

Glen Ellyn, Illinois
(LOCATION)

April 12, 1982
(DATE)

I, Ronald N. Gardner, hereby make the following statement to Charles H. Weil, who has identified himself to me as an Investigator of the United States Nuclear Regulatory Commission. I make this statement freely with no threats or promises of reward having been made to me.

I am employed by the Nuclear Regulatory Commission Region III as an Electrical Inspector. During March 1982, Ross Landsman, another Region III inspector, requested that I assist him in an upcoming inspection of the remedial soils program at the Midland Nuclear Power Plant, Midland, MI. Landsman and I were at the Midland site during the period March 17-19, 1982.

On March 17, 1982, I spoke to Mike Schaeffer of Consumers Power Company's Electrical Quality Assurance Group. It was apparent from talking to Schaeffer that he was confused as to the quality assurance requirements for the installation of the instrumentation to monitor the remedial soils work at the Midland plant. It seemed as if Schaeffer had just learned the instrumentation was within the scope of the Consumers Power Company's Quality Assurance Program. Most of Schaeffer's answers to my questions concerning the instrumentation installation were, "I'm not sure." From talking to Schaeffer, I found the Quality Assurance Department had not defined a quality assurance program for the installation of the instrumentation to monitor the remedial soils program.

On March 17th, during our inspection at Midland, Landsman informed me that he had attended a meeting on March 10, 1982, in Bethesda, MD, between the Nuclear Regulatory Commission and the Consumers Power Company. During this meeting, the Consumers Power Company inferred that the installation of the instrumentation to monitor the remedial soils work was essentially complete. Landsman told me Consumers Power Company and the Nuclear Regulatory Commission had reached an agreement during the meeting that all work after March 10, 1982, involving the remedial soils work at the Midland plant would be done under the Consumers Power Company's Quality Assurance Program. Also, Landsman told me on March 12, he had participated in a telephone conversation with the Consumers Power Company, and a representative of Consumers Power had informed Landsman that the instrumentation installation was well underway.

On March 17, 1982, I inspected the cables pulled from the measuring devices to the Data Acquisition Room on the roof of the Auxiliary Building. I found that the instrument cable raceway had been installed and that 10%, or less, of the instrument cables had been pulled to the Data Acquisition Room. Schaeffer was with me during the inspection and I asked Schaeffer to determine when the cable pulling began. Schaeffer later informed me the cable pulling had begun on March 11, 1982.

Based upon my observation that 10% of the cables had been pulled and the apparent lack of quality assurance requirements for cable pulling, I concluded the cables had been pulled without the protection of the Quality Assurance Program. I

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Page 1 of 2 pages.

EXHIBIT IV

Ronald N. Gardner

Continuation of Statement of Ronald N. Gardner, April 12, 1982.

~~RM~~ recommended to Schaeffer and Mr. M. L. Curland, Consumers Power Company's Site Quality Assurance Superintendent, the instrumentation cable pulling be stopped until such time as the quality assurance criteria were developed. Curland and Schaeffer assured me the cable pulling was stopped for the day as it was quitting time.

On March 18, 1982, Schaeffer and Curland informed me that Ben Marguglio, Consumers Power Company's Director of the Midland Project Quality Assurance Department, would not stop the cable pulling until he had done additional investigation into the matter.

On March 18th, Landsman, Ron Cook (the NRC Senior Resident Inspector at Midland) and I met with Marguglio. Marguglio explained to us that the cable pulling was one of the areas exempted from the Quality Assurance Program during the March 10, 1982, meeting in Bethesda, MD. Also, Marguglio made inferences to an agreement between Jim Cook, a Consumers Power Company Vice President, and Jim Keppler, the Director of NRC Region III. Marguglio contended Jim Cook and Keppler had an understanding that unresolved areas and items of noncompliance with NRC requirements dealing with the remedial soils work would be handled differently from noncompliances found during NRC inspection of other activities at the Midland site. Marguglio did not explain any further.

