



*Gene Clark*

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

September 1, 1982

MEMORANDUM FOR: A. B. Davis, Deputy Regional Administrator

FROM: W. D. Shafer, Chief, Midland Section

SUBJECT: ZACK ALLEGATIONS MADE BY GOVERNMENT ACCOUNTABILITY PROJECT

I have reviewed the affidavits presented to this office by the Government Accountability Project (GAP) regarding the Zack Company. One affidavit consisted of twenty-seven pages with forty-four exhibits, (hereafter identified as Allegor H), and provided the majority of information.

While reviewing this information, I identified numerous documents that appear to relate directly to the Midland Project (Attachment A). These allegations will be placed on the Midland Project Tracking System.

The exhibits presented by Allegor H indicate that many of the problems have taken place in the past, took place during the RIII investigation in 1980, and may be continuing to date. Even more important, however, is that Bechtel and therefore Consumers Power Company were aware of these problems and did not officially inform this office (Items 3-7 on Attachment A).

Based on this review, I am recommending the following:

1. Initiate a meeting with CPCo and Bechtel to discuss their involvement in Zack activities at Midland.
2. Expedite an investigation/inspection regarding the twenty items in Attachment A.
3. Initiate an immediate investigation to determine if Allegor H or any other allegor's rights were violated.

While I appreciate the ramifications and problems involved in implementing

A. B. Davis

-2-

September 1, 1982

the above identified recommendations, I do not believe we can do less. I will be happy to discuss these recommendations with you at any time.

*W.D. Shafer*

W. D. Shafer  
Chief, Midland Section

Attachment: As stated

cc w/attachment:  
James G. Keppler  
Robert F. Warnick  
Ronald J. Cook  
Ronald N. Gardner  
Ross B. Landsman  
James E. Foster

Attachment A

(Alleger H)

1. Consumers Power (Bechtel) was notified of Zack inconsistencies by letter dated August 28, 1981 (7220-M-151), Calkins to Davis. Ref: Corrective Action Request (CAR) 014. (Exhibit 2).
2. Midland QA contract employee directed personnel to sign training form. Personnel claimed they received no training. (Check applicability of this to Zack site personnel). (Exhibit 5).
3. Categorization of major discrepancies in interim report 10/02/81 to Bechtel (7220-M-151-C/B-548) on 10/09/81 (Exhibit 6.a) and (Exhibit 7).
4. Third interim report on discrepancies (10/23/81) sent to Bechtel 10/23/81 (7220-M-151-C/B-552). (Exhibit 8) Pgs. 3, 6, 9, 12, 15.
5. Questionable Bechtel engineering analysis of Zack discrepancies, letter Davis to Greune, 12/21/81. (Exhibit 11).
6. Individual stated that Calkins had called H. Leonard at Midland (Pg 14 of Affidavit).
7. Bechtel had knowledge of Zack material being shipped to the site in non-conforming condition. Letter Davis to Eichstaedt, 11/05/80 (Exhibit 15).
8. Examples of falsified test reports, one copy prior to falsification, one copy after (Exhibit 16). Stickers were dated 11/06/80 but request for U. S. Steel to upgrade test reports not made before 01/23/81 (Exhibit 17).
9. U. S. Steel letter Peters to Hagen, 09/21/81, identifying 26 PO's that were not originally ordered "safety related". (Exhibit 20).
10. Zack Audit of Edgecomb Metals identifies unacceptable QA program (Exhibit 21). Determine if Edgecomb products were used at Midland. See also Exhibits 43, NRC ID02.
11. Zack removes Delta Screw (DS) Company from approved vendor list on 10/20/81 (Exhibit 24); however, 38 PO's sent to DS during the time they were supposedly removed from list. (Exhibit 25). Determine if DS material was used at Midland.
12. Qualifications of Zack QA/QC personnel questionable (Exhibit 26). Determine if Zack personnel at Midland are qualified.
13. Certification of test results (Exhibit 27a) ensures material ordered on PO C-1253 was subject to testing PO C-1253 is on U.S.S. list as non SR (Exhibit 20).
14. Zack president does QA review (Exhibit 27a & b) 02/23/81 not trained until 08/31/81 (Exhibit 28).

15. Midland meeting notes of 11/03/81 (Exhibit 29) determine if all commitments were met.
16. Delta Screw Material identified as non-conforming C4286-NCR Q-1.1, C4484-NCR-M-110 no marks on boltheads to identify manufacturer. Bechtel cleared for use without basis (Exhibit 20a, b, c), (Exhibit 31) and (Exhibit 32).
17. Review CPCo investigation (April 15, 1980) of alleged aggregations for credibility.
18. Determine if Weldstar was involved in supplying weld material to Midland, (Exhibit 41). If so, determine if certs exist for material purchased in 1978 or prior to that date.
19. Zack Audit IZC/81-7 (09/10/18) identifies significant QA breakdown (Exhibit 42) determine applicability to Midland.
20. Review NCR QIII written on C4406 for possible falsification and applicability to Midland (Exhibit 43, NRC Id 01.)



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

✓  
D File

OCT 12 1982

Government Accountability Project  
Institute for Policy Studies  
ATTN: Ms. Billie P. Garde  
Director  
Citizens Clinic for  
Accountable Government  
1901 Que Street, NW  
Washington, D.C. 20009

Dear Ms. Garde:

I have reviewed your September 6, 1982 letter to me and appreciate the opportunity to respond to your concerns.

The Midland allegations submitted by the Government Accountability Project earlier this year have been forwarded to the NRC's Office of Investigations for review and investigation. Region III will provide technical assistance for the investigators on the case.

Your comment that the special inspection team "has not arrived" is simply not true. The Office of Special Cases was formed in mid-July 1982 and the selection of personnel was made at that time. Robert Warnick is director of the new office and Wayne Shafer is chief of the Midland Section. They have been actively involved since then. I understand from Mr. Shafer of my staff that you would like to meet with the Midland Section personnel. I certainly encourage these types of meetings and urge you to schedule a meeting when it is convenient for both you and my staff.

One point needs to be clarified. I did not organize the Midland Section to perform investigations. They are performed by the NRC's Office of Investigations, and all investigators formerly assigned to me now work for James A. Fitzgerald, Acting Director, Office of Investigations. Region III continues to perform technical inspections and provides technical support for OI as requested. Inquiries about investigation policies should be addressed to Mr. Fitzgerald at the NRC in Washington, D.C.

Regarding the Zack Corporation problems, you are quite correct that the LaSalle plant has had priority over Midland. Many of the problems, however, have generic applicability to all the sites where the Zack Corporation is involved. As the investigation at the LaSalle plant and Zack corporate office continues, many of the generic problems that could apply equally to the Midland site are being reviewed. Specific Zack problems at the Midland site will be investigated as manpower availability permits. The Consumers Power Company investigation of the Zack allegations will not be a substitute for the NRC inquiry; we intend to both assess the adequacy of the Consumers Power investigation and continue our own investigation of the allegations relating to Midland. We have set January 1983 as a tentative date for completion of the Zack investigation. Until the investigation is complete, we will not be able to discuss the findings.

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As I am sure you know, the Systematic Appraisal of Licensee Performance (SALP) Program is an assessment of licensee performance based on input from all the inspectors involved in inspections with the licensee. The SALP rating in Support Systems, VI, applied only to Consumers Power Company's quality effort, not to the Zack Corporation. You may wish to discuss this with the Midland Section when you meet with them. NRC procedures require that the licensee be provided the opportunity to respond to the SALP findings, and the meetings we have held with Consumers Power are to fulfill that requirement.

Regarding the question of why Consumers Power Company did not report the Zack QA breakdown to the NRC in the fall of 1981, the documents provided by another allegor revealed that Consumers Power and Bechtel concluded that the problems would not have adversely impacted the safety of operations at the Midland plant. The basis for this decision will be reviewed during our site specific inspection at the Midland site.

The NRC became aware of the Zack Corporation problems in October 1981 when the Commonwealth Edison Company submitted a 50.55(e) report.

I have made no decision as to whether an independent audit of Zack work will need to be conducted at the Midland plant. Consumers Power Company is presently selecting one or more independent contractors to perform an independent third party review of a critical plant system or subsystem. In addition, Consumers Power plans to have an independent contractor conduct an INPO type construction project evaluation. My decision regarding an independent audit of Zack work at Midland will be based on the findings of our investigation and special inspections and the scope and findings of the licensee's third party independent assessments.

Regarding the interview with one of the allegors whose affidavit was presented to NRC by GAP, as you stated, the interview was taped. My staff has reviewed the transcript of this interview and noted no discussion regarding whether or not this person could go to the site to assist the NRC. Some of the allegor's concerns have been looked at by our Region III welding specialist. The balance of the allegors concerns will be addressed either by investigation or special inspection.

Our policy for taking personnel to the site is well known. The information provided by this individual is being reviewed by my staff. When our review is completed he will be contacted by the NRC and requested to accompany us on site.

OCT 12 1982

Regarding the Bechtel Employee Inventions and Secrecy Agreement, form 3002, we view this document as a standard form used by companies to protect the company's proprietary information and inventions. I have no knowledge of anyone being fired for talking to the NRC, with this document used as a basis for dismissal.

Effectiv. later this month, new regulations will be in effect requiring licensees, including nuclear construction sites, to post notices informing employees of their protection against discrimination for providing information to the NRC. We will review the Bechtel form and its use further to determine if the workers' perception is that it prohibits discussions with NRC personnel. Certainly, the new posting requirement may help alleviate any perceived intimidation for workers desiring to provide information to the NRC. A copy of the required posting, NRC Form 3, is enclosed.

In closing, I want to personally assure you that the NRC is diligently working on the allegations that have been presented to us by GAP. I am sure that GAP wants our office to do a complete and thorough investigation and that is exactly our intent, but this is time consuming. We must assign our priorities to the most safety significant issues and I consider the Midland Remedial Soils Effort the most safety significant issue at the site. As priorities dictate, all relevant safety issues will be investigated.

Further, we sincerely do perceive our role as representatives of the public interest and certainly do not feel constrained by the utilities' timetables. Similarly, we should not feel bound by timetables called for by other interested individuals or organizations. This region has taken and will continue to take, appropriate and decisive action when problems are identified at nuclear plants.

Sincerely,

James G. Keppler  
Regional Administrator

Enclosure: As stated

bcc w/enclosure:

- H. R. Denton
- D. G. Eisenhut
- W. D. Paton
- R. C. DeYoung
- RIII Midland Files

RIII	RFEW	D	JK	OI, RDI	STANIS
Shafer/ls	Warnick	Davis	Keppler	FOSTER	
10/6/82	10/6/82	10/8/82	10/12/82	UKF 10/7/82	Q



UNITED STATES NUCLEAR REGULATORY COMMISSION  
Washington, D.C. 20555

# NOTICE TO EMPLOYEES

STANDARDS FOR PROTECTION AGAINST RADIATION (PART 20); NOTICES, INSTRUCTIONS, REPORTS TO WORKERS; INSPECTIONS (PART 19); EMPLOYEE PROTECTION

The Nuclear Regulatory Commission (NRC) in its Rules and Regulations, Part 20 has established the standards for your protection against radiation hazards from radioactive material under license issued by the NRC. Part 19 has established certain provisions for the protection of workers engaged in NRC licensed activities. Part 20, 40, 60, and other parts containing provisions related to employee protection.

**POSTING REQUIREMENTS** Copies of this notice must be posted in a sufficient number of places in every establishment where activities licensed by the NRC are conducted, to permit employees to obtain a copy on the way to or from their place of employment.

## YOUR EMPLOYER'S RESPONSIBILITY

Your employer is required to—  
1. Obtain and maintain a copy of the NRC regulations and standards under the license.  
2. Make these regulations and standards available to you in a readily accessible form.  
3. Inform you of the NRC regulations and standards which apply to your work.  
4. Inform you of the NRC regulations and standards which apply to your work.  
5. Inform you of the NRC regulations and standards which apply to your work.

Post Notices of Violation involving radiation protection conditions, proposed imposition of civil penalties and orders.  
Refrain from discriminatory acts against employees who provide information to NRC.

## YOUR RESPONSIBILITY AS A WORKER

1. You should observe their provisions for your own protection and the protection of your co-workers.

## WHAT IS COVERED BY THESE NRC REGULATIONS

- Limits on exposure to radiation and radioactive material in restricted and unrestricted areas.
- Measures to be taken after accidental exposure.
- Personal monitoring, surveys and equipment.
- Caution signs, labels, and safety interlock equipment.
- Exposure records and reports.
- Options for workers regarding NRC inspections.
- Identities "protected activities" that employees may engage in; prohibits discrimination against employees who engage in these "protected activities."
- Identifies the Department of Labor as a source of relief in the event of discrimination; and
- Related matters.

## REPORTS ON YOUR RADIATION EXPOSURE HISTORY

- The NRC regulations require that your employer give you a written report if you receive an exposure in excess of any applicable limit as set forth in the regulations or in the license. The basic limits for exposure to employees are set forth in Section 20.101, 20.103, and 20.104 of the Part 20 regulations. These Sections specify limits on exposure to radiation and exposure to concentrations of radioactive material in air.

request an inspection by sending a notice of the alleged violation to the appropriate United States Nuclear Regulatory Commission Regional Office (shown on map below). The request must set forth the specific grounds for the notice, and must be signed by the worker or the representative of the workers. During inspections, NRC inspectors may confer privately with workers, and any worker may bring to the attention of the inspectors any past or present condition which he believes contributed to or caused any violation as described above.

## EMPLOYEE PROTECTION

If an employee believes that discrimination has occurred due to engaging in the "protected activities" set forth in the regulations, the employee may, within 30 days of the discriminatory act, file a complaint with the Department of Labor, Employment Standards Administration, Wage and Hour Division. The Department of Labor shall conduct an investigation.

## INSPECTIONS

All activities under the license are subject to inspection by representatives of the NRC. In addition, any worker or representative of workers who believes that there is a violation of the Atomic Energy Act of 1954, the regulations issued thereunder, or the terms of the employer's license with regard to radiological working conditions in which the worker is engaged, may request an inspection by sending a notice of the alleged violation to the appropriate United States Nuclear Regulatory Commission Regional Office (shown on map below). The request must set forth the specific grounds for the notice, and must be signed by the worker or the representative of the workers. During inspections, NRC inspectors may confer privately with workers, and any worker may bring to the attention of the inspectors any past or present condition which he believes contributed to or caused any violation as described above.

## SABOTAGE OF NUCLEAR FACILITIES OR FU/F

The amended Atomic Energy Act, Section 236, provides criminal penalties against any individual who intentionally and willfully destroys or causes physical damage, or attempts to do so by production, utilization, or storage facility licensed under the Act or any nuclear fuel or spent fuel regardless of location.

## PROTECTION OF INSPECTORS

The amended Atomic Energy Act, Section 236, provides criminal penalties against any individual who harasses, intimidates, or interferes with any person who performs any inspections which (1) are related to any activity or facility licensed by the Commission, and (2) are carried out to satisfy requirements under the Atomic Energy Act or under any other Federal law covering the safety of licensed facilities or the safety of radioactive materials. The acts described above are criminal not only if taken against inspection personnel who are engaged in the performance of such inspection duties, but also if taken against inspection personnel on account of such duties.

## REGIONAL OFFICES

The Nuclear Regulatory Commission has established five Regional Offices to provide direct service to licensees and workers in their respective regions. The Regional Offices will accept collect telephone calls from licensees and workers regarding compliance with Commission rules and regulations.

## UNITED STATES NUCLEAR REGULATORY COMMISSION REGIONAL OFFICE LOCATIONS

A representative of the Nuclear Regulatory Commission can be contacted at the following addresses and telephone numbers. The Regional Offices will accept collect telephone calls from employees who wish to register complaints or conduct above radiological working conditions or other matters regarding compliance with Commission rules and regulations.



REGION	ADDRESS	TELEPHONE
I	U.S. Nuclear Regulatory Commission Region I 631 Park Avenue King of Prussia, PA 19602	215 327-66
II	U.S. Nuclear Regulatory Commission Region II 191 Madison St., N.W., Suite 2100 Atlanta, GA 30303	404 221-45
III	U.S. Nuclear Regulatory Commission Region III 100 Assessment Road Orem, Utah, 84057	312 832-28
IV	U.S. Nuclear Regulatory Commission Region IV 311 Ryan Plaza Drive, Suite 1000 Arlington, TX 76010	817 466-81
V	U.S. Nuclear Regulatory Commission Region V 1661 Marine Lane, Suite 116	615 943-33





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

Lewis

MAR 30 1983

Docket No. 50-329  
Docket No. 50-330

Michael I. Miller, Esq.  
Isham, Lincoln & Beale  
Three First National Plaza  
Chicago, IL 60602

Dear Mr. Miller:

I am in receipt of your letter of March 22, 1983 (attached) stating Consumer Power Company's (CPCo) intention to resume discovery on Sinclair Contentions 1, 15, 16 and 17. That discovery commenced in the summer of 1982 through the Licensing Board's issuance at CPCo's request of subpoenas to three employees or associates of the Government Accountability Project (GAP). At my request, CPCo and the other parties to the Midland proceedings held in abeyance discovery on the "GAP allegations" and the Zack HVAC issue which underlie Ms. Sinclair's contentions to afford the NRC time to complete its investigatory and inspection efforts on these allegations. In light of the fact that the NRC's investigations and inspections on some of these matters may not be completed for upwards of six months, you have stated CPCo's intention to proceed with discovery.

