

U.S. NUCLEAR REGULATORY COMMISSION
NRC MANUAL

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IE

CHAPTER 0516 SYSTEMATIC ASSESSMENT OF LICENSEE PERFORMANCE

0516-01 COVERAGE

This Chapter and Appendix describe the basic structure and overall procedures for implementation of the NRC program to assess licensee performance. This program applies to all power reactors with operating licenses or construction permits (hereinafter referred to as licensees).

0516-02 OBJECTIVES

021 To improve the NRC Regulatory Program with emphasis on resource allocation.

022 To improve licensee performance.

023 To collect available observations on an annual basis and evaluate licensee performance based on those observations, through the Systematic Assessment of Licensee Performance (SALP), an integrated NRC staff effort. Positive and negative attributes of licensee performance are considered. Emphasis is placed upon understanding the reasons for licensee's performance in important functional areas, and sharing this understanding with the licensee. The SALP process is oriented toward furthering NRC's understanding of the manner in which: (a) the licensee management directs, guides, and provides resources for assuring plant safety; and (b) such resources are used and applied. The integrated SALP assessment is intended to be sufficiently diagnostic to provide a rational basis for allocating NRC resources and to provide meaningful guidance to licensee management.

0516-03 RESPONSIBILITIES AND AUTHORITIES

031 The Executive Director for Operations (EDO) provides oversight for the activities described herein.

032 The Director, Office of Inspection and Enforcement (IE):

- a. implements the requirements of this chapter within the Office of Inspection and Enforcement.

- b. provides monitoring of SALP process and evaluation of SALP policy, criteria, and methodology; and assesses the uniformity and correctness of the Regions' implementation of the program.

033 The Directors, Offices of Nuclear Reactor Regulation (NRR), Analysis and Evaluation of Operational Data (AFOD), and Nuclear Materials Safety and Safeguards (NMSS), implement the requirements of this chapter within their Offices.

034 Regional Administrators:

- a. implement the requirements of this chapter within the Regions.
- b. assure that assessments of licensee nuclear safety performance are conducted.
- c. assure that meetings are conducted with licensees subsequent to each SALP Board assessment to provide NRC assessment findings to utility management.
- d. evaluate the SALP Board's report and the licensee's comments; provide a characterization of overall safety performance; transmit the results to the licensee; and initiate appropriate actions.

0516-04 EVALUATION CRITERIA AND FUNCTIONAL AREAS

041 Evaluation. Licensees will be evaluated in the functional areas listed in this section using the criteria provided herein and further amplified in the Appendix to this Chapter. Each functional area evaluated will be assigned a Category as defined in Section 042. Not all functional areas need be covered in a given review. If a functional area appropriate to a licensee is not covered, the reasons should be given in the report. The Appendix to this Chapter lists a number of attributes for each evaluation criterion. The functional area being evaluated may have some attributes that would place the evaluation in Category 1 and others that would place it in either Category 2 or 3. The final rating for each functional area will be a composite of the attributes tempered with judgment as to significance of individual items. Departures from this guidance may sometimes be warranted. In such cases, the rationale for such departures should be explained in the report.

042 Performance Categories.

- a. Category 1. Reduced NRC attention may be appropriate. Licensee management attention and involvement are aggressive and oriented toward nuclear safety; licensee resources are ample and effectively used such that a high level of performance with respect to operational safety or construction is being achieved.
- b. Category 2. NRC attention should be maintained at normal levels. Licensee management attention and involvement are evident and are concerned with nuclear safety; licensee resources are adequate and

are reasonably effective such that satisfactory performance with respect to operational safety or construction is being achieved.

- c. Category 3. Both NRC and licensee attention should be increased. Licensee management attention or involvement is acceptable and considers nuclear safety, but weaknesses are evident; licensee resources appear to be strained or not effectively used such that minimally satisfactory performance with respect to operational safety or construction is being achieved.

043 Functional Areas.

a. Operating Reactors

- (1) Plant operations
- (2) Radiological controls
 - (a) radiation protection
 - (b) radioactive waste management
 - (c) transportation
 - (d) effluent control and monitoring
- (3) Maintenance
- (4) Surveillance - includes inservice and preoperational testing
- (5) Fire protection
- (6) Emergency preparedness
- (7) Security and Safeguards
- (8) Refueling - includes initial fuel loading
- (9) Licensing activities
- (10) Others (as needed)

b. Construction Phase Reactors

- (1) Soils and foundation
- (2) Containment and other safety related structures
- (3) Piping systems and supports - includes welding, NDE and preservice inspection

- (4) Safety related components - includes vessel, internals, pumps
 - (5) Support systems - includes HVAC, radwaste, fire protection
 - (6) Electrical power supply and distribution
 - (7) Instrumentation and control systems
 - (8) Licensing activities
 - (9) Others (as needed)
- c. Preoperational Reactors. For reactors in the preoperational phase, functional areas from the listing for either Operating Reactors or Reactors under Construction should be selected as appropriate for evaluation.

044 Evaluation Criteria.

- a. The evaluation criteria are as follows:
 - (1) Management involvement in assuring quality
 - (2) Approach to resolution of technical issues from safety standpoint
 - (3) Responsiveness to NRC initiatives
 - (4) Enforcement history
 - (5) Reporting and analysis of reportable events
 - (6) Staffing (including management)
 - (7) Training effectiveness and qualification
- b. Guidance for using these criteria to arrive at a category assignment is found in the Appendix to this Chapter.

0516-05 BASIC REQUIREMENTS

051 Applicability. This Chapter applies to and shall be followed by NRC Headquarters Offices and Regional Offices.

052 Appendix 0516. Procedures for implementation of these directives are presented in the Appendix to this Chapter.

053 Reports. The SALP Board report will be transmitted to the licensee by the SALP Board Chairman, who should normally be at the Branch Chief level or above. Following receipt and resolution of licensee comments, if any, the Regional Administrator issues the SALP report to the licensee, provides the characterization of overall safety performance and identifies further actions, as appropriate.

NRC APPENDIX 0516

SYSTEMATIC ASSESSMENT
OF LICENSEE PERFORMANCE

UNITED STATES NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT

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PART I

GENERAL

- A. Overall guidance for the Systematic Assessment of Licensee Performance (SALP) is provided in Chapter NRC-0516. Procedures for SALP are provided in this Appendix.
- B. The NRC will conduct an annual review and evaluation of the performance of each power reactor licensee possessing an operating license or construction permit. The individual facility assessments are intended to take place at an approximately uniform rate throughout the year. The evaluation process is comprised of three parts: (1) a SALP Board assessment; (2) a meeting with licensee management to discuss the assessment; and (3) issuance of the report.

PART II
EVALUATION CRITERIA

The assessment of licensee performance is implemented through the use of seven evaluation criteria. The criteria which provide standard guidance, are applied to each functional area for the categorization of licensee performance.

To provide a consistent evaluation of licensee performance, several attributes associated with each criterion are listed to describe the characteristics applicable to the three categories.

