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GOVERNMENT ACCOUNTABILITY PROJECT  
Institute for Policy Studies  
1901 Que Street, N.W., Washington, D.C. 20009

(202) 234-9382

November 11, 1982

Mr. Harold P. Denton  
Office of Nuclear Reactor Regulation  
Division of Licensing  
U. S. Nuclear Regulatory Commission  
Washington, D. C. 20555

Mr. James G. Keppler  
Administrator, Region III  
U. S. Nuclear Regulatory Commission  
799 Roosevelt Road  
Glen Ellyn, Illinois 60137

PRINCIPAL STAFF			
✓ RA	WAS	DI	
D/RA		ENF	
A/RA		WPAUG + 2	
DPCR		PAO	
DFP&CS		SLO	
DESTP			
ML			
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Re: Midland Nuclear Power Plant, Units I & II  
 - Consumers Power Company, Quality Assurance Program  
 Implementation for Soils Remedial Work  
 - Consumers Power Company Midland Independent  
 Review Program

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Dear Sirs:

This letter provides a comprehensive review of the written materials and presentations from the October 24 and November 5, 1982 meetings between Consumers Power Company (CPCo) and the NRC at the Bethesda offices. We are submitting these comments on behalf of those former employees, local citizens and the Lone Tree Council of the tri-city area surrounding the plant.

We are pleased with a number of results to date; specifically the inclusion of the Tera Corporation's vertical slice review, the expertise of Parsons and Brinkerhoff, and the impressive qualifications of certain personnel selected to perform the independent assessment. Further, we are pleased with the consensus for the independent auditors to submit their reports simultaneously to CPCo and the Nuclear Regulatory Commission.

In general, however, we remain skeptical of the plan being provided by CPCo to allay legitimate NRC and public concerns over the safety of the Midland project. Although we are operating at a handicap due to the generalized nature of CPCo's presentations, the following specific concerns and observations may be helpful as you review the final CPCo proposal.

I. Summary of October 22, 1982 Recommendations

On October 22, 1982 GAP provided an extensive review of the three Consumers Power Company letters outlining the utility's proposed relief. The review

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included a number of specific concerns which remain unresolved, as well as pertinent recommendations. Based on our review of the licensee proposals (and subsequent presentations) we are asking the NRC:

1. To withhold approval of the independent audit proposal in its present form.
2. To require two further public meetings, in Michigan, that finalize the details of the independent contracts.
  - a. At least one of these meetings should be in Midland, so that local residents can be informed; and one of these meetings should fully explain the proposed single-point accountability (SPA) proposal, including having the individuals who are to perform this function explain their personal understanding of their respective responsibilities.
  - b. Further, GAP recommends that:
    1. Final approval of the SPA individuals rest with the NRC;
    2. SPA officials should commit to at least one meeting and site tour with public nuclear employee witnesses to resolve their allegations;
    3. SPA officials should be accessible to the public on a regularly scheduled basis to discuss the status of the work.
  - c. The second meeting should provide an opportunity for all the contracted independent auditors to meet directly with the NRC staff, in public, and review the terms and requirements of their contracts.
3. To require the expansion of the proposed training sessions, including NRC review of the training materials relating to NRC regulations and requirements.
4. To increase direct contact between NRC regional management officials and QA/QC personnel performing work on the soil remedial project, including written materials for each employee, a site visit by Mr. Keppler, and an "open door" policy with resident inspectors.
5. To reject the INPO evaluation by Management Analysis Company as the independent assessment. (Although GAP believes the INPO evaluation may be beneficial to CPCo management, it does not meet the minimum requirements for either independence or a comprehensive evaluation.)
6. To reject the selection of Stone & Webster for the independent assessment of QA implementation.
7. To request that the entire record, including all relevant, material raw data, be provided to the NRC with the weekly and monthly reports.

