again that their focus should be on correcting identified problems in a complete and timely manner.
2. We should question whether or not it is possible to adequately manage a construction program which is as complex and diverse as that which currently exists at Midland. We would suggest specifically that the following activities be considered:
 - a. That the licensee cut back work and dedicate their efforts to getting one of the units on line in conjunction with doing the soils remedial work.
 - b. That they have a separate management group all the way to a possible new Vice President level, one of which would manage the construction of the reactor to get it operational and the second to look solely after the remedial soils and underpinning activities.
3. Consumers Power Company should develop a design and construction verification program by an independent contractor. This would provide an important additional measure of credibility to the design and construction adequacy of the Midland facility.

James G. Keppler

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We would be happy to discuss this with you.

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