

OCT 23 1984

Docket No. 50-410
Construction Permit No. CPPR-112

Niagara Mohawk Power Corporation
ATTN: Mr. William Donlon
President
300 Erie Boulevard West
Syracuse, New York 13202

Dear Mr. Donlon:

By letter dated March 20, 1984 an Order (EA 83-137) was issued which required Niagara Mohawk Power Corporation (NMPC) to conduct an independent third party management appraisal for Nine Mile Point, Unit 2. The Order additionally required the appraisal scope to include assessment of the adequacy of the actions implemented in response to the mandated corrective action verification audit and the development of a management trend program.

We are in receipt of your September 29, 1984 letter which proposes that the conduct of the independent third party management appraisal be deferred pending review of the results of the planned Region I Construction Team Inspection (CTI). Your letter additionally proposes that the scope of the Order be considered for amendment following analysis of our CTI results in conjunction with NRC review of the findings from the corrective action verification audit performed by Management Analysis Company.

As a result of our ongoing review of your corrective actions resulting from the Order, and the interim results of the Management Analysis Corporation (MAC) audit, we have identified several questions which we would like to discuss with you in the very near future.

1. MAC has issued reports for Phases I-III of the verification audit which indicates a lack of corrective action progress in these areas. Specifically, numerous deficiencies were not able to be evaluated due to lack of closure by NMPC. Additionally, the review phases were not completed and interim reports were issued. This apparently results from a lack of manpower dedicated to the audit team, increased deficiency sample sizes, or inadequate scope of review by MAC.
2. Multiple reviews of the site radiographic program have identified continuing deficiencies in this area. The adequacy of the site radiographs have been found to be unsatisfactory as a result of both NRC and your own nondestructive examination audits. Timely corrective action is required in this area to provide the necessary confidence that site radiographic processes have been performed in accordance with the requisite quality requirements.

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3. To date seven Quality Performance Management Program reports have been issued. We would like to discuss the program outlines, parameters monitored, and the resultant effectiveness of the program.
4. Our continuing reviews on site indicate that hardware deficiencies continue to be identified in the field. The reviews conducted by MAC do not portray a concerted effort to verify the correction of hardware vs. the verification of corrective actions by a review of documentation.

In closing, we are concerned that the results of the Management Analysis Corporation audit, analyzed in conjunction with other NRC identified deficiencies, shows that progress in improving the quality of construction may not be as good as we had expected. We will be in contact with you to make arrangements for a mutually acceptable meeting date to discuss these issues.

Sincerely,

Original signed by
Thomas E. Murley
Thomas E. Murley
Regional Administrator

cc:
Connor & Wetterhahn
John W. Keib, Esquire
W. Morrison, NMP-2 Project Director
C. Beckham, NMPC QA Manager
Department of Public Service, State of New York
Public Document Room (PDR)
Local Public Document Room (LPDR)
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NRC Resident Inspector
State of New York

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bcc:
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