

DRAFT

4/2/82

MEMORANDUM FOR: Durrell ~~Le~~ <sup>Le</sup>fenhut, Director, Division of Licensing, NRR  
FROM: James G. Keppler, Regional Administrator, Region III  
SUBJECT: BOARD NOTIFICATION OF ITEMS OF POTENTIAL INTEREST

Recently, two issues have surfaced within Region III which have potential impact on the Hearing Board's considerations as related to the Midland QA Program.

1. Members of the Region III staff who attended ~~various~~ meetings with <sup>applicant's</sup> the licensee staff and conducted further inspections at the site, have made statements to the effect that they were misled by the applicant's staff in terms of the status of underpinning work. While the technical issues related to the matter of concern are being resolved, I plan to initiate a more in-depth look into these concerns as expressed by the staff.
2. As part of the Systematic Appraisal of Licensee Performance (SALP), the Regional SALP Board has proposed a rating of Category 3 (the lowest of three possible categories) for several construction areas at the Midland site. The appraisal period is July 1, 1980 through December 31, 1981. The Board's findings are still subject to licensee review, a meeting with the licensee, and to my final review. In view of the possible low ratings, I plan to review this matter in depth to determine its affect, if any, on my testimony regarding the Midland QA program.

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PDR FOIA  
RICE84-96 PDR

I plan to inform the Board if our in-depth review shows firm evidence of the NRC staff being misled by the applicant, or if the final review of the SALP report requires a change in my testimony.

JCK

U.S. NUCLEAR REGULATORY COMMISSION  
REGION III

OUTGOING TRANSMISSION SERVICE REQUEST

Date 4-2-82

Number of Pages 2

To (Name): FLAVOR ADENSAM

NR

From: C.E. Nolasius

Description Board Notifications of Item of Potential Interest

Air Rights Bldg \_\_\_\_\_  
E/W Towers \_\_\_\_\_  
H Street \_\_\_\_\_  
MUSE \_\_\_\_\_  
Phillips Bldg \_\_\_\_\_  
Silver Springs  
(Willste Bldg) \_\_\_\_\_  
Ladow Bldg \_\_\_\_\_  
Region I \_\_\_\_\_  
Region II \_\_\_\_\_  
Region IV \_\_\_\_\_  
Region V \_\_\_\_\_  
Resident at \_\_\_\_\_  
NSAC \_\_\_\_\_  
INPO \_\_\_\_\_  
Corporate Office  
(Identify recipient & fax number) \_\_\_\_\_  
Other \_\_\_\_\_  
(Designate - include fax number)

FOR WP & D/C USE

System 6 (WT) \_\_\_\_\_  
Rapifax \_\_\_\_\_  
3M EXT #727 \_\_\_\_\_  
3M EXT #728 \_\_\_\_\_  
FIS \_\_\_\_\_  
Commercial \_\_\_\_\_  
Time Started \_\_\_\_\_  
Time Completed \_\_\_\_\_  
Trans. Time \_\_\_\_\_  
(Actual Mins.)  
Operator \_\_\_\_\_

Midland IDVP  
October 25, 1982

R.W. HERNAN  
Meeting Notes

Cook

#5

10/25/82

INPO type "horizontal slice" program

CPO believes program to be unique  
CPO commissioned a 3rd party review in  
February 1982. This work now concluding - CPO  
expects to have report to NRC within one month  
from now. Review performed by Bechtel-Ana Arbor using  
Bechtel people org from San  
Francisco.

CPO's desired response:  
NRC response (policy guidance)  
" concurrence to start INPO

QA "program" reviews performed by NATCO & MAC  
in 1976, 1978 & 1980.

Expect to complete IDVP in March 1983

MAC

horizontal slice using INPO guidelines  
15 people for two weeks on actual fact finding  
phase.

Performed by MAC employees with support in  
certain areas from TERA employees.

Only findings reported. Observations given  
informally to INPO and (ability)

IERA

1DR of Unit No. 2 Aux Fuel System  
50 man-week effort

Finish by end of February

Billie Harde

Concerned that Stone & Webster did not present their program at the Oct 25 meeting

It's because Midland is one of the 5 worst plants in the country that LAD is involved.

Suggests a meeting at Jackson re: single point contact

Recommends:

Reports should be sent simultaneously to all parties  
Raw data should be sent to NRC for safekeeping

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### Overall Comments

Need to expand the vertical slice, i.e. to do an additional system in the other unit (RTT)

Question of independence of MAC to to INPO due to past work by MAC (QA audits).

Need to look deeper into "as built" hardware problems and construction problems in the vertical slice. What program and how fulfill the commitments ACRS letter.