On March 18th, Landsman, Ron Cook and I telephoned the Region III office and spoke to Cordell Williams and Dwane Boyd. We agreed the instrumentation installation should cease until Consumers Power Company developed quality assurance requirements for the installation, and, if Consumers Power Company did not agree to suspend the installation then they would have to be ordered to do so. I also informed Williams and Boyd of Marguglio's comments of an understanding between Jim Cook and Keppler concerning citations for items of noncompliance.

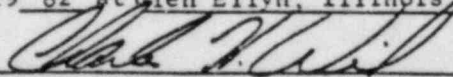
Also, on March 18th Landsman, Ron Cook and I participated in a conference telephone call with Marguglio and the Bechtel Power Corporation's instrumentation engineers. During this telephone call, Marguglio questioned the need for a quality review of the cable pulling. I expressed my concerns to the instrumentation engineers during the call. I was not certain of the conclusions reached at the end of the call, as Marguglio requested more time to study the matter.

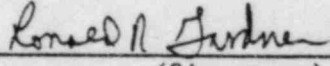
On March 19, 1982, Marguglio informed Landsman, Ron Cook and I that he (Marguglio) had suspended the instrumentation cable pulling on the afternoon of March 18th.

RM

I have read the foregoing statement consisting of two ^{RM} pages.
I have made any necessary corrections, and I have initialed those corrections. This statement is the truth to the best of my knowledge and belief. I declare under the penalty of perjury that the foregoing is true and correct. Executed on April 12, 1982 at 2:29 PM.
(Date) (Time)

Subscribed and sworn to before me
this 12th day of April,
19 82 at Glen Ellyn, Illinois.


Charles H. Weil, Investigator


(Signature)
Ronald N. Gardner, U.S. Nuclear Regulatory
Commission, Region III, Glen Ellyn, Illinois
(Address)



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

R111 PRR

APR 26 1982

Docket No. 50-329(DETP)
Docket No. 50-330(DETP)

82-06

Consumers Power Company
ATTN: Mr. James W. Cook
Vice President
Midland Project
1945 West Parnall Road
Jackson, MI 49201

Gentlemen:

This refers to the routine safety inspection conducted by Messrs. R. Gardner and R. B. Landsman of this office on March 17-19, 1982, of activities at Midland Nuclear Power Plant, Units 1 and 2, authorized by NRC Construction Permits No. CPPR-81 and No. CPPR-82 and to the discussion of our findings with Mr. Marguglio at the conclusion of the inspection.

The enclosed copy of our inspection report identifies areas examined during the inspection. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel.

During this inspection, certain of your activities appeared to be in non-compliance with NRC requirements, as specified in the enclosed Appendix. A written response is required.

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter, the enclosures, and your response to this letter will be placed in the NRC's Public Document Room. If this report contains any information that you (or your contractors) believe to be exempt from disclosure under 10 CFR 9.5(a)(4), it is necessary that you (a) notify this office by telephone within ten (10) days from the date of this letter of your intention to file a request for withholding; and (b) submit within twenty-five (25) days from the date of this letter a written application to this office to withhold such information. If your receipt of this letter has been delayed such that less than seven (7) days are available for your review,

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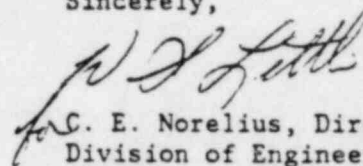
EXHIBIT V

APR 26 1962

please notify this office promptly so that a new due date may be established. Consistent with Section 2.790(b)(1), any such application must be accompanied by an affidavit executed by the owner of the information which identifies the document or part sought to be withheld, and which contains a full statement of the reasons which are the bases for the claim that the information should be withheld from public disclosure. This section further requires the statement to address with specificity the considerations listed in 10 CFR 2.790(b)(4). The information sought to be withheld shall be incorporated as far as possible into a separate part of the affidavit. If we do not hear from you in this regard within the specified periods noted above, a copy of this letter, the enclosures, and your response to this letter will be placed in the Public Document Room.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,