Your letter correctly states my concern that CPCo might use the information learned during discovery to correct non-conforming conditions in the plant or to change or supplement quality related documentation in a manner that might interfere with or hinder the NRC's investigations or inspections. In order to avoid this problem, you commit in the letter that CPCo will inform Region III of any proposed corrective action prior to the time such action is begun.

Region III finds this condition to provide generally acceptable protection for the NRC's investigatory and inspection efforts into these issues. Should we conclude, however, that any of the corrective actions you propose to take would interfere with the NRC's investigations or inspections, we will request you to hold those corrective actions in abeyance until we

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MAR 30 1983

indicate that they may be undertaken. Subject to this caveat, Region III has no objection to CPCo's resumption of discovery as stated in your letter.

Sincerely,

Original signed by  
A. Bert Davis

James G. Keppler  
Regional Administrator

Enclosure: Ltr dtd 3/22/83 from  
Michael I. Miller, Esq. to  
James G. Keppler

cc w/encl:  
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  
William Paton, ELD  
Michael Miller  
Ronald Callen, Michigan  
Public Service Commission  
Myron M. Cherry  
Barbara Stamiris  
Mary Sinclair  
Wendell Marshall  
Colonel Steve J. Gadier (P.E.)

RIII ✓/H2  
Lewis/jp  
3/30/83

RIII  
Preylus/Ward.  
Wardwick ✓/H2  
3/30/83

RIII  
Davis  
3/30/83

RIII  
for Keppler  
3/30

EE Concurrency per Pawlik, 3/30/83  
OI (Telephone) ✓/H2

ISHAM, LINCOLN & BEALE  
COUNSELORS AT LAW

THREE FIRST NATIONAL PLAZA  
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TELEPHONE 312 558-7500  
TELEX 9-5288

EDWARD S. ISHAM, 1972-1902  
ROBERT T. LINCOLN, 1872-1885  
WILLIAM E. BEALE, 1885-1923

WASHINGTON OFFICE  
1100 CONNECTICUT AVENUE, N.W.  
SUITE 940  
WASHINGTON, D.C. 20006  
202 833-8730

March 22, 1983

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of	)	
	)	Docket Nos. 50-329-OM
CONSUMERS POWER COMPANY	)	50-330-OM
	)	50-329-OL
(Midland Plant, Units 1	)	50-330-OL
and 2)	)	

Mr. James G. Keppler  
Director, Region III  
Division of Inspection and Enforcement  
Nuclear Regulatory Commission  
799 Roosevelt Road  
Glen Ellyn, IL 60137

Dear Mr. Keppler:

As you know, there are certain Contentions in the Midland Operating License Proceeding which have been accepted by the licensing board for litigation and which deal with quality assurance related matters. Specifically, Mary Sinclair Contention 1 relates to miscellaneous quality assurance issues and relies on information supplied by certain anonymous affiants. The information as well as the identity of the affiants is purportedly in the possession of the Governmental Accountability Project ("GAP"). Contentions Mary Sinclair 15, 16, and 17 asserts that there are quality assurance related deficiencies in the HVAC systems at Midland. That Contention is based on the affidavits of Mr. Terry Howard and Ms. Sharon Marello, former Zack Co. employees.

In the summer of 1982 we caused the Licensing Board in the above-captioned proceeding to issue subpoenas directed to three employees or associates of GAP. In August 1982 we met with you regarding the subpoenas and other discovery of these issues we planned to institute.

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Mr. James G. Keppler  
Director, Region III  
Division of Inspection and Enforcement  
Nuclear Regulatory Commission

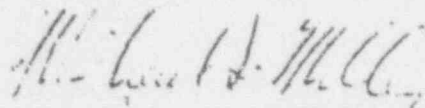
March 21, 1983  
Page Two

At your request, pending completion of the NRC's investigation of both the so-called GAP allegations and the Zack HVAC issue, we deferred enforcement of subpoenas and further discovery regarding these matters. We now understand that conclusion of the NRC's investigations is not likely to occur before the summer of 1983. Accordingly, we wish to pursue our discovery efforts in the operating license proceeding.

It is my understanding that you are concerned that information revealed during the discovery process will be used by Consumers Power Company to correct non-conforming conditions in the plant or to change or supplement quality related documentation. On behalf of the company, I assure you that no such action will be taken secretly or in any way that would hinder the NRC's own investigative efforts. In the event that affiants have any knowledge of non-conforming conditions or documentation at the Midland Plant, and the company deems it appropriate to take corrective action as a result of these disclosures, we will inform you of any proposed corrective action fifteen days prior to the time such action is begun.

Unless I hear from you to the contrary in 14 days, I plan to pursue discovery as outlined above. In any event, before initiating such discovery I will contact your counsel, Bill Payton and Steve Lewis.

Yours truly,



Michael I. Miller

MIM:cjs  
cc: Service List

SERVICE LIST

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UNITED STATES  
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799 ROOSEVELY ROAD  
GLEN ELLYN, ILLINOIS 60137

July 14, 1983

Docket No. 50-329  
Docket No. 50-330

Ms. Billie P. Garde  
Director, Citizens Clinic for  
Accountable Government  
Government Accountability Project  
1901 Que Street, NW  
Washington, D.C. 20009

Dear Ms. Garde:

As part of its inspection on the matters raised in affidavits transmitted to the NRC by GAP on June 29, 1982, Region III requires at this time further information from two of the affiants. We request your assistance in arranging for interviews of these affiants by Region III personnel. Since their identities may not be matters of public knowledge, I will not identify them in this letter. Please contact me by July 20, 1983 so that I may identify to you the affiants in question and you may institute arrangements for their interview.

Sincerely,

*Stephen H. Lewis*

Stephen H. Lewis  
Regional Counsel

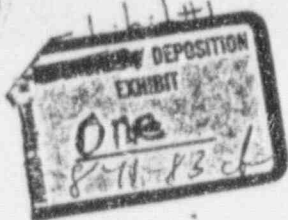
cc: See Attached List

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B/24

cc: 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  
William Paton, ELD  
Michael Miller  
Ronald Callen, Michigan  
Public Service Commission  
Myron Cherry  
Barbara Stamiris  
Mary Sinclair  
Wendell Marshall  
Colonel Steve J. Gadler (P.E.)  
Howard Levin (TERA)



23 October 1983

Continuation Report

8

THE ZACK COMPANY

POTENTIAL: 10CFR50.55(E)

REPORTABLE DEFECT EVALUATION  
FOR  
MATERIAL CERTIFICATION DEFICIENCIES

PREPARED BY David E. Calkins  
DAVID E. CALKINS, MANAGER QUALITY ASSURANCE

APPROVED BY Carl L. Eichstaedt, Jr.  
CARL L. EICHSTAEDT, JR. PROJECT MANAGER

APPROVED BY Christine Zack DeZutel  
CHRISTINE ZACK DEZUTEL, PRESIDENT

B/27



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84.1

THE ZACK COMPANY

POTENTIAL: 10CFR50.55(e)

REPORTABLE DEFECT EVALUATION  
FOR  
MATERIAL CERTIFICATION DEFICIENCIES

PREPARED BY David E. Calkins  
DAVID E. CALKINS, MANAGER QUALITY ASSURANCE

APPROVED BY Raymond M. Greune  
RAYMOND M. GREUNE, PROJECT MANAGER

APPROVED BY Christine Zack DeZutel  
CHRISTINE ZACK DEZUTEL, PRESIDENT

EF-1

## INDEX

- 1.0 DESCRIPTION OF DEFICIENCY
- 2.0 SAFETY IMPLICATIONS
- 3.0 RESULTS OF REVIEW
- 4.0 EVALUATION OF DATA
- 5.0 IDENTIFICATION OF DEFICIENCIES  
REQUIRING ENGINEERING EVALUATION
- 6.0 CORRECTIVE ACTION
  - 6.1 PLANNED
  - 6.2 TAKEN
  - 6.3 SCHEDULED COMPLETION
- 7.0 ATTACHMENTS
  - 7.1 LETTERS OF NOTIFICATION
  - 7.2 INTERIM REPORTS - DOCUMENTATION REVIEW TEAM
  - 7.3 U.S. STEEL LETTER

2301 4:11  
Report  
EF-1

1.0 DESCRIPTION OF DEFICIENCY

There has been a breakdown of the quality assurance program as related to criteria "VI - Document Control" and "VII - Control of purchased material, equipment and services", of Appendix "B" to Title 49 of the Code of Federal Regulations, Part 50. This breakdown resulted in an incomplete review and acceptance of procurement documentary evidence (material certifications) and access to those documents by unauthorized personnel resulting in improper modifications being made.

A quality review of the material certifications revealed that the certifications contained numerous errors of omission, inaccuracies and in some instances alterations or modifications. These errors and inconsistencies made the material certifications suspect and, by implication, the material suspect.

A complete review of the existing purchase orders and corresponding certifications was then conducted to identify all problems or suspected problems and to categorize them into various types of deficiencies with a rating for the significance of each type of deficiency. Each purchase order package reviewed has been arbitrarily categorized by the more significant deficiency or problem. Thus any one package may contain certifications with a wide variety of deficiencies or problems.

The deficiencies were categorized as indicated below from least to most significant:

<u>TYPE</u>	<u>DEFINITION</u>
Clerical errors:	Those certifications that had acceptable chemical and physical test data but lacked reference to the prefix "ASTM" (i.e., A36 instead of ASTM-A-36), the revision or date of standard, the standard (i.e., ASTM, ANSI or other standard) or the full existing designation on sheet steel.

Signature in chief: *52-1*

These certifications that are acceptable in all aspects except they had not been signed by an authorized representative for the company.

Signature error:

These certifications that are acceptable in all aspects except, the signature typed and the signature signed do not agree (i.e., J. Jones Q.A. Mgr. typed - actually signed by Tom Smith).

U.S. Steel letter:

Those purchase orders placed with U.S. Steel Supply and identified by their letter dated 9/25/81 that were not produced and/or distributed through their verification and traceability program.

Anomalies:

Those purchase orders or material control numbers identified by the sites as requiring certifications; but, which do not appear to be applicable (i.e., drill bits, grinders, tools of various kinds and office supplies). Also certain material control numbers outside the Zack numbering sequence.

C of C only:

Those purchase order packages containing only a certificate of compliance, where it is not clear that this meets contract technical specification requirements.

No certification or C of C:

Those purchase order packages which do not contain either a certificate of compliance or other certification and by contract technical specification

ET-1

appear to require a certificate of compliance.

Wrong standard referenced:

The purchase order packages that contain a material certificate of compliance that references a standard not included in the technical specification.

Miscellaneous:

Purchase orders indicate by the sites requiring certification had have been "CORRECTED" by Chicago, material certifications to standards not available to the reviewers, or other categories not previously identified.

Certifications missing:

These purchase order packages which are lacking only certifications for certain item(s) or all certifications.

Stickers:

Those purchase order certifications or certification cover sheets that had gummed labels applied to them. These labels are typed and signed by the individual originally certifying the data to indicate ASTM designation in full. Authenticity of the signature is questionable.

Alterations:

Those certifications that have apparently been altered by typed or handwritten changes.

EP-1

Chemical/Mechanical  
test data:

These purchase order certifications, which have  
chemical analysis and/or mechanical test data  
missing, or is not in accordance with ASTM Standards  
or technical specification requirements.

EX-1

2.0 SAFETY IMPLICATIONS:

A review of the types of discrepancies discovered with the material certifications led The Zack Company to believe that only two types of problems exist that could have any safety implication:

1. Indeterminate material properties
2. Unacceptable material properties

The identification of materials falling within these two categories has been detailed in Section 5 of this report for review by the responsible Architect-Engineer.

While The Zack Company does not have any contractual design responsibility, it has included within the following paragraphs the rationale utilized in determining its opinion that the deficiencies identified do not constitute a substantial safety hazard and are therefore, not reportable under the requirements of Title 10 of the Code of Federal Regulations, Part 50, Section 50.55(e).

2.1 The safety implications assumed by The Zack Company for the safety-related and seismic identified HVAC systems are:

1. The inability of the materials to withstand the static loads imposed during normal operating conditions.
2. The inability of the materials and structures to withstand a seismic event.

Of the material certification deficiencies noted the most serious would appear to be that of indeterminate material properties, where it would not lead to a simple verification of material properties to the design base. However, in all cases noted to date, there is enough information available to indicate that the properties will be able to be obtained or that enough testing of that type of material has been conducted to establish a basis of extrapolating a minimum value for the missing properties, and based upon these extrapolations determining the acceptance of the material.

EA-1

Those materials with unacceptable material properties can be evaluated on a case by case basis for acceptance.

It is The Zack Company's understanding that the static loads imposed upon the HVAC systems are basically weight carrying loads for hangers and very low pressures for duct work during operation and that the primary consideration for material strength requirements is based upon the seismic loads the system must be able to withstand during an event. All of the materials evaluated by Zack personnel appear to approximate design specification requirements closely enough, that considering only normal engineering design practices, and not considering additional conservatism normally included in nuclear plant design, they would be acceptable for use in their present condition.

The material certification review that was conducted, included all materials delivered to the project site. For the basis of this evaluation, only those materials used in safety related or seismic designated systems have been included in Section 5 for engineering information. All other items, while still needing to be corrected or accepted contractually, do not have any bearing on the determination of a safety hazard and are not included for analysis.



EF.1

3.0 RESULTS OF REVIEW:

The following paragraphs represent a summary of the finding of the review group. The information has been tabulated as a percentage of total purchase orders. However, it should be noted that each of the purchase orders may involve from 1 to 15 certifications with an average of 6 certifications per purchase order.

A total of 1,330 purchase order packages representing approximately 8,000 material certifications were reviewed and while the percentage of purchase order packages with a discrepancy appears to be rather high, (the actual number of certifications with discrepancies requiring engineering evaluation is less than 18% percent.) The majority of the discrepancies indicated will be corrected simply by obtaining additional or corrected data from suppliers. Therefore, not representing any significant problem to the projects in question.

A tabulated breakdown by project is as follows: (see attachments)

550  
375  
405  
(1330)

1800  
900  
1800  
2800

1035  
914  
871  
2820

EX-1

The responsible individual(s) have been identified and dealt with in accordance with a presently established company policy, (see corrective action taken), Section 6.

Of the nineteen (19) certifications originally identified to have had stickers added, a follow-up by the same individual(s) involved has resulted in corrected certifications for all but seven (7) of the purchase orders. A continued effort is being made to obtain corrected certifications for these remaining purchase orders. Each of the remaining purchase orders has been identified and evaluated in the list enclosed in Section 5.

4.1.12 Alterations - Material certification observed with more than one typeface used, white out, or hand written modifications have been categorized as altered. While the investigation has not determined where or when all of these alterations occurred, enough information was obtained to indicate that person(s) from The Zack Company were involved.

The responsible individual(s) have been identified and dealt with in accordance with a presently established company policy (see corrective action taken), Section 6.

The actual alterations while serious from a programatic view, do not effect the structural integrity of the materials and corrected copies will be obtained from the respective suppliers.

A list of the purchase orders involved and the alterations performed are included in the attached interim report (attachment 7.2).

EF-1

4.1.13 Chemical/Mechanical test data - by definition this category covers only those items which a known chemical and physical certification is required and the review has indicated either the data is missing or incorrect. For those items identified in the attachments where data is missing, the probabilities are extremely high that The Zack Company will locate this information. In those cases where the information cannot be located a physical sample of this material will be identified and those samples will be tested. Based upon the information obtained to date The Zack Company is of the firm belief that all those items identified are of an acceptable quality.

For those items where a discrepant condition exists, this has been identified in the list in Section 5 and designated for Engineering review.

EX-1

5.0 IDENTIFICATION OF DEFICIENCIES

The following list(s) are broken down by project and by type of discrepancy. Many of those items designated for Engineering review are simply missing certification. In those instances the comment section indicates that The Zack Company believes whether it can obtain the required information from the supplier or whether pieces will have to be identified and tested. Where it is indicated that certifications will be obtained, The Zack Company is requesting that engineering concurrence be given for continuation of work on the basis that prior to turn-over acceptable material certifications are available.

In all other cases The Zack Company is requesting Engineering concurrence that the proposed action stated under the comment section of the list in Section 5 are acceptable.

6.0 CORRECTIVE ACTION

EF-7

The following corrective action is directed at providing a systemic correction which will:

1. Prevent recurrence through the establishment of a series of checks and balances.
2. Establish the individual responsibilities and provide the required authority to assure implementation.

6.1 PLANNED

- a) All existing procurement documentation will be revalidated for compliance to contract technical specifications and other design data.
- b) A document and records management program will be developed and implemented.
- c) A centralized documentation group and center will be established with specific guidelines.
- d) Procurement procedures and receiving inspection procedures will be developed and/or revised to include required quality review functions.
- e) Unauthorized personnel will be limited from access to records.
- f) A company wide training program on documentation and records will be developed and implemented.
- g) The Zack Company management will address improper actions taken by employees to date and establish a corrective action program to prevent recurrence.
- h) Additional Quality Assurance/Quality Control personnel will be added as

## TAKEN

- a) A documentation task force consisting of six (6) persons has been assembled. The group experience represent over 25 years in the documentation field and over 40 years in quality assurance or related areas. Three (3) of the six (6) persons have at least a Bachelor's degree and two (2) have a Masters degree.