8. To require a mandated percentage of field verification of the systems being reviewed.

Finally, GAP provided a series of specific recommendations for the charters of the independent contractors and subcontractors. These are noted below:

1. The independent contractor should be responsible directly to the NRC, submitting all interim and final product simultaneously with CCo and the NRC.
2. The independent contractor should do a historical assessment of CCo's prior work, including a frank report of the causes of the soils settlement problem.
3. The charter should ensure that, once hired, CCo cannot dismiss the independent contractor from the project without prior notice to the NRC and an NRC-sponsored public meeting to justify the decision.
4. The charter should require that each auditor, at least five already identified, subcontract any services for which its direct personnel are not qualified.
5. The charter should require that the proposed methodology be disclosed: specifically selection criteria and size of the samples for inspections and testing.
6. The charter should require the auditors to provide calculations demonstrating that it is possible to adequately complete its work during the proposed timeframe.
7. The charter should require the auditor to support its proposed methodology through references to established professional codes (ASIM, ASME, ANSI, AWS, etc.).
8. The charter's should require all auditors to report all safety-related information directly to the NRC.
9. The employees and auditors should demonstrate that the personnel assigned to the project are free from conflicts of interest.
10. The auditors must recommend corrective action, and then control its implementation.

Our further comments can be categorized into priority items and methodology.

A.. Priority Items

1. No soils work should be allowed to go forward until all questions on implementation review process are resolved.

- a. Lack of independence. At the November 5, 1982 meeting it was obvious that the most basic questions about Stone & Webster's (S&W) work had not been resolved. The disclosure that S&W in fact had done previous work for CPCo was particularly disturbing. This places S&W in the same position as MAC. According to the "Independency Criteria" outlined in the February 1, 1982 letter from Chairman Palladino to Congressman John Dengell, as well as the previous independence criteria used in Region III, S&W must be rejected.
  - b. Conflict of interest. Further, the conflict-of-interest clause pertaining to "significant amounts" of stock has not been adequately explained, nor has the specific stockholding been adequately disclosed for the members of S&W's management review team and the S&W corporation itself. Insignificant conflicts should be fully disclosed and explained, subject to NRC approval.
  - c. Lines of authority. Additionally, S&W and Consumers representatives could not provide adequate answers to explain who has final decisionmaking authority within and between S&W, Bechtel and Consumers. It was quite clear that Consumers "does not anticipate" any problems between the numerous involved parties. This optimistic attitude belies a sense of security that is inconsistent with both the potential and the historic problems between Bechtel and Stone & Webster. (Specifically, GAP recommends the use of the NRC dissenting professional opinion procedure throughout this process.
2. The CPCo option to provide QA implementation for only a 90-day period must be dropped.

As proposed, the 90-day initial assessment period will cover only the trial period of construction. This limited scope cannot realistically present any assurance that CPCo and Bechtel have reversed a decade-long history of failures and bungling. Anything less than 100% review will fall short of accomplishing the goal of the proposed remedy.

3. Until the specific methodology of how S&W is going to evaluate the adequacy of technical, construction and quality procedures is disclosed, no approval should be issued.

Although the evaluation will be cumulative, it is critical that NRC staff and the public are aware of the methodology for S&W's review. Otherwise, faulty fact-finding techniques will be faits accomplis when the public has an opportunity to review them.

4. Release and Review of the Project Quality Plan for soils QA review is essential.

This document evidently holds the key to S&W review. It is through this Plan that the actual implementation will be reviewed and

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monitored. It is critical that this document be released for public review and analysis before any NRC approval is given.

5. It is critical that CPCo commission an independent assessment team as quickly as possible.

1. As indicated previously, GAP cannot accept MAC and the INPO evaluation as a substitute for an independent review. (See October 22, 1982 letter, pp. 17-18.) As a result we have refrained from providing specific comment on the MAC proposal. However, some of the major programmatic weaknesses are listed below--

- lack of historical analysis of problems to get to the "root cause," leaving unanswered questions with regards to the causes (contradicting the ACRS's June 9, 1982 request to the NRC staff);
- lack of trending of systems or nonconformances to identify specifically weak areas of construction or QA/QC functions;
- time guidelines dictated by the utility, hampering the independence of any company to define the scope of necessary evaluations;
- lack of specified criteria to identify the qualifications of the key factfinders and inspectors;
- reporting procedures that exclude independent contact with the NRC;
- evaluation/contact report that provides a weak substitute for Nonconformance Reports without verification of corrective action;
- lack of recommendations for resolution of identified weaknesses; and
- lack of recognition for the gravity of Midland's problems, evidenced by attempting to substitute INPO for aggressive independent assessment.