## Region III Comments

1. Vertical slice should be broader in IDV. A different system in other unit should be included
2. Stone & Webster program should be on overall project, not just soils.
3. INFO type audit should be extended in time.
4. CPO appears to have misstated Palladino criteria on independence. ~~max~~ not independent.
5. Program doesn't appear to include future work.

## QAB Comments

1. Biennial audit was planned anyway
2. QA audit does not include effectiveness or implementation
3. See markups on pp 7 & 8.



James W Cook  
Vice President - Projects, Engineering  
and Construction

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October 5, 1982

Harold R Denton, Director  
Office of Nuclear Reactor Regulation  
Division of Licensing  
US Nuclear Regulatory Commission  
Washington, DC 20555

J G Keppler  
Administration, Region III  
US Nuclear Regulatory Commission  
799 Roosevelt Road  
Glen Ellyn, IL 60137

MIDLAND NUCLEAR COGENERATION PLANT  
MIDLAND DOCKET NOS 50-329, 50-330  
MIDLAND PLANT INDEPENDENT REVIEW PROGRAM  
FILE: 0485.16 SERIAL: 18879

REFERENCES: (1) R L TEDESCO LETTER TO J W COOK DATED JULY 9, 1982.  
(2) J W COOK LETTER TO H R DENTON, SERIAL 18850  
DATED SEPTEMBER 17, 1982.

ENCLOSURES: (1) MIDLAND PLANT INDEPENDENT REVIEW PROGRAM  
(2) PERFORMANCE OBJECTIVES AND CRITERIA FOR CONSTRUCTION PROJECT  
EVALUATION INPO, SEPTEMBER 1982

The ACRS interim report on the Midland Plant, dated June 8, 1982, contained a recommendation for a broader assessment of Midland's design adequacy and construction quality. In its correspondence of July 9, 1982, which is Reference 1 above, the NRC endorsed this ACRS recommendation and requested our proposal for performing an independent design adequacy review.

We briefly outlined several assessment activities for the Midland Project in our correspondence of September 17, 1982, identified above as Reference 2. Additional details of the program referred to in Reference 2 are enclosed for the NRC's review.

We have contacted our NRC Project Manager, Darl Hood, to arrange a meeting with the NRC Staff to discuss our Independent Review Program and to receive your concurrence or redirection of our plans. We will complete the planning phase, including team orientation and training, for the INPO program by

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## 2. BIENNIAL QUALITY AUDITS

### Background Of Biennial Quality Audit Requirements

The Consumers Power Company Quality Assurance Program Manual For The Midland Nuclear Plant, Topical Report CPC-1-A, requires the review of the Consumers Power Corporate Nuclear Quality Assurance Program to be performed at least once every 24 months or once every second calendar year by a Quality Assurance Program Audit (referred to as the Biennial Quality Audit).

This audit may be accomplished by a team consisting of Environmental & Quality Assurance personnel, selected employees from other Consumers Power Company departments or by an audit team of Quality Assurance personnel under contract to Consumers Power Company.

### Plans For The 1982 Biennial Quality Audit

The scope of the 1982 Biennial Quality Audit will be similar to the audits conducted in 1976, 1978 and 1980. The audit will evaluate the Quality Assurance Program being utilized by Consumers Power Company and by Bechtel and will evaluate on a sampling basis, the degree of compliance with the Program by Consumers Power Company and by Bechtel. Specifically, the 1982 Biennial Quality Audit will be conducted by Management Analysis Company (MAC) and will comply with the requirements of NRC Regulatory Guides 1.144 (9/80, Rev 1) and 1.146 (8/80, Rev 0).

*Not sufficient*

### 3. INPO CONSTRUCTION EVALUATION

#### General

In early 1982, utility nuclear power plant construction problems stimulated industry initiative and action to ensure that programs in effect nationwide meet performance goals as intended. Accordingly, the Institute of Nuclear Power Operations (INPO) was tasked by the Utility Industry to develop and manage a construction project evaluation program. The first effort was to define Performance Objectives and Criteria for project evaluations. Use of these criteria for an overall evaluation is intended to provide considerably more depth than an audit, for an audit generally does not go beyond conformance to program requirements. The evaluations include some assessment of administrative and quality records, but more important, focus on evaluating the success and efficiency of the project organization, systems and procedures in achieving the desired end results.

*not necessarily so.*

Following the drafting of the Performance Objectives, three pilot evaluations were conducted by INPO on plants under construction ie, Vogtle, Shearon Harris, and Hope Creek. During the last pilot a representative from NRC was present during data collection, evaluation and exit interview with utility personnel.

Following the pilot evaluations, the Performance Objectives and associated Criteria were modified to reflect experiences gained. A copy of the criteria to be used for the INPO evaluation is attached.