This group has just completed a review of all known or available purchase orders and documentation for the three projects. A centralized filing system has been established and detailed quality assurance instructions (attached) have been developed for records and receipt inspection.

- b) No action taken todate.
- c) A centralized document control center is in the process of being constructed and satellite centers will be established at each of the sites.
- d) All purchase orders and material certifications are now being reviewed by a newly established quality engineering group at The Zack Company Chicago offices.
- e) All document packages revalidated are in locked files.
- f) No action taken todate.
- g) Those person(s) involved in the modifications to material certifications have been identified and reprimanded by The Zack Company Ownership. This reprimand consisted of demotions in position and documented letters to the personnel files. An interview and individual training was then

EX-1

given with respect to the requirements and necessity for accurate and controlled documentation.

As stated previously The Zack Company management and ownership assumed part of the responsibility for these unauthorized actions because it allowed an environment conducive to this type of action to exist. The Zack Company also has taken into consideration that the individual(s) involved are loyal employees and while their actions are not condoned, it is understood that it was done with the thought that it was helping the company. Therefore, The Zack Company perceived that the most beneficial action for both the company and the respective projects was not in the loss of these individual(s) but rather in the redirection and controlling of their efforts.

However, because of the implications of this action by those individual(s), the responsible party(ies) have been advised that any further action of this type would result in immediate dismissal.

- h) The Quality Assurance and control organizations have been expanded by fourteen (14) people since the 1st of June, 1981 and at least two (2) more quality engineering positions at the Clinton site are contemplated (see organization-chart attached).

### 6.3 SCHEDULED COMPLETION

- a) A follow-up program to obtain the missing certifications or corrected certifications from suppliers is scheduled for December 31, 1981.
- b) A document and records management program will be completed and implemented by December 31, 1981.

- 27-1
- c) The centralized documentation group will be made up of The Zack Company personnel presently assigned to the documentation task group now in effect. The centralized document center is presently being established and should be completed by November 30, 1981.
  - d) No further action required.
  - e) Completion of the centralized document center discussed above will put all records under lock and key and will limit access to only authorized personnel. This will be implemented by December 1, 1981.
  - f) A company training program on documentation will be completed by February 15th, 1982 and training will follow within four (4) weeks.
  - g) No further action.
  - h) No further action.



Meeting Minutes *EX. 2*

*Revelo Lewis*

M-151

DATE: November 3, 1981

TIME: 9.00 a.m.

PLACE: Jobsite Conference Room

PURPOSE: To discuss the Zack report on 10 CFR 50-55 potentially reportable issues on CMTR's; to provide Project Engineering with additional details and to expedite resolution of the disposition.

ATTENDEES:	Dick Soderholm	Bechtel Power Corporation
	Clark Ash	Bechtel Power Corporation
	Ed Entrekkin	Bechtel Power Corporation
	Gracie Ritter	Bechtel Power Corporation
	Tom Baldwin	Bechtel Power Corporation
	Dennis Appel	Bechtel Power Corporation
	Gary Johnson	Consumers Power Company
	Hank Leonard	Midland Project Quality Assurance Dept.
	Bill Doig	Midland Project Quality Assurance Dept.
	Howard McGrove ( <i>McGrave</i> )	Midland Project Quality Assurance Dept.
	Russ McCarley	The Zack Company
	Dave Calkins	The Zack Company

A meeting was held at the Midland Jobsite Conference Room on November 3, 1981 between Bechtel Field, Bechtel Project Engineering, Consumers Power, Midland Project Quality Assurance Department, and Zack Quality Assurance to discuss the Zack 10 CFR 50-55 report on potentially reportable CMTR issues.

Zack was asked to elaborate on the position taken by the two other utilities similarly involved and particularly if related to the Midland site. It was determined that one other site had determined the issue to be reportable and the other one was indeterminate, since November 2, 1981 was the deadline date. However, it was agreed that the dissimilarity in criteria and circumstances between the three sites precluded drawing any conclusions from the other evaluations.

It was pointed out to Zack that many of the columns in the report stated a need for engineering resolution but that it was not clear what Zack was looking for. Zack elaborated that at the time of issue, many additional items of documentation were still being located; that at a given point all data available was collected and incorporated. It was also stated that Zack was asking for engineering concurrence on proposed resolutions.

It was agreed to discuss the issues by category and the following discussions took place:

Sheet and Coil - It was pointed out that the discrepant condition was listed in most cases as less than 36 KSI. In view of the recent DCN accepting 30 KSI, Zack was asked to determine how much less than 36 KSI. Zack responded that in all cases where CMTR's were available, the yield strength was greater than 31 KSI. Zack also explained that the reason for having the CMTR's that they do have is in conjunction with a requirement on another site whereby they cannot purchase material with physical properties certified. In all cases they have tests performed after delivery and in 100 percent of the cases tested, the material has been greater than the 30 KSI required.

Zack feels that the probability of acceptance of all material now in question is quite high. Total disposition appears to be identification of the affected travelers and establishing a testing program to substantiate the physical properties.

Nuts, Bolts, Washers - In all cases it was determined that a C. of C. was available. However, there is some question as to what constitutes an acceptable C. of C. Engineering agreed to provide criteria. Also, Engineering was asked if the specification required a CMTR. Engineering conceded that the specification was not clear and that they would research and provide an interpretation. Primarily they felt that it should not be required on accessory items but probably should be required on structural members.

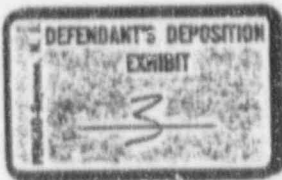
A Zack was advised that an SDDR had been returned authorizing use of the non-marked bolts in question and they were advised to submit an SDDR on the nuts and washers.

Action items from the meeting are as follows:

- 1. Zack to provide an addendum to the report by Friday, November 6, 1981, stating that all items with CMTR listed as "below 36 KSI" are greater than 31 KSI.
- 2. Zack is to prepare a list of all suspect material purchase orders and update to the Field weekly as dispositions are obtained.
- 3. Zack to address the "Approved Vendors List" situation by Friday, November 6, 1981.
- 4. MPQAD to determine and advise the date of the follow-up meeting with CPCo management regarding this and other outstanding quality issues.
- 5. Zack is to try to get the material certified to federal specification Q11EN recertified to ASTM or issue an SDDR against this order.
- 6. Zack to submit an SDDR against MCM 1138 by next Tuesday, November 10, 1981.
- 7. BPCo Engineering to issue a specification change notice for ventglas material. *CON - No*
- 8. BPCo Engineering is to provide an interpretation of the specification as to when CMTR's are required. *- 11 Nov. No*
- 9. BPCo Engineering is to provide clarification as to what constitutes an acceptable C. of C. by November 18, 1981. *No*

*is this the request?*





Bechtel Power Corporation

Post Office Box 2167  
Midland, Michigan 48640



December 21, 1981

The Zack Company  
4600 West 12th Place  
Chicago (Cicero), Illinois 60650

Attention: Mr. R. Greune

Job 7220 Midland Project  
Subcontract 7220-M-151  
Material Documentation Deficiencies  
Safety Evaluation  
M-151-B-1418

Dear Mr. Greune:

Reference: (1) Zack Letter 7220-M-151-C/B - 538 - 8/28/81  
(2) Zack Letter 7220-M-151-C/B - 552 - 10/23/81

The above-referenced letters identify potential deficiencies in material documentation and request Bechtel's evaluation of reportability under 10 CFR 50.55(e). The following is Midland Project Engineering's safety evaluation of the material documentation deficiencies identified in the referenced letters.

Statements herein attributed to D. Calkins (Zack QA Manager) were made in discussion with D. Appel on November 3, 1981, November 6, 1981, and November 9, 1981.

Deficiencies identified by Zack require resolution to validate Zack's compliance to specification requirements. However, only documentation deficiencies which result in unacceptable or indeterminate material properties could potentially result in a safety concern.

a. Materials with unacceptable properties:

1. D. Calkins has assured the validity of the following statements:

(a) All identified physical test data deviations are presently acceptable based on our revised sheet metal minimum yield strength requirement of 30 ksi.

- 2 -  
EX. 3

(b) No chemical analysis data deviate from material standard requirements.

b. Materials with indeterminate properties:

It is highly probable that Zack ordered correct materials for the Midland project from their subtier vendors and that the vendors' intent was to comply with Zack's purchase order requirements. This statement is based on discussion with D. Calkins and supported by the following points:

1. Reference (2) identifies that 26% of the Zack purchase order/certified material test report packages reviewed were correct and acceptable, and, according to D. Calkins, an additional 26% contained only clerical errors.
2. Materials required by the specification are not exotic (e.g., not quenched and tempered or high strength and low alloy).
3. Because commercial type materials are specified, substitution of materials by subtier vendors is unlikely to be economically advantageous.
4. The range of properties of carbon steel material readily available on the market does not deviate substantially from material standards specified.
5. Where material physical or chemical test data are missing, extreme deviation from material standard and specifications requirements would be necessary before impairing minimum material performance requirements.
6. Zack stated in Reference (1), "Fabrication and erection operations of forming, welding, galvanizing, etc., have not indicated any problems which would indicate that the material has any significantly different properties "

Zack notified the general contractors of the Clinton and LaSalle power stations of similar deficiencies. D. Calkins informed us that in accordance with 10 CFR 50.55(e), both stations conducted safety evaluations and advised the NRC of an indeterminate safety concern. Our discussion with Zack and the LaSalle station revealed that the conclusion of an indeterminate safety concern was based on preliminary and superficial information similar to that contained in Reference (1). The Midland station evaluation is based on the greater detail provided in Reference (2).

57.3

The Zack Company

December 21, 1981

As previously cited, Zack's corrective action program will identify and resolve all documentation deficiencies, including proper disposition of materials with indeterminate or unacceptable properties.

Because this deficiency appears, at this time, to be a documentation concern rather than a concern for the ability of supplied materials to perform their safety functions, we conclude that even if this deficiency were to remain uncorrected, it would not have adversely impacted the safety of operations at the Midland plant.

Very truly yours,

*E. Davis*

E. Davis  
Site Manager

LED/RCA/lb



EF-1

CUSTOM METAL FABRICATION

October 23, 1981  
7220-M-151-C/B-552

Bechtel Power Corporation  
P.O. Box 2167,  
Midland, Michigan 48640

Attn: Mr. L.E. Davis  
Site Manager

Ref: The Zack Company letter #7220-M-151-C/B-538, dated August 28,  
1981

Subject: Potential 10CFR50.55(e)

Gentlemen:

Since the determination of the inconsistencies in the HVAC material certifications, a concentrated effort has been expended by The Zack Company to review and validate all material certifications for this project. As indicated in the above referenced letter, upon completion of this revalidation a detailed report would be forwarded for your review and any deficiencies identified would be highlighted which would require Bechtel Power Corporation's assistance and participation in the evaluation and determination of these deficiencies for a reportable 10CFR50.55(e) defect.

The Zack Company, therefore, requests that those deficiencies identified in the attached report be forwarded to Bechtel Power Corporation for their review and concurrence that a reportable defect does not exist.

It is The Zack Company's opinion that none of those identified deficiencies would have adversely affected the safety of operations of the nuclear power plant at any time throughout the expected lifetime of the plant.

The Zack Company is accurately aware of the need to fully comply with the requirements of the technical specification, the contract, the ANSI related codes and 10CFR50 Appendix "B". In consideration of this the final section of the report clearly and concisely shows the corrective action planned and taken to date.

EX 1

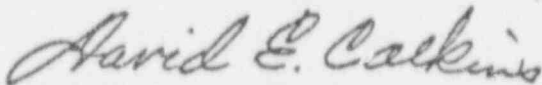
Pg. 2

If there are any questions, additional information or concerns in regard to this report, please do not hesitate to contact either;

Mrs. Christine Zack DeZutel, President  
(or) Mr. David E. Calkins, Manager Quality Assurance  
at (312) 242-3434.

Very truly yours,

THE ZACK COMPANY



David E. Calkins,  
Manager Quality Assurance

DEC/br

- cc: Mr. John Rutgers, (BPCo)
- Mr. Clark Ash, (BPCo)
- Mr. Hank Leonard, (MPQAD Mgr.)
- C.Z. DeZutel
- J.C. DeZutel
- C.L. Eichstaedt, Jr.
- R.B. McCarley
- Q.A. Chicago
- Q.A. Midland



TO: David E. Calkins

EX. 1

FROM: H. McGrane

SUBJECT: Third Interim Report - Documentation Review Results as of October 23, 1981

SUMMARY:

During the period October 2, thru October 23, 1981 the documentation review group completed the review of those P.O./CMTR packages that have been located to date. The P.O./CMTR packages now are consolidated, firmly attached in binders and filed in fire-resistant cabinets.

Approximately 1,750 packages have been reviewed. The majority of packages contain more than one certification, as multiple item purchase orders are utilized by The Zack Company for procurement.

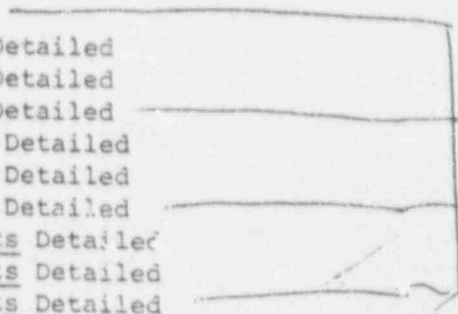
The results of the documentation review have been tabulated on the attached sheets. It should be noted that each package has been categorized arbitrarily by the more predominant deficiency or problem, thus any one package may contain certifications with a fairly wide variety of such deficiencies or problems.

The consolidation process mentioned above involved in many instances a re-review with resulting changes in the categorization of the package. These changes are now incorporated in the tabulation.

DISCUSSION:

The tabulations are presented as follows:

- Page 3 - Midland Tabulation
- Page 4 - Clinton Tabulation
- Page 5 - LaSalle Tabulation
- Page 6 - Midland "Stickers" Detailed
- Page 7 - Clinton "Stickers" Detailed
- Page 8 - LaSalle "Stickers" Detailed
- Page 9 - Midland Alterations Detailed
- Page 10 - Clinton Alterations Detailed
- Page 11 - LaSalle Alterations Detailed
- Page 12 - Midland Missing Certs Detailed
- Page 13 - Clinton Missing Certs Detailed
- Page 14 - LaSalle Missing Certs Detailed
- Page 15 - Missing P.O./CMTR Packages



Was this in our original package?

It should be noted that while pages 12, 13, and 14 appear to list a great number of missing certifications, a detailed review of each individual package and a concurrent search of other documentation areas (traveler/load packages, engineering files, etc.) may very likely resolve the apparent problem.

It is felt that the current status of the review process should be categorized as preliminary. Essentially the review has not been an in depth analysis of all documentation. Appreciable progress has been made toward assessment but final status has not been firmly defined.

EF 1

CATEGORIZATION:

The results of the review have been categorized as follows:

- Clerical Errors - Lack of reference to "ASTM", revision year of standard, ASTM designation, or G-90 coating.
- Signature Missing - Lack of written signature on cert.
- Signature Error - Signature as typed and handwritten signature or initials not identical.
- Chemical/Mech Test Data - Chemical analysis and/or mechanical test data missing and/or not in accordance with ASTM Std. or Tech. Spec. requirements.
- U.S. Steel letter - P.O.'s listed in U.S. Steel letter to Zack Co. dated 9/21/81, stating that material on P.O.'s were not processed thru U.S. Steel V&T program.
- C of C only - Packages containing only a certificate of compliance which appears to lack approval by Tech. Spec. change.
- No Cert of C of C - Packages which do not contain either a C of C or other certification and appear to require a C of C only.
- Certs Missing - Packages which are lacking only certs for certain item(s) or all certs.
- Anomalies - P.O. no.s/MCN's listed by site as requiring certifications, but which do not appear to be applicable, i.e., tools, etc. - also certain numbers outside the Zack P.O. no. sequence.
- Alterations - Apparent alteration of certs by typing or handwritten changes.
- Stickers - Gummed labels applied to certifications or certification cover sheets. These are typed and signed to indicate ASTM designation in full and signature of responsible individual certifying the data. Authenticity of the signatures is questionable.
- Wrong Standard Referenced - Certification or C of C references a standard not applicable to the material(s) listed.
- Miscellaneous - Voided purchase orders, certs to standards not available to reviewers, "blanket" P.O. etc.

