

January 25, 1985

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Appeal Board

In the Matter of)
)
LOUISIANA POWER & LIGHT COMPANY) Docket No. 50-382 OL
)
(Waterford Steam Electric Station,)
Unit 3))

JOINT INTERVENORS' REPLY TO APPLICANT AND
NRC STAFF'S RESPONSES TO JOINT INTERVENORS'
MOTION TO REOPEN

On November 8, 1984, Joint Intervenors filed a motion to reopen for litigation of three quality assurance and management integrity contentions. Applicant Louisiana Power & Light Company ("LP&L") and the Nuclear Regulatory Commission ("NRC" or "Commission") Staff oppose the motion.¹

Joint Intervenors submit the following reply to these motions.²

¹On December 18, 1984, the NRC Staff issued a low-power license to LP&L for Waterford 3 even though this Atomic Safety and Licensing Appeal Board ("Appeal Board") still had, and currently has, under consideration two motions to reopen on significant safety issues. Joint Intervenors know of no other case in which the NRC Staff has issued a license while the NRC's adjudicatory bodies were seriously considering motions to reopen on issues which call into question the safety of the facility.

²The NRC Staff relied heavily on SSER 9 to close out the 23 problem areas outlined in the Eisenhut Letter of June 13, 1984. Therefore, Joint Intervenors waited for the issuance of SSER 9, which was received on or about January 11, 1985, prior to responding to the Staff and Applicant's responses.

I. THE NRC STAFF'S RESPONSE PROVIDES NO INDEPENDENT ANALYSIS OF JOINT INTERVENORS' MOTION AND SHOULD BE REJECTED.

The NRC Staff's response to Joint Intervenor's motion to reopen, filed on December 21, 1984, is copied, often word for word, from the applicant's brief. Compare, e.g., the following:

<u>APPLICANT'S RESPONSE</u>	<u>NRC STAFF RESPONSE</u>
Page 7 (citation)	Page 5
Page 9 ("In May, 1984...")	Page 6
Page 10 ("The other exhibits submitted by Joint Intervenor's...")	Page 7
Page 14 (citation and text)	Page 9
Page 15 ("Joint Intervenor's have failed to carry their 'heavy burden'...")	Page 9
Page 15 ("Joint Intervenor's proposed quality assurance contention encompasses twelve general allegations...")	Page 10
Page 16 (quotation)	Page 10
Page 16 ("Joint Intervenor's quality assurance allegations are either entirely without factual support, are factually wrong...")	Page 11
Page 18 ("Many of Joint Intervenor's allegations are clearly supported by the exhibits that Joint Intervenor's have cited for factual support...")	Page 11
Page 22 ("In support of their contention, Joint Intervenor's recite allegations in several areas...")	Page 13
Page 28 (Joint Intervenor's allege in their motion at 28-29...")	Page 15

APPLICANT'S RESPONSE

NRC STAFF RESPONSE

Page 29 ("(g) Other Issues.
The organization of Joint
Intervenors' motion...")

Page 16

Page 31 ("Joint Intervenors'
third proposed contention
alleges that the NRC Staff's
regulatory activities...")

Page 18.

It is clear that the NRC Staff placed little if any independent thought into the arguments in their brief. They have relied on the applicant even to describe the staff's own efforts at Waterford 3. The Appeal Board should reject the brief in its entirety.

The NRC Staff, sometimes criticized for its role in licensing proceedings, here sees its role as to mimick, word for word, sentence by sentence, and argument by argument LP&L's position. Their response, therefore, provides no assistance to this Board in determining whether to admit Joint Intervenors' contentions.

Joint Intervenors further believe that the NRC Staff's copying of the applicant's brief, often word for word, demonstrates the degree to which the NRC Staff's efforts at Waterford have been predetermined and the Staff ordered to find the problems at Waterford are not significant enough to warrant denial of a license.

The affidavits attached to the NRC Staff's response provide additional evidence of the Staff's total submission to the applicant's interest in obtaining a license as rapidly as possible.

Task Force Director Dennis Crutchfield admits that LP&L made false statements in an April 26, 1984 letter responding to the NRC's CAT Inspection findings but adds that such false statements are "understandable." Crutchfield Affidavit at ¶ 16. It appears that Mr. Crutchfield and the NRC Staff knew that the response was inaccurate but considered the fact that LP&L made such false statements, and failed to correct them, of no consequence. The NRC Staff's cavalier attitude toward licensee's duty to the NRC to disclose all material facts must be seen as further evidence that their efforts at Waterford cannot be expected to assure the safe construction and operation of Waterford. As such, Mr. Crutchfield's statement that applicant's false statements are "understandable" provide additional support for Joint Intervenors' third contention.

II. NRC STAFF'S FACTUAL MISSTATEMENTS.

The NRC Staff makes a number of factual misstatements in their attempt to attack the Joint Intervenors. Mr. Crutchfield in his affidavit states that CAT Team inspections such as the one conducted at Waterford are not conducted only at plants with construction and QA problems. Crutchfield Affidavit, ¶ 11. However, Mr. Denton, in a June 8, 1984 public meeting on Waterford stated just that "Well, of course, we only send--teams to plants where we think there's some indication they may not be meeting requirements." Exhibit 49 at 45.

Mr. Crutchfield also claims that Joint Intervenors stated that the NRC Waterford 3 Task Force was composed of 22 inspectors. In fact, Joint Intervenors stated that Waterford 3 Task Force was composed of 22 inspectors

from various NRC regions and numerous NRC and outside consultants..." Joint Intervenors' Motion to Reopen at 33. Joint Intervenors derived this information from the introduction to SSER 7, at 2-3.

Mr. Crutchfield states somewhat mysteriously that at least one of the three affiants has contacted the NRC Staff but refused to identify safety issues. Joint Intervenors have no information that any of the three affiants has contacted the NRC Staff but refused to speak to them about safety problems at Waterford.

Finally, Mr. Crutchfield suggests that the allegeders who worked with the NRC Staff were not paid for their efforts but only reimbursed for expenses or lost wages. Crutchfield Affidavit at ¶ 14. This is contrary to statements made by George Hill, one of the main witnesses working with the Task Force, with whom Joint Intervenors' counsel has spoken on numerous occasions. Joint Intervenors continue to believe that the NRC Staff's payment to witnesses and former and current Waterford employees disclosing potential safety problems improperly compromised their independence and pressured them to sign off on the staff's review and resolution of the allegations.

III. SSER 7 AND SSER 9 DO NOT PROVIDE REASONABLE ASSURANCE THAT THE QUALITY ASSURANCE AND MANAGEMENT INTEGRITY FAILURES DURING WATERFORD 3 CONSTRUCTION HAVE BEEN ADEQUATELY RESOLVED TO ENSURE THE SAFE CONSTRUCTION AND OPERATION OF THE PLANT.

The NRC Staff largely relies on the SSER 7 and SSER 9 compiled by the Waterford 3 Task Force, to resolve all issues raised in Joint Intervenors' Motion to Reopen.

Joint Intervenors anticipated the NRC Staff's response to their Motion to Reopen and provided representative examples of the serious flaws in SSER 7, which was issued on October 1, 1984. Joint Intervenors' Motion to Reopen at 51-56. Given the NRC Staff's total reliance on this document and SSER 9, Crutchfield Aff. at ¶ 7, 9, Joint Intervenors are compelled to demonstrate how the flaws outlined in their Motion to Reopen run throughout SSER 7 and show the inadequacy of the NRC Staff's efforts to ensure that the quality assurance breakdown at Waterford has been resolved.