C. E. Norelius, Director
Division of Engineering and
Technical Programs

Enclosures:

1. Appendix, Notice
of Violation
2. Inspection Reports
No. 50-329/82-06(DETP)
and No. 50-330/82-06(DETP)

cc w/encls:

DMB/Document Control Desk (RIDS)
Resident Inspector, RIII
The Honorable Charles Bechhoefer, ASLB
The Honorable Jerry Harbour, ASLB
The Honorable Frederick P. Cowan, ASLB
The Honorable Ralph S. Decker, ASLB
Michael Miller
Ronald Callen, Michigan
Public Service Commission
Myron M. Cherry
Barbara Stamiris
Mary Sinclair
Wendell Marshall
Colonel Steve J. Gadler (P.E.)

Appendix

NOTICE OF VIOLATION

Consumers Power Company

Docket No. 50-329

Docket No. 50-330

As a result of the inspection conducted on March 17-19, 1982, and in accordance with the NRC Enforcement Policy, 47 FR 9987 (March 9, 1982), the following violations were identified:

1. 10 CFR 50, Appendix B, Criterion II states, in part, "The quality assurance program shall provide control over activities affecting the quality of the identified structures, systems, and components, to an extent consistent with their importance to safety. Activities affecting quality shall be accomplished under suitably controlled conditions."

Consumers Power Company Quality Assurance Program Policy No. 2, Revision 11, Paragraph 1.0 states, in part, "The Quality Assurance Program assures that activities affecting quality are accomplished by use of appropriate equipment and under suitable environmental conditions. The program establishes the requirements for special controls, processes, test equipment.. "

Contrary to the above, the Midland Project Quality Assurance Department has not adequately established a Quality Assurance Program which provides controls over the installation of underpinning instrumentation. This condition is exemplified by the installation of underpinning instrumentation cables without documented procedures, approved drawings, or the development and implementation of inspection and audit requirements.

This is a Severity Level IV violation (Supplement II).

2. 10 CFR 50, Appendix B, Criterion X states, in part, "A program for inspection activities affecting quality shall be established and executed by or for the organization performing the activity to verify conformance with the documented instructions, procedures, and drawings for accomplishing the activity."

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Consumers Power Company Quality Assurance Program Policy No. 10, Revision 11, Paragraph 1.0 states, in part, "Inspection and surveillance are performed to assure that activities affecting quality comply with documented instructions, design documents..."

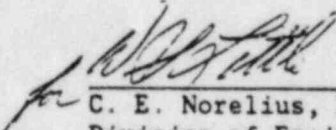
Contrary to the above, licensee construction quality control inspections performed during the period of October 9, 1978 and July 21, 1981 failed to verify conformance of cable pulling activities with documented instructions as follows:

- a. Paragraph 2.6 of Project Quality Control Instruction E-4.0 states, in part, "Verify that the cable is correctly installed in the identified vias as specified on the cable pull card." Fifty-five Class 1E cables were inspected and accepted even though the cables were not routed in accordance with the cable pull cards.
- b. Paragraph 2.1 of Project Quality Control Instruction E-4.0 states, in part, "Verify that the cable to be installed...is identified by a reel number which incorporates the purchase order number and the manufacturer's reel number." Sixty-six Class 1E cables were inspected and accepted even though non-conforming cable reel numbers were recorded on inspection records.

This is a Severity Level IV violation (Supplement II).

Pursuant to the provisions of 10 CFR 2.201, you are required to submit to this office within thirty days of the date of this Notice a written statement or explanation in reply, including for each item of noncompliance: (1) corrective action taken and the results achieved; (2) corrective action to be taken to avoid further noncompliance; and (3) the date when full compliance will be achieved. Consideration may be given to extending your response time for good cause shown.