MIDLAND STATION ONLY

	550	TOTAL	PERCENT
PURCHASE ORDER/CMTR PKGS REVIEWED .....	550		
PACKAGES CORRECT & ACCEPTABLE.....	145		26
CLERICAL ERRORS.....	141		26
SIGNATURE MISSING.....	17		3
SIGNATURE ERRORS.....	12		2
CHEM/MECH TEST DATA.....	47		9
U.S. STEEL LETTER.....	2		2
C OF C ONLY.....	38		7
NO CERT OR C OF C.....	14		3
WRONG STANDARD REFERENCED.....	24		4
CERTS MISSING.....	43		8
ANOMALIES.....	16		3
ALTERATIONS.....	31		5
STICKERS.....	6		1
MISCELLANEOUS.....	4		1

PURCHASE ORDER/CMTR PKGS REVIEWED .....	375	TOTAL	PERCENT
PACKAGES CORRECT & ACCEPTABLE.....	159		42
CLERICAL ERRORS.....	118		31
SIGNATURE MISSING.....	16		4
SIGNATURE ERRORS.....	9		2
CHEM/MECH TEST DATA.....	13		3
U.S. STEEL LETTER.....	1		-0-
C OF C ONLY.....	6		1
NO CERT OR C OF C.....	-0-		-0-
WRONG STANDARD REFERENCED.....	12		3
CERTS MISSING.....	27		7
LISTED BY SITE BUT NOT LOCATED (NOT PART OF TOTAL).....	20		---
ALTERATIONS.....	22		6
STICKERS.....	5		1
MISCELLANEOUS.....	7		1

1-12-73

	TOTAL	PERCENT
PURCHASE ORDER/CMTR PKGS REVIEWED .....	405	
PACKAGES CORRECT & ACCEPTABLE.....	109	27
CLERICAL ERRORS.....	152	37
SIGNATURE MISSING.....	9	2
SIGNATURE ERRORS.....	3	1
CHEM/MECH TEST DATA.....	10	2
U.S. STEEL LETTER.....	6	1
C OF C ONLY.....	19	5
NOT GOOD FOR LA SALLE.....	10	2
WRONG STANDARD REFERENCED.....	5	1
CERTS MISSING.....	61	15
LISTED BY SITE BUT NOT LOCATED (NOT PART OF TOTAL).....	40	-0-
ALTERATIONS.....	11	3
STICKERS.....	3	1
MISCELLANEOUS.....	7	2

- 27-1
- C-738 *ok* "Sticker" added to Midwest Steel cert to indicate ASTM/year and signature.
  - C-742 *ok* "Sticker" added to U.S. Steel cert to indicate ASTM/year and signature.
  - C-779 *ok* "Sticker" added to National Metal cert to indicate ASTM/year and signature.
  - C-948 *ok* "Sticker" added to National Metal cert to indicate ASTM/year and signature.
  - C-739 *ok* "Sticker" added to U.S. Steel cert to indicate ASTM/year signature.
  - C-689 *M* "Sticker" added to National Metal cover letter to indicate ASTM/year signature

"STICKERS"

CLINTON STATION ONLY

571

- C-738 *ok* "Sticker" added to Midwest Steel cert to indicate ASTM/year and signature.
- C-742 *ok* "Sticker" added to U.S. Steel cert to indicate ASTM/year and signature.
- C-779 *ok* "Sticker" added to National Metal cert to indicate ASTM/year and signature.
- C-948 *ok* "Sticker" added to National Metal cert to indicate ASTM/year and signature.
- C-1003 *ok* "Sticker" added to Penn-Dixie cert to indicate Heat No., ASTM/year and signature.

"STICKERS"

LASALLE STATION ONLY

27/ 8 of 15

C-738 *st*

"Sticker" added to Midwest Steel cert to indicate ASTM/year and signature.

C-739 *th*

"Sticker" added to U.S. Steel cert to indicate ASTM/year, G-90 coating and signature.

C-742 *ch*

"Sticker" added to U.S. Steel cert to indicate ASTM/year and signature.



Ex. 1

ALTERATIONS

MIDLAND STATION ONLY

- (C-604) ~~ok~~ Carbon content (chemical analysis) white out and retyped.
- (C-641) ~~ok~~ ASTM year added in different type face.
- (C-643) ~~ok~~ ASTM year added in different type face.
- (C-728) ~~ok~~ P.O. number changed on galvanizing cert.
- (C-743) ~~ok~~ Year added to cert.
- C-752 P.O. number changed on galvanizing cert.
- (C-812) ~~ok~~ P.O. number changed on galvanizing cert.
- (C-855) ~~ok~~ Number of pcs. changed on galvanizing cert.
- (C-863) ~~ok~~ P.O. number changed on Edgcomb cert.
- C-870 Year added to cert.
- C-872 Heat number changed on cert.
- C-891 ~~ok~~ ASTM designation added to cert.
- (C-914) ~~ok~~ "Kawin" cert. P.O. number changed (coil #478)
- (C-918) ~~ok~~ "G-90" added to cert.
- (C-920) ~~ok~~ Material size added to cert.
- (C-938) ~~ok~~ P.O. number changed on cert.
- (C-940) ~~ok~~ Vendor name changed on Central Steel cert cover letter.
- (C-946) ~~ok~~ Heat number changed on cert.
- (C-948) ~~ok~~  
3 & 4 Description and heat numbers enhanced.
- (C-1021) ~~ok~~ Heat number changed on cert.
- (C-1029) ~~ok~~ P.O. number changed on galvanizing cert.
- (C-1023) ~~ok~~ Material description changed on cert cover letter.
- (C-1118) ~~ok~~ Year added to cert.
- (C-1163) ~~ok~~ Cert cover letter, heat number typed over.
- C-1228 ~~ok~~ Size of material changed on galvanizing cert.
- (C-1274) ~~ok~~ Year added to cert.
- (C-1321) ~~ok~~ Material description changed on galvanizing cert.
- (C-1328) ~~ok~~ Heat number enhanced on cert.
- (C-4064) ~~ok~~ P.O. number changed on C of C.
- (C-4175) ~~ok~~ P.O. number changed on cert.
- (C-4246) ~~ok~~ P.O. number changed on C of C.

ALTERATIONSCLINTON STATION ONLY

- C-60 ~~alt~~ Carbon content (chemical analysis) white out and retyped.
- C-641 ~~alt~~ ASTM year added in different type face.
- C-643 ~~alt~~ ASTM year added in different type face.
- C-697 ~~alt~~ P.O. number changed on galvanizing cert.
- C-728 ~~alt~~ P.O. number changed on galvanizing cert.
- C-743 ~~alt~~ ASTM year added to cert.
- C-812 ~~alt~~ P.O. number changed on galvanizing cert.
- C-855 ~~alt~~ Number of pcs changed on galvanizing cert.
- C-914 ~~alt~~ "Kawin" cert., P.O. number changed.
- C-918 ~~alt~~ "G-90" added to cert.
- C-739 ~~alt~~ P.O. number changed on Pittsburgh Testing Lab. cert.
- C-946 ~~alt~~ Heat number changed on cert.
- C-1021 ~~alt~~ Heat number changed on cert.
- C-1022 ~~alt~~ Material description changed on cert cover letter.
- C-1044 ~~alt~~ P.O. number changed on galvanizing cert.
- C-1077 P.O. number changed on galvanizing cert.
- C-1118 ~~alt~~ ASTM year added to cert.
- C-1136 ~~alt~~ Heat number enhanced on Bethlehem Steel cert.
- C-1163 ~~alt~~ Cert cover letter, heat number typed over.
- C-1274 ~~alt~~ ASTM year added to J&L cert.
- C-4420 ~~alt~~ Year added to cert.
- C-1177 Cert cover letter altered.

27.1

11 total

ALTERATIONS

LASALLE STATION ONLY

- (C-60) Carbon content (chemical analysis) white out and retyped.
- (C-64) ASTM year added in different type face.
- (C-64) ASTM year added in different type face.
- (C-74) ASTM year added to cert.
- (C-855) Number of pcs changed on galvanizing cert.
- (C-914) "Kawin" cert, P.O. number changed.
- (C-938) P.O. number changed on cert.
- (C-940) Vendor name changed on Central Steel cert cover letter.
- (C-947) Heat number enhanced.
- (C-1029) P.O. number changed on galvanizing cert.
- (C-127) Year added to cert.

ET. 1

C-No.

- 456 - n.c.
- 460 galvanizing
- 466 - w. gal. w.p.
- 470 galvanizing
- 519 galvanizing
- 577 c.c.
- 582
- 630 galvanizing
- 687
- 722 - n.c.
- 785 partial
- 801 galvanizing
- 802 w.p.c.
- 1089 - n.c.
- 4014 - n.c.
- 4034
- 4100 c.c.
- 4102
- 4267
- 4334
- 4331 w. gal.
- 12303 c.c.
- 14212
- 4354 c.c.
- 507
- 633 galvanizing
- 645 galvanizing
- 666 galvanizing
- 689 n.c.
- 761
- 867 w.p. w. gal
- 4138
- 4021
- 4138
- 4131
- 4262
- 8314 - 760c
- 11503 - n.c.
- 12310 c.c.
- 12340 c.c.
- 12982 - n.c.
- 13295 - w.p. w. gal.

576  
 577  
 ---  
 578

Note: It is anticipated that all or many of the above will be located during the traveler review. The galvanizing certs can very likely be located by an intensive review of other P.O. packages for galvanizing (Reliable).

1.23

MISSING CERTIFICATIONS - CLINTON STATION

C-NO.

561 - a.c.

704 - v.c.

666 *ok*

787 *ok*

789 *ok*

801 *ok*

802 *ok a.g.e.*

817 *ok*

1108 - o.c.

1135 - v.c.

3114 *ok*

4004 *ok*

4202 *ok*

4116 *ok*

4122 - v.c.

4130 *ok*

4137 *ok*

4178 *ok*

4223 *ok*

4262 *ok*

4350 *ok*

4406 *ok*

4427 *ok*

4455 *ok*

-12256 - *ok* *ok* *ok*

12265 *ok*

12279 *ok*

Note: See comments on Page 12

MISSING CERTIFICATIONS - MARBLE STATION

271

Did we have this initially?

- C-No.                      C-No.
- (470) - etc                (773) etc
- (479) - etc                (775) etc
- (520) - gal                9422 - u.c.
- 572 - u.c.                (13207) CofC
- (605) etc                 (13246) etc
- 627 etc detm p. 4
- (636) etc
- (637) etc
- (642) etc detm p. 10
- (645) etc
- (658) etc
- (666) etc
- (683) etc w.p.
- (684) etc
- 704 - u.c. (2 items)
- (711) etc w.p.
- 722 - u.c. (4)
- 736 - u.c.
- (790) etc etc
- (793) etc
- 798 - u.c.
- (813) etc
- (911) etc w.p. no gal. conts
- (916) etc
- 4014 - u.c.
- (4021) etc CofC
- (409) etc
- (4105) etc CofC
- (4108) etc
- (4137) etc CofC
- (4143) etc
- 4268 - u.c.
- (4337) etc
- (4348) etc
- 4455 etc
- 5776 - u.c.
- (9247) etc u. gal. c.
- (9427) etc u. gal. c.
- (9441) etc u. gal. c.
- (9447) etc etc
- (9455) etc u. gal. c.
- (9505) etc - u. p. o.
- 9506 - u. conts
- (12303) etc CofC
- (12346) etc
- 577 - u.c. w.p.
- 578 etc
- 579 etc
- 580 etc
- 549 - u.c.
- 552 - u.c.
- (554) etc CofC
- (56) etc
- 56 etc
- 56 etc
- 58 etc
- (58) etc
- (58) etc
- 58E etc

- 572
- 704
- 722
- 736
- 798
- 4014
- 4268
- 5776
- 9506
- 522
- 549
- 552
- 9422

13

The following lists (partially) P.O. numbers that are assumed to have been used but were not located during the review. The list is limited to numbers that occur in sequence where the preceding and following number have been located.

C-No.

E7.1

- 502 ok trials
- 548 ok airport pt.
- 592 ok silage
- 800 - missing
- 922 - missing
- 1000 - missing
- 1007 - missing
- 1402 ok
- 4000 - missing
- 4160 ok well. Qual
- 4195 ok well. Qual
- 4197 - no test records
- 4218 ok land
- 431 ok well. Qual
- 4396 ok well. Qual

5 { 800  
922  
1000  
1007  
4000

10 - found

The above numbers are representative only. It is suggested that a detailed study of the Purchasing Agents records might resolve the apparent missing package problem.



# U. S. Steel Supply

Division of United States Steel Corporation

P. O. BOX 7310  
CHICAGO, ILLINOIS 60680  
312/646 3711

CHICAGO SERVICE CENTER

*ET 1*

September 21, 1981

The Zack Company  
4600 West 12th Place  
Chicago, IL 60650

Attention: Mr. R. Hagen, P.A.

Gentlemen:

In reference to your P.O.'s

C1211 dated 12-3-80✓	C1227 dated 1-02-81✓	C1265 dated 3-16-81✓
C1219 dated 1-02-81✓	C1238 dated 1-30-81✓	C1266 dated 3-20-81✓
C1220 dated 1-02-81✓	C1246 dated 2-11-81✓	C1280 dated 4-13-81✓
C1221 dated 1-02-81✓	C1247 dated 2-11-81✓	C1281 dated 4-13-81✓
C1222 dated 1-02-81✓	C1253 dated 2-19-81✓	C1283 dated 4-21-81✓
C1223 dated 1-02-81✓	C1257 dated 3-11-81✓	C1295 dated 5-01-81✓
C1224 dated 1-02-81✓	C1260 dated 3-11-81✓	C1305 dated 5-19-81✓
C1225 dated 1-02-81✓	C1261 dated 3-19-81✓	C1309 dated 5-20-81✓
C1226 dated 1-02-81	C1264 dated 3-16-81✓	

*Was this answered?*

The above confirming orders all read "Safety Related." These orders were not called in to our salesperson as "Safety Related." Therefore, they were handled in our normal procedure and not run through our V & T Program which your company audited on 9-11-81.

Please advise us what is meant by the term "Safety Related" and what obligation if any does this impose on the supplier.

Sincerely,

U.S. STEEL SUPPLY

*Gerald E. Peters*  
Gerald E. Peters  
Office Supervisor

GWP/mm

cc: K. Schaefer, Quality Assurance Engineer

We want to work for you.

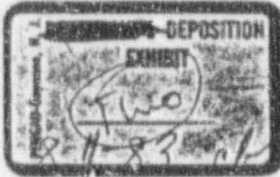


Bechtel Power Corporation

Post Office Box 2167  
Midland, Michigan 48640



November 24, 1981



The Zack Company  
4600 W. 12th Place  
Chicago (Cicero), IL. 60650

Attention: R. Greune

Job 7220 Midland Project  
Subcontract 7220-M-151  
Meeting Notes  
M-151-B-1391

Dear Mr. Greune:

Attached for your information and files, please find one copy of meeting notes for the jobsite meeting held on November 3, 1981 at Midland. If you do not concur with these notes, please advise us within ten (10) days of receipt.

Very truly yours,

*RW Davis*  
L. E. Davis  
Site Manager

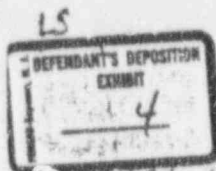
LED/RCA/EE/jck

Attachment: Meeting Notes

*Ronald Lewis - called 11:10*

*1-517-431-4286*

*410  
411*



Evaluation of Data - Component Materials  
used in Representative Sampling of HVAC Systems  
Reviewed by C. F. Braun & Co.

Test results  
↓  
Status

	Material Type	System	Component	Status
1.	A527	VE	Hanger	Unacceptable No mechanical results
2.	A527	VC	Duct	Acceptable
3.	A36	VC	Hanger	Unacceptable No yield & elongation data
4.	A575	VC	Stiffener*	Acceptable for M1020
5.	A36	VE	Hanger	Unacceptable No mechanical results
6.	A36	VE	Hanger	Unacceptable No mechanical results
7.	A527	VE	Duct	Acceptable
8.	A575	VE	Stiffener*	Unacceptable Carbon below minimum range
9.	A36	VC	Hanger	Unacceptable - No yield & elongation data
10.	A36	VC	Hanger	Unacceptable No mechanical results
11.	A36	VC	Hanger	Unacceptable No mechanical results
12.	A527	VC	Duct	Acceptable
13.	A36	VC	Hanger	Unacceptable No mechanical results
14.	A36	VC	Hanger	Unacceptable No yield & elongation results

Evaluation of Data

Component materials used in representative sampling  
of HVAC Systems Reviewed by C.F. Beaman & Co.