The seven criteria discussed in Chapter NRC-0516-04 are listed in Table 1 with their associated attributes. These form the guidance which aids in understanding and evaluating licensee performance by identifying the causes and factors appropriate for categorization. It is not intended that consideration of these attributes influence established programs of the agency. For example, it is not intended that specific inspections be performed to evaluate attributes. It is expected that during the implementation of established programs many of the attributes which describe performance will be observed. Cognizance of these attributes should assist the staff in their observation of licensee performance during routine activities.

All of the attributes of the evaluation criteria are not necessarily applicable. In some instances, the observed performance within a functional area may be insufficient to allow consideration in the evaluation. Conversely, additional attributes may be appropriate for the evaluation. Matters such as Quality Assurance, Design Control, Training and the like, are attributes of each functional area and should be considered in the evaluation of the functional areas. On the other hand, if there is a problem with one of these attributes that is observed in several functional areas, it may be desirable to highlight that attribute in a separate discussion; e.g., Quality Assurance may be a problem in Operations, Radiological Control and Surveillance. It would be appropriate to discuss Quality Assurance as if it were a functional area, in addition to covering the specific QA problem in each functional area.

The listed attributes are intended only as guidance in the assessment of performance in the functional areas and thus, are indicators of the licensee performance.

It is emphasized that all available information should be analyzed by the SALP Board, and its significance, whether it be positive or negative, should be weighed. If information is scarce or nonexistent, a decision as to performance as it relates to an attribute should not be forced.

TABLE 1

EVALUATION CRITERIA WITH ATTRIBUTES FOR ASSESSMENT OF LICENSEE PERFORMANCE

1. MANAGEMENT INVOLVEMENT AND CONTROL IN ASSURING QUALITY

<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
consistent evidence of prior planning and assignment of priorities; well stated, controlled and explicit procedures for control of activities	evidence of prior planning and assignment of priorities; stated, defined procedures for control of activities	little evidence of prior planning and assignment of priorities; poorly stated or ill understood procedures for control of activities
well stated, disseminated and understandable policies	adequately stated and understood policies	poorly stated, poorly understood or non-existent policies
decision making consistently at a level that ensures adequate management review	decision making usually at a level that ensures adequate management review	decision making seldom at a level that ensures adequate management review
corporate management frequently involved in site activities	corporate management usually involved in site activities	corporate management seldom involved in site activities
audits complete, timely and thorough	audits generally complete, and thorough	audits frequently not timely, incomplete or not thorough
committees properly staffed and functioning in almost all cases	committees usually properly staffed and functioning	committees not properly staffed or functioning
reviews timely, thorough and technically sound	reviews generally timely, thorough and technically sound	reviews not timely, thorough or technically sound
records complete, well maintained and available	records generally complete, well maintained and available	records not complete, not well maintained or unavailable
procedures and policies strictly adhered to	procedures and policies rarely violated	procedures and policies occasionally violated

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Approved: March 23, 1982

corrective action systems promptly and consistently recognize and address non-reportable concerns

procurement well controlled and documented

design well controlled and verified

corrective action systems generally recognize and address non-reportable concerns

procurement generally well controlled and documented

rare breakdowns of minor significance in design control or verification

corrective action systems rarely recognize and address non-reportable concerns

repetitive breakdown in procurement control

repetitive breakdown in designs control or verification

2. APPROACH TO RESOLUTION OF TECHNICAL ISSUES FROM A SAFETY STANDPOINT

Category 1

clear understanding of issues demonstrated

conservatism routinely exhibited when potential for safety significance exists

technically sound and thorough approaches in almost all cases

timely resolutions in almost all cases

Category 2

understanding of issues generally apparent

conservatism generally exhibited

viable and generally sound and thorough approaches

generally timely resolutions

Category 3

understanding of issues frequently lacking

meets minimum requirements

often viable approaches, but lacking in thoroughness or depth

resolutions often delayed

3. RESPONSIVENESS TO NRC INITIATIVES

<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
meets deadlines	generally timely responses	frequently requires extensions of time
timely resolution of issues	few longstanding regulatory issues attributable to licensee	longstanding regulatory issues attributable to licensee
technically sound and thorough responses in almost all cases	viable and generally sound and thorough responses	often viable responses, but lacking in thoroughness or depth
acceptable resolutions proposed initially in most cases	acceptable resolutions generally proposed	considerable NRC effort or repeated submittals needed to obtain acceptable resolutions

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4. ENFORCEMENT HISTORY

<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
major violations are rare and are not indicative of programmatic breakdown	major violations are rare and may indicate minor programmatic breakdown	multiple major violations or programmatic breakdown indicated
minor violations are not repetitive and not indicative of programmatic breakdown	multiple minor violations or minor programmatic breakdown indicated	minor violations are repetitive and indicative of programmatic breakdown
corrective action is prompt and effective	corrective action is timely and effective in most cases	corrective action is delayed or not effective

5. REPORTING AND ANALYSIS OF REPORTABLE EVENTS

Category 1

events promptly and completely reported

events are properly identified and analyzed

corrective action is effective as indicated by lack of repetition

Category 2

events are reported in a timely manner, some information may be lacking

events are accurately identified, some analyses are marginal

corrective action is usually taken but may not be effective as indicated by occasional repetition

Category 3

event reporting is frequently late or incomplete

events are poorly identified or analyses are marginal, events are associated with programmatic weaknesses

corrective action is not timely nor effective, events are repetitive

8 6. STAFFING (INCLUDING MANAGEMENT)

Category 1

positions are identified, authorities and responsibilities are well defined

vacant key positions are filled on priority basis

staffing is ample as indicated by control over backlog and overtime

Category 2

key positions are identified, and authorities and responsibilities are defined

key positions usually filled in a reasonable time

staffing is adequate, occasional difficulties with backlog or overtime

Category 3

positions are poorly identified, or authorities and responsibilities are ill-defined

key positions are left vacant for extended periods of time

staffing is weak or minimal as indicated by excessive backlog and overtime

7. TRAINING AND QUALIFICATION EFFECTIVENESS

Category 1

training and qualification program makes a positive contribution, commensurate with procedures and staffing, to understanding of work and adherence to procedures with few personnel errors

training program is well defined and implemented with dedicated resources and a means for feedback experience; program is applied to nearly all staff

Category 2

training and qualification program contributes to an adequate understanding of work and fair adherence to procedures with a modest number of personnel errors

a defined program is implemented for a large portion of the staff

Category 3

training and qualification program is found to be the major contributing factor to poor understanding of work, as indicated by numerous procedure violations or personnel errors

program may be either lacking, poorly defined, or ineffectively applied for a significant segment of the staff

PART III

SALP BOARD ASSESSMENT

The SALP Board Assessment should include the following activities:

1. Obtain assessment data applicable to the appraisal period.
 - a. Notify NRR, AEOD, and NMSS of the assessment period and the date when inputs from those offices are needed. The notification should be at least 30 days before the inputs are needed.
 - b. NRR will provide written input.
 - c. Normally, NMSS will respond to the notification by telephoning the regional security experts and, if appropriate based on licensing activities during the appraisal period, providing input to the draft functional area analysis.
 - d. AEOD will respond and will provide input, if appropriate based on AEOD activities relative to the appraisal period.
 - e. Inputs will be directed into the functional areas as defined in Chapter NRC-0516.
2. Tabulate and analyze the data obtained for the facility.
 - a. Prepare the enforcement and inspection summary data - numbers and types of inspections performed and enforcement findings for each functional area.
 - b. Provide the number of LERs submitted under each of the licensee's cause categories. This information will be included in the SALP Board report. If the review indicates that the proximate cause classification of significant LERs persistently varies from that reported by the licensee that issue should be discussed under the appropriate functional area of the performance evaluation. LERs should be discussed under the appropriate functional area.
 - c. Provide the number of Construction Deficiency Reports (CDR) and 10 CFR Part 21 reports submitted by the licensee. These reports should be discussed in the appropriate functional area.
 - d. Any events which have been determined to be "Abnormal Occurrences" should be identified.
 - e. The number and nature of unplanned trips.
3. Develop the performance analysis for each of the functional areas. It is expected that the performance analysis would be drafted (in a preliminary form) by a knowledgeable member of the NRC staff prior to the

SALP Board meeting. The analysis shall include a characterization (Category 1, 2, or 3) and its basis, as well as SALP Board recommendations for NRC action, if necessary. The criteria for these categorizations are discussed in Part II of this Appendix. For some functional areas there may be insufficient licensee activity or NRC observation to warrant characterization. This would be appropriate for functional areas for which licensee action or involvement was not necessary during the appraisal period.

4. Conduct the SALP Board meeting to review the performance analysis and supporting data, develop the report including determination of each functional area's performance and recommendations for NRC action. This meeting should be attended by senior regional management, the NRR Project Manager, resident inspectors, and other individuals as determined by the Regional Administrator. As part of the SALP Board meeting it may be appropriate to make recommendations for reallocation of NRC resources. Also note that even in the absence of recommended changes to inspection frequencies, the Regional Office may adjust the frequencies based on SALP evaluations as discussed in the inspection procedures. In some areas the inspection program may mandate a change in scope, depth or frequency.

PART IV

MEETING WITH LICENSEE

The licensee management meeting should be planned and conducted considering the following:

1. Notification of the meeting should be made at least two weeks in advance. Notification should be made to the licensee, the resident inspectors at the involved facilities, the NRR Project Managers for the involved facilities and cognizant NRC managers.
 2. The licensee should be encouraged to have the following management representatives participate in the meeting:
 - a. Senior corporate management representative.
 - b. Management officials responsible for the major functions wherein problem areas have been identified (e.g., health physics, security, engineering).
 - c. Site Manager.
 3. The Board Chairman will transmit the Board's report to the licensee one week before the meeting. The transmittal letter will identify weak areas and request licensee response in these areas, as appropriate, within 20 days after the meeting. The licensee will also be given the opportunity to make comments on the report during the discussions at the meeting or in writing within 20 days after the meeting.
 4. NRC representatives for this meeting should include the following:
 - a. Either the Regional Administrator, Deputy Administrator, or Division Director
 - b. Responsible Regional Division Director(s), Branch Chiefs, or Section Chiefs, as appropriate
 - c. NRR Project Manager or designated NRR manager.
 - d. Resident Inspector and/or assigned inspectors
- For meetings with minimal issues, the Regional Administrator may elect to involve fewer staff members in the licensee management meeting.
5. The Regional Administrator, Deputy Administrator, or Division Director will chair the meeting and discussions of the adequacy of the licensee's management controls. These meetings are intended to provide a forum for candid discussion on issues relating to the licensee's performance. Those aspects of the licensee's operation that need improvement will be identified.

PART V

ISSUANCE OF REPORT

After the meeting and after considering the licensee's oral and written comments, the report will be transmitted by letter to the licensee over the Regional Administrator's signature. The letter should acknowledge the licensee's comments and amplify as appropriate on these comments or other findings of the review board. Additionally, the letter will include a characterization of overall safety performance. This letter, enclosing the report and licensee comments, will receive standard distribution including PDRs.

PART VI
FORMAT FOR SALP BOARD REPORT

Report Cover Sheet

(Report Number)

U.S. NUCLEAR REGULATORY COMMISSION
REGION ____

Systematic Assessment of Licensee Performance

(Name of Licensee)

(Name of Facility)

(Date)

Report Body

I. INTRODUCTION

Provide an introductory statement.

II. SUMMARY OF RESULTS

Provide a tabulation of functional area assessments.

III. CRITERIA

Describe the evaluation criteria used.

IV. PERFORMANCE ANALYSES

Functional Area Analysis

For each functional area considered, provide a brief narrative of significant strengths and weaknesses; summary of major problems; significant events (LERs or CDRs); enforcement issues; and summary of NRC and licensee actions. Include a brief summary of the previous year's evaluation if there has been a significant change or if there should have been significant improvement but there was not.

6. Management Conferences Held During Appraisal Period. Discuss conferences that dealt with regulatory performance or enforcement.
7. Other. Narrative of any significant strengths, weaknesses, or issues at the discretion of the SALP Board.



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

SALP III

Hernan 8
Comments

cket Nos: 50-329
and 50-330

MEMORANDUM FOR: Roger Mattson, Director, Division of Systems Integration
Richard Vollmer, Director, Division of Engineering
Edward Jordan, Director, Division of Emergency Preparedness and
Engineering Support

THRU: Thomas M. Novak, Assistant Director
for Licensing
Division of Licensing

Elinor G. Adensam, Chief
Licensing Branch No. 4
Division of Licensing

FROM: Melanie A. Miller, Project Manager
Licensing Branch No. 4
Division of Licensing

SUBJECT: EVALUATION FOR SYSTEMATIC ASSESSMENT OF LICENSEE
PERFORMANCE (SALP) - CONSUMERS POWER COMPANY,
MIDLAND NUCLEAR PLANT, UNITS 1 AND 2

Enclosed is a draft of the MRR input for the SALP for Consumers Power Company, Midland Nuclear Plant. This draft report is based upon input solicited from selected staff personnel who have had contact and involvement with Consumers Power Company's licensing material. Please review the draft evaluation and provide any comments you feel appropriate. All comments received by May 6, 1983, will be considered in the final report. In order to meet this deadline, oral comments directed to the project manager, X24259, would be adequate. To assist you with review and comment, the following persons were contacted for input:

<u>DE</u>		<u>DSI</u>		<u>DL</u>	
Randy Eberly	CHEB	Bill LeFave	ASB	Darl Hood	LB #4
Joe Kane	SGEB	Hulbert Li	ICSB	Ron Hernan	LB #4
Ray Gonzales	EHEB				
Frank Rinaldi	SEB	<u>DEPES</u>			
Mark Hartzman	MEB	Dave Rohrer	EPLB		
Arnold Lee	EQB	John Gilray	QAB		
Hal Walker	EQB				
Jeff Kimball	GSB				
Kaz Campe	SAB				

Melanie A. Miller, Project Manager
Licensing Branch No. 4
Division of Licensing

- Enclosure:
1. Evaluation Matrix
 2. Input for SALP Report

FACILITY NAME: Midland Nuclear Plant, Units 1 and 2

LICENSEE: Consumers Power Company

NRR PROJECT MANGER: Darl S. Hood

I. INTRODUCTION

This report presents the results of an evaluation of the applicant Consumers Power Company, in the functional area of licensing activities. It is intended to provide NRR's input to the SALP review process as described in NRC Manual Chapter 0516. The review covers the period July 1, 1981 to March 31, 1983. A distinction of activities between Units 1 and 2 was not considered feasible or appropriate.