First, Joint Intervenors note that the NRC Staff had determined at the time of Mr. Eisenhut's June 13, 1984 letter to LP&L, that all 350 allegations, other than those specifically included in the letter, were of no safety significance and would be included in SSER 7. This was only 72 days after the Task Force's creation on April 2, 1984. Moreover, they drew this conclusion fully five weeks prior to issuance of Inspection Report No. 50-382/84-34, SSER 7, at Appendix C, and three and one-half months prior to issuance of SSER 7. Further, the NRC Staff made this predetermination prior to much of its now-heralded inspection efforts during the summer and early fall of 1984 and prior to any review or reinspection by LP&L in response to the NRC-defined concerns.

This predetermination is not surprising in light of the Waterford 3 Task Force's directions from Executive Director for Operations William J. Dircks to ensure that all allegations of

faulty QA and construction practices at Waterford be handled in a manner to ensure the expeditious licensing of the plant. SSER 7, at 1.³ (emphasis added)

Joint Intervenors provide the following further analysis of SSER 7 which demonstrates that the representative flaws pointed out in their early brief are inherent to SSER 7 and therefore it cannot be used to establish an adequate resolution of the serious safety concerns raised during the NRC Staff's review and similar concerns identified in Joint Intervenors' Motion to Reopen.

A . SSER 7 is organized to obfuscate the 350 allegations purportedly addressed.

SSER 7 organizes the 350 allegations into 104 issue areas. Nowhere does the document list all the allegations individually. Thus, the Staff's characterization of the allegations cannot be examined for accuracy. As a result, it is impossible to determine whether the staff has investigated each allegation.

For example, in A-347-A, the Staff combines four allegations into one without describing each allegation separately. (A-347, A-072, A-076, and A-077). SSER 7, at 278. Instead, the Staff characterizes the four allegations as follows:

It is alleged that EBASCO's Nonconformance Report (NCR) W3-6514 was incorrectly resolved and closed, and that uncertified steel was used for instrument tubing supports.

³Mr. Dircks directed the Task Force to "assure issues are resolved on a schedule to satisfy hearing and licensing decision needs...leading to prompt licensing decisions." Mr. Dircks' memorandum was written after express orders from Chairman Palladino to speed up the NRC Staff's efforts to resolve construction and QA flaws. See Palladino Memo, attached and incorporated herein as Exhibit 1.

The characterization suggests at least two issues and both have generic implications if true.

The first issue relates to EBASCO's NCR W3-6514, which documents that the wrong heat number was stamped on a support angle. Apparently, EBASCO QA dispositioned the NCR without requiring heat number traceability. The Staff excused the heat number traceability requirement and noted that only a certificate of compliance was necessary to comply with the EBASCO QC program. However, the Staff does not indicate whether such a certificate was provided or whether NCR W3-6514 was properly dispositioned.

The second issue discussed in A-347 is that uncertified steel was used to fabricate instrument tubing supports. After admitting that traceability was lost on "some hanger material" the Staff quickly dismissed the significance of this fact by noting that Ebasco reviewed all heat numbers furnished by suppliers of the structural steel. This resolution of the problem is, as SSER 7 notes, "outside the Mercury program." Again, the Staff fails to state whether the structural steel used in the program received a certificate. The Staff has no reason to accept EBASCO's representation, since EBASCO has in the past been unable to maintain accurate records and is alleged to have falsified documents. A-33, SSER 7, at 86. Therefore, the NRC Staff's facile conclusion that the structural steel used was "properly certified" is unsupportable without further investigation. Id. at 278-279.

The Staff's rationale for organizing the allegations into 104 issue areas is to reduce redundancy and to help explain the Task Force's approach for resolving similar issues. Id. at 3-4.

However, the NRC Staff often analyzes related allegations separately. This tends to de-emphasize their safety significance and generic implications.

For example, Allegation 308 relates to inadequate piping system documentation. The Staff addressed this allegation by examining documentation procedures and a small sample of turnover packages for "technical adequacy and content." Id. at 267. The sample size is clearly too small to support the conclusion that the allegation is unsubstantiated.

More importantly, this analysis of Allegation 308 does not reflect the magnitude of the breakdown in Waterford's document control procedures. The Appeal Board, to appreciate the problem fully, must examine A-308 in light of more than a dozen other allegations, including A-35, A-183, A-184, A-197 to A-206, A-223, A-230.⁴

The following allegations are supportive of A-308: Mercury (1) failed to maintain accurate documentation in its Operation Control Record (OCR) packages (A-183); (2) QC packages do not accurately reflect field construction (A-223); (3) documents are incomplete and do not match the as-built plant configuration (A-230); (4) corrective action for welds was not documented (A-97, et. al.).

⁴For example, in A-223 the Staff states: "[R]ecords were poorly maintained; weld history was difficult to follow; the filing system was extremely cumbersome; retrieveability was difficult; and records were not always original copies. . . ." Id. at 203.

The Staff resolved all these allegations about Mercury merely by reviewing ten Mercury work packages. This paperwork review cannot sustain the Staff's favorable conclusion yet these allegations do not demonstrate a safety problem. Further, the Staff states no justification for its limited review of these particular packages.

With respect to allegations made against Tompkins-Beckwith, the Staff reviewed an unspecified number of work packages of three startup systems (A-308). Id. at 267. Again, the Staff does not state why these packages were the only ones analyzed. Based on the Staff's limited review, the Staff concludes that all Tompkins-Beckwith documentation is "adequate." Ibid.

In its review of Mercury and Tompkins-Beckwith document control procedures, the Staff fails to consider the critical issue of whether the documentation accurately reflects the as-built condition of the plant. The Staff's failure is particularly significant in light of EBASCO's prior misrepresentation that it had compared turnover records with as-built systems. Joint Intervenors' Motion to Reopen, Exhibit 6 at 9.

Additionally, A-35 involves the failure of LP&L and EBASCO to verify that piping systems were installed and inspected in accordance with the ASME code. SSER 7 at 92. The staff acknowledges that "adequate documentation may not be available." Ibid. Nonetheless, after reviewing no more than the document control procedures, the staff concludes that:

Implementation [of the procedures] was verified by reviewing objective indications to substantiate documentation adequacy."

In fact this representation is misleading since the Staff examined only one startup system. The Staff has no basis for its "rosy" conclusion that "EBASCO...and LP&L have implemented the program requirements." Ibid.

In this way the Staff effectively obscured a major documentation control breakdown at Waterford 3.

B. THE STAFF'S ANALYSIS IS UNDULY RESTRICTIVE AND PROVIDES NO FACTUAL BASIS FOR THE CONCLUSIONS REACHED.

The NRC Staff applied a restrictive approach to its evaluation of the allegations and failed in many cases to address their potential safety significance. Additionally, the Staff more often than not failed to obtain, or provide in SSER 7, a factual basis for its conclusions.

For example, in allegation A-341 the Staff noted that the allegor did not give specific information about the location of deformed cable trays. The Staff apparently did not contact the allegor for clarification but instead chose this particular portion of cable tray to inspect. Nor did the Staff describe the relative percentage of cable tray that this sample represents. As a result it is impossible to assess whether the safety concerns have been addressed.

Another example of the Staff's refusal to focus on the "heart" of the allegations is demonstrated by its treatment of allegation A-306. A-306 relates to Tompkin-Beckwith's failure to adequately control measuring and testing equipment. Id. at 266. The Staff conducted a paperwork review of the contractor's procedures and work packages for hydrostatic testing. However,

the Staff did not explain why it examined these particular work packages rather than others. Further, the Staff apparently made no attempt to clarify the allegations by contacting the allegor and did not conduct any inspection of the equipment in question. Such inspection would seem wise in light of equipment problems in the past. See, e.g., SSER 7 at 88-91, 93.