<u>ASMI</u>	<u>System</u>	<u>Component</u>	<u>Status</u>
15. A36	VX	Hanger	unacceptable no mechanical test results
16. A36	VE	Hanger	unacceptable no yield or elongation data
17. A36	VX	Hanger	unacceptable no mechanical test results
18. A575	VX	Companion * Flange	acceptable for M1020
19. A575	VD	Hanger *	acceptable for M1020
20. A527	VD	Duct	Acceptable
21. A575	VD	Companion * Flange	acceptable for M1020
22. A36	VD	Hanger	unacceptable - no mechanical test results
23. A36	VD	Hanger	unacceptable - no yield or elongation results
24. A575	VD	Stiffener *	unacceptable - Mr (tensile) below limits
25. A36	VY	Hanger	unacceptable - no mechanical test results
26. A575	VY	Stiffener *	unacceptable - Mr above limits
27. A36	VY	Hanger	unacceptable - no mechanical

<u>ASM</u>	<u>System</u>	<u>Component</u>	<u>Results</u>
28. A 575	VY	stiffness *	acceptable
29. A 36	VY	hangar	unacceptable - no mechanical test results
30. A 36	VY	hangar	unacceptable - no mechanical test results
31. A 527	VD	duct	acceptable
32. A 527	VD	duct	acceptable
33. A 527	VD	duct	acceptable
34. A 527	VY	duct	acceptable
35. A 527	VY	duct	acceptable
36. A 36	VY	hangar	unacceptable - no yield or elongation results
17. A 527	VX	duct	acceptable
18. A 307	VX	salt	unacceptable - no C (carbon) results - no yield, elongation or hardness data
19. A 563	VX	nut *	unacceptable - no yield, elongation or hardness test data
40. A 575	VX	hangar *	unacceptable - manganese (Mn) exceed maximum
41. A 575 (M1015) **	VZ	stiffness *	acceptable for M1015 only
42. A 575	VC	hangar *	acceptable

Tabulation of Data (pp 1-4)

	<u>#</u>	<u>%</u>
Total Samples	48	100%
A. Acceptable	21	44%
B. Unacceptable	27	56%

8 components\* acceptable - would be unacceptable if material component was in the parameters of ASTM 436-77a requirements (S+L)

	<u>#</u>	<u>%</u>
Total Samples	48	100%
A. Acceptable	13	27%
B. Unacceptable	35	73%

	<u>ASTM</u>	<u>System</u>	<u>Component</u>	<u>Results</u>
43.	A575	VC	St. Rivet *	Acceptable
44.	A575	VC	Composion * Flange	unacceptable - (C) Carbon below minimum
45.	A527	VC	Duct	acceptable
46.	A527	VC	Composion * Flange	Acceptable
47.	A527	VE	Duct	Acceptable
48.	A527	VC	Duct	Acceptable

\* Technical Specification (attached) for this material was changed to A36 during course of construction.

# 39 As of 30 April 1972 Zack did not receive approved drawings for A563 material - note A193 per spec here!  
(see attached letter)

d. ASTM A36-77a (Sec.) pt. 6.3 "Product analysis is not applicable to large size shapes or flat bars 1/2" and under in thickness."  
(Sec.) pt. 7.2 "Shapes less than 1 in<sup>2</sup> (1 lb) net flat, are not subject tension test by the manufacturer."

f ASTM A526 - categorized as 'commercial'  
ASTM A527 - categorized as 'lock-forming' (not commercial)  
galvanizing to G90 0.90 oz/ft<sup>2</sup> (commercial coating)

cc: K. W. Lamore  
A. Jalandoni

Bechtel Power Corporation



Post Office Box 2167  
Midland, Michigan 48640



November 5, 1980

The Zack Company  
4600 West 12th Place  
Chicago (Cicero), IL 60650

15

Attention: C. L. Eichstaedt, Jr.

Job 7220 Midland Project  
Subcontract 7220-M-151  
Material Shipments  
M-151-B-347

Dear Mr. Eichstaedt:

Material shipments from Chicago to the Zack site continue to arrive with nonconforming conditions. This practice is consuming substantial time and effort at the site for all parties concerned; Zack, Consumers, and Bechtel. We hereby request that shipments with nonconformances be discontinued and be held in Chicago until nonconformances are cleared.

Further, we direct the Zack site to return any nonconforming material to Chicago by the same truck in which the delivery was made. The truck must be held until the receipt inspection is completed and nonconformances, both hardware and software, are found to be nonexistent with the exception of limited shipping damage.

Very truly yours,

  
D. E. Davis  
Site Manager

LED/JWL/DFP/ear

cc: R. B. McCarley  
R. L. Akers



1. REPORT NUMBER Q-111

2. DATE 9-22-81

3. ITEM / PART NUMBER C-4406

4. AREA / BUILDING Plant-1

5. DRAWING NUMBER 4406

6. OWNER FURNISHED MATERIAL OR EQUIPMENT  YES  NO

7. Q. LISTED  YES  NO

8. DESCRIPTION OF NON CONFORMANCE: 20,000 3/8 x 1 Hex Head bolts are not marked with a raised or depressed mark on the head of the bolts as stated in ASTM-A-307-78 Supplier: DELTA SCREW CO

TAG NO. 04031, 13014

9. REPORTED BY James Michalik

10. RECOMMENDED CORRECTIVE ACTION: Return To Vendor For proper material or use as nonnuclear material

QC INSPECTOR / DATE James Michalik 9-22-81

12. QC MANAGER / DATE Richard 9-22-81

13. PROJECT MGR./PLANT SUPT./DATE J. Rosen 9-22-81

14. CORRECTIVE ACTION TAKEN: Material being returned to Vendor

15. PROJECT ENGINEER / DATE Carl E. Eichstaedt 12/22/81

16. PROJECT MGR./PLANT SUPT./DATE Carl E. Eichstaedt 12/22/81

17. VERIFICATION OF CORRECTIVE ACTION TAKEN:

18. ACCEPTED  REJECTED

19. QC INSPECTOR / DATE

20. MANAGER / DATE



1. REPORT NUMBER Q-111 57-6  
 2. DATE 9-22-81  
 3. ITEM / PART NUMBER C-4406 4. AREA / BUILDING Plant-1 5. DRAWING NUMBER 4406  
 6. OWNER FURNISHED MATERIAL OR EQUIPMENT  YES  NO 7. Q. LISTED  YES  NO

8. DESCRIPTION OF NON CONFORMANCE: 20,000 3/8 x 1 Hex Head bolts  
are not marked with a raised or depressed mark on the  
head of the bolts as stated in ASTM-A-307-78  
Supplier: Delta Screw Co.

TAG NO. 04031, 13014 9. REPORTED BY James Michalik  
 10. RECOMMENDED CORRECTIVE ACTION: Return To Vendor For proper material  
or use as non-nuclear material

11. QC INSPECTOR / DATE James Michalik 9-22-81 12. QC MANAGER / DATE Richard 9-22-81 13. PROJECT MGR./PLANT SUPT./DATE R. Rosen 9-22-81

14. CORRECTIVE ACTION TAKEN: To Be used on  
Non-nuclear Product.

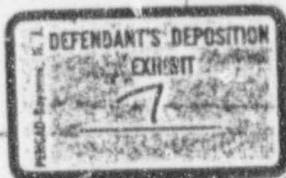
15. PROJECT ENGINEER / DATE Judy Wimmer 4/14/82 16. PROJECT MGR./PLANT SUPT./DATE R. Rosen 4-14-82

17. VERIFICATION OF CORRECTIVE ACTION TAKEN: SEE Block #14

18. ACCEPTED  REJECTED  19. QC INSPECTOR / DATE Richard 4-14-82 20. MANAGER / DATE Matthew Shuter, 4-14-82



Consumers  
Power  
Company  
QA68-0



# ALLEGATION EVALUATION

PROJECTS, ENGINEERING  
AND CONSTRUCTION -  
QUALITY ASSURANCE DEPARTMENT

1. Allegation Serial No 4

2. Who received the allegation? HP Leonard, CPCo-MPQAD
3. When was the allegation received? April 15, 1982, 10:00 pm - 11:28 pm
4. How was the allegation received? ie, telephone, face-to-face, by letter? Telephone
5. When was the allegation reported to CP Co - QA? April 15, 1982, 10:00 pm
6. Name of the allegator: Albert T. Howard
7. Who is allegator's employer and what is the allegator's position? The Zack Company; Supervisor, Document Control, QA Department
8. Where can the allegator be contacted? 905 Rose Ln., Naperville, IL (312) 355-4853
9. When will the allegator make next contact? April 16, 1982
10. Can the allegator's name be used in investigation of allegation? Not at this time  
(If Yes, will allegator provide signature to this page \_\_\_\_\_)
11. Will the allegator permit his name to be used in reports to the NRC? Yes
12. Will the allegator provide details of his allegation to the NRC? Yes

## STANDARD INFORMATION CHECKLIST

Completed By

1. Notify the allegator of the procedure for investigating allegations. [Signature] 4/15/82
2. Explain that if the allegation is validated, an NCR will be issued and the allegator will be provided with a copy of the NCR, subsequent documentation and the closed NCR. [Signature] 4/19/82
3. Explain that if required by 10CFR50.55(e) or 10CFR Part 21, the nonconformance will be reported to the NRC. [Signature] 4/19/82
4. Explain that if investigation does not substantiate the allegation of if the allegation is not safety related, it will be dropped by QA at that time and he will be so notified. [Signature] 4/19/82
5. Explain that the allegator will be provided a copy of the final report. [Signature] 4/15/82

Signature of the allegator indicating (i) permission to release his name in internal investigation of the allegation (ii) permission to release his name in reports to NRC if investigation determines that condition is reportable (iii) that Items 1, 2, 3, 4, 5 in the checklist above have been explained and understood.

Dated: \_\_\_\_\_ Signature: \_\_\_\_\_



1. Allegator Serial No 4

2. Does alleged condition affect a Q-listed system/component/item?

EF-7

Yes  No  4/20/82

3. If "No" to 2, above, forward to Midland Project Management Organization or GPMD, as applicable, for further investigation.

4. Does alleged condition actually exist? Yes  No

What was found? \_\_\_\_\_

5. If "No" to 4, above, terminate investigation, enter NA in Blocks 5 through 12, sign Blocks 13 and 14 and distribute.

6. Has the alleged condition previously been documented on a nonconformance-type report?

Yes  No

7. If "Yes" to 6, above, enter nonconformance-type report identification:

\_\_\_\_\_

8. If "Yes" to 6, above, does nonconformance-type report adequately describe alleged condition, is corrective action adequate to resolve the alleged condition, and is corrective action progressing adequately?

Yes  No

9. Describe any actions taken to resolve inadequacies found in 8, above:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. If "Yes" to 8, above, enter NA in Blocks 11 and 12, sign Blocks 13 and 14 and distribute.

11. Does the alleged condition constitute a nonconforming condition which has not been previously documented? Yes  No

12. If "Yes" to 11, above, prepare an NCR and enter the NCR No.

NCR No \_\_\_\_\_

13. Evaluation Completed By/Date:

14. Evaluation Reviewed by Manager,  
MPQA or Section Head, QAE&I/Date:



# ALLEGATION EVALUATION

1. Allegation Serial No 4

*EX-7*

Specifics of Allegations

2. What is the alleged condition? (1) Tampering with quality records (material documentation), (2) Intimidation of QA personnel, (3) Responsible individuals who could have stopped, corrected or, at least mitigated conditions (1) and (2), did not.
3. What is the location of alleged condition? Zack Co., Chicago, IL (Cicero)
4. What systems, components, items are affected by alleged condition? No specific items, components or materials are alleged to be nonconforming. Allegations relate to generic, programmatic issues which may or may not cause a specific item to be found nonconforming.
5. For how long has the alleged condition existed? Allegator perceives these conditions to be long standing, continuous problems. Allegator has been employed by Zack since October 19, 1982 (about six months).
6. What requirement was violated by alleged condition? Allegator believes these to reflect QA program breakdown, which the allegator relates to ANSI N45.2.12, paragraphs 3.4, 3.5, 3.5.3, 3.5.3.3; and ANSI N45.2.9, paragraphs 3.2, 3.2.6.
7. To whom has this condition been previously reported? Not previously "reported," but allegator has had some discussion with the Zack QA Manager and the Zack Midland Project Manager.
8. When was the condition previously reported? Not previously "reported."
9. What actions have been taken to resolve alleged condition and by whom have the actions been taken? Allegator believes Zack management has taken no action.
10. Is alleged condition covered by an existing nonconformance report? Zack Co. addressed improper modifications to material documentation by Corrective Action Request 014, issued August 28, 1981. Allegator believes tampering has continued from that time. Other issues are not addressed by nonconformance type reports.

11. Prepared By/Date: *Shornard* 4/20/82

AUG 18 1983

Ms. Billie P. Garde, Director  
Citizens for Accountable Government  
Government Accountability Project  
Institute for Policy Studies  
1901 Que Street  
Washington, D. C. 20009

Dear Ms. Garde:

Enclosed for your information and use are the depositions of Individuals C and H, which were taken by the NRC on August 4 and 11, 1983, respectively. As agreed at the depositions (and reiterated in your August 5, 1983, letter to Mr. J. Harrison of this office), we intend to protect the identity of the subject witnesses to the best of our ability. To the extent we need to make use of or reference to the depositions in any documents we issue, we will do so in a manner that has the least potential for disclosing the identity of the deponents. We cannot, however, agree to seek your clearance before we make use of any excerpts from the depositions in inspection reports or other documents.

Regarding your request concerning future arrangements for the location of interviews with your clients, we will attempt to accommodate the deponents' preferences to the extent possible. We believe that we have proceeded in this manner on the depositions already conducted.

We appreciate your cooperation in facilitating the taking of these depositions.

Sincerely,

Original signed by  
James G. Keppler

James G. Keppler  
Regional Administrator

Enclosures: As Stated

cc w/o enclosures:

T. Rehm, EDO  
S. Burns, ELD

Y406020072

B/28

OFFICE	RIII	RIII	RIII	RIII	RIII		
NAME	Speasard/jkm	Warnick	Lewis	Davis	Keppler		
DATE	8-17-83	8-17-83	8-12-83	8-14-83	8-18-83		

AUG 24 1983

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 a telephone discussion between Mr. D. Miller of your staff and me on August 24, 1983, and documents the matters discussed.

Region III has begun a special inspection of The Zack Company's present and past construction activities at Midland and included in this effort is a review of concerns brought to our attention by former Zack employees. This special inspection effort is intended to provide us additional confidence that the installed HVAC systems and components at the Midland plants are acceptable and that you are implementing an adequate QA program with regard to ongoing HVAC activities.

One facet of this effort involves a materials sampling program covering installed HVAC ductwork and hangers from six safety-related systems and from stock materials. Although our sampling program is still being developed, we expect that approximately 60 samples will be taken. These samples will be taken under our direction and will be sent to an independent laboratory for analysis to verify chemical compositions and strength in accordance with the material specification requirements. The cost of these analyses will be funded by the NRC.

For your information, and to help you coordinate your efforts in assisting us during the sampling process, we plan to implement this program at Midland during the week of August 29, 1983. Please contact Mr. Duane Danielson of my staff (312/932-2610) if you have further questions regarding this matter. We appreciate your cooperation.

Sincerely,

Original signed by R. L. Spessard

B/29

8406020049

RIII  
Davis  
8-24-83  
RIII  
Beppler  
8-24-83

R. L. Spessard, Director  
Division of Engineering

OFFICE	cc: See Attached.	RIII	RIII	RIII	RIII	RIII
NAME	Spessard/jkm	Hawkins	Danielson	Litke	Wannick	Lewis
DATE	8-24-83	8-24-83	8-24-83	8-24-83	8-24-83	8-24-83

S. Lewis

AUG 29 1983

Docket No. 50-329; 50-330  
Docket No. 50-461; 50-462

Ms. Billie P. Garde, Director  
Citizens for Accountable Government  
Government Accountability Project  
Institute for Policy Studies  
1901 Que Street  
Washington, DC 20009

Dear Ms. Garde:

I want to again thank you for your assistance in arranging for the depositions of Individuals C and H. Your efforts in that regard are appreciated.

On August 18, 1983, we transmitted the transcripts of both depositions to you for your review. Members of my staff have reviewed both of these transcripts to identify unresolved issues which require further action on our part. To that end, our review of Individual H's deposition has identified two matters involving you. Specifically, you stated on page 55 (lines 9-14) that it would be to our benefit to discuss GAP knowledge of the Zack issues with you or a member of your staff and you stated on page 64 (lines 7-10) your concerns regarding the inadvertent or careless ordering of materials by Zack and the supply of those materials to utilities. We recognize that your knowledge regarding the Zack issues is of value to our effort and we welcome the opportunity to share your insight into them.

Accordingly, and in keeping with our intent to conduct a complete inspection of this matter we would like to interview you to acquire any information which you believe could adversely affect installed HVAC systems or components at either the Midland or Clinton facilities. You may bring other members of GAP to the interview who you believe can contribute to our special inspection. In order to have a record of your comments, we plan to have the interview transcribed by a court reporter.

Additionally, as agreed between you and members of my staff during the deposition of Individual H, we are in need of legible copies of the 44 attachments to Individual H's original affidavit. These copies are necessary to assure that we are fully cognizant of all items of concern.

8309020377

ZM

B/30

TO: ▶  
FROM: ▶  
DATE: ▶

Ms. Billie P. Garde

- 2 -

AUG 29 1983

Please contact me or Mr. Duane Danielson of my staff as soon as possible to arrange a date for your interview.

Sincerely,

"Original Signed by R. L. Spessard"

R. L. Spessard, Director  
Division of Engineering

cc: T. Rahm, EDO  
 Mr. W. C. Gerstner  
 Illinois Power Co.  
 Philip L. Willman, Esq.  
 Assistant Attorney General  
 Environmental Control Div.  
 Reed Newman, Esq., Assistant  
 Attorney General  
 Gary N. Wright, Manager  
 Nuclear Facility Safety  
 Jean Poy, Prairie Alliance  
 Mr. James W. Cook  
 Consumers Power Co.  
 The Honorable Charles Bechhefer, ASLB  
 The Honorable Jerry Harbour, ASLB  
 The Honorable Frederick P. Cowan, ASLB  
 The Honorable Ralph S. Decker, ASLB  
 William Paton, ELD  
 Michael Miller  
 Ronald Callen, Michigan  
 Public Service Commission  
 Myron B. Cherry  
 Barbara Stamiris  
 Mary Sinclair  
 Wendell Marshall  
 Colonel Steve J. Gadler (P.E.)  
 Howard Levin (YERA)  
 Lynne Barnabei, Government  
 Accountability Project  
 DMB/Document Control Desk (RIDS)  
 Resident Inspector, R III  
 Clinton/Midland

*Discussed w. Edo, OK  
 to send this into  
 our R III signature  
 file*

REC'D	R III 8/26	R III 8/26/83	R III 8/26/83	R III 8/26/83	R III 8/29/83	R III 8/26/83	R III 8/26/83
NAME	Hawkins/lc	Danielson	Little	Harrison	Spessard	Lewis	Davis/Hepler
DATE	8/26/83	8/26/83	8/26/83	8/26/83	8/29/83	8/26/83	8/26/83



AUG 30 1983

DO NOT DISCLOSE TO  
UNAUTHORIZED PERSONS  
CONTAINS IDENTITY OF  
CONFIDENTIAL SOURCE(S)  
No.

