



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

January 2, 1981

MEMORANDUM FOR: N. C. Moseley, Director, Division of Program  
 Development and Appraisal

FROM: James G. Keppler, Director

SUBJECT: SALP BOARD RESULTS FOR MIDLAND UNITS 1 & 2  
 FACILITY - NOVEMBER 1980

The Systematic Assessment of Licensee Performance Board (SALP) for the Midland 1 & 2 facility convened on November 3, 1980. The Board concluded that, although significant quality assurance/quality control problems were identified during the appraisal period, the licensee's overall regulatory performance was acceptable. The Board recommended that all areas addressed in the appraisal continue to be inspected at the current frequency with three exceptions . . . an increased inspection frequency has been recommended in the categories of Quality Assurance, Management and Training; Substructures and Foundations; and Safety-Related Components (HVAC).

A Management meeting was held at the Holiday Inn, Jackson, Michigan on November 24, 1980.

The results of the SALP evaluation, the recommended plan of action for Region III, and the report covering the meeting with the licensee are enclosed for your use.

*James G. Keppler*  
 James G. Keppler  
 Director

Enclosures: As stated

cc w/encl:  
 J. S. Sniezek, IE:HQ  
 D. Hood, PM, NRR  
 Regional Directors

*XC:*  
*J. Hilroy*  
*W Paton*  
*J. Knight*  
*J. Kane*  
*A. Cappuccini*  
*F. Rindler*  
*R. Noyes*

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 RICE84-96  
 PDR

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ACTION PLAN

Facility: Midland 1 & 2

Appraisal Date: November 24, 1980

1. Escalated Enforcement Action

- a. Escalated enforcement action pending on safety-related components in HVAC system (subcontractor - Zack Company).
- b. Show cause Order was issued on soils related problems December 6, 1979.

2. Inspection Program Changes (include increased or decreased frequency)

- a. Increased inspection - QA Management and Training
- b. Increased inspection - Substructure and Foundations
- c. Increased inspection - Safety-Related Components (HVAC)

3. Management Meetings Planned

Management meetings were held on December 2, 1980 and December 17, 1980 at RIII to review CPCo Midland QA reorganization activities. Additional meetings will be held to review final status of the QA reorganization and adequacy of QA/QC staff.

4. Status of Action From Previous Appraisals

None

James W. Kegg  
Regional Director



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

Koc-

DEC 18 1985

80-35  
80-36

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 refers to the management meeting held on November 24, 1980, at the Holiday Inn in Jackson, Michigan relative to our evaluation of activities authorized by NRC Construction Permits No. CPPR-81 and No. CPPR-82 attended by myself and others of my staff, and by yourself and other members of your staff.

The subjects discussed during the meeting are included in the Office of Inspection and Enforcement Meeting Report and the Licensee Performance Evaluation which are enclosed with this letter.

It is our view that this meeting was effective in communicating to you and your staff the results of our evaluation of your performance of licensed activities. Also, we hope it provided you with a better understanding of our inspection program and objectives.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosures will be placed in the NRC's Public Document Room.

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No reply to this letter is required; however, should you have any questions concerning this matter, we will be pleased to discuss them with you.

Sincerely,

James G. Keppler  
Director

Enclosure: IE Inspection  
Reports No. 50-329/80-35  
and No. 50-330/80-36

cc w/encl:  
Central Files  
Reproduction Unit NRC 20b  
PDR  
Local PDR  
NSIC  
TIC  
Ronald Callen, Michigan  
Public Service Commission  
Myron M. Cherry

R111 *ack*  
Sutphin/sd  
12/12/80

R111 *ack*  
Knop

R111 *ack*  
Fiorelli

R111 *ack*  
Cook

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Nobelius  
*12/12/80*

R111  
Keppler  
*12/12/80*

U.S. NUCLEAR REGULATORY COMMISSION  
OFFICE OF INSPECTION AND ENFORCEMENT

REGION III

Reports No. 50-329/80-35; 50-330/80-36

Docket Nos. 50-329; 50-330

Licenses No. CPPR-81; CPPR-82

Licensee: Consumers Power Company  
1945 West Parnall Road  
Jackson, MI 49201

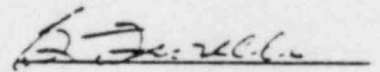
Facility Name: Midland Nuclear Power Station, Unit 1 and Unit 2