The basic approach used for this evaluation was to first select a number of licensing issues which involved a significant amount of staff manpower. Comments were then solicited from the staff. The staff applied the evaluation criteria for the performance attributes based on their experience with the applicant or his products. Finally, this information was assembled in a matrix which allowed an overall evaluation of the applicant's performance.

II. Summary of Results

NRC Manual Chapter 0516 specifies that each functional area evaluated will be assigned a performance category based on a composite of a number of attributes. The single final rating should be tempered with judgement with respect to the significance of the individual elements.

Based on this approach, the performance of Consumers Power Company in the functional area - Licensing Activities - is rated Category 2.

III. Criteria

Evaluation criteria, as given in NRC Manual Chapter Appendix 0516 Table 1, were used for this evaluation.

IV. Performance Analysis

The applicant's performance evaluation is based on a consideration of seven attributes as given in the NRC Manual Chapter. For the licensing actions

4. Licensing Activities

- 2 -

considered in this evaluation, only four of the attributes were of significance. Therefore, the composite rating is heavily based on the following attributes:

- Management involvement
- Approach to resolution of technical issues
- Responsiveness to NRC initiatives
- Staffing

There was no NRR evaluation basis for Enforcement History, Reportable Events and Training.

The evaluation was based on our evaluation of the following licensing activities:

- Soils and Structures
- Emergency Planning
- Equipment Qualification
- Quality Assurance Program
- Natural Gas Pipeline
- Auxiliary Feedwater System
- Instrumentation and Control Systems Review
- Seismic Spectra
- Fire Protection
- Implementation of NUREG-0737 Items

Analysis

Management Involvement in Assuring Quality

The overall rating of this criterion is Category 2 with 2 activities receiving individual ratings of Category 1. For the licensing activities evaluated, there appeared to be appropriate management attention with decision making taking place at adequate levels. During numerous audits conducted by NRR, including audits relating to the soils issue, emergency planning, instrumentation and control systems, fire protection and equipment qualification, the records maintained by the licensee were generally complete, well maintained and available. In almost every area, the appropriate level of management participated in meetings with the NRC on safety, technical, and licensing issues and demonstrated knowledge on the meeting's subject matter. In the soils and structures area, however, management involvement was less than desirable since some of the information given to the NRC at meetings, was later determined to be inaccurate or misleading. Also, an exception to adequate management control occurred when the licensee proceeded with an excavation prior to fulfilling NRC conditions previously established.

on that subject

Clear lines of responsibility were established in support of the staff's safety evaluation and subsequent issuance of the Safety Evaluation Report. Priorities established by licensee management were generally consistent with and supportive of those priorities established by the staff. Commitments made to incorporate resolutions into FSAR revisions were kept and were generally timely. The licensee also made an objective and extensive effort to track open issues related to the safety evaluation. One issue which involved implementation of a TMI Action Plan item (Item I.B.1.2) reached an apparent impasse between the staff and applicant. However, when the proper level of management attention was focused on the issue, both sides were able to reach an acceptable resolution.

~~Approach to Resolution of Technical Issues from a Safety Standpoint~~

~~The overall rating for this criterion is Category 2 with the performance rating for individual licensing areas falling into Categories 1 or 3 in three areas.~~ In general, licensee personnel involved in resolution of technical questions were knowledgeable and clearly understood the issues. During the appraisal period, the licensee was usually complete and conservative in technical submittals to the NRC. Resolution of two technical issues during the safety evaluation required elevation to the Division Director appeals level. In one of these issues, relief was given to the licensee. In the other, the licensee was required to commit to installation of a third auxiliary feedwater pump. In both cases, however, the licensee prepared reasonable technical justification for their position. In addition, the licensee's response once the appeals decision on the auxiliary feedwater pump had been made was excellent. Licensing activities for which this criterion was rated a Category 1 include the area of seismic equipment qualifications, where a clear understanding of equipment qualification requirements against design basis & seismic margin earthquakes was demonstrated. The licensing area of soils and structures needs improvement insofar as the approach to technical issues. In the absence of NRC requirements, there was reluctance by the licensee to perform certain soils remedial work utilizing accepted quality assurance procedures. In regards to the buried piping issue, Consumers appeared to lack a thorough understanding of the safety issues involved. Improvement in the soils area over the appraisal period has been evidenced by more specific and clearer submittals to the NRC.

b. Conclusion

The - - - insert

C. Responsiveness to NRC Initiatives

The overall rating for this area is Category 2 with the performance rating for individual licensing action falling in all 3 categories. In general, responses to the NRC were timely and thorough. The licensee was particularly responsive in the areas of equipment qualifications and instrumentation and control systems. Additionally, in questions concerning the natural gas pipeline, the licensee demonstrated a willingness to effectively address NRC concerns and responsiveness increased accordingly. Responsiveness was rated poorly for those licensing issues which remained unresolved for a long period of time, such as resolution of the buried piping problem.

D. Enforcement History

There is no important basis for an NRR evaluation of this attribute.

E. Reportable Events

There is no important basis for a NRR evaluation of this attribute at this time.

F. Staffing

Overall rating of this criterion is Category 2. Positions appear to be well-defined and responsibilities identified. Staffing is adequate and at levels consistent with the activity for the licensing activities evaluated. The licensee effected reorganizations and personnel replacements within a reasonable time insofar as key positions. In some cases, however, the staff considers that too much reliance was placed upon representation by consultants and by the architect/engineer.

G. Training

There is no important basis for an NRR evaluation of this attribute at this time.

V. CONCLUSION

Based on the evaluation of Consumers Power Company's performance for a number of activities in the functional area of licensing, an overall performance rating of Category 2 ~~is determined~~ *has been assigned.*

b: Conclusion

The licensee is rated Category 2
in this area.

- 5 -

Generally, in licensing activities the licensee expressed a willingness to respond to NRC initiatives. Submittals were usually timely and thorough. ~~Especially notable is the degree of management attention directed toward licensing activities as evidenced by meeting participation and the level at which decisions occur. Areas of above average performance in all criterion include equipment qualifications and instrumentation and control systems reviews. Conversely, although improvement in the soils areas has been seen in this appraisal period, aspects remain weak such as technical response and management control.~~

during

Reggie Evaluation Matrix

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✓

✓

Licensing Action	Management Involvement	Approach to Resolution-Tech	Responsiveness	Enforcement History	Reportable Events	Staffing	Train
Soils and Structures	2	3	2	N/A	N/A	2	N/A
Impacts of Seismicity Study	2	2	2	N/A	N/A	2	N/A
Equipment Qualification	1	1	1	N/A	N/A	1	N/A
QA Program Changes	2	2	2	N/A	N/A	2	N/A
Inertial Gas Pipeline	2	2	1	N/A	N/A	2	N/A
Critical Damping Values	1	2	3	N/A	N/A	No Basis	N/A
Primary Feedwater Instrumentation	2	1	1	N/A	N/A	2	N/A
Control Systems Renew	2	2	2	N/A	N/A	2	N/A
Seismic Spectra	2	2	1	N/A	N/A	2	N/A
Fire Protection	2	2	2	N/A	N/A	N/A	N/A
Overall Rating	2	2	2	N/A	N/A	2	N/A

Overall Rating

next SACP - SACP II

702

July 1, 1980 - July 1, 1981
Presented in April 1982.