Another example of the Staff's failure or refusal to provide any factual support for its analysis is demonstrated by its discussion of Allegation A-283 which states QA/QC personnel were discouraged from initiating NCR's. Id. at 246. This allegation was reviewed in conjunction with allegations A-49 and A-123. Id. at 101-102. These allegations involve charges that management pressured contractor personnel so as to prevent identification of construction deficiencies. The NRC Staff resolved these allegations by examining EBASCO procedures for filing NCR's and related LP&L correspondence. The Staff then dismissed the allegations on the basis of this paperwork review and concluded the NCR's "have been entered into the NCR system and the issues resolved."

The Staff gives no reason for its discrediting of the allegors' testimony or its acceptance of EBASCO and LP&L's representations as to how the NCR system on paper was designed to work. Id. at 101.

The Staff similarly provided no factual basis for its resolution of allegation A-123 which states EBASCO QA record reviewers were not allowed "to look in the field" because they found too many problems with Mercury and Tompkin-Beckwith's work. The Staff

dismissed this allegation by finding no requirement that record reviewers be permitted to go into the field. Id. at 102.

It ignored the real significance of the charge that document reviewers were being obstructed in performing their job because management did not want them to identify nonconforming conditions or documentation problems.

It is clear that SSER 7 was intended to disguise the significance of the QA and "character" breakdown at Waterford 3 rather than provide an honest and searching review of the over 350 allegations. As such it cannot support a conclusion that the QA breakdown at Waterford has been resolved so that the quality of the plant's construction can now be assured.

C. SSER 9 WHICH ADDRESSES 23 PROBLEM AREAS PROVIDES NO ASSURANCE THAT SAFETY PROBLEMS AT WATERFORD DO NOT PERSIST.

SSER 9, which Joint Intervenors received on or about January 11, 1985 was intended to address LP&L's resolution of the 23 areas of safety significance listed in the Eisenhut letter of June 13, 1984.

SSER 9's resolution of these problems, of acknowledged safety significance, is more seriously deficient than the Staffs' efforts in SSER 7. In large part the NRC Staff accepts minimal efforts by LP&L to justify past failures to meet basic quality assurance criteria, including qualification of QA/QC personnel; adequate qualification of welders; use of controlled welding procedures; proper documentation and resolution of non-conforming conditions; and proper control and traceability of materials. In doing so, the NRC Staff has allowed LP&L to resolve the QA breakdown in a manner which falls far short of the standards required at the Midland and Zimmer plants to ensure the quality of construction.

Moreover, the NRC Staff has for the first time at any nuclear plant, required nothing more of the licensee than it provide the NRC with "approaches" to problems and has permitted a case-by-case negotiated solution to each problem area. At every other problem plant including Zimmer, Midland, Diablo Canyon, and Byron, the NRC Staff or the Commission itself has required an approved program plan which outlined specifically how the utility will resolve QA and construction deficiencies, i.e., whether by review of documents; reinspection; nondestructive or other testing; or engineering analysis. In the case of

Waterford 3, apparently because of the direction from Mr. Dircks, the NRC Staff has been satisfied with merely an "approach," which is revised at the utility's will. In fact LP&L's "approach" to resolution of the most important problem area in the Eisenhut letter of June 13, 1984--unqualified QA/QC personnel--has been revised several times. Further, the proposed resolution of the 23 problems of safety significance is clearly inadequate. Joint Intervenors provide the following as examples of the basic problems of SSER 9.

ISSUE 1

The NRC Staff originally required LP&L to verify the qualification of 100 percent of site QA/QC personnel and to reinspect the work of all inspectors found to be unqualified. LP&L's efforts, as described in Appendix J, at 7-18, fall far short of that directive.

LP&L goes to extreme lengths to find inspectors qualified. And, at this time the status of qualification of QA personnel is unknown. SSER 9 at 18. More importantly, it is unclear what percentage of the work of unqualified QC personnel has been reinspected. The NRC Staff has permitted the utility to justify the quality of Waterford 3's construction not through requiring reinspection but through a sample review of documentation and tortured reasoning as to how the work inspected by QC inspectors not meeting ANSI N45.2.6.-1973 requirements may be verified as safe.

For example, three unqualified LP&L QC inspectors were deemed to be qualified to perform what were described as quality surveillances even though they were not qualified to do inspec-

tions. Id. at 9. Joint Intervenors know of no separate qualifications required for QC personnel conducting surveillances rather than inspections.

It is stated that 61 Ebasco QC inspectors did not meet requirements. Ibid. The Staff fails to indicate what percentage of the total population of Ebasco QC inspectors this comprises. The Staff then states that six unqualified QC inspectors were Level III's but did not perform inspections. Since it is likely that they were in supervisory or administrative roles, their lack of qualification or training may have greater consequences than if they had been merely inspectors. As such their lack of qualification cannot be ignored, as the Staff does.

With respect to four unqualified individuals who worked in the concrete test station, their work was justified on the basis it was "simplistic technician-type work." Id. at 10.

In some instances, the NRC Staff required no reinspection of the work of unqualified inspectors but merely looked at the inspection paperwork to sign off on the inspections. The paperwork for one unqualified individual's nondestructive examination tests on 15 welds was examined by LP&L and documented and then the NRC Staff merely reviewed LP&L's report. Id. at 9. The work of ten other unqualified inspectors was determined sound based on the undefined and unexplained "limited type of inspection performed and documented OJT and formal training." Ibid.

Although it was determined that 27 Fishbach and Moore QC inspectors were qualified, the NRC required no reinspection of their work. Their work was justified as complementary to the

inspections by qualified personnel and by later LP&L startup walk-downs and testing. Id. at 12.

Ten Gulf Engineering QC inspectors were found unqualified. In the case of five inspectors LP&L and the NRC Staff largely relied on testing to ensure the adequacy of their work. Id. at 13.

Fully 136 Mercury Company of Norwood ("Mercury") QC inspectors were found unqualified. The NRC Staff acknowledged that these unqualified personnel conducted inspections of N2 instrumentation. Yet it found that 100 percent reinspection of N2 instrumentation was not necessary on the basis that "the same program controls were utilized to install the N1 systems" and the N1 systems reinspection program found no significant problems. Ibid. As is the case with Gulf Engineering, LP&L and the NRC Staff rely largely on preoperational testing to ensure the quality of N2 instrumentation.

Finally, the work of unqualified Mercury QC inspectors was justified on the basis that Mercury and Ebasco did a 100 percent review of the documentation for the inspections. But the documentation of Mercury work is notoriously deficient. Therefore, it is clear that a serious review of the documentation of these inspections would lead to greater doubts about the quality of the work.⁵

LP&L stated that five Nisco QC inspectors were not qualified. They attempt to verify the quality of these inspectors' work in

⁵The NRC Staff, as in most sections of SSER 9, failed to indicate what percentage of N2 installation has been reinspected or what percentage of Mercury QC inspectors were found unqualified.

part by nondestructive examination by an independent subcontractor. Since neither the subcontractor nor the time during which this examination was conducted is identified, one cannot determine whether it was in fact completed by qualified individuals. Id. at 14-15.

LP&L found 20 Sline QC inspectors did not meet requirements but again was permitted to justify the quality of work they inspected by the evaluation that these inspections were "relatively simple" or had been previously reviewed by manufacturer representatives or through Ebasco surveillances. As stated above, LP&L and the Staff have failed to demonstrate that the personnel who conducted those other inspections and surveillances were qualified. Id. at 15-16.

