



Consumers
Power
Company

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November 7, 1984

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Region III
US Nuclear Regulator, Commission
799 Roosevelt Road
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DOCKET 50-255 - LICENSE DPR-20 -
PALISADES PLANT - REVISED RESPONSE TO NONCOMPLIANCE 50-255/84-09-08

Three items of noncompliance were identified in IE Inspection Report 50-255/84-09 dated June 29, 1984. Consumers Power Company letter of August 10, 1984 provided the response to these items. We subsequently reconsidered the commitment made in response to noncompliance 50-255/84-09-08 because we did not believe there was basis for the noncompliance. Our revised response was submitted on September 27, 1984. As a result of subsequent discussions between members of our respective staffs, we have agreed to further modify our response. Our revised response is as follows:

Noncompliance (50-255/84-09-08)

10 CFR 50, Appendix B, Criterion XV, as implemented by Section 15 of Consumers Power Quality Assurance Program Description for Operational Nuclear Power Plants (CPC-2A) requires measures to be established to control materials, parts or components which do not conform to requirements in order to prevent their inadvertent use or installation. Appendix A of CPC-2A states the Consumers Power Quality Assurance Program complies with Regulatory Guide 1.38, Revision 2, which endorses ANSI N45.2.2-1972, "Quality Assurance Requirements for Packaging, Shipping, Receiving, Storage and Handling of Items for Water Cooled Nuclear Power Plants".

Contrary to the above, Consumers Power Quality Assurance Program and its implementing procedures do not require a technical justification be prepared and documented for the conditional release of a nonconforming item for installation. This documented technical justification prior to installing a nonconforming item is required by ANSI N45.2.2, paragraph 5.3.3.

Corrective Action Taken and Results Achieved:

All items that are deficient in characteristic or documentation which renders the quality of the item unacceptable or indeterminate are identified as nonconforming and any further use is controlled by the issuance of a Nonconforming Material Report (NMR). If the item is installed prior to the closeout of the NMR, it is further controlled by the issuance of a Conditional Material

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Release (CMR). Both the NMR and CMR require the item to be tagged. CMRs are not allowed for consumables. Prior to placing reliance on an item required to perform a safety-related, function all NMRs and CMRs associated with the item must be closed out. This close out includes completion of the technical justification.

As required by ANSI N45.2.2-1972, a technical justification is completed as part of the NMR process which also serves as the technical justification for the CMR. We do not interpret paragraph 5.3.3 of N45.2.2 to imply a technical justification be completed prior to the installation of the item. As long as a technical justification which reclassifies the item from unacceptable to acceptable is completed prior to placing reliance on the item, the requirement of paragraph 5.3.3 is met. Our Quality Assurance Program Description (CPC-2A) and implementing procedures are consistent with this interpretation.

To clarify CMR usage, we have revised our implementing procedures. For an item to be conditionally released it must meet the following requirements:

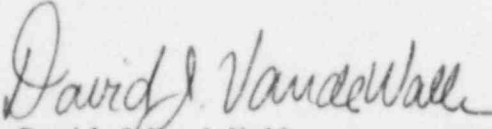
- a) The item is likely to be acceptable.
- b) The item will not need rework or repair after installation.
- c) The item is not a consumable (eg, chemicals, weld rods, resins, etc).
- d) There must be a means, such as a caution tag, to assure the item is not declared operable.

Corrective Action to be Taken to Avoid Further Noncompliances:

No additional actions taken.

Date When Full Compliance Will be Achieved:

Full compliance has been achieved.


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CC Director, Office of Nuclear Reactor Regulation
Director, Office of Inspection and Enforcement
NRC Resident Inspector - Palisades