Ordinarily the period would have ended June 30, 1982 - However in the interest of being able to assess the impact of the SACP on the licensee, NRC Staff recommended that the period be extended to January 1, 1983 however, things changed - and there was a D.G. Bldg inspection and subsequent stop work - and subsequent notifiety and ~~then~~ ASLB hearing emphasis.

~~The Staff discussed that~~
The Staff associated with Midland

did indicate a preference to (2)
for go a SACP III for Midland
However, it was determined that
a modified SACP III would
be generated covering areas of
on going work

Soils

NSSS

HVAC

and a contribution from NAR.

Evaluation criteria ~~are~~ ~~as~~ follows used

are-

Go to p 3 to them

II. CRITERIA

The licensee performance is assessed in selected functional areas depending upon whether the facility is in a construction, pre-operational or operating phase. Each functional area normally represents areas significant to nuclear safety and the environment, and are normal programmatic areas. Some functional areas may not be assessed because of little or no licensee activities or lack of meaningful observations. Special areas may be added to highlight significant observations.

One or more of the following evaluation criteria were used to assess each functional area.

1. Management involvement in assuring quality
2. Approach to resolution of technical issues from safety standpoint
3. Responsiveness to NRC initiatives
4. Enforcement history
5. Reporting and analysis of reportable events
6. Staffing (including management)
7. Training effectiveness and qualification

However, the SALP Board is not limited to these criteria and others may have been used where appropriate.

Based upon the SALP Board assessment, each functional area evaluated is classified into one of three performance categories. The definition of these performance categories is:

Category 1: Reduced NRC attention may be appropriate. Licensee management attention and involvement are aggressive and oriented toward nuclear safety; licensee resources are ample and effectively used such that a high level of performance with respect to operational safety or construction is being achieved.

Category 2: NRC attention should be maintained at normal levels. Licensee management attention and involvement are evident and are concerned with nuclear safety; licensee resources are adequate and are reasonably effective such that satisfactory performance with respect to operational safety or construction is being achieved.

Category 3: Both NRC and licensee attention should be increased. Licensee management attention or involvement is acceptable and considers nuclear safety, but weaknesses are evident; licensee resources appear to be strained or not effectively used such that minimally satisfactory performance with respect to operational safety or construction is being achieved.

III. SUMMARY OF RESULTS

<u>Functional Area Assessment</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
1. Soils and Foundations			X
2. Containment and other Safety Related Structures	NOT ADDRESSED IN THIS REPORT*		
3. Piping Systems and Supports		X	
4. Safety Related Components		X	
5. Support Systems		X	
6. Electrical Power Supply and Distribution	NOT ADDRESSED IN THIS REPORT*		
7. Instrumentation and Control Systems	NOT ADDRESSED IN THIS REPORT*		
8. Licensing Activities		X	
9. Quality Assurance	NOT ADDRESSED IN THIS REPORT*		
10. Preoperational Testing	NOT ADDRESSED IN THIS REPORT*		

*For Functional Areas "Not Addressed In This Report" see Section I, Introduction.

IV. Performance Analyses

1. Soils and Foundations

a. Analysis

During this SALP period the licensee finalized the Remedial Soils program and initiated steps to implement the Remedial Soils measures necessary to correct previously identified soils deficiencies. ~~The NRC's review and approval of the design of the Remedial Soils measures is documented in Supplement No. 2 to the Midland Safety Evaluation Report issued in October 1982. The steps taken by the licensee to implement the Remedial Soils measures during the SALP period include the following:~~

- . The excavation of the access shafts to elevation 609
- . The installation of six temporary underpinning piers
- . Preparatory work for the Service Water Pump Structure underpinning
- . Initiation of temporary dewatering system for the Service Water Pump Structure
- . Initiation of probing for buried utilities adjacent to the Service Water Pump Structure
- . The installation of the permanent dewatering system wells
- . The installation of the auxiliary building underpinning instrumentation system

~~Thirteen inspections (or portions of inspections) were performed in this area. During this SALP period a total of nine noncompliances and two deviations with NRC requirements were identified as follows:~~

- three*
- (1) Severity Level IV - examples of failure to follow procedures and failure to develop adequate procedures (329/82-03; 330/82-03)
 - (a) Failure to revise design drawings according to site procedural requirements
 - (b) Failure to develop an adequate excavation procedure
 - (c) Failure to assure design verification according to site procedural requirements

*Eight have
been significant
findings
IV*

IV

- (2) Severity Level IV ^{four} - examples of failure to develop adequate procedures (329/82-05; 330/82-05)
 - (a) Access shaft work was initiated without having a reviewed and approved procedure
 - (b) Failure to develop adequate procedures to control specification design changes
 - (c) Failure to develop adequate specification for permanent dewatering wells
 - (d) Failure to develop an adequate procedure to prepare or implement overinspection plans

D

- (3) Deviation - failure to provide a qualified civil QA staff (329/82-05; 330/82-05)

Investigate material false statement

IV

- (4) Severity Level IV - failure to establish a QA program which provided controls over the underpinning monitoring system (329/82-06; 330/82-06). This finding resulted in the issuance of a Confirmatory Action Letter (CAL) on March 31, 1982

IV

- (5) Severity Level V - failure to install anchor bolts in accordance with site procedures (329/82-11; 330/82-11)

D

- (6) Deviation - failure to use approved installation/coordination forms to document the installation of underpinning monitoring instrumentation (329/82-11; 330/82-11)

IV

- (7) Severity Level IV - failure of specifications to identify the location of well sampling points (329/82-18; 330/82-18)

IV

- (8) Severity Level IV - failure to assure that the slope layback at the Auxiliary Building access shaft was constructed in accordance with design (329/82-18; 330/82-18)

IV

- (9) Severity Level IV - examples of failure to establish measures to control the issuance of documents (329/82-21; 330/82-21)
 - (a) failure to use a controlled copy of a Project Quality Control Instruction (PQCI) to prepare a QC recertification examination. This finding resulted in the issuance of a CAL on September 24, 1982
 - (b) Failure to control QC manuals

III

- (10) Severity Level III - failure to translate applicable regulatory requirements concerning the purchase of armor stone for a "Q" portion of the perimeter dike into appropriate specifications and design documents (329/82-22; 330/82-22)

Page 7
middle
→

III

(11) Severity Level III - failure to maintain current remedial soils drawings (329/83-03; 330/83-03)

The noncompliances identified during this rating period are evidence of the licensee's continued lack of attention to detail in assuring that the requirements of the Midland QA program were properly implemented. Furthermore, these noncompliances indicate the lack of management attention to quality in this area.