Thirty-eight Tompkins-Beckwith QC inspectors were found to be unqualified. LP&L was permitted to justify their work in the piping area by a minimal and undefined (in percentage terms) of reinspection (2600 socket welds) and testing. In the area of seismic supports and restraints, Ebasco conducted only undefined "field verification" activities and an undefined and apparently small relative amount of reinspection (4500 safety-related pipe supports and 200 highly-stressed hangers). LP&L's QA reinspection of 2500 hangers does not appear to be QC reinspection such as have been required at such plants as Zimmer and Midland. Id. at 16-17.

In the case of nine unqualified Waldinger QC welding inspectors, LP&L did only a sample reinspection of their welds. No 100 percent reinspection of these safety-related welds was proposed or required. Id. at 17.

The NRC Staff has apparently approved LP&L's response even though the qualifications of QA personnel at the time of issuance of SSER 9 have not been reviewed or resolved. The Staff suggests March 1, 1985 as a target date for completion of this task. Inexplicably the Staff states that unqualified QA personnel should have no impact on the quality of Waterford's construction and is a problem which does not need to be resolved prior to full power operation of the facility. Id. at 18.

ISSUE 6

The NRC Staff found serious problems with control and proper dispositioning of nonconformance reports (NCR's). It required that LP&L do a 100 percent review of NCR's and DR's to ensure they were appropriately upgraded, dispositioned and all necessary corrective actions were taken. Id. at 29-30. LP&L's resolution, which the Staff has accepted, is a review of only 28 percent of the NCR's and an undefined percentage of the DR's. LP&L and Ebasco, even with this limited review, have found some NCR's which were not properly dispositioned. Therefore it is certain similar problem NCR's would be found in the remaining 72 percent of the "potentially deficient NCR's". Yet the NRC Staff stated that correcting the improper dispositioning of this 28 percent sample, including in some cases, reinspection, engineering evaluation and rework, is sufficient to ensure no problems will remain uncorrected due to improper dispositioning of the other 72 percent of NCR's. Id. at 31. Joint Intervenors found no credible support for this "Alice in Wonderland" reasoning.

Further, LP&L's review of Ebasco NCR's closed after February,

1984, at a time when the NRC had already warned LP&L of serious QA failings, still found improper dispositioning and documentation problems. Id. at 31.

It is hard to believe that under these circumstances anything less than a 100 percent review of the NCR's will ensure all needed corrective action has been taken.

The NRC Staff in its most recent review of LP&L's NCR system has concluded the NCR system has "programmatic problems" and "documentation problems". Yet without explanation "they again conclude that hardware in the plant was not affected." Id. at 32.

Joint Intervenors believe that the fact that LP&L, to this day, is unable to develop and implement an NCR system to identify and disposition properly nonconforming conditions, is support for Joint Intervenors' contention that LP&L lacks the character and competence to operate Waterford safely. Further, it supports Joint Intervenors' argument that the NRC Staff is unable to identify the cause of the QA and character breakdown at Waterford, much less enforce effective corrective action.

LP&L's review of a random sample of DR's found similar deficiencies, including ones needing engineering reevaluation. Yet neither LP&L nor the NRC Staff found any need to conduct a 100 percent review of DR's as originally required. Id. at 34.

The NRC Staff permitted LP&L to resolve Issue 6 through an LP&L audit of Mercury and Tompkins-Beckwith DR's. Ibid. Yet LP&L and the NRC Staff have already uncovered sufficient documentation deficiencies to demonstrate the uselessness of any such paperwork

audit.

ISSUE 22

The NRC Staff required LP&L to demonstrate the qualification of Mercury welders and justify using "rebake" temperatures which failed to meet the requirements of ASME and AWS Codes.

With respect to the rebake temperatures it was acknowledged that rebaking of low hydrogen electrodes as done at Waterford did not meet AWS/ASME Code requirements. Yet largely on the basis of the electrode manufacturer's word that the procedure used at Waterford 3 was adequate, the NRC Staff granted LP&L a waiver from Code requirements. Id. at 83.

Neither LP&L nor the NRC Staff has provided any justification for permitting LP&L to, on an ad hoc basis, modify the welding code requirements in this manner.

IV. JOINT INTERVENORS' RESPONSE TO APPLICANT'S ARGUMENT THAT QUALITY ASSURANCE CONTENTION LACKS FACTUAL BASIS.

Licensee argues that Joint Intervenor's quality assurance contention is 1) not supported by the affidavits and exhibits attached to Joint Intervenor's Motion to Reopen; and 2) the facts alleged and supported through affidavits and documents evidence are not sufficient to demonstrate unresolved problems of safety significance at Waterford 3.

Joint Intervenor will not address the second argument since this Appeal Board should at this point be making a threshold determination of whether Joint Intervenor have presented sufficient information to warrant admission of three new contentions, not whether Joint Intervenor have proven their case. Therefore,

this reply does not address the specific allegations brought out in applicant's affidavits.

However, intervenors will address the argument that specific documents do not support the allegations made in Joint Intervenors' Motion. First, applicant contends that Exhibit 1 does not support the statement that LP&L failed, even after notification, to ensure administrative procedures were instituted to cover the interface between on-site and off-site personnel. Exhibit 1, a MAC Audit, recommends that the LP&L Project Manager should establish an office at the site and more generally that LP&L should gain greater familiarity with and control over Ebasco and other contractors. Exhibit 1 at 3-6.

Applicant states that Exhibit 4 does not support the allegation that construction had effective control over day-to-day operations of the QA department and the major policy decisions. However, it is clear from the QA Manual, a draft of which constitutes Exhibit 4, that the Power Production Manager controlled the overall policy of the QA Department and had direct supervisory control over the QA Manager. Moreover, the Quality Assurance Committee which was charged with resolving disputes between the Project Manager and the QA Manager, reported directly to the Manager of Power Production. As such, the Power Production Manager, whose major concerns were construction, cost, and scheduling, controlled both the policy and implementation of the QA program in most important respects. This is in direct violation of 10 CFR Part 50, Appendix B, requirements that the QA program be independent of construction and that the organization

"report to a management level such that this required authority and organizational freedom [be] provided." Criterion, Organization. See portions of Exhibit 4, attached and incorporated herein as Exhibit 2.

Applicant states that Exhibits 1, 8 and 22 do not support the allegation that LP&L failed to provide QC coverage for work done on the night shift. Clearly Exhibit 8, at 6, states precisely that. Exhibit 22, which is a partial response to the audit findings of Exhibit 1, states, at 1, "I'm not sure of the necessity of shift coverage of proper installation," which according to one of Joint Intervenors' affiants involved QC coverage on the night shift. Therefore, both Exhibits 8 and 22 demonstrate LP&L's failure to provide QC coverage on the night shift, even though it is apparent from Exhibit 22 that some LP&L personnel were recommending QC coverage for all cable installation. Exhibit 22 at 1.

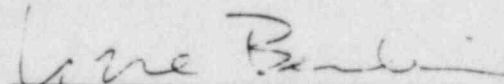
Applicant states that Exhibits 25 and 26 do not support Joint Intervenors' statement that LP&L lacked a records index as committed to in LP&L's PSAR and as required by ANSI N.45.2.9. In fact both documents address errors in manufacturers'; drawings which should have been identified and sent to site engineering for review and correction but were not detected except by Information and Records Management System personnel. Both memoranda demonstrate that LP&L did not maintain adequate control over EMDRAC controlled drawings and that errors on the drawings were not found and corrected. This is a problem which would be cured or avoided altogether by a records index such as the one to which LP&L had committed and was required.