April 21, 1982
Dated


C. E. Norelius, Director
Division of Engineering and
Technical Programs

U.S. NUCLEAR REGULATORY COMMISSION

REGION III

Reports No. 50-329/82-06(DETP); 50-330/82-06(DETP)

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 Plant, Units 1 and 2

Inspection At: Midland Site, Midland, MI

Inspection Conducted: March 17-19, 1982

Inspectors: *R. A. Jordan*
R. N. Gardner

4/12/82

C.C. Williams
R. B. Landsman

4/13/82

Approved By: *C.C. Williams*
C. C. Williams, Chief
Plant Systems Section

4/13/82

Inspection Summary

Inspection on March 17-19, 1982 (Reports No. 50-329/82-06(DETP); 50-330/82-06(DETP))

Areas Inspected: Verification of QA program for auxiliary building remedial soils instrumentation and a review of a previously identified item.

Results: Of the areas inspected, two items of noncompliance were identified - Severity Level IV, Lack of QA Program; Severity Level IV, Lack of Adequate Inspection.

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DETAILS

Persons at Exit Interview

Consumers Power Company (CPCo)

B. Marguglio, QA Director
W. Bird, QA Manager
M. Corland, MPQAD, Site Superintendent
D. E. Horn, MPQAD, Civil Section Head
M. J. Schaeffer, MPQAD, Electrical Section Head
R. E. Savo, MPQAD, IE&TV Civil Supervisor
*J. Mooney, Project Office
*J. Schaub, Engineering

Bechtel Power Corporation

*A. Boos, Assistant Project Manager
M. A. Dietrich, PQAE
S. Kirker, QC Civil

NRC

R. Cook, Resident Inspector

Other licensee and contractor personnel were routinely contacted during the course of the inspection.

*Denotes those attending the exit interview by telecon.

1. Licensee Action on Previous Inspection Findings

(Closed) Unresolved Item (329/81-12-08; 330/81-12-09): During a previous inspection, it was determined that the Midland Project Quality Assurance Department (MPQAD) was identifying numerous non-conforming conditions pertaining to items that had been previously inspected and accepted by the electrical contractor's Quality Control (QC) inspectors. As a result of the inspectors' concerns with this matter, the licensee was requested to perform the following:

- a. Verify the adequacy of the training, qualification, and examination of personnel.

The licensee has conducted two audits of the Bechtel QC department. Audit No. M-01-24-01 was conducted during the period of June 2 to July 3, 1981. Audit No. M-01-72-1 was conducted during the period of November 2-6, 1981. These audits evaluated the adequacy of the Bechtel QC training and certification program. As a result of the audits, the following improvements have been made in the area of QC inspector training and certification.

- (1) Bechtel is now documenting on-the-job training as part of the certification/training process for QC inspectors.
- (2) MPQAD site personnel are overviewing Bechtel's certification process to ensure that the certification of QC inspectors meets Midland Project requirements.

The inspector selected three QC inspectors to be questioned concerning two Quality Control Instructions (QCI's) to which they had previously been certified. The QCI's pertained to cable pulling and cable terminations. The selected QC inspectors were each hired in 1981, had no prior QC experience, and were certified within approximately three months of their reporting date. In answering the inspector's questions, the QC inspectors demonstrated acceptable knowledge in the two areas.

- b. Determine if previous inspections performed by the QC inspectors, against whom MPQAD had initiated nonconformance reports, were acceptable.