As a result of noncompliance item (4) an investigation was performed by NRC to determine whether material false statements had been made by the licensee's staff in regard to the installation status of the auxiliary building underpinning monitoring instrumentation. The investigation failed to provide conclusive evidence that a material false statement had been made.

Material False Statement

An investigation by NRC was initiated during this evaluation period to determine whether the licensee violated the April 30, 1982, Atomic Safety and Licensing Board (ASLB) Order which suspended all remedial soils activities on "Q" soils for which the licensee did not have prior explicit NRC approval. This investigation, which is continuing, focuses on the licensee digging below the "deep Q duct bank" allegedly without NRC approval. A management meeting was held at the site on August 11, 1982, to discuss the potential violation of the Board Order. A CAL was issued on this matter on August 12, 1982.

Violation Board Order

Noncompliance items (10) and (11) are individual examples related to the soils area taken from much broader items of noncompliance not associated with this functional area. (Items 10 and 11 were part of two separate citations for failure to adequately implement a quality assurance program.) The two individual examples taken by themselves would not have been rated as severity level III.

Level III

In view of continuing deficiencies in the soils area, the ASLB issued an Order on April 30, 1982, suspending all remedial soils activities on safety-related (Q) soils for which the licensee did not have prior NRC approval. Subsequent to this order the licensee resumed remedial soils activities with NRC approval. During the following months numerous problems occurred due to miscommunication/misunderstanding between the licensee and the NRC. To resolve these issues a Work Authorization Procedure was developed. This procedure requires the licensee to request and obtain written NRC authorization prior to the initiation of each remedial soils work

activity. ~~In addition, the scope of~~ ^T the Work Excavation Permit System was expanded to include all remedial soils work including underpinning. Due to the NRC's concerns with the licensee's ability to properly implement the quality program in the remedial soils area an independent third party overview was established. All the preceding actions occurred at the direction of the NRC, and were not a result of the licensee's initiative.

b. Conclusions

The licensee is rated Category 3 in this area. Although this is the same rating as the previous assessment period, the licensee's overall performance in this functional area has continued to decline. NRC findings during this assessment period indicate a continued lack of attention to detail by the licensee and the continuing inability on the part of the licensee to implement properly the requirements of the Midland QA program. A rating of less than minimally acceptable (Not Rated) was considered by the Board; however, a Category 3 rating was assigned because of the stringent controls instituted to govern work in this area, i.e., the Work Authorization Procedure, the Work Excavation Permit System, the independent third party overview, and continued scrutiny by the NRC staff.

c. Board Recommendations

The Board recommends that the licensee thoroughly review the performance of construction, engineering, and Quality Assurance managers in the Remedial Soils area. The implementation of measures to provide closer attention to detail in remedial soils work activities and to provide assurance that future remedial soils work will conform to the requirements of the Midland QA program should be a continuing management goal. Based on information provided to the Board subsequent to the evaluation period, the Board notes that the licensee has continued to have performance problems in this area.

3&4. Safety-Related Components and Piping Systems and Supports

a. Analysis

Portions of ten inspections were performed in the Nuclear Steam Supply System area during the evaluation period. The inspections involved the observation of large and small bore hanger installations (including snubbers and restraints), receipt and installation records, modification of the reactor pressure vessel supports, auxiliary feedwater internal header modification, and containment structural steel welding. Within the scope of this effort one item of noncompliance was identified as follows.

B+W
work

*Quasi-repeat item
Become repeat item*

Severity Level V - Failure to follow procedures regarding the tagging of a valve located in the welding fabrication area (329/83-01; 330/83-01).

The licensee's resources appear to be adequate. The management controls being utilized, the records, and the records control system met requirements. The overall effectiveness and attitudes of licensee personnel in complying with requirements were considered acceptable.

b. Conclusion

The licensee is rated Category 2 in this area. This is the same rating as the previous assessment period.

c. Board Recommendations

The Board notes that subsequent to this evaluation period the NRC has indications that quality problems exist with installed components, piping, and piping supports. These indicators include the Independent Design and Construction Verification Program (TERA's Monthly Status Report dated May 27, 1983) and the licensee audit conducted February 23, 1983 through March 10, 1983 (including the R. Sember memo to D. Miller dated March 13, 1983).

NRC inspection activities should focus on assuring that installed items meet the design and regulatory requirements.

5. Support Systems

a. Analysis

Portions of four inspections were performed covering Heating, Ventilation, and Air Conditioning (HVAC) welder certifications, welder procedure qualification, and material traceability. No items of noncompliance or deviations were identified during these inspections.

As a result of a licensee audit of Photon Testing, Inc., the licensee suspended welding of safety-related HVAC work. Photon Testing, Inc. had previously been contracted by the licensee to qualify welding procedures and certify welders for HVAC fabrication and installation. The cumulative audit findings made the credibility of some of the certifications of previously certified welders, as well as the adequacy of some of the welding procedures, indeterminate. Due to the audit findings, the NRC imposed a hold point for the restart of safety-related HVAC welding.

An initial attempt by the licensee to demonstrate to the NRC that affected HVAC welding procedures had been qualified and were ready for implementation demonstrated that the welding procedures were still inadequate. As a result, the NRC did not authorize the licensee to restart safety-related HVAC welding.

No other problems in the HVAC area were identified.

b. Conclusion

The licensee is rated Category 2 in this area. This is a lower rating than the previous assessment due to the licensee's failure to initially take adequate corrective action to resolve the deficiencies identified in the Photon Testing, Inc. audit and the licensee managements failure to identify the inadequate initial corrective action.

c. Board Recommendations

Licensee management involvement should be increased in the area of ensuring proper and timely followup to correcting identified deficiencies. The board notes that subsequent to this evaluation period the licensee successfully demonstrated the adequacy of welding procedures and welders to perform to those procedures. Based on the demonstration, the NRC authorized the resumption of HVAC welding.

8. Licensing Activities

a. Analysis

The assessment was based on our evaluation of the following licensing activities:

- Soils and Structures
- Emergency Planning
- Equipment Qualification
- Quality Assurance Program
- Natural Gas Pipeline
- Auxiliary Feedwater System
- Instrumentation and Control Systems Review
- Seismic Spectra
- Fire Protection
- Implementation of NUREG-0737 Items

For the licensing activities evaluated, there appeared to be appropriate management attention with decision making taking place at adequate levels. During numerous audits conducted by NRR, including audits relating to the soils issue, emergency planning, instrumentation and control systems, fire protection and equipment qualification, the records maintained by the licensee were generally complete,

well maintained and available. In almost every area, the appropriate level of management participated in meetings with the NRC on safety, technical, and licensing issues and demonstrated knowledge on the meeting's subject matter. In the soils remedial areas, a reorganization provided an executive manager fully dedicated to this area; however, some difficulties occurred in the early phases of this reorganization.

Clear lines of responsibility were established in support of the staff's safety evaluation and subsequent issuance of the Safety Evaluation Report. Priorities established by the licensee management were generally consistent with and supportive of those priorities established by the staff. Commitments made to incorporate resolutions into FSAR revisions were kept and were generally timely. The licensee also made an objective and extensive effort to track open issues related to the safety evaluation. One issue which involved implementation of a TMI Action Plan Item (Item I.B.1.2) reached an apparent impasse between the staff and applicant. However, when the proper level of NRC and licensee management attention was focused on the issue, both sides were able to reach an acceptable resolution. On the other hand, licensee's management failed to recognize the safety significance of constructing a high pressure gas facility in close proximity to safety structures until after construction completion.