Meeting At: Holiday Inn, Jackson, MI

Meeting Conducted: November 24, 1980

NRC Participants: J. G. Keppler, Director  
G. Fiorelli, Chief, Reactor Construction and  
Engineering Support Branch  
R. C. Knop, Chief, Projects Section 1, RC&ES  
D. Hood, Project Manager, NRR  
R. Sutphin, Project Inspector, RC&ES  
R. Cook, Resident Inspector, RC&ES  
E. Gallagher, Reactor Inspector, RC&ES

Approved By: G. Fiorelli, Chief  
Reactor Construction and  
Engineering Support Branch



Meeting Summary

Management Meeting on November 24, 1980 (Reports No. 50-329/80-35  
and No. 50-330/80-36)

Areas Discussed: Management meeting held at the NRC's request to discuss the regulatory performance of the activities at Midland Nuclear Station Unit 1 and 2 as concluded in the Systematic Assessment of Licensee Performance (SALP) program.

Results: A summation of the licensee performance evaluation was presented. Areas of concern were discussed with corporate management. The performance at Midland Unit 1 and 2 was considered to be adequate.

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## DETAILS

### 1. Persons Contacted

#### Consumers Power Company

S. H. Howell, Executive Vice President  
J. W. Cook, Vice President - Midland Project  
G. S. Keeley, Project Manager - Midland Project  
B. W. Marguglio, Director Environmental Service and Quality Assurance  
W. R. Bird, Manager - QA - Midland Project

### 2. Areas Discussed

- a. A summary of the SALP program was presented, including the development, the basis for evaluation, and its purpose.
- b. The results of the NRC's evaluation of the licensee's performance were discussed. (A copy of the evaluation is enclosed).
- c. Several topics related to enforcement, the inspection program, and regulatory planning were discussed with the licensee.

### 3. Major Observations

- a. Within the areas reviewed during this appraisal period, the non-compliance history for issued inspection reports was low, however, when the items of noncompliance relative to the investigation of Zack activities at the Midland site are added, the numbers are high. The investigation report for the Zack activities is under review for escalated enforcement.
- b. Of the twelve construction deficiency reports of problems reported by the licensee in accordance with 10 CFR 50.55(e) requirements, four were deemed to be within the control of the licensee.
- c. The NRC acknowledged that the licensee had undertaken a major re-organization to improve licensee control of activities, however, some problems persist. (See Inspection Reports No. 50-329/80-36 and No. 50-330/80-37.)
- d. These significant problems were identified during the evaluation period. They were:
  - (1) RPV Anchor Bolts - two meetings were held relative to these bolts. It was recognized that these problems originated in the period of 1973.

- (2) Qualification of QC inspectors for containment post tensioning work - additional training and instruction was required to bring the inspectors up to an acceptable level after identification of the problem by the NRC. The meetings in R111 were documented in an inspection report.
- (3) Investigation of HVAC Zack Company activities - a lengthy investigation was conducted at the site. Bechtel and Consumers Power Company were aware of continuing problems with quality requirements, but did not stop the work. The investigation report is under review for escalated enforcement action.

The licensee was informed that the types of concerns which contributed to the three related problems were similar to those identified in previous years. While we recognized that CPCo had taken actions to improve its QA/QC operation through reorganization and restructure, additional efforts were warranted.

4. Overall Assessment

The overall performance of Consumers Power Company during the appraisal period, as related to the Midland Unit 1 and Unit 2 plants, is considered adequate.

5. Planned NRC Actions

Increased inspection effort is planned in the areas of: Quality Assurance, Management and Training; Soils; and HVAC.

Enclosure: SALP Evaluation

REGION: III

LICENSEE PERFORMANCE EVALUATION (CONSTRUCTION)

Facility: Midland Units 1 and 2

Licensee: Consumers Power Company

Unit Identification:

<u>Docket No.</u>	<u>CP No./Date of Issuance</u>	<u>Unit No.</u>
50-329	CPPR-81, December 15, 1972	1
50-330	CPPR-82, December 15, 1972	2

Reactor Information:	<u>Unit 1</u>	<u>Unit 2</u>	<u>Unit 3</u>
NSSS	B&W	B&W	
MWt	2452	2452	

Appraisal Period: July 1, 1979 to June 30, 1980

Appraisal Completion Date: November 3, 1980

Review Board Members:

J. G. Keppler, Director, RIII  
G. Fiorelli, Chief, Reactor Construction and Engineering Support Branch, RIII  
R. C. Knop, Chief, Projects Section 1, RC&ES, RIII  
D. W. Hayes, Chief, Engineering Support Section 1, RC&ES, RIII  
E. J. Gallagher, Reactor Inspector  
K. R. Naidu, Reactor Inspector  
R. J. Cook, Resident Inspector  
C. M. Erb, Reactor Inspector  
P. A. Barrett, Reactor Inspector  
E. W. Lee, Reactor Inspector  
K. D. Ward, Reactor Inspector  
I. T. Yin, Reactor Inspector



A. Number and Nature of Noncompliance Items

Noncompliance Category	Unit 1 *	Unit 2 *
Violations	-	-
Infractions	11 (10)	10 (10)
Deficiencies	1	2

Areas of Noncompliance	Unit 1 (Points)	Unit 2 (Points)
Criterion II	10	10
Criterion III	10	10
Criterion IV	10 (10)	10 (10)
Criterion V	30 (10)	30 (10)
Criterion V	2	2
Criterion VI	10	10
Criterion IX	30 (10)	20 (10)
Criterion XIII	10	10
Criterion XVII	(10)	2 (10)
Criterion VII	(10)	(10)
Criterion VIII	(10)	(10)
Criterion X	(10)	(10)
Criterion XV	(10)	(10)
Criterion XVI	(10)	(10)
Criterion XVIII	(10)	(10)

\* Items of noncompliance not yet issued with respect to the investigation of Zack Company activities at the Midland site.

B. Number and Nature of Deficiency Reports

Twelve Construction Deficiency Reports (CDR's) were received by the regional office during the period of July 1, 1979 through June 30, 1980. The nature of these reports covers a broad range of material and construction problems as listed below:

1. Containment coolers, water supply problem
2. Small break/RC Pump operation interaction
3. States sliding links, defective clip (Electrical)
4. Tendon wire length problem
5. Station batteries inadequate
- \*6. Hilti drop-in anchors
- \*7. RPV anchor bolt failures
8. Boration system inadequacies
9. Gould starters
- \*10. Epoxy coating of primary shielding walls
11. Letdown coolers supports over-stressed
- \*12. NSSS components wiring problem

\*Indicates may have been licensee controllable

C. Escalated Enforcement Actions

Civil Penalties

None

Orders

December 6, 1979, an order modifying construction permits No. CPPR-61 and CPPR-82 was issued by the NRC prohibiting certain construction activities relating to soils problems.

Immediate Action Letters

March 21, 1980 an immediate action letter was issued by the Region III office of Inspection and Enforcement concerning stop work by the Zack Corporation of all safety related heating and ventilating equipment installations.

D. Management Conferences Held During Past Twelve Months

1. Second Corporate Management Meeting - January 11, 1980 in Consumers Power Company corporate office.
2. Qualifications of QC Inspectors - Post Tensioning - October 25, 1979 in RIII office.
3. Management Problems covering HVAC and Reactor Vessel Anchor Bolts - May 2, 1980 in RIII office.

E. Justification of Evaluations of Functional Areas Categorized as Requiring an Increase in Inspection Frequency/Scope (See evaluation sheet)

1. Quality Assurance, Management and Training will receive an increase in inspection frequency to verify that the reorganized QA unit is performing adequately and that identified problems are resolved.
2. Soils will receive an increase in inspection frequency to assure that corrective actions associated with the Diesel Generator building and other areas are effective.
3. HVAC will receive an increase in inspection frequency to assure that corrective actions associated with the installation of the HVAC systems are adequate to insure adequate installation of those systems.

Inspection  
Frequency and/or Scope

FUNCTIONAL AREA	Increase	No. Change	Decrease
1. Quality Assurance, Management & Training	X		
2. Substructure & Foundations	X		
3. Concrete		X	
4. Liner (Containment & Others)		X	
5. Safety-Related Structures		X	
6. Piping & Hangers (Reactor Coolant , & Others)		X	
7. Safety-Related Components (Vessel, Internals & HVAC)	X (HVAC)		
8. Electrical Equipment		X	
9. Electrical (Tray & Wire)		X	
10. Instrumentation		X	
11. Fire Protection		X	
12. Preservice Inspection		X	
13. Reporting			

*[Signature]*  
(Designated Regional Manager)

Date \_\_\_\_\_