MEMORANDUM TO: E. T. Pawlik, Director, Office of Investigation,  
Field Office Region III

FROM: James G. Keppler, Regional Administrator

SUBJECT: STATEMENTS BY FORMER ZACK EMPLOYEES OF POTENTIAL ... INTEREST

The Region III Division of Engineering has begun a special inspection of The Zack Company's present and past construction activities at Midland and Clinton. Included in this effort is a review of concerns brought to our attention by former Zack employees. Our inspection of these individuals' concerns has involved the taking of depositions from them. During our review of the depositions, we identified several areas of potential interest to your organization. Accordingly, we are enclosing a transcript of the two subject depositions for your review.

We are willing to meet with you at your convenience to discuss the specific sections of the depositions which are of potential interest to you. Please contact Lee Spessard with any questions you may have and to arrange a meeting.

Original signed by  
A. Bert Davis  
James G. Keppler  
Regional Administrator

Enclosure: AS Stated

cc: R. F. Warnick, RIII  
C. E. Norelius, RIII

8406120559

B/B

TO	R III	R III	R III	R III	R III	R III	R III
NAME	Hawkins/lc	Key/Danielson	Little	Hale Spessard	Roy	Lewis	Davis/Keppler
DATE	8/29/83	8/29/83			8/29	??	8/31



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

*Lewis*

SEP 2 1983

Docket No. 50-329  
Docket No. 50-330

Ms. Mary Sinclair  
5711 Summerset Drive  
Midland, MI 48640

Dear Ms. Sinclair:

As you know, we have begun the onsite inspection of the Zack Company's activities at Midland. The inspection effort includes a detailed review of affidavits and statements which contain items of concern expressed by present and past employees at the Midland facility. This review will enable us to effectively conduct an onsite inspection of the individuals' concerns where appropriate.

In your letter of April 18, 1983 to Mr. Keppler, you passed on to us concerns of an anonymous worker at the Midland site regarding engineering design activities by Zack. Since the information in your letter is very general, we contacted you to request that you ask the anonymous individual to supply us with further details. In a conversation with Mr. J. J. Harrison of this office on August 3, 1983, you indicated that you had no way to contact the individual, but would advise him to contact us when you are next telephoned by him.

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B/32

Ms. Mary Sinclair

2

SEP 2 1983

At the present time, the information in your letter is too general to pursue by an inspection; therefore, we can take no further action on this matter. Should the individual contact us and provide greater details, we will pursue his concerns. Please contact Mr. Duane Danielson (312-932/2610) of my staff with any questions you may have.

Sincerely,

"Original Signed by R. L. Spessard"

R. L. Spessard, Director  
Division of Engineering

cc: 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  
William Paton, ELD  
Michael Miller  
Ronald Callen, Michigan  
Public Service Commission  
Myron M. Cherry  
Barbara Stamiris  
Mary Sinclair  
Wendell Marshall  
Colonel Steve J. Gadler (P.E.)  
Howard Levin (TERA)  
Billie P. Garde, Government  
Accountability Project  
Lynne Bernabei, Government  
Accountability Project  
James W. Cook  
Consumers Power Company

RIII  
Hawkins/bk  
08/31/83

RIII  
Danielson

RIII  
Little  
9/1

RIII  
Spessard  
9/2

RIII  
Lewis  
9/2

RIII  
Davis  
9/2/83

RIII  
for Keppler  
9/2

R-1246110

RUN DATE: 04/03/84

ALLEGATION TRACKING SYSTEM

DATA BASE REVIEW/UPDATE SHEET

DATA AS OF THE END OF  
MARCH 1984

---

ALLEGATION NUMBER: RIII-83-A-0140

FACILITY/DOCKET: MIDLAND 1 05000329  
MIDLAND 2 05000330

FUNCTIONAL AREA: CONSTRUCTION

DESCRIPTION: CONCERNS REGARDING ZACK MATERIAL, PURCHASE  
ORDERS, AQ PROGRAM, AND QA/AC PERSONNEL  
QUALIFICATIONS.

SOURCE: ORG - GAP (7/15/82 AFFIDAVIT)

DATE RECEIVED: 08/15/82

PERSON RECEIVING: JG KEPPLER

OFFICE RECEIVING: R3

ACTION OFFICE CONTACT: JJ HARRISON

FTS PHONE NUMBER: 388-5635

STATUS: CLOSED

DATE CLOSED: 03/07/84

REMARKS: CLOSED BY REPORTS: 50-329/83-08; 50-330/83-08  
AND REGION IV REPORT 82-02.

CHANGES TO DATA? \_\_\_\_\_ YES \_\_\_\_\_ NO

DATE REVIEWED \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

OFFICE COORDINATOR'S INITIALS \_\_\_\_\_

*R/23*

Hawkins

JUN 26 1984

83-08

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:

Thank you for your letter dated June 8, 1984, informing us of the steps you have taken to correct the noncompliance which we brought to your attention in Inspection Reports No. 50-329/83-08 and 50-330/83-08 forwarded by our letter dated March 7, 1984.

Additional information regarding item 4 was provided to us during a meeting in the Region III office with members of your staff on June 18, 1984. In light of this additional information, which was not available to our inspectors at the time of the inspection, we concur that item 4 is not an item of noncompliance. Accordingly, our records will be updated to reflect the change. We will examine these matters during a subsequent inspection.

~~84072.0121~~ 2pp.

B/34

Your cooperation with us is appreciated.

Sincerely,

"Original signed by R.L. Spessard"

R. L. Spessard, Director  
Division of Engineering

cc w/ltr dtd 06/08/84:  
DMB/Document Control Desk (RIDS)  
Resident Inspector, RIII  
The Honorable Charles Bechhoefer, ASLB  
The Honorable Jerry Harbour, ASLB  
The Honorable Frederick P. Cowan, ASLB  
William Paton, ELD  
Michael Miller  
Ronald Callen, Michigan  
Public Service Commission  
Myron M. Cherry  
Barbara Stamiris  
Mary Sinclair  
Wendell Marshall  
Colonel Steve J. Gadler (P.E.)  
Howard Levin (TERA)  
Billie P. Garde, Government  
Accountability Project  
Lynne Bernabei, Government  
Accountability Project  
Stone and Webster Michigan, Inc.

RIII  
6/21  
Hawkins/Yd

Little  
06/20/84

RIII  
6/21  
Spessard

Schultz

RIII  
Huntce

Key

RIII  
RFLW  
Harrison

Danielson  
6/21

RIII  
Kroop  
Westbyrg

RIII  
Davit  
Keppeler  
6/21/84



Consumers  
Power  
Company

James W. Cook  
Vice President - Projects, Engineering  
and Construction

General Offices: 1945 West Parnell Road, Jackson, MI 49201 • (517) 788-0453

June 8, 1984

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

MIDLAND ENERGY CENTER GWO 7020  
MIDLAND DOCKET NOS 50-329, 50-330  
MIDLAND PROJECT RESPONSE TO NRC REGION III  
LETTER DATED MARCH 7, 1984  
File: 0485.15, 0.4.2 Serial: CSC-7783

REFERENCES: 1) RLSpessard letter to JWCook, dated March 7, 1984  
2) JWCook letter to JGKeppler, Serial CSC-7566, dated  
April 10, 1984

This letter with its attachments provides our response to Reference 1, which was a notice of nine violations and two unresolved items resulting from the NRC's special investigation of HVAC activities at Midland. Attachment 1 addresses the nine violations and one unresolved item that is of the same subject as one of the violations. Attachment 2 addresses the unresolved item that is not related to any of the violations.

*James W. Cook*

JWC/JGB/WFH/klp

CC: DSHood, NRR Project Manager, Washington  
Midland Project Section Chief, Region III  
Midland Project Manager, Region III  
Midland Resident Inspector, Midland

8407020125 23pp.

OC0584-012-CN04

CONSUMERS POWER COMPANY'S RESPONSE TO  
US NUCLEAR REGULATORY COMMISSION, REGION III  
INSPECTION REPORT NO. 50-329/83-08 (DE) & 50-330/83-08 (DE)

Appendix (Notice of Violation) to Inspection Report No's. 50-329/83-08 (DE) and 50-330/83-08 (DE) provides items of Noncompliance to 10 CFR 50. The NRC statements and our responses are given below:

(1) NRC STATEMENT

10 CFR 50.55(e)(1) states in part, that, "If the permit is for construction of a nuclear power plant, the holder of the permit shall notify the Commission of each deficiency found in design and construction, which, were it to have remained uncorrected, could have affected adversely the safety of operations of the nuclear power plant at any time throughout the expected lifetime of the plant..."

Contrary to the above, Consumers Power Company did not report the identified Zack material certification record deficiencies in accordance with 10 CFR 50.55(e). The NRC has concluded that sufficient information existed at the time the deficiencies were identified to clearly establish that they did constitute a reportable significant construction deficiency.

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

Related unresolved item from the report, Section I, Paragraph c:

One aspect of this effort encompassed the review of Zack, Bechtel and Consumers Power procedures which govern the identification and evaluation of conditions to determine their significance with regard to the reporting requirements of 10 CFR 50.55(e). Both historical procedures and those in effect today were reviewed to verify their compliance with reporting requirement guidelines. The review indicated that the older procedures were not entirely comprehensive. This very likely contributed to Consumers Power's failure to report the documentation deficiencies in accordance with 10 CFR 50.55(e).

There have been major revisions to the original program and those changes are reflected in today's procedures. A review of the program which is presently in place to assure reporting of significant construction deficiencies identified three salient concerns. Specifically, the inspector is concerned if the program, as structured, will meet the intent of 10 CFR 50.55(e) with regard to (1) prompt (timely) notification, (2) effective and complete evaluation of the condition by qualified individuals and (3) functionally defined interfaces between Consumers Power, Bechtel and their contractors. Pending further review, these matters are considered unresolved. (329/83-08-03; 330/83-08-03). The licensee's assessment of this unresolved item will be requested to be included in their written response to noncompliance item 329/83-08-02; 330/83-08-02.



CONSUMERS POWER COMPANY RESPONSE

In accordance with this Notice of Violation, an explanation of corrective action is as follows:

1. Corrective Action Taken and the Results Achieved:

Consumers Power Company has reviewed and accepted the actions taken by The Zack Company in conjunction with the material certification record deficiencies by (a) reviewing all material certifications used on this Site and (b) auditing the corrective actions taken under Zack's Corrective Action Request (CAR-014).

Consumers Power Company's policy has been to report to the NRC those conditions which have been evaluated and identified as a safety concern or a potential safety concern. We believe that our reporting system has been in compliance with regulations. However, it is recognized, as a matter of judgement, that the NRC in Region III considered several items (such as CAR 014) as reportable or potentially reportable which CP Co did not. The type of items that have the most potential to fall into this category are those for which extensive analysis and effort is required to make a proper determination. In addition, we lacked visibility with regard to ongoing safety evaluations being conducted by Bechtel and B&W. Therefore, we have restructured our program for 50.55(e) reporting and revised our policy as follows:

Potential safety concerns will be tracked with an evaluation via the Consumers Power Company Safety Concern and Reportability Evaluation (SCRE) process, Babcock and Wilcox Preliminary Safety Concern (PSC) or the newly implemented Bechtel Safety Concern Evaluation Report (SCER) process. At the end of ten days, after the issuance of a SCRE or a SCER or after specific notification of a Midland related PSC, a review will be completed and a decision will be made on reportability as follows:

1. Not reportable.
2. Not expected to be reportable, as justified by a Reportability Review Board - Not reported to the NRC.
3. Reportable or potentially reportable. Reported to the NRC.

The review board consists of senior personnel from the following organizations:

Design Assurance Division (DAD) - MPQAD - Chairman  
CP Co Engineering - Member  
CP Co Licensing - Member  
Bechtel Project Engineering - Representative for  
Bechtel items only.  
B&W Project Engineering - Representative for B&W items only.

Documentation for the review will be maintained in the CP Co files on safety concern evaluations. The review board will periodically review ongoing evaluations to ensure that the nonreportable status remains valid. If at any time during an evaluation or investigation, facts develop which support a "reportable" determination, the individual company's procedural/contractual obligations require processing within the time limits prescribed by law. The program enhancement of a review board provides additional assurance that decisions are made in a timely manner and evaluation conclusions are documented appropriately.

Bechtel Technical Specification M-1 (1.4) has been revised to require the subcontractor (The Zack Company) to notify Bechtel Project Engineering via Corrective Action Request (CAR) when they become aware of a significant safety concern. Zack's construction activities at Midland, in terms of "reportability", are covered by MPQAD Procedures.

The highlights of the improvement to the 50.55(e) reporting system are as noted:

- Enhanced Evaluation Process
- Implemented Bechtel SCER System (Feb 27, 1984)
- Established time limits for reportability
- Established Advisory Board
- Defined interface between Consumers Power Company, Bechtel, and The Zack Company.

It should also be noted that the NRC in Region III is on distribution for Consumers Safety Concern Reportability Evaluation (SCRE) forms. This provides the NRC the opportunity to question specifics if the description of an item causes them any concern.

2. Corrective Action to be Taken to Avoid Further Noncompliance:

- a. Review Past Bechtel Safety Evaluations: CP Co had not been fully cognizant of Bechtel's past safety evaluations which were determined (by Bechtel) to have had no safety concern implications, (i.e., No in-line function or notification requirements). To provide a CP Co overview, the following actions were taken:

Open Evaluations (25)

Reviewed to determine if any should be reported. None were identified.

Closed Evaluations (48)

Reviewed by DAD-MPQAD with an acceptable preliminary finding, subject to CP Co Engineering review. CP Co Engineering has reviewed and accepted 45. The balance is to be completed by June 15, 1984 pending receipt of some outstanding information.

b. The Zack Company's procedure on "reportability" to be modified to specifically identify whom they shall contact within Bechtel.

3. Full Compliance will be Achieved as Follows:

Full compliance will be achieved upon completion of 2b above, expected by mid June 1984.

(2) NRC STATEMENT

10 CFR 50, Appendix B, Criterion X requires that a program for inspection shall be established and that examination or measurements be performed for each work activity where necessary to assure quality. Further, Criterion V of Appendix B requires quantitative or qualitative acceptance criteria for determining what important activities have been satisfactorily accomplished.

Bechtel HVAC Specification No 7220M-151A(Q), Revision 15, commits to AWS D1.1-1979, which requires in Section 6 ("Inspection") that the inspector shall examine the work to make certain that it meets the requirements of Section 3. Section 3.3 stipulates maximum fit-up tolerances of 3/16 of an inch for fillet welds and partial penetration welds, and the leg of the fillet weld is to be increased by the amount of the separation for gaps 1/16 of an inch or greater, or the contractor shall demonstrate that the required effective throat has been obtained.

Contrary to the above, the inspection program established to assure conformance with the specification governing HVAC activities did not include provisions or requirements for assuring fit-up conformance to AWS D1.1-1979, Section 3.3 for structural welding.

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

CONSUMERS POWER COMPANY RESPONSE

In accordance with this Notice of Violation, an explanation of corrective action is as follows:

1. Corrective Action Taken and the Results Achieved:

a. Interim Program

An interim program has been established that will provide for 100% inspection of weld joint gaps. This program was established for joints welded to AWS D1.1-79. There are three (3) parts to the "fit-up" inspection program.

Part 1 - Hold Point

For HVAC weld joints in which the gap will become inaccessible for final weld inspection, a hold point has been established by procedure. The fabricator issues a request for inspection upon reaching each hold point. The inspector verifies the "Preparation of Base Metal and Assembly" is acceptable and documents the inspection results on a Project Inspection Plan and Report (PIPR). This PIPR will be used for information to complete the final weld inspection detailed in Part 3.

Part 2 - MPQAD HVACA Surveillance

A surveillance system has been established to monitor the welders while work is in progress. The surveillance, proceduralized by a PIPR, is required on each welder at a maximum interval of 90 days. Preparation of base metal and assembly of weld joints will be verified during this surveillance.