Generally, licensee personnel involved in resolution of technical questions were knowledgeable and clearly understood the issues. During the appraisal period, the technical submittals by the licensee to the NRC were usually complete and conservative. Resolution of two technical issues during the safety evaluation required elevation to the Division Director appeals level. In one of these issues, relief was given to the licensee. In the other, the licensee was required to commit to installation of a third auxiliary feedwater pump. In both cases, however, the licensee prepared reasonable technical justification for their position. In addition, the licensee's response once the appeals decision on the auxiliary feedwater pump had been made was excellent.

The licensing area of soils and structures needs improvement insofar as the approach to technical issues. There was reluctance by the licensee to perform certain soils remedial work utilizing accepted quality assurance procedures until required by the NRC. In regard to the buried piping issue, the licensee appeared to lack a thorough understanding of the safety issues involved resulting in the submission of additional information several times before acceptable resolution was

achieved. Improvement in the soils area over the appraisal period has been evidenced by more specific and clearer submittals to the NRC.

Responses to the NRC were generally timely and thorough. The licensee was particularly responsive in the area of instrumentation and control systems. Additionally, in questions concerning the natural gas pipeline, the licensee demonstrated a willingness to address NRC concerns effectively and responsiveness increased accordingly. Responsiveness was rated poorly for those licensing issues which remained unresolved for a long period of time such as resolution of the buried piping problem.

With respect to licensing staff, positions appear to be well defined and responsibilities identified. Staff is adequate and at levels consistent with the activity for the licensing activities evaluated. The licensee effected reorganizations and personnel replacements within a reasonable time insofar as key positions are concerned. In some cases, however, the staff considers that too much reliance was placed upon representation by consultants and by the architect/engineer.

b. Conclusion

The licensee is rated Category 2 in this area.

Generally, in licensing activities, the licensee expressed a willingness to respond to NRC initiatives. Submittals were usually timely and thorough. Especially notable is the degree of management attention directed toward licensing activities as evidenced by meeting participation and the level at which decisions occur. Areas of above average performance in all criteria include instrumentation and control systems reviews. Conversely, although improvement in the soils area has been seen during this appraisal period, it is imperative for the licensee to continue to focus a high level of management attention in the soils area in order to maintain an acceptable level of performance insofar as licensing activities are concerned.

c. Board Recommendations

A high level of licensee management attention should be continued in resolving the adequacy of responses to technical issues and improvement of management controls in the area of remedial soils and underpinning activities.

V. Supporting Data and Summaries

A. Noncompliance Data

Facility Name: Midland, Units 1 and 2

Docket Nos. 50-329
50-330

Inspections: No. 81-14 through 83-05

<u>Functional Area Assessment</u>	<u>Noncompliance and Deviation Severity Levels</u>					<u>Dev</u>
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	
1. Soils and Foundations			2	6	1	2
2. Containment and Other Safety-Related Structures	NOT ADDRESSED IN THIS REPORT					
3. Piping Systems and Supports						
4. Safety-Related Components					1	
5. Support Systems						
6. Electrical Power Supply and Distribution	NOT ADDRESSED IN THIS REPORT					
7. Instrumentation and Control Systems	NOT ADDRESSED IN THIS REPORT					
8. Licensing Activities						
9. Quality Assurance	NOT ADDRESSED IN THIS REPORT					
10. Preoperational Testing	NOT ADDRESSED IN THIS REPORT					
TOTALS	0	0	2	6	2	2

B. Report Data

1. Construction Deficiency Reports (CDR)

During this SALP period, 19 CDR's were submitted by the licensee under the requirements of 10 CFR 50.55(e).

- a. Operating procedures must be modified to require at least one reactor cavity cooling fan in service during normal plant operation.
- b. For certain control circuits, a voltage below the limits for proper operation of the motor control center starter coils was calculated. This line voltage drop is a direct result of currents passing through long control cables.
- c. The design of electrical components associated with the main steam isolation valves does not conform to the channel separation criteria in Reg. Guide 1.75; also, satisfactory seismic qualification reports have not been submitted.
- d. Rodent damage has occurred in electrical penetration wiring and cables.
- e. The auxiliary feedwater level control valves are fed from Class 1E instrument control power instead of Class 1E preferred power supplies as specified in the FSAR.
- f. The existing design of the auxiliary feedwater system pump turbine driver steam admission valve interlock system would block steam entry and prevent proper operation.
- g. It has been determined that instrument string error in the steam generator level circuits, under accident conditions, exceeds that allowed to establish steam generator ECCS control setpoints.
- h. Recent inspections at three operating B&W plants indicated damage to the internal auxiliary feedwater header assemblies. New external headers will provide all functional requirements.
- i. During an engineering review it was discovered that some Q-related equipment is located in the auxiliary building that is cooled by a non-safety grade HVAC system. During an accident, this could result in some Q-equipment being lost.
- j. B&W supplied non-seismically qualified transmitter mounting brackets for transmitters forming part of the reactor coolant pressure boundary.

- k. Approximately 80% of the radiation monitoring modules, manufactured by Victoreen, Inc. were found to be nonconforming. This was due to a significant QA breakdown at the supplier.
- l. During field modifications of 460V Class 1E motor control centers supplied by ITE-Gould it was discovered that some of the control power transformers were undersized.
- m. The incorrect size class 1E power cables were pulled and installed.
- n. ACI 349, Appendix B, issued August 1979 specifies that shear lugs in embedment designs shall be considered effective only in compression zones. Some Midland embedment designs, which were completed and installed prior to this date, do not meet this new criterion.
- o. No specific features to mitigate frazil ice formation on the service water intake structure are contained in the design of the service water intake structure.
- p. The design of the suction piping for the auxiliary feed-water system did not include overpressurization protection.
- q. Unacceptable workmanship conditions have been identified on electrical control panels and cabinets supplied by various suppliers.
- r. Bailey Controls Company NI/RPS and ECCAS cabinets have terminal blocks which are fastened to the termination panels by Tinnerman Nuts. These nuts could become loose.
- s. Class 1E electrical control cabinets appear to have insufficient clearances from adjacent equipment or walls.

The licensee's threshold for reporting is considered to be appropriate and the total number of items reported is not considered to be excessive.

2. Part 21 Reports

The licensee issued no Part 21 reports during the reporting period.

C. Licensee Activities

The main construction areas during the evaluation period were NSSS work, electrical equipment, conduits, cable trays, cables, HVAC, remedial soils work, small and large bore piping, pipe hangers and snubbers. As a result of the diesel generator building inspection, the licensee halted on December 3, 1982, safety-related work with the exception of the following: system layup, hanger and cable reinspections, post system

turnover work, HVAC work, NSSS work, remedial soils work, and design engineering. Preoperational testing was conducted on the Component Cooling Water System, the Decay Heat Removal System and the Fuel Transfer System.