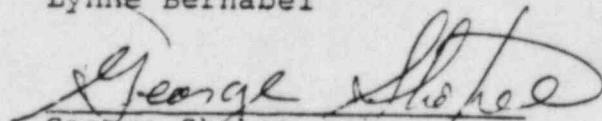
Finally, LP&L states that Exhibit 29 does not support Joint Intervenors' allegation that LP&L did not maintain adequate oversight of procurement activities. Joint Intervenors agree that in this instance Exhibit 29 does not support that proposition and was misidentified. Joint Intervenors attach as Exhibits 3, 4 and 5, respectively, three memoranda which support that proposition. Exhibit 3 is a November 9, 1979 Memorandum to the NRC from the Manager of Power Production; Exhibit 4 is a memorandum on ASME Survey Problems and Shortcomings, which includes problems with oversight of procurement activities; Exhibit 5 is a memorandum which includes open audit items which has taken a long time to close out due to poor cooperation or unsatisfactory responses by Ebasco or other contractors. Included is an item described as "Control of Receiving, Handling and Storage. The review of documentation packages for non-safety items." Id. at 4.

V. CONCLUSION

In consideration of the above, Joint Intervenors request that this Appeal Board grant their motion for admission of three new contentions.

Respectfully submitted,


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DATED: January 25, 1985

Attorneys for Joint Intervenors



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

EXHIBIT 1

April 23, 1984

MEMORANDUM FOR: Commissioner Gilinsky
Commissioner Roberts
Commissioner Asselstine
Commissioner Bernthal

FROM: Nunzio J. Palladino *NJP*

SUBJECT: APRIL 24, 1984 MEETING ON STEPS TO AVOID
LICENSING DELAYS

Attached is a copy of a paper on the purpose of and agenda for the April 24, 1984 Commission meeting on potential licensing delays.

On March 9, 1984, the EDO notified the Commission of significant potential licensing delays. Specifically, the EDO indicated potential delays of 14 months, whereas our January report to Congress forecast a total delay of only 7 months. Subsequently, based on information provided by the staff, it became clear to me that additional delays were also possible, and I informed you of the general circumstances in my memorandum of March 20, 1984.

The April 24 meeting should provide an opportunity for Commissioners to keep current about the status of those plants approaching a licensing decision by the agency so as to avoid a surprise such as developed several years ago, I understand, about forecast licensing delays. The April 24 meeting can also address the extent to which the Commission's Policy and Planning Guidance objective on this matter is being carried out. The PPG includes the statement that "actions should continue to be taken to eliminate unwarranted delay in reaching decisions consistent with not compromising safety." Furthermore, an early meeting on this subject helps to preserve the widest range of options for addressing potential delays.

The purpose of the meeting includes hearing from the EDO and OI on actions they control which affect licensing schedules, or which could be affected by resource needs.

With regard to board panel Chairmen (i.e., Tony Cotter and Alan Rosenthal), discussions might center on general workload plans and problems anticipated due to the timing of EDO or OI staff inputs. However, the subject of expediting proceedings involving particular plants will be discussed with the Commissioners by our immediate advisers, OGC and OPE, under appropriate procedural safeguards.

Finally, the April 24 meeting will give the Commission the opportunity to address the issue of how to deal with last-minute allegations in our licensing decisions.

cc: EDO
OGC
OPE
OI
Board Panel Chairmen
SECY

APRIL 24 MEETING ON STEPS TO AVOID LICENSING DELAYS

Purpose:

1. To inform the Commission of the status of plants in the licensing process, with particular attention to matters which could impact the ability of NRC to complete its actions before some plants are ready for operation.
2. To inform the Commission of steps being taken or planned (by the EDO staff, OI staff, and the Boards) to address possible delays in particular cases.
3. To consider with OPE and OGC possible Commission actions to address delays in specific proceedings (this could include having OGC prepare options for later consideration by the Commission, or the Commission could consider proposals made prior to the meeting or ad hoc at the meeting).
4. To consider a Commission policy of handling last-minute allegations and, in particular, a policy for deciding which allegations shall be addressed/resolved before licensing action (e.g., thresholds).

Meeting Agenda

1. Overview of status of all near-term operating license plants, and discussion of status of specific plants delayed or possibly delayed by NRC actions -- EDO (open)
2. Discussion by Board Panel Chairmen of general policies to avoid delay and general problems anticipated due to the timing of EDO and OI staff inputs -- Cotter/Rosenthal (open)
3. NRC staff actions to address delay associated with NRC staff process -- EDO (open)
4. Discuss policy on allegations -- OGC/OPE (open)
5. OI actions to address delay associated with pending IO investigations -- OI (closed under Ex. 5 and 7)
6. Identify possible Commission actions to address procedural delay in pending litigated cases -- OGC and OPE (closed under Ex. 10) (EDO and OI not present)

Possible Outcomes:

1. Commission guidance to EDO staff or OI staff.
2. Commission request to OGC to prepare options or draft orders in particular cases.
3. Commission guidance on allegations policy.

Notes: Dup to form
 1. Double space
 2. Single space between
 paragraphs.

sp Foreword
 FORWARD

LOUISIANA POWER & LIGHT COMPANY POLICY STATEMENT

Double Space → PREOPERATIONAL
 QUALITY ASSURANCE PROGRAM

It is the policy of Louisiana Power & Light Company (LP&L) that the LP&L^{Preoperational} Quality Assurance Program^(Preoperational) for the design, procurement, fabrication, construction and testing of LP&L's nuclear generating station(s) shall comply with the requirements of Appendix B to 10CFR50 and shall follow the guidance of WASH 1283 (dated 5/24/74) and WASH 1309 (dated 5/10/74).

The LP&L^{Preoperational} Quality Assurance Manual^(Manual) is the basis of the LP&L^{Preoperational} Quality Assurance Program. The ~~Quality Assurance~~ Manual outlines the responsibilities of LP&L personnel and the responsibilities of LP&L's major contractors^{during the design, procurement, fabrication, construction and testing phases of the nuclear project(s).} The position of Manager of Power Production is the highest level of corporate management responsible for establishing Quality Assurance policies, goals and objectives.

The Nuclear Project Manager shall be responsible for Nuclear^{be} Project^{be} functions other than Quality Assurance^{Group} functions, and for developing and implementing safety-related programs, Quality Procedures and Quality Instructions which shall be used by the Nuclear Project Group.

The Quality Assurance Manager shall have the authority and responsibility for developing, coordinating and implementing the^{LP&L Quality Assurance Program} Quality Assurance Program. Quality Assurance Engineers shall assist the Quality Assurance Manager by aiding other LP&L groups in their development of safety-related programs and quality^{be} procedures, by presenting Quality Assurance training and indoctrination programs, and by^{at the same time, all of the above} auditing and surveying individuals and organizations responsible for implementing requirements of the Program in order to verify compliance with requirements of the Quality Assurance Program.

The Quality Assurance Committee^(QAC) shall be responsible for resolving disputes, for reviewing^{Quality Assurance} Quality Assurance Program policies and activities and for following-up^{committee} committee recommended actions to assure compliance. The Quality Assurance Committee shall deliberate on Quality Assurance problems, shall be cognizant of the Quality Assurance programs and changes thereto, and shall make recommendations, act as an advisor to, and report through its chairman to, the Manager of Power Production. The Quality Assurance Committee may communicate directly with the Manager of Power Production.

Implementation of this corporate policy is imperative in order to achieve the safety and reliability which is required at our nuclear generating station(s). Individuals and organizations involved in safety-related activities shall be responsible for assuring the quality of their work and for complying with the requirements of the Program.

The requirements contained in quality policies, Quality Procedures and Quality Instructions and the ^{LP&L Operational} Quality Assurance Manual are mandatory and must be implemented, enforced, and adhered to by LP&L individuals and organizations engaged in safety-related activities.

3 copies → *Operational*
LP&L Quality Assurance Program

1 copy → Approved By: _____ Date _____
D. L. Aswell
Manager of Power Production

Note: This "approval" similar to
QA Manager approval at
1st of "Intervention".