6. Expansion of the role performed by Tera Corporation is appropriate.

- a. The Tera Corporation proposed to look at the Auxiliary Feedwater System for its independent safety system. This system has been reviewed several times in previous audits. GAP recommends that this system be rejected in favor of a combination of two systems: one system under controversy -- the HVAC system specifically\* -- and another system yet unidentified for major review or auditing.

\*/In an October 12, 1982 letter from Mr. J. G. Keppler to Ms. Billie Garde, it was suggested that the independent assessment would resolve the questions of the

- b. Tera's work, although admirable, failed to provide an acceptable or even identifiable level of field verification of the as-built condition and failed to explain the disclosed inconsistencies in the scope of its proposed field verification effort.

It is our recommendation that Tera provide additional qualified personnel to conduct comprehensive field review of the system(s) under scrutiny.

- c. Tera should be removed from any reporting line through MAC, answering directly (and simultaneously) to the NRC and the licensee with reports and findings. (This was already reflected in Tera written presentation, but was not clear in the MAC/CPCo comments at the October 24 meeting.)

#### B. Methodology

Generally, the specific methodology for assessments/audits was non-existent. Without the information on such issues as the size of samples, specific system criteria for examination, evaluation criteria, forms used for evaluations and reporting procedures, it is impossible to accept any review as adequate.

The Tera's presentation was a refreshing deviation from the otherwise public relations-style presentations. It is our request that any further meetings be delayed until after CPCo provides adequate comprehensive methodologies for analysis. (Perhaps the NRC could provide examples of particularly noteworthy independent reviews to CPCo in an effort to demonstrate a truly broad scope assessment.)

It is our earnest hope that this methodology, once provided, will provide a basis to begin restoration of public confidence in the plant. Anything short of an "open book" at this point will fall short of the goals of this expensive effort.

We have attempted to provide a thorough review of the massive independent assessment efforts at the Midland site. But a comprehensive effort is impossible based on the minimal public disclosure to date. As a result, we request the following specific plans or documents from the NRC in order to finish our evaluation.

1. The details of the Quality Improvement Plan (QIP) (September 17 letter to Denton).
2. The Project Quality Plan (S&W presentation, November 5, 1982)
3. The Single Point Accountability System. (September 17, 1982 CPCo letter to Denton)

(footnote continued)

HVAC systems adequacy. It does not appear to be the case in any of the presentations thus far.

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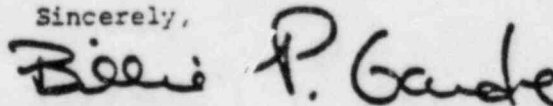
4. The criteria for selection of the independent auditors
5. The criteria for choosing the specific safety system
6. A reporting (communication line) chart, from the worker up and the NRC down
7. The conflict-of-interest disclosures for all independent assessment corporations, individuals and management
8. The training materials to be used as part of the QIP
9. The criteria for selection of field verification inspections by Tera personnel
10. The breakdown of S&W personnel with nuclear experience by plant site.

## II. Conclusion

Finally, we wish to thank you for your inclusion of public comment into this procedure. It is a positive step forward on behalf of public safety issues.

We look forward to notification of the next meetings on the independent assessment of the Midland plant, as well as notification of any other pertinent meetings on the Midland project. As the role of the Government Accountability Project in the Midland investigation grows, it seems appropriate to repeat an oft-used phrase of Mr. James G. Keppler about the William H. Zimmer Nuclear Power Station. The "real sin" at Zimmer is that the plant is in the ground at 97% complete. Since Midland is far from complete, there remains an opportunity to avoid the sins of Zimmer -- but it will take concerted effort by all parties at this critical juncture.

Sincerely,



BILLIE P. GARDS  
Director  
Citizens Clinic for Accountable Government

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