Units 1 and 2 were reported by the licensee to be 79% complete per the licensee's letter to Hatfield (NRC) dated May 6, 1983. Fuel load dates are estimated by the licensee to be February 1985 and October 1984, respectively.

D. Inspection Activities

The routine inspection effort by the NRC consisted of 39 inspections during the evaluation period.

In addition, a special team inspection (329/82-22; 330/82-22) was conducted to assess the adequacy of implementation of the quality assurance program. This assessment was done for the most part in the diesel generator building where the majority of work was performed subsequent to 1980. This inspection resulted in the licensee suspending some safety-related work on December 3, 1982.

E. Investigations and Allegations Review

1. An investigation was conducted to determine whether material false statements had been made by the licensee's staff in regards to the installation status of the auxiliary building monitoring instrumentation. The investigation report (329/82-13; 330/82-13) failed to provide conclusive evidence that a material false statement had been made.
2. An investigation was being conducted during this SALP period to determine whether the licensee violated the April 30, 1982, ASLB order which suspended all remedial soils activities on "Q" soils for which the licensee did not have prior explicit NRC approval. The report was not issued during this SALP period.
3. A number of allegations were received during this SALP period regarding HVAC work by Zack, welding, electrical work, and deficiencies in the implementation of the CPCo QA/QC program. Investigations or special inspections to resolve some of the issues identified within these allegations were initiated during this SALP period.

F. Escalated Enforcement Action

1. Civil Penalties

A Civil Penalty for \$120,000 was issued during this evaluation period in regard to the adverse findings identified during the diesel generator building inspection (329/82-22; 330/82-22). The licensee's request for mitigation of the amount is under review by the NRC staff.

2. Orders

The ASLB issued an order on April 30, 1982, which suspended all remedial soils activities on "Q" soils for which the licensee did not have prior explicit NRC approval. The ASLB issued a subsequent clarifying order on May 7, 1982.

G. Administrative Actions

1. Corrective Action Letters

- a. A letter of understanding was issued by the licensee on March 31, 1982, in response to deficiencies observed during the inspection of the auxiliary building monitoring instrumentation. (329/82-06; 330/82-06). This matter is also discussed in Section V.E.1. of this report.
- b. A Confirmatory Action Letter (CAL) was issued on August 12, 1982, in response to a potential ASLB order violation (329/82-18; 330/82-18). This matter is also discussed in Sections IV.1.a and V.E.2 of this report. Resolution of these concerns was still under investigation at the end of the SALP period.
- c. A CAL was issued on September 24, 1982, in response to deficiencies observed during the inspection of remedial soils QC inspectors recertifications (329/82-21; 330/82-21).
- d. A letter of understanding was issued on December 30, 1982, in response to deficiencies observed during the diesel generator building inspection (329/82-22; 330/82-22). This matter is also discussed in Sections V.C and V.F.1 of this report.

2. Management Conferences

about 1/2 on positive resin

During this SALP period eighteen conferences were held between NRC and licensee management:

- a. On July 24, 1981, a management meeting was held to discuss inspection findings pertaining to irregularities in control and review of small bore piping system design packages.
- b. On January 12, 1982, a management meeting was held to review and discuss recent changes to the Midland QA organization and the QA program for the remedial soils work.
- c. On March 30, 1982, a management meeting was held to discuss NRC findings in the installation of underpinning monitoring instrumentation.
- d. On April 26, 1982, a meeting was held to present to CPCo management the SALP 2 findings.

- e. On May 14, 1982, a meeting was held during which the licensee presented a preliminary report of the results of the electrical cable reinspections.
- f. On June 21, 1982, a meeting was held to discuss CPCo's response to SALP 2.
- g. On August 5, 1982, a meeting was held to further discuss CPCo's responses to SALP 2.
- h. On August 11, 1982, a management meeting was held to discuss a potential violation of the ASLB order of April 30, 1982.
- i. On August 26, 1982, a management meeting was held to discuss Midland QA problems.
- j. On September 2, 1982, a management meeting was held to discuss the Quality Improvement Plan.
- k. On September 29, 1982, a management meeting was held to discuss the integration of QC activities into Midland Project Quality Assurance Department (MPQAD).
- l. On October 5, 1982, a meeting was held to discuss the CPCo-TERA proposal concerning the Independent Design Verification Program (IDVP).
- m. On October 29, 1982, a meeting was held to discuss Bechtel performance/problems.
- n. On November 5, 1982, a meeting was held to discuss Stone and Webster (S&W) qualifications for performance of remedial soils third party overview.
- o. On January 18, 1983, an enforcement conference was held to discuss the diesel generator building findings.
- p. On February 8, 1983, a management meeting was held to discuss the CCP and the IDCVP as well as CPCo and Bechtel performance and desire to take proper corrective action. In addition, the NRC announced the imposition of a \$120,000 fine due to diesel generator building findings.
- q. On March 7, 1983, a meeting was held to further discuss the CCP.
- r. On March 15, 1983, a meeting was held to discuss the INPO Self Imposed Evaluation results.

3. Construction Permit Amendment

On May 26, 1982, the NRC amended the Construction Permits, CPPR-81 and CPPR-82, to implement the ASLB April 30, 1982, Order suspending all remedial soils activities on "Q" soils without prior explicit NRC approval.

III. SUMMARY OF RESULTS

<u>Functional Area Assessment</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
1. Soils and Foundations			X
2. Containment and other Safety Related Structures		NOT ADDRESSED IN THIS REPORT*	
3. Piping Systems and Supports		X	
4. Safety Related Components		X	
5. Support Systems		X	
6. Electrical Power Supply and Distribution		NOT ADDRESSED IN THIS REPORT*	
7. Instrumentation and Control Systems		NOT ADDRESSED IN THIS REPORT*	
8. Licensing Activities		X	
9. Quality Assurance		NOT ADDRESSED IN THIS REPORT*	
10. Preoperational Testing		NOT ADDRESSED IN THIS REPORT*	

*For Functional Areas "Not Addressed In This Report" see Section I, Introduction.

V. Supporting Data and Summaries

A. Noncompliance Data

Facility Name: Midland, Units 1 and 2

Docket Nos. 50-329
50-330

Inspections: No. 81-14 through 83-05

<u>Functional Area Assessment</u>	<u>Noncompliance and Deviation Severity Levels</u>					<u>Dev</u>
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	
1. Soils and Foundations			2	6	1	2
2. Containment and Other Safety-Related Structures	NOT ADDRESSED IN THIS REPORT					
3. Piping Systems and Supports						
4. Safety-Related Components					1	
5. Support Systems						
6. Electrical Power Supply and Distribution	NOT ADDRESSED IN THIS REPORT					
7. Instrumentation and Control Systems	NOT ADDRESSED IN THIS REPORT					
8. Licensing Activities						
9. Quality Assurance	NOT ADDRESSED IN THIS REPORT					
10. Preoperational Testing	NOT ADDRESSED IN THIS REPORT					
TOTALS	0	0	2	6	2	2

Drilled well in correct location

Drill well struck circ line

S+W - Indicators - NCR's pile up

~~H~~ Holes covered in.