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1.1 General.

Criterion I of Appendix B to 10CFR50 requires that the management of LP&L establish measures which assure that the individuals or groups assigned the responsibility for checking, auditing, inspecting, or otherwise verifying that an activity has been correctly performed are independent of the individuals or groups directly responsible for performing the specific activity. In accordance with the requirements of Criterion I, this Quality Requirement (QR) establishes the organizational structure^(*) and delineates the authority and responsibilities of individuals and organizations performing quality assurance functions and activities.

1.2 ^{Preoperational} LP&L Quality Assurance Organization.

Figure 1-1, the LP&L^{Preoperational} Quality Assurance organization chart ^{UC} ~~for the construction phase of the nuclear project(s)~~, illustrates the line of authority and areas of responsibility for the major organizations which are involved in ^{the assurance of} quality and/or safety-related activities. ^{PP} The organizations listed below have quality assurance responsibilities. ^{UC} Special organizational responsibilities for implementation of the ^{LP&L Preoperational} Quality Assurance Program are described in the corresponding sections.

- 1.2.1 LP&L Management
- 1.2.2 LP&L Nuclear Project Group
- 1.2.3 LP&L Quality Assurance Group

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1.2.4 LP&L Quality Assurance ^{Committee} ~~Group~~

1.2.5 Major Contractors

1.2.1 LP&L Management

Louisiana Power & Light Company is ~~totally~~ responsible for Quality Assurance (QA) for the LP&L nuclear generating station(s). The Power Production Department of LP&L, directed by the Manager of Power Production, has overall responsibility for LP&L nuclear project(s). The Manager of Power Production reports directly to the President of LP&L.

The Manager of Power Production is the highest level of corporate management responsible for establishing Quality Assurance policies, goals and objectives. As part of his continuing involvement in the ^{LP&L Preoperational} Quality Assurance ^{UC} program ^(Program), the Manager of Power Production shall request that a management audit of the ~~LP&L Quality Assurance~~ ^{UC} program be conducted at least twice a year by auditors from LP&L's Internal Auditing Group.

The Manager of Power Production shall also approve correspondence to the major contractors, shall approve the General Office Quality Assurance audit reports, shall receive Site Quality Assurance Audit Reports, and shall approve the Environmental Report, Safety Analysis Reports, and ^{LP&L Preoperational} the ^{UC} Quality Assurance Manual and revisions thereto.

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LP&L
 1.2.2 Nuclear Project Group

The Nuclear Project Manager reports to the Manager of Power Production. He and his staff have authority and responsibility for nuclear project functions other than Quality Assurance, ^{Group} ~~related~~ functions. The Nuclear Project Manager coordinates the activities of Nuclear Project Group personnel to accomplish the following ^{tasks:} ~~activities~~.

- a. Reviewing and concurring with the PSAR, the Environmental Report, and ^{other} licensing documents for the ^{nuclear} project(s).
- b. Verifying the review or approval of safety-related specifications and revisions, and drawings and revisions prepared by the Architect Engineer (A-E) and the Nuclear Steam Supply System (NSSS) Vendor.
- c. Reviewing A-E recommendations for purchase and recommending selection of vendor(s) to LP&L management.
- d. Developing Quality Procedures and Quality Instructions to be used by the Nuclear Project Group in the performance of safety-related activities.
- e. Developing, implementing, and maintaining a document control and records management program for the project(s).

Note - Item "a" of 1.2.2 -
 The Nuclear Project Group
 does concur with the
 PSAR, the ER and other
 licensing documents for
 the nuclear project(s).

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1.2.3 ^{LP&L} Quality Assurance Group

The LP&L Quality Assurance Group is composed of the LP&L Quality Assurance Manager and his staff (those individuals who are organizationally under his control). His staff includes General Office Quality Assurance Engineers, the Project Quality Assurance Engineer, Site Quality Assurance Engineers/Technicians and, as needed, specialists and consultants.

Operational Quality Assurance Organization
Figure 1-1 depicts the LP&L ~~project organization~~ and shows the independent relationship of the Quality Assurance Group to the Nuclear Project Group.

Both the Quality Assurance Manager and his staff of Quality Assurance Engineers ^{/Technicians} are independent of undue influences and responsibilities for production schedules or costs. They do not have direct responsibility for performing the work which they verify to be in conformance ^{with} ~~to~~ established quality ^{assurance} requirements. Therefore, they are sufficiently independent to enable them to assure that the LP&L organizations performing quality ^{assurance} ~~related~~ activities conform to ~~QA~~ ^{QC} program requirements.

The Quality Assurance Manager reports to, and receives technical direction and administrative control from the Manager of Power Production.

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The Quality Assurance Manager and his staff have sufficient authority and organizational freedom to:

- a. Identify quality ^{assurance} problems.
- b. Initiate, to recommend, or to provide solutions through designated channels.
- c. Verify implementation of solutions.

The Quality Assurance Manager and his staff have the authority and responsibility for developing, coordinating and implementing the LP&L ^{operational} Quality Assurance Program.

The qualifications for the Quality Assurance Manager are listed in QR 2.0, Section 2.8. His principal responsibilities are:

- a. Establishing and approving ^{the LP&L Operational} Quality Assurance Program, ~~policy~~, which is directed toward implementing applicable regulatory requirements and in particular the ^{LC} Quality ^{LC} Assurance ^{LC} Criteria of Appendix B to 10CFR50.
- b. Reviewing, approving and maintaining management control of the LP&L ^{Operational} Quality Assurance Program and changes thereto, and implementing the QA functions of audits and corrective action.

Note: "policy" should be removed from line 12.

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- c. Assuring effective implementation of the LP&L ^{Operations} Quality Assurance Program throughout the design, fabrication, construction, and testing phases of LP&L ^{UC} nuclear project(s)
- d. Integrating the QA programs and activities of LP&L's major contractors to assure that ^{LP&L Operations} Quality Assurance ^{UC} program objectives are obtained. Integration shall be achieved through:
 - (1) Review and concurrence with the major contractors' QA programs and any subsequent changes thereto.
 - (2) ^{sp} ~~Liaison~~ with the Quality Assurance Manager of each major contractor. Liaison
 - (3) Maintenance of clear and effective lines of ^{sp} communication between the LP&L Quality Assurance Manager and the Project Quality Assurance Manager of each major contractor. Communication
 - (4) Level III audits by LP&L to evaluate each major contractor's performance.

The Quality Assurance Manager, the Project Quality Assurance Engineer, and the Quality Assurance Engineers ^{Technicians} have authority, delineated in writing, to stop unsatisfactory work or control further processing, delivery, or installation of nonconforming material. They have the authority to direct work stoppage when work is not being performed in accordance with approved drawings, specifications, procedures, or regulatory requirements and/or when conditions exist which could be significantly adverse to quality if the work were to continue.

Note: LP&L spec book

*Note: Item d (1) - 10/1/00
 reviewing and discussing
 with the major contractors
 to ensure no change*

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1.2.3.1 General Office Quality Assurance

The principal responsibilities of the General Office Quality Assurance Engineers are:

- a. Developing and maintaining LP&L's ^{Superseded} Quality Assurance Program documents.
- b. Assisting other LP&L groups in the development of Quality Procedures and Quality Instructions.
- c. Conducting audits of the major contractors and other vendors as deemed necessary by the Quality Assurance Manager in order to verify compliance with applicable requirements and guidance.
- d. Developing and maintaining the Quality Assurance ^{cc} Training and ^{cc} Indoctrination Program.
- e. ^{Reviewing} Review A-E and NSSS Vendor procurement documents selected by the Quality Assurance Manager to insure inclusion of ^{cc} Quality Assurance requirements.
- f. Auditing those groups within LP&L who perform safety-related activities for the nuclear project(s).
- g. Maintaining documentation of QA activities.

