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✓ J/A	ERP
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SGA	ML
EHF	File ✓

November 16, 1983
Project 2474
2474:092:83

Mr. J. G. Keppler
Regional Administrator
Nuclear Regulatory Commission
Region III
799 Glen Ellyn, Illinois 60137

Dear Mr. Keppler:

The following is in response to your request for comments on CG&E's Course of Action as presented at the meeting in Cincinnati on November 1, 1985.

In TPT's view, CG&E's proposed Course of Action restructures the Zimmer Project organization generally as recommended by TPT. Key new project personnel have been hired, an experienced architect/engineer/constructor-type organization is to be retained, staff levels are being increased, new policies and procedures to control the operation of this new organization are being prepared and unequivocal statements of CG&E's commitment to quality have been made.

In TPT's initial review of the CG&E document, we were concerned that the recommended increased involvement and recognition of the responsibility of the CG&E Board was not evident. However, based on the statements by Mr. Dickhoner at the public meeting, it is apparent that TPT's recommendations in this area are also being fully addressed. A new director who has broad experience in the nuclear industry will be elected, the Board has or will review and endorse, as appropriate, the credentials of all CG&E officers having direct line management responsibilities for Zimmer and the Board will become more involved and knowledgeable regarding key policy decisions and the results of these policies.

We have only one significant remaining concern. The proposed Assistant Vice President for Quality Assurance and the Manager of the Quality Assurance Department are only marginally qualified for these positions. This opinion is based on the qualifications presented in the Course of Action and the requirements of the ANSI/ANS 3.1. There is an apparent lack of a proven track record and experience in overall QA program management. We believe this experience will prove critical to successful continuation of Zimmer activities.

There are several nominal organizational differences between TPT's recommendation and CG&E's proposed Course of Action at the detailed level. In TPT's view, these differences are minor in nature and generally of the type where two ways are accepted and practiced in the nuclear industry, each having its own set of advantages and disadvantages. In each case effort must be made to compensate for the disadvantages of the approach chosen. Some of the more important examples of these are:

1. TPT recommended formation of a central Administration Group. The major concern here was to integrate, standardize and centralize the functions of Program Planning and Scheduling, Management Information Systems, and Document Control. CG&E appears to have achieved this objective for two of these functions but has organizationally located them under the Nuclear Projects Group. However, the requirements for all records control are under the Manager of Administration and Training (Item 11-COA-Attachment 6) who reports to Mr. Cruden. Construction Records Control will be centralized under the Nuclear Project Controls Department Manager who reports to Mr. Cole. This appears to be a division of responsibility in an area of extreme importance. There are advantages, as noted in the COA, to this arrangement. The disadvantages can be compensated for by having carefully assigned areas of responsibility, coordinated document listings and consistent procedures and formats.
2. TPT recommended Licensing be combined under the Engineering Group. CG&E has created a separate organization, at the department level, reporting to the Sr. Vice President. As stated at the meeting, both forms of organizational structure are commonly and effectively utilized in the nuclear industry. There are advantages and disadvantages to each. The form proposed by CG&E allows more direct contact and overview by the Sr. Vice President, as acknowledged by Mr. Williams at the November 1 meeting. The disadvantages can be compensated for by careful management attention to coordination and careful technical review of all licensing actions and issues.
3. TPT recommended that the AE/C Project Manager (Bechtel) report directly to the CG&E Zimmer Project Manager (Williams). CG&E has elected to have the Bechtel Project Director report to the Assistant Vice President - Nuclear Projects with an "access" organizational line directly to Williams. We expect that, in practice, Mr. Williams, based on his statements, will take an

3. (continued)

active role in Bechtel's project management activities, especially in relation to the quality verification program and the completion of construction. As such, TPT has no disagreement with the organizational arrangement selected, and given Williams' additional attention/action believes it will be stronger than the relationship TPT recommended.

4. TPT recommended that Start-up Testing be part of Operations. CG&E put this function under Engineering. There are valid arguments for either approach. The CG&E organization raises the question of how operations will get full benefit from the experience gained during start-up testing. This concern can be alleviated by making sure that operations people are intimately involved in planning, managing and executing the start-up testing program.

5. TPT expressed concern that CG&E had previously not adequately monitored the technical activities of S&L and GE. CG&E's proposed Course of Action substantially increased their engineering staff in order to audit and verify the design control meets project requirements with particular attention provided to the technical activities of S&L and GE (Item 44-COA-Att. 6). However, the organizational relationship indicates project direction from Bechtel (Fig. 1) with an "access" relationship between S&L, GE and CG&E Engineering. The relationship between CG&E Engineering and Bechtel in this area requires clarification, assuring that CG&E Engineering will be technically prepared to handle engineering responsibility when the plant goes into operation.

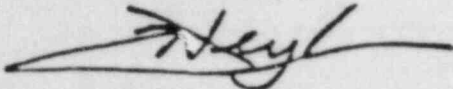
6. In the QA area, CG&E has been responsive to TPT's organizational recommendation that all QA activities report to an overall QA manager at the same level and status as other functions (Assistant Vice President). The suborganizations, although named differently, cover essentially the same functions as recommended by TPT.

In general, CG&E responded to all TPT's detailed recommendations. Although generally satisfactory, many of the responses were very broad in scope and the detailed intent cannot be judged. TPT recommends that the NRC or other independent agency should audit/verify at some later date that the CG&E proposed action has been effectively implemented.

CG&E has outlined a good Course of Action in response to our recommendations. Minor changes to accommodate our comments and continued strong efforts to develop an excellent organization with appropriate policies and procedures will result in CG&E's being able to complete the project in accordance with all regulations and the construction permit.

Should you have any questions or require further review, please call me or George Wessman.

Sincerely,



A. J. Neylan
Project Manager

Copy: Mr. W. H. Dickhoner - CG&E

INTER-DEPARTMENT CORRESPONDENCE

TO: File

DATE: January 20, 1984
GFC-84-0035

FROM: G. F. Cole

SUBJECT: INDEPENDENT AUDITOR OF THE PVQC

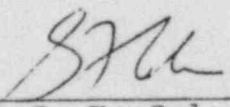
The purpose of this Memo is to record a telephone conversation from Mr. Bert Mazo of Ebasco on January 20, 1984. Mr. Mazo said that the NRC has arranged to perform interviews of Senior Ebasco people proposed for the Independent Audit Contract. He said these interviews are to be held at the Zimmer site on January 24 and 25, 1984. Eight Ebasco employees will be interviewed. They are:

Larry Stinson
Lou Borchardt
Larry Bast
V. Burgard
P. Panchal
A. Contino
J. Gutierrez
G. Mahan

He asked that we make arrangements for these employees to have access to the site.

I told Mr. Mazo that we were gearing our schedules so as to begin in-plant PVQC activities on February 24, 1984, and there would be a number of activities started earlier in February leading to this. I said Ebasco should be formulating their plans accordingly and suggested that when their people are on site for the interviews that discussions take place with the NRC and Bechtel on means of obtaining information to enable Ebasco to support our PVQC schedule. Mr. R. W. Bass will coordinate this for CG&E.

GFC:jac


G. F. Cole

cc: Messrs. J. Williams, Jr.
D. S. Cruden
B. B. Scott
E. J. Wagner
R. W. Bass
D. R. Hyster
G. C. Ficke

G. E