Part 3 - Final Weld Inspection

Final inspection of structural welds, those made to AWS D1.1-79, require verification of joint gaps. This verification is done by actual inspection during the final inspection for gaps which are accessible, or by review of previous inspection records for inaccessible joint gaps.

b. Past Welding

In process assembly verification per Section 3.3 of AWS D1.1-79 was being done on a limited basis. It has been determined that "fit-up" of the structural welds for the HVAC system meets the requirements of Section 3.3 of AWS D1.1-79. This determination was made by reviewing fabrication methods, training records, Nonconformance Reports (NCRs) and checking gaps of weld samples taken from acceptable hangers. The training records and NCRs revealed that the inspectors were aware of, and inspected for acceptable weld size based on the gaps. The samples examined show that the welds and gaps meet the code requirements. A brief description of the determination follows:

1. The majority of the welded joints made on the HVAC system are simple lap type joints. The joints are held together with clamps prior to welding, therefore, zero (0) gap is achieved. The sheet metal workers on the HVAC system are craftsmen and they strive to fabricate acceptable hardware within the guidelines provided.
2. Inspector training records were reviewed from the period that The Zack Company first had the inspection program to the present. Inspectors that worked for The Zack Company used training questions for study aids to certify both Level I and Level II. One such question was, "What is the AWS D1.1 acceptance criteria for the following weld conditions: Fillet Weld Gap?" In addition, a Zack Company Quality Assurance Training Report dated 10/17/80 shows that training was given on AWS D1.1 criteria for fillet weld gap and craters.

Many of The Zack Company inspectors became MPQAD inspectors in June of 1981. These inspectors, as well as new inspectors, were given additional training in weld acceptance by the immediate HVACA Inspection Section Head. The training was based on the AWS Certification Manual for Welding Inspectors. Page 76 of Chapter 6 discussed root openings and proper fit-up for fillet welds. A required reading list which includes AWS D1.1-79 is also a part of each inspector's initial training.

3. A review of the NCR log shows that from 7/17/79 to 5/18/84, 18 NCRs were generated due to incorrect fit-up or insufficient weld size based on joint gaps. These NCRs, written by ten different inspectors, were all written during final inspections of the weld joints. The fabricating organization and the inspection groups are both involved in closing NCRs, therefore, both groups become aware of any problems associated with fit-up. Correcting the nonconforming condition provides visibility to both the fabricator and inspector of what is an acceptable condition.
4. For the resolution of an unrelated problem, 90 samples were taken from the HVAC system. (Information on the samples is available in MPQAD File 2.15.5.) The gaps were measured on all 90 samples and were found to be 1/16" or less. Of the 90 samples, 30 were welded to AWS D1.1. All of the measured gaps from these weld samples were 0", or no gap. In the case of fillet welds, many welds are oversize because of the allowance for over welding in the Bechtel Technical Specification M-151A(Q). The samples are representative of the welding done by The Zack Company on the HVAC system. No fit-up problem is shown to exist.

Based on the above, it is concluded that there is no hardware impact associated with this violation. This statement is true because the simplicity of the design provided good "fit-up", the craftsmen involved provided good workmanship and the inspectors inspected the weld joints for "fit-up", evidenced by NCRs. Disposition of the NCRs precluded a generic "fit-up" problem and gap measurements of weld samples provided documented evidence that no problem existed.

2. Corrective Action to be Taken to Avoid Further Noncompliance:

The intent of Sections 6.5.4 and 6.5.5 of AWS D1.1 is that the Inspector shall, at suitable intervals, observe joint preparation, assembly practices as well as the technique and performance of each welder, welding operator, and tacker to make certain that the applicable requirements are met. Visual inspection of all attributes of the final weld is required for every weld.

For the present time, CP Co is inspecting, on a 100% basis, weld joint gaps. CP Co believes that 100% inspection of weld joint gaps by QC personnel is not required by the AWS Code. In order to assure the weld is of the proper size, the gap must be known. An acceptable program will be devised to provide joint gap measurements, as required for final weld inspection. This gap measurement will be by other than QC personnel with verification by QC personnel on a suitable interval basis. In addition QC will inspect, on a suitable interval basis, such things as joint prep, assembly practices, techniques and performance of each welder. CP Co plans to meet in the very near future to present this program to the NRC and then modify the 100% QC inspection requirements in favor of a surveillance concept.

3. Full Compliance will be Achieved as Follows:

Full compliance has been achieved.

(3) NRC STATEMENT

10 CFR 50, Appendix B, Criterion XVIII requires that a comprehensive system of planned and periodic audits shall be carried out to verify compliance with all aspects of the quality assurance program and to determine the effectiveness of the program.

The Consumers Power Quality Assurance Program commits to ANSI N45.2.12, Draft 4, Revision 1, which requires in Section 3.3.3 the identification of those responsible for the audit system, including a delineation of their authority and responsibilities. Section 3.5.2 requires that the applicable elements of the quality assurance program shall be audited at least annually. Sections 4.5.2 thru 4.5.2.4 require that followup action be performed by the audit team leader or management to obtain the written response to the audit report, evaluate the adequacy of the response, assure that corrective action is identified and scheduled for each adverse finding, and confirm that corrective action is accomplished as scheduled. Section 3.3.7 requires that an effective audit system shall be established and include a provision for verification of effective corrective action on a timely basis.

MPQAD Procedure F-1M ("Audits"), Revision 5, May 31, 1983, Paragraph 5.3.3 requires completed audit checklists to identify objective evidence reviewed.

Contrary to the above, the following examples of noncompliance were identified:

- a. The authority and responsibilities of the Section Head-Site Audits was not delineated in writing.
- b. Four audits of Zack site activities were conducted in 1982. The elements of weld rod control and calibration were not audited.
- c. Four audit findings, identified in audit M01-605-02, issued in November, 1982 of Zack site activities were still open. There was no objective evidence that Zack's proposed corrective action had been evaluated by an audit team leader or management.
- d. The proposed Zack corrective action for four audit findings was rejected by Consumers Power Company. The audits findings were identified as M01-603-3-3, M01-603-3-5, M01-603-3-8 and M01-603-3-9 and were issued in May, 1983. There was no established dates for a commitment by Zack to re-respond or a scheduled completion date for the corrective action.
- e. Three audit findings (M01-601-2-3, M01-603-3-7 and M01-601-3-1) were closed without identifying the objective evidence reviewed to evaluate the effectiveness of the corrective action.

- f. Several sections of audit checklists M01-601-3 and M01-603-3 did not identify the objective evidence evaluated during the audit. No audit checklist could be found for audit M01-604-3 which was conducted in August, 1983.

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

CONSUMERS POWER COMPANY RESPONSE

In accordance with this Notice of Violation, an explanation of corrective action is as follows:

1. Corrective Action Taken and the Results Achieved:

Each of the following paragraphs correspond alphabetically to the paragraphs in the NRC statement.

- a. MPQAD Procedure A-1M, Paragraph 5.13, Revision 8, effective 11/18/83, now delineates the authority and responsibilities of the Branch Head - Audit Branch.
- b. Weld rod control and calibration of The Zack Company, Midland Energy Center, was covered by Audit MSA-83-36 dated 12/12-16/83 and Audit MSA-84-12 dated 4/16-30/84.
- c. The following audit findings were closed as indicated below:

<u>AUDIT FINDING #</u>	<u>DATE CLOSED</u>
M01-605-2-01F	1/12/84
M01-605-2-02F	1/12/84
M01-605-2-03F	1/12/84
M01-605-2-04F	1/14/84

- d. The following audit findings were closed as indicated below:

<u>AUDIT FINDING #</u>	<u>DATE CLOSED</u>
M01-603-3-03F	2/17/84
M01-603-3-05F	2/23/84
M01-603-3-08F	2/23/84
M01-603-3-09F	3/12/84

- e. The Site Audit Branch has reviewed the audit file and identified the objective evidence used to evaluate and verify the effectiveness of the corrective action. This information is on file and available for review.
- f. Checklists for Audits M01-601-3 and M01-603-3 identify some objective evidence reviewed by documenting the general category of documents and the quantity of documents reviewed within the category. The checklists, in some cases, do not identify the actual records reviewed by number, such as a specific purchase

order number. The shortcoming in utilizing this method of documentation is that the steps taken by the auditor cannot be retraced. The results of the audits, however, are considered valid since the records were reviewed by qualified audit personnel. Any noted discrepancies were identified by writing an audit finding.

The checklist for Audit M01-604-3 has been reconstructed utilizing a draft copy of the checklist which was kept by the auditor. This checklist is now contained in the Audit Report package which is on file with MPQAD.

2. Corrective Action to be Taken to Avoid Further Noncompliance:

Each of the following paragraphs correspond alphabetically to the paragraphs in the NRC statement.

- a. The inclusion of the stated requirements in MPQAD Procedure A-1M, Revision 8, Paragraph 5.13 should preclude recurrence.
- b. Since the inception of the Site Audit Branch, in June of 1983, a more complete audit schedule has been enacted. Concerted efforts are being expended by the Site Audit Branch to ensure all areas are being audited.
- c. All audit findings are now being tracked by personnel of the Site Audit Branch who are made aware of audit finding responses by a system for tracking Audit Finding Reports (AFRs). This system is proceduralized and will preclude recurrence.
- d. All audit corrective actions are now being tracked by personnel of the Site Audit Branch who are made aware of overdue responses to corrective actions and AFRs. Our present system of tracking AFRs, Corrective Action Responses, Response Evaluations and overdue responses is proceduralized which will preclude recurrence.
- e. Training will be provided to responsible personnel and will preclude recurrence.
- f. Corrective action to preclude recurrence is being provided by performing training with specific emphasis placed on the recording of the actual records reviewed.

3. Full Compliance will be Achieved as Follows:

Each of the following paragraphs correspond alphabetically to the paragraphs in the NRC statement.

- a. Full compliance was achieved upon effectivity of MPQAD Procedure A-1M, Revision 8, which is dated 11-18-83.
- b. Full compliance was achieved on 12/16/83 with the completion of Audit MSA-83-36.
- c. Full compliance was achieved on 1/14/84 with the closure of Audit Finding M01-605-2-04F.



- d. Full compliance was achieved on 3/12/84 with the closure of Audit Finding M01-603-3-09F.
- e. Full compliance will be achieved upon completion of training by June 29, 1984.
- f. Full compliance will be achieved upon completion of training by June 29, 1984.

(4) NRC STATEMENT

10 CFR 50, Appendix B, Criterion II requires that the program shall provide for training of personnel performing activities affecting quality as necessary to assure that suitable proficiency is achieved and maintained.

Quality Assurance Program Manual for the Midland Nuclear Plant, CPC-1-A, Revision 13, Policy Number 3, Section 3.4, requires formal training programs for personnel to assure that Q-listed operations and activities are performed correctly.

Contrary to the above, there was no training program established to ensure that HVAC quality control inspectors were trained in changes to HVAC Specification No. 7220-M-151A(Q), Revision 15, when these changes affected the acceptance criteria or inspection requirements.

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

CONSUMERS POWER COMPANY RESPONSE

In accordance with this Notice of Violation, an explanation of corrective action is as follows:

1. Corrective Action Taken and the Results Achieved:

To achieve and maintain suitable proficiency, HVACA Inspectors are directed during all phases of training (including, but not limited to, initial training, memo training, generic lesson plans, specific training and supplemental training which are described in MPQAD Procedures B-2M-1 and B-3M-1) that, prior to performing an inspection, acceptance criteria must be obtained from the latest controlled copies of specifications and references. This programmatic approach provides the method of determining the applicable criteria and precludes the need for inspection training to individual criteria changes.

There is no hardware impact associated with this violation because inspectors are trained to use the latest criteria and to ask questions if they do not understand the criteria.

The MPQAD Procedures provide a comprehensive method to comply with the requirements stated above, therefore, this is not considered a violation of 10 CFR 50, Appendix B, Criterion II. No further action is required.

2. Corrective Action to be Taken to Avoid Further Noncompliance:

No further action is required.

3. Full Compliance will be Achieved as Follows:

Full compliance has been achieved.

(5) NRC STATEMENT

10 CFR 50, Appendix B, Criterion II requires that the program shall provide for indoctrination and training of personnel performing activities affecting quality as necessary to assure that suitable proficiency is achieved and maintained, and that the program shall take into account the need for special skills to attain the required quality.

The Consumers Power Quality Assurance Program commits to ANSI N45.2.6-1978. Paragraph 2.2 of ANSI N45.2.6 states that "The capabilities of a candidate for certification shall be initially determined by a suitable evaluation of the candidates education, experience, training, test results, or capability demonstration." Paragraph 2.5 states in part that, "Personnel requiring these characteristics shall have them verified by examination at intervals not to exceed one year." Paragraph 2.4 states in part that, "The qualification of personnel shall be identified in writing in an appropriate form including ... basis used for certification, including records of education, experience, and training."

Contrary to the above, the following examples of noncompliance were identified:

- a. The certifications of two MPQAD inspectors were not supported by the documentation of previous experience and there was no comparable or equivalent experience assessment.
- b. Three inspectors had annual eye examinations that were overdue.
- c. MPQAD QA/QC inspectors certified to specific HVAC Project Inspection Plan Reports on form QA37-0, Attachment E, Revision 2, November 13, 1981, did not have a documented basis for certification.

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

CONSUMERS POWER COMPANY RESPONSE

In accordance with this Notice of Violation, an explanation of corrective action is as follows:

1. Corrective Action Taken and the Results Achieved:

Each of the following paragraphs correspond alphabetically to the paragraph in the NRC statement.

- a. The two individuals in question now have documented evidence in their personnel files which further demonstrates that the

individuals always had comparable or equivalent competence as required by ANSI N45.2.6-1978, Section 2.2.

- b. The three individuals who had overdue annual eye examinations did not perform inspections during the time lapse. Therefore, there was no impact on inspections. Two of these individuals were on sick leave and the other individual had been transferred to a non-inspection job function.
- c. The basis for certification as required by ANSI N45.2.6-1978, Section 2.4 now appears on Form QA13-2 which references Form QA37-0 (Certification to Inspection Plans) and has been inserted into all inspector files.

Based on the above, there is no hardware impact associated with this violation.

2. Corrective Action to be Taken to Avoid Further Noncompliance:

MPQAD Procedure B-3M-1 has been revised to require positive notification and follow up on eye exams prior to their expiration. To assist in tracking this task, all inspection personnel eye exam records are being entered into a computer base.

3. Full Compliance will be Achieved as Follows:

Full compliance has been achieved.

(6) NRC STATEMENT

10 CFR 50, Appendix B, Criterion V requires that activities affecting quality shall be prescribed by documented instructions, procedures, or drawings of a type appropriate to the circumstances and shall be accomplished in accordance with these instructions, procedures, or drawings.

Bechtel Procedure No. PEP 4.46.1, Revision 2, states in paragraph 8.2 that, "The incorporation of design documents into a drawing revision must be completed when... five DCN's have been issued against the drawing."

Contrary to the above, on September 22, 1983, the following examples of noncompliance were identified:

- a. Drawing C-884 had six design change notices attached
- b. Drawing M-89, Revision 19, had seven design change notices attached
- c. Drawing M-2, Revision 13, had six design change notices attached

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

CONSUMERS POWER COMPANY RESPONSE

In accordance with this Notice of Violation, an explanation of corrective action is as follows:

1. Corrective Action Taken and the Results Achieved:

Each of the following paragraphs correspond alphabetically to the paragraphs in the NRC statement.

- a. Drawing C884 was recently examined on May 30, 1984 for compliance to Procedure PEP 4.46.1 Rev 4. This drawing is currently at Revision 30 and has three outstanding design changes. This is in compliance with the procedure.
- b. Drawing C890 was recently examined on May 30, 1984 for compliance to Procedure PEP 4.46.1 Rev 4. This drawing is currently at Revision 23 and has one outstanding design change. This is in compliance with the procedure.
- c. The attachments to Drawing M-2, Rev 13 are Interim Design Change Notices (IDCNs) and are not within the requirements of PEP 4.46.1 Rev 2. Specifically, PEP 4.46.1 Rev 2, Scope, states in part: "The incorporation of Interim Drawing Change Notices (IDCNs) into a drawing is not within the scope of this procedure... ." Procedure PEP 4.47.1, Rev 3, dated May 27, 1983 in affect at the time, states (Section 3) in part: "...the design intent of IDCNs can be shown on the applicable design drawing until after the work in the field has been accomplished." Section 5.1.2 states in part: "all IDCNs...must be indicated on the base drawing... but not incorporated within 90 days of date of issue or whenever five IDCNs are outstanding (not indicated or incorporated)." This requirement is also in the current revision of PEP 4.47.1, Rev 4, dated March 2, 1984.

Design Document Register dated April 10, 1984, Page 1, shows Drawing M-2, Rev 13, with six IDCNs (22711 - 22716) as issued with the Design Change Packages, but not incorporated into the base drawing.

This is in compliance with applicable procedures, including PEP 4.47.1, Revision 4, dated March 2, 1984.

2. Corrective Action to be Taken to Avoid Further Noncompliance:

Procedure PEP 4.46.1, Revision 4, issued April 30, 1984 is more stringent than Revision 2. Specifically, Section 8.2.1 requires incorporation to be as follows:

- a. Forty-five calendar days from the approval of the first FCR or DCN.
- b. Forty-five calendar days from Document Control Center receipt of the first outstanding approved FCN.
- c. Thirty calendar days from receipt/approval of the fifth outstanding change document.

Project Administrative Services in Ann Arbor provides, to Project Engineering, weekly data as to documents which are approaching the limit on design change attachments. This information is used by Project Engineering to work off those documents which are approaching the limit in an expeditious manner. Also, a single register is now being used by Project Engineering and Field Engineering.