The licensee has reported to the inspector that MPQAD and Bechtel QC personnel have performed overinspections of 1,084 Class 1E cables pulled and inspected during the period of October 9, 1978 to July 21, 1981. During these overinspections, MPQAD and Bechtel QC inspectors have identified 55 misrouted cables. This is contrary to the inspection requirements of Paragraph 2.6 of Project Quality Control Instruction (PQCI) E-4.0 which states, in part, "Verify that the cable is correctly installed in the identified vias as specified on the Cable Pull Card." In performing the overinspections, MPQAD personnel and Bechtel QC personnel have identified 66 instances in which nonconforming cable reel numbers were recorded on inspection documents. This is contrary to the inspection requirements of Paragraph 2.1 of PQCI E-4.0 which states, in part, "Verify that the cable to be installed...is identified by a reel number which incorporates the purchase order number and the manufacturer's reel number."

The inspector informed the licensee that this unresolved item is escalated to an item of noncompliance with 10 CFR 50, Appendix B, Criterion X, as described in Appendix A of the report transmittal letter. (329/82-06-01; 330/82-06-01)

2. Observation of Underpinning Instrumentation Installation Activities

- a. At the conclusion of the March 10, 1982, meeting in Bethesda, Maryland between licensee representatives, NRR Licensing representatives, and NRC Region III representatives, all remaining underpinning activities were classified as "Q." The purpose of this inspection was to observe underpinning instrumentation installation activities and determine the conformance of these activities with documented instructions, procedures, and drawings. During this inspection, it was determined that the licensee had

initiated underpinning instrumentation cable pulling activities on March 11, 1982. In observing the instrumentation cable pulling activities, the inspectors determined the following:

- (1) Cable pulling activities were being conducted without approved instructions or procedures.
- (2) Cable routing was being conducted in accordance with an unapproved drawing. (C-1493(Q))
- (3) Inspection and audit requirements for cable pulling activities were not developed or implemented.
- (4) Measures had not been established for the selection and review for acceptability of purchased underpinning instrumentation.

The inspectors questioned MPQAD personnel concerning the Quality Assurance program established to control the cable pulling activities. The inspectors were informed that no Quality Assurance program had been established to provide controls over these activities.

This failure to establish a Quality Assurance program which provides controls over the installation of underpinning instrumentation cables is considered to be in noncompliance with 10 CFR 50, Appendix B, Criterion II as described in Appendix A of the report transmittal letter. (329/82-06-02; 330/82-06-02)

Subsequent to the inspectors' identification of this matter, the licensee's QA staff informed the inspectors that cable pulling would be stopped. On the following day, the inspectors observed that cable pulling was continuing. Based on discussions with licensee personnel, it was determined that some confusion existed on the part of the licensee as to whether this activity was "Q" or not. The licensee requested another day to decide if this activity was "Q" or not.

Based on this evaluation, the licensee again informed the inspectors that cable pulling would be suspended. However, licensee personnel indicated that no formal stop work would be issued. The licensee was informed that the Region was considering the initiation of escalated enforcement action on this matter pending a meeting to be held in the Region III office. See IE Report No. 82-05.

- b. The inspectors determined from reviewing Drawings C-1490 and C-1491 that there were nine outstanding FCR's on each drawing. These FCR's are, by site procedures, taped onto the back of each drawing. To say the least, it is confusing to review let alone figure out what the designers intent really is. The inspectors further determined that site Procedure MED 4.62 controls

the revisions of drawings with changes. The procedure requires that a drawing be revised after five DCN's have been issued and after ten FCN's have been issued. However, it only requires for FCR's that a drawing be revised after 180 days have elapsed. It does not have a limit on the number of FCR's that can be issued on a drawing before requiring a revision. The licensee agreed to review their criteria for outstanding FCR's in Procedure MED 4.62. Pending results of their review, this item remains open. (329/82-06-03; 330/82-06-03)

Open Items

Open items are matters, not otherwise categorized in the report, that require followup during future inspections. Open items disclosed during this inspection are discussed in Section 2, Paragraph b.

Exit Interview

The inspectors met with licensee representatives (denoted under Persons at Exit Interview) at the conclusion of the inspection on March 19, 1982. The inspectors summarized the scope and findings of the inspection. The licensee acknowledged the information.