1.2.3.2 Site Quality Assurance

The LP&L Project Quality Assurance Engineer shall report to the Quality Assurance Manager, and shall be located at the site during the construc-

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tion phase of a nuclear project (See Figure 1-2). The Project Quality Assurance Engineer shall direct and shall coordinate the LP&L^{and} contractor Quality Assurance efforts at the site. In this capacity, he interfaces directly with the various Quality Assurance and Quality Control organizations at the site. He shall be assisted by Site Quality Assurance Engineers/Technicians.

The project Quality Assurance Engineer^{SP} and the Site Quality Assurance Engineers/Technicians shall be responsible for:

- a. ~~Developing construction site Quality Assurance procedures and instructions for monitoring Quality Control and Quality Assurance activities.~~
- a.b. Establishing and implementing an audit^{and surveillance} program of site construction activities to verify compliance with applicable requirements.
- c. Identifying quality^{assurance} problems affecting site construction.
- d. Initiating, recommending or providing solutions, and verifying implementation of solutions, to site quality^{assurance} problems.
- e. Performing follow-up action on audit results, including re-audit of deficient areas.
- f. Auditing the action taken concerning nonconforming material.

b. Developing Quality Procedures and Quality Instructions for performing audits and surveillance of construction site quality control and quality assurance activities.

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1.2.3.3 Specialists and Consultants

Engineering specialists and consultants shall be used as necessary by the Quality Assurance Manager to supplement the technical competence of his staff.

1.2.4 ^{op/c} Quality Assurance Committee

The Quality Assurance Committee (QAC), shown on Figure 1-1 is chaired by the LP&L Quality Assurance Manager and is composed of the LP&L Nuclear Project Manager, engineers from the LP&L Power Production Department and ^{the} Engineering Department, and a Quality Assurance Engineer from Middle South Services. The QAC has engineering specialists within LP&L and nuclear specialists from Middle South Services, a consultant, available for consultation.

The Quality Assurance Committee shall be responsible for:

- a. Resolving disputes arising from differences of opinion between QA/QC personnel and other organizations.
- b. Reviewing the ^{LP&L Operational} Quality Assurance Program, policies and activities.
- c. Following-up committee recommended action to assure compliance.

Semi-annual reviews of the ^{LP&L Operational} ~~Quality Assurance~~ ^{or} program, policies and activities shall be scheduled in addition to reviews requested by the Quality Assurance Committee chairman or a ^{QAC} ~~committee~~ member as circumstances

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Mayer

ORGANIZATION

dictate. The Quality Assurance Committee may communicate directly with the Manager of Power Production as indicated in Figure 1-1.

The responsibilities of the Quality Assurance Committee shall end when the nuclear steam electric station begins commercial operation.

1.2.5 Major Contractors

The major contractors involved in implementing the ^{Logic Operations} Quality Assurance Program are:

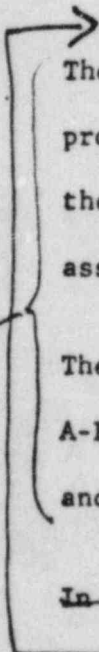
- a. The Architect-Engineer (A-E).
- b. The Nuclear Steam Supply System (NSSS) Vendor.
- c. The Construction Manager and/or Constructor.

The NSSS Vendor's scope of responsibility shall include the design, procurement, fabrication and construction (if applicable) of the NSSS and the initial fuel supply. The Level I and Level II quality ^{assurance} activities associated with this scope of work shall be delegated to the NSSS Vendor.

The NSSS Vendor shall supply sufficient interface information to the A-E so that the A-E can effectively ^{coordinate} integrate the Balance of Plant (BOP) and NSSS.

~~In addition to integrating the BOP and NSSS,~~ ^{PP/UC} the A-E shall be responsible

Notes - Noting after line 3. at arrow (→)



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for designing the BOP structures, systems, and components, and for procuring equipment for delivery to the site, ^{and for coordinating the BOP and NSSS.} Level II quality ^{assurance} ~~related~~ ^{responsibilities} activities associated with this scope ^{of} the work shall be delegated to the A-E.

→ The scope of responsibility for the Construction Manager and/or Constructor shall include the receipt, storage, handling, construction and erection of the total plant exclusive of the construction, if applicable, within the NSSS Vendor's scope of responsibility. Level I and Level II quality ^{assurance} activities associated with this scope of work shall be provided by the Construction Manager and/or Constructor.

The major contractors shall be named and the interfaces among them and the LP&L nuclear project organization shall be further described in Chapter 17.1 of the SAR's for the LP&L nuclear project(s).

^{In accordance with QR 1.0 and applicable Quality Procedures,} ~~As indicated in Section 1.2.3 of this QR,~~ the LP&L Quality Assurance Group shall audit the QA ~~program~~ activities of the major contractors to determine whether or not individuals and organizational units performing QA functions within the major contractors' organizations have sufficient authority and organizational freedom to effectively implement QA programs within their organizations.

By contractual agreement LP&L shall require that the major contractors evaluate, approve and audit their suppliers and subcontractors to assure that

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their suppliers and subcontractors have implemented QA programs which meet applicable requirements of Appendix B to 10CFR50.



LOUISIANA
POWER & LIGHT

142 DELARONDE STREET
P O BOX 6008 • NEW ORLEANS, LOUISIANA 70174 • (504) 366-2345

November 9, 1976

LPL 6066
Q-3-A35.02.01

Mr. W. C. Siedle, Chief
Reactor Construction and
Engineering Support Branch
U.S. Nuclear Regulatory Commission
Office of Inspection and Enforcement
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76012

SUBJECT: Waterford SES Unit No. 3
Docket No. 50-382
Construction Permit No. CPPR-103
IE Inspection Report No. 50-382/76-08

Dear Mr. Siedle:

LP&L's response to the items of noncompliance in the subject report is given below:

Item I.A.2.a - Lack of Inspection Records for NSSS Equipment

Handling and storage inspections of the reactor pressure vessel and steam generator No. 2 were not performed in accordance with the provisions of Ebasco Procedure QCIP-16 in that records documenting these inspections were not prepared by QC personnel.

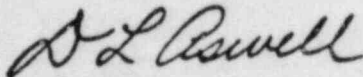
- 1) Corrective steps which have been taken and results achieved: All required documents have been completed and are in the appropriate files. This information was retrieved from the QC Inspector's notes that were recorded during this period.
- 2) Corrective steps that were taken to avoid further non-compliance: Additional qualified QC Material Control personnel have been assigned to assure full compliance with inspection requirements. QC Material Control personnel have been instructed or reinstructed as to the requirements of Ebasco Procedure QCIP-16.
- 3) The date when full compliance will be achieved: Full Compliance was achieved October 18, 1976.

Item I.A.2.b - Acceptance of Electrical Penetration Assemblies

Control of purchased items received and accepted at the site was not performed in accordance with the provisions of Ebasco Procedure ASP-III-14 in that material received inspection reports for twelve (12) electrical penetration assemblies indicated that the assemblies were accepted prior to the completion of a documentation review by the Site Quality Assurance Department. Subsequent to acceptance by Ebasco Materials Control, documentation for the assemblies was found to be deficient by Site QA.

- 1) Corrective steps which have been taken and results achieved: All required documents have been updated to reflect the correct status of the equipment.
- 2) Corrective steps that were taken to avoid further noncompliance: Additional qualified QC Material Control personnel have been assigned to assure full compliance with inspection requirements. QC Material Control personnel have been instructed or reinstructed as to the requirements of Ebasco Procedure ASP-III-14.
- 3) The date when full compliance will be achieved: Full Compliance was achieved October 18, 1976.

Yours very truly,



D. L. Aswell
Manager of Power Production

DLA:AEH:gmw

bcc: Ebasco (2), J. M. Brooks, J. O. Booth (2), D. L. Aswell, L. V. Maurin
A. E. Henderson, D. B. Lester, P. V. Prasankumar, H. W. Otilio,
F. X. Shaughnessy, L. Biondolillo, C. G. Chezem, T. F. Gerrets,
D. N. Galligan, C. J. Decareaux

ASMT SURVEY PROBLEMS & SHORT COMINGS

1. Did not use procedure to check implementation of program.
Procedure was not working on these specifications.
2. No provisions for documentation - did not ask for opinions
3. Seem to be interested in getting a helping to provide good DA
"input" is a effort - use to the extent of "writing" DA program.
4. Utterly by "equal" for all are public - comments not really considered - does as Claffer - "go for"
5. List of understandings of terms - DA - OC - NC - survey
Survey

to discuss document center - name - letter

- A. MS is survey oriented - apparently not
- B. No written check list for survey
- C. Survey examination of records
- D. Shallow study of effort
- E. Shallow implementation of our program implemented?
Have not used or implemented procedure on a "real" matter

Knowing his rate then who is GA Survey Manual.
 It rather than receiving survey - tell how program is
 to be implemented

to be implemented
 to be implemented

1. Survey team is not found outdoors - Report is submitted w/ recommendations to the Natl Comm for granting or not granting status (10)
2. Very concerned w/ Capitalization of titles and Report name. Not concerned w/ labeling ^{titles} reports (as in on exhibit)
3. Team members (ASME) concerned w/ getting their "time" in (4 days at approx 6 hrs/day) Also try to control expenses of non ASME members by providing transportation, dinners (including sandwiches brought in) and time spent in town after survey was completed.
4. Not at all interested in Appendix 25 10 CFR 50 comments being addressed in program - implementer w/ resources.
5. Allowance organization sought to control approximately 2 hours of work time (Lunch/Break, etc.)
6. Many left over items for "get reports & survey" and Report to ASME or end or - Complete the manual "Change" (which were not reviewed) Check implementation of audits and training program(s) and check working definition.

... of ... from ASME for type

18. About 1/2 of Survey effort concentrated on 'Desk audit' of manual
and verifying re - books kept to about 1/2 of manual)

19. Did not have a suitable work area for team members
(auto material) Had to use organization's conference
room and "hall ways". (Another control by organization)

Ref

Important

EXHIBIT 5

To: Ralph Hastings
From: Oscar Hopkins

Dear Ralph;

It is very important that the following message receive your immediate attention:

During the staff meeting Tuesday Morning, Mr. Aswell stated that he wanted the following information from us in QA before 5:00 pm Thursday:

Mr. Aswell wants:

① A list of all presently open items (that ^{are} nonconformances and observations) which were found by LPA's QA Group, both G.O. and site, during audits and surveillances of Ebasco New York; Ebasco and other contractors on the site and CE. He is only interested in those open items that are taking a long time to close out due to poor cooperation or unsatisfactory responses by Ebasco, through Ebasco from a contractor, or by CE. Mr. Aswell will be going to New York this Friday and he wants to have this information with him when he discusses ^{with you} the problems we've been having getting things corrected in a timely fashion.

② Ralph, Mr. Aswell is more concerned with items that concern Ebasco than he is about CE, but he did mention CE so I guess you should include the open items concerning CE also. But remember, he only wants those that we are having problems with getting closed out and not those that have not yet presented a problem.

③ (Turn over)

3) He wants the following information on each item that you include in the list:

- a) Date that the item was found or opened,
- b) Date that our initial report was issued,
- c) The response time allowed,
- d) The date the initial response was received
- e) A brief description of the applicable item
- f) The number of re-audits on the applicable item to this date,
- g) Time allowed for each re-audit response on the item and the actual time elapsing before our receiving their response.

Once again, only list those open items that have posed a problem and that are still open.

I called Tom Gerrits and explained to him exactly what Mr. Howell wants. Tom is going to compile all of the site items. He will send this to you so that you can add those that you compile from our audits of Eberco New York and CE.

4) Mr. Howell also wants a list of the same type information concerning WRC Inspection Items of noncompliance.

If you have any questions about anything I've written here, please ask Jo Ann or Tom or contact me at the Brown Palace Hotel in Denver, Colorado.

Thank you Ralph.

Rosen 9/13/77.

Ralph: - Below are some facts about the status of things that had to be done.

- ① - We received the material that we were waiting on concerning Incident #9 from New York on Monday Evening. I contacted Tom about it and placed it in the mail to him so that he could write the letter to the NRC. I also had a copy of the material circulated by "Pink" Q-sheet for internal review.
- ② - The ^{three} procedures are ready to go out. I have reviewed them and gotten the required signatures. We were just waiting to get Mr. Aswell's signature on the transmittal. They should go out by the time you read this or shortly after. Please follow up this.
- ③ - I sat in on the Staff meeting, but have not had time to rewrite my notes. So I will bring you up to date on this when I return.
- ④ - I informed Dave Lester of our plans to audit the project Group on September 27, 1977. He saw no problems with that date. I have put out a memo to that effect.
- ⑤ - There is a stack of Q-sheets that require signing off for Bert which were brought in just before I had to leave for the airport. I placed them on your desk.
- ⑥ - Some guys from MSS were using your desk during the time that you were out of the office.

No: Ralph Hastings

STATUS OF OPEN AUDIT ITEMS

Item: 2 Sheets

Item No. Rep. Co.	Brief Description	Date of Audit	Date Report Issued	Date Resp. Req'd.	Date Resp. Rec'd.	Audit 1			Audit 2			Prob.	Remarks
						Date Audit Issued	Date Resp. Req'd.	Date Resp. Rec'd.	Date Audit Issued	Date Resp. Req'd.	Date Resp. Rec'd.		
91-4 -0	Control of Receiving, Handling and Storage. The review of documentation packages for non-safety items.	11/16/76	11/3/76	12/31/76	1/3/77	1/20/77	none required	none required				Mo	Item No. 4 of audit has been reviewed and found to be satisfactory. The audit has been closed.

NOTE: This form was typed on legal size paper and reduced.

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

DOCKETED
USNRC

In the Matter of)
LOUISIANA POWER AND LIGHT COMPANY)
(Waterford Steam Electric Station,)
Unit 3))

Docket No. 50-382 *al*

'85 FEB -6 P4:44

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

Joint Intervenors' Reply to Applicant and NRC Staff's Responses to Joint Intervenors' Motion to Reopen have been served this 25th day of January, 1985 by mailing a copy, first class, postage pre-paid, to the following:

* Christine N. Kohl, Chairman
Atomic Safety and Licensing
Appeal Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dr. Harry Foreman, Director
Administrative Judge
University of Minnesota
Box 395, Mayo
Minneapolis, MN 55455

* Dr. W. Reed Johnson
Atomic Safety and Licensing Appeal
Board
U.S. Nuclear Regulatory Commission
Washington, DC 20555

E. Blake, Esq.
* B. Churchill, Esq.
Shaw, Pittman, Potts & Trowbridge
1800 M Street, N.W.
Washington, DC 20036

* Howard A. Wilbur
Atomic Safety and Licensing Appeal
Board
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Luke B. Fontana, Esq.
824 Esplanada Avenue
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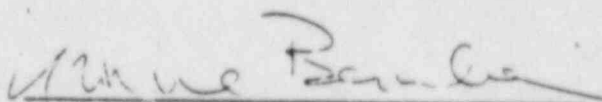
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