MPQAD has initiated a Document Control Assurance Group chartered with the responsibility of assuring that Field Document Control correctly implements their procedures thus giving additional confidence that the current design drawings are available for use by construction and inspection. In addition this group is monitoring, on a continual basis, the incorporation of outstanding design documents into the parent drawing to assure that it is being done within procedural requirement.

3. Full Compliance will be Achieved as Follows:

Full compliance has been achieved.

(7) NRC STATEMENT

10 CFR 50, Appendix B, Criterion XVI requires that conditions adverse to quality, such as failures, deficiencies, deviations, and nonconformances are promptly identified and corrected.

Quality Assurance Program Manual for the Midland Nuclear Plant, CPC-1-A, Revision 13, Policy 16, Section 3.1, requires that corrective action be initiated to correct conditions adverse to quality.

Contrary to the above, appropriate corrective action was not taken in the case of 42 HVAC shop travelers which documented that welding was performed by unqualified welders. Specifically, the corrective action did not address the acceptability of welds performed during the period when the welders were not properly qualified in accordance with AWS.

This is a Severity Level V Violation (Supplement II).

CONSUMERS POWER COMPANY RESPONSE

In accordance with this Notice of Violation, an explanation of corrective action is as follows:

1. Corrective Action Taken and the Results Achieved:

Consumers Power Company has issued 45 NCRs for 45 duct pieces still in use on Site, (reference NCR H-00419-ZZ, H-00421-ZZ thru H-00456-ZZ, H-00458-ZZ thru H-00465-ZZ). There is no generic hardware impact with this violation and the specific hardware impact on the 45 items are being tracked through our nonconformance system.

2. Corrective Action to be Taken to Avoid Further Noncompliance:

Under our welding program, all welders are qualified prior to being allowed to weld in the field. Currently, all HVAC welding is done on Site. Zack's Chicago Plant has not done any welding since December 1982 and none is planned for the future.

3. Full Compliance will be Achieved as Follows:

Each of the nonconforming items will have a disposition approved by Bechtel Project Engineering and Consumers Power Site Engineering prior to being accepted by MPQAD. When work associated with the disposition has been completed MPQAD will close the NCRs. Final hardware impact will be known after the completion of this step, anticipated by July 1984.

(8) NRC STATEMENT

10 CFR 50, Appendix B, Criterion V requires that activities affecting quality shall be prescribed by documented instructions, procedures, or drawings, of a type appropriate to the circumstances and shall be accomplished in accordance with these instructions, procedures, or drawings.

Bechtel Specification No. 7220-G-23, Revision 9, "General Requirements for Supplier Quality Assurance Programs for the Midland Plant Units 1 and 2 for Consumers Power Company", states in Section 3.4 that, "Any departure from the requirements of the procuring documents or Bechtel approved supplier technical documents which the supplier intends to incorporate in the completed item or service provided must be documented on an SDDR form."

Zack Procedure for Nonconformance Reports (PQCP-8, Revision 8) states in Section 6.1 that, "Non-conformance reports are generated to identify and control conditions in which workmanship, quality of material, documentation, or procedural activities are unacceptable or indeterminate." Zack procedure for Trend Analysis (PQCP-20, Revision 0) requires in Section 7 that audit findings be placed in one of five problem categories and analyzed for trends.

Contrary to the above:

- a. Neither a Nonconformance Report nor an SDDR was written by Zack with regard to identification of fourteen unqualified AWS welders for forty-two shop travelers.
- b. Zack Company did not place corporate audit findings in one of the five problem categories and therefore did not analyze audit findings for trends.

This is a Severity Level V Violation (Supplement II).

CONSUMERS POWER COMPANY RESPONSE

In accordance with this Notice of Violation, an explanation of corrective action is as follows:

1. Corrective Action Taken and the Results Achieved:

Each of the following paragraphs correspond alphabetically to the paragraphs in the NRC statement.

- a. Forty-five NCRs were issued by MPQAD on April 19, 1984 to identify and control the use of 45 duct segments ("Q") pertaining to the active travelers still in use from the list identified on ION 83-08-19a.

The NCRs issued are listed on Enclosure 1 to our response. Discrepancies between the original list (Attachment 2 to SCRE 56) and the list provided with the violation are identified in the "Notes" section on Enclosure 1. Note that when "P" travelers are used, some involved more than one duct segment. Also note that some of the travelers, on the list provided with the violation have already been voided and the duct removed from use.

- b. The Zack Company has begun to trend audit findings as of March 1984 in accordance with Zack Procedure MB-PQCP-16.1, Rev 1.

2. Corrective Action to be Taken to Avoid Further Noncompliance:

Each of the following paragraphs correspond alphabetically to the paragraphs in the NRC statement.

- a. In the future, if Zack (Chicago) discovers a quality concern on an item that has been shipped to the Site, they will inform Bechtel Project Engineering via a Zack Corrective Action Request. Also see response to Violation (7).

- b. The implementation of the new trending procedure will preclude recurrence.

3. Full Compliance will be Achieved as Follows:

Each of the following paragraphs correspond alphabetically to the paragraphs in the NRC statement.

- a. Refer to response to Violation (7).

- b. Full compliance was achieved in March 1984.

(9) NRC STATEMENT

10 CFR 50, Appendix B, Criterion V, requires that activities affecting quality shall be prescribed by documented instructions, procedures or drawings.

Bechtel HVAC Specification No. 7220M-151A(Q), Revision 15, commits to ANSI N45.2.13, Draft 3, Revision 3. ANSI N45.2.13 states in Section 8 that, "The purchaser and supplier shall establish and document measures for the identification, control, and disposition of items that do not meet procurement document requirements" and "These measures shall contain provision for the following:... b. Submittal of nonconformance notice to Purchaser by Supplier as directed by the Purchaser. These submittals shall include Supplier recommended disposition (i.e. "use-as-is" or "repair") and technical justification."

Contrary to the above, on March 22, 1983, Bechtel issued a letter to Zack Company to discontinue the processing of Supplier Deviation Disposition Requests (SDDR) relative to Material Requisitions deviations. In lieu of an SDDR, Zack was instructed to issue a Field Change Request (FCR) or Field Change Notice (FCN) for Bechtel approval. The FCR/FCN process was a design control measure and not a measure for controlling and dispositioning nonconformance. Therefore, there was no approved procedure, instruction, or document which delineated the methods for Zack to submit nonconformances for disposition to Bechtel.

This is a Severity Level V Violation (Supplement II).

#### CONSUMERS POWER COMPANY RESPONSE

In accordance with this Notice of Violation, an explanation of corrective action is as follows:

1. Corrective Action Taken and the Results Achieved:

CP Co held meetings with Bechtel Project Engineering and the subcontractor (Zack) to establish and document the measures required in Section 8 of ANSI N45.2.13. It was determined that Zack-Chicago will generate an NCR to identify an item or material that does not comply with specified requirements. The NCR will be sent to Bechtel Project Engineering, with a copy to Bechtel (Site) Subcontracts, for Engineering Disposition of "use-as-is" or "repair". If Zack desires to deviate from engineering requirements before there is a hardware impact, they will submit a Request For Information (RFI) on the established FCR form and submit the FCR to subcontracts who will issue it to Bechtel Project Engineering. Engineering will provide a disposition and return it to subcontracts and Zack for appropriate action.

The changes to establish and document identification, control and disposition of items that do not meet procurement requirements, have been addressed in a revision to Bechtel Technical Specification M-151-A(Q) Rev 20. The NCR and RFI replaces the previously approved SDDR.

2. Corrective Action to be Taken to Avoid Further Noncompliance:

No further action is required.

3. Full Compliance will be Achieved as Follows:

Full compliance has been achieved.



### GENERIC EVALUATION OF HARDWARE IMPACT

In accordance with your written request, violations (2), (4), (5) and (7) have been evaluated for hardware impact and no generic hardware impact exists. A brief recap of the justification is as follows:

#### Violation (2) (Fitup):

- Inspectors had received limited training on fitup.
- NCRs had been generated for improper fitup resulting in a heightened awareness by the craft personnel of fitup requirements.
- Thirty samples cut from production items (welded to AWS D1.1) all had zero gaps.

#### Violation (4) (Training on Specific Changes):

- Inspectors have been and are trained to use the current criteria and to ask questions if they don't understand the criteria.

#### Violation (5) (Eye Exam, Basis of Certification):

- None of the inspectors involved did any inspections during the time their eye exams had expired.
- The inspectors files have been updated using a form that has the basis of certification.
- The inspectors noted as having insufficient supporting documentation now have this properly documented showing that they always had the required qualification.

#### Violation (7) (Unqualified Welders):

- There is no generic hardware impact.
- The specific hardware impact is being tracked through the nonconformance system via the 45 individual NCRs.

In summary, taken singularly or collectively these four violations have no generic impact on completed hardware.

In addition, CP Co has reviewed the hardware impact of all nine violations and concludes that hardware is acceptable on a generic basis.

TRAVELER LIST OF WELDERS WITH INDETERMINANT QUALIFICATIONS AND DUCT AFFECTED

NOTE: This list was derived from the original list - Attachment 3 to SCRE 56.

NOTES	TRAVELER	V-DRAWING	PIECE NO	NCR NUMBER	COMMENTS
1	F4941	V 7 sh 2	12	H-00447-ZZ	Welder 39
	P2597	V 10	7A	N/A	Welder 5 was qualified
	P2597	V 10	10A	H-00445-ZZ	Welder 39
	P2597	V 10	11A	N/A	Welder 5 was qualified
	P2597	V 10	11B	H-00446-ZZ	Welder 39
	P2597	V 10	12A	N/A	Voided by F9651 Piece 12B
	F5818	V 10	8A	H-00443-ZZ	Welder 39
	F5817	V 10	8B	H-00444-ZZ	Welder 39
	F7526	V 22 sh 1	26	N/A	Voided
	F6444	V 22 sh 1A	16	H-00419-ZZ	Welder 39
	F6443	V 22 sh 1A	17	H-00421-ZZ	Welder 39
	P1093	V 22 sh 1A	24	H-00425-ZZ	Welder 43
	P1114	V 22 sh 1A	28	H-00423-ZZ	Welder 48
	F6454	V 22 sh 1A	35	H-00424-ZZ	Welder 48
	F6456	V 22 sh 1A	37	H-00426-ZZ	Welder 54
	P1149	V 22 sh 1A	112	H-00422-ZZ	Welder 39
	F6485	V 22 sh 1A	113	H-00427-ZZ	Welder 39
	F5847	V 22 sh 2	23	H-00459-ZZ	Welder 39
	F5837	V 22 sh 2	24	H-00464-ZZ	Welder 39
	F5846	V 22 sh 2	25	H-00465-ZZ	Welder 6
2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	F4275	V 22 sh 2A	29	N/A	Voided
	F18224	V 22 sh 2A	30	H-00428-ZZ	Welder 39
	F18225	V 22 sh 2A	30.1	H-00429-ZZ	Welder 39
	F18226	V 22 sh 2A	30.2	H-00430-ZZ	Welder 39
	F18227	V 22 sh 2A	30.3	H-00431-ZZ	Welder 39
	F30462	V 22 sh 2A	30.32	H-00432-ZZ	Welder 39
	F18228	V 22 sh 2A	30.4	H-00433-ZZ	Welder 39
	F18229	V 22 sh 2A	30.5	H-00434-ZZ	Welder 39
	P2464	V 22 sh 2A	31	H-00435-ZZ	Welder 39
	F4284	V 22 sh 2A	42	H-00437-ZZ	Welder 39
	F4279	V 22 sh 2A	46	H-00436-ZZ	Welder 39
	F4397	V 22 sh 2B	10	H-00440-ZZ	Welder 39
	F4398	V 22 sh 2B	11	H-00441-ZZ	Welder 39
	F4399	V 22 sh 2B	12	H-00442-ZZ	Welder 39
	F4404	V 22 sh 2B	21	H-00438-ZZ	Welder 39
	F4408	V 22 sh 2B	26	H-00439-ZZ	Welder 39
	F4446	V 22F	4	N/A	Voided
	P1491	V 26 sh 2	16	N/A	Welder 12 was qualified
	P1491	V 26 sh 2	17	N/A	Welder 23 was qualified
	P1491	V 26 sh 2	19	N/A	Voided
P1491	V 26 sh 2	20	N/A	Voided	
F10268	V 26 sh 2	23	N/A	Voided	
F4276	V 26 sh 2B	29A	N/A	Voided by F21006 Piece 29B	
F4269	V 26 sh 2B	39	N/A	Voided	
F1201	V 27 sh 3	191	H-00461-ZZ	Welder 54	

NOTES	TRAVELER	V-DRAWING	PIECE NO	NCR NUMBER	COMMENTS
	P1201	V 27 sh 3	192	H-00460-ZZ	Welder 54
	F2462	V 29 sh 23	38	N/A	Non-Safety Related
	P1306	V 34 sh 1	2	H-00458-ZZ	Welder 54
	P1306	V 34 sh 1	3	H-00462-ZZ	Welder 54
	P1306	V 34 sh 1	4	H-00463-ZZ	Welder 54
	F11176	V 83	29	H-00450-ZZ	Welder 6
	F10484	V 83	29A	H-00448-ZZ	Welder 54
4	F10485	V 83	31A	H-00453-ZZ	Welder 54
	F11186	V 83	42	H-00451-ZZ	Welder 48
5	F11196	V 83	55	H-00452-ZZ	Welder 48
	F11202	V 83	64	H-00455-ZZ	Welder 39
	F11206	V 83	69	H-00454-ZZ	Welder 39
6	F10492	V 83	70A	H-00456-ZZ	Welder 59
	F11209	V 83	72	N/A	Voided by F10477 Piece 91
	F11210	V 83	73	H-00449-ZZ	Welder 39

NOTES

- 1 Traveler P2597 was erroneously listed as P2579 on Attachment 3 to SCRE 56 - refer to page 11 of Attachment 1 to SCRE 56.
- 2 Traveler P2464 piece 30 was renumbered to these travelers.
- 3 Traveler F18227 piece 30.3 had a weld sample removed from it (used for SCRE 75) and resulted in a new piece number 30.32, which still contained some welding done by welder 39.
- 4 Traveler 10485 was erroneously listed as 10458 on Attachment 3 to SCRE 56 - refer to page 23 of Attachment 1 to SCRE 56.
- 5 Traveler 11196 was erroneously listed as 1196 in NRC Report No 50-329/83-08; 50-330/83-08; ION 19a
- 6 Welder 59 was erroneously listed as welder 54 on Attachment 3 to SCRE 56.
- 7 The following travelers were not listed on ION 19a but were listed on Attachment 3 to SCRE 56; all are voided

F6654  
F4425  
F4271  
F4424  
F9379  
F9378  
F5827  
F4448

The following item, although not a violation, required a written response.

NRC STATEMENT (See Section III, paragraph d of the report:)

There was no system delineated in writing to ensure that retroactive design changes for all disciplines, including HVAC, were reviewed to (1) identify their impact on items already installed and (2) verify hardware compliance to present design standards. Further inspection revealed that a Management Corrective Action Request/Report (TWT-1) was initiated during this inspection as a result of an on-going investigation by the licensee. Pending licensee evaluation and appropriate corrective action for previously installed material, this will remain an unresolved item and be examined further during a future inspection (329/83-08-10; 330/83-08-10). The licensee's generic assessment of this unresolved item will be requested to be included in their written response.

CONSUMERS POWER COMPANY RESPONSE

In accordance with your request, an explanation of our generic assessment is as follows:

1. Action Taken and the Results Achieved:

As stated in the URI CP Co initiated MCAR/R-TWT-1 on 9/23/83. On 5/18/84 this condition was declared potentially reportable by CP Co and reported to R Gardner of Region III. On 2/10/84 The Zack Company issued FP-22 to address both past and future retroactivity concerns for HVAC.

Bechtel will provide a list of HVAC retroactive changes which required retrofitting. This list will be required for closure of MCAR/R-TWT-1.

2. Action to be Taken to Address the Generic Retroactivity Issue:

In response to MCAR/R-TWT-1 CP Co is considering the following:

The Engineering procedures listed in 3a below will be revised to state that changes to standard details shall be retroactive and applicable to existing and future construction unless otherwise specified. Anticipated completion by June 15, 1984.

Project Engineering will identify the effectivity of non-retroactive changes and will reference the original detail and the new detail (for standard details).

When non-retroactive changes are made, the previous requirements shall be preserved on the current revision of the document in such a manner that the previous requirements remain in effect and applicable to items built in accordance with those requirements (for standard details).

Revise Bechtel Technical Specification M-151-A(Q) to be consistent with the procedures listed in 3a below.

Bechtel will indicate on drawings and specifications (where appropriate) when retrofit is required for standard details.

3. All Action Will Be Completed as Follows:

- a. The following Bechtel procedures will be revised as indicated above:

MED 4.46.0      PEP 4.46.1      FIG 3.200

MED 4.47.0      PEP 4.47.2

MED 4.49.0      PEP 4.49.1

MED 4.49.1      PEP 4.49.0

- b. Engineering "Q" drawings and specifications will be updated for proper callout of retroactivity, non-retroactivity and retrofit requirements. Anticipated completion November 30, 1984.
- c. Construction and inspection will verify that the hardware and the inspection records reflect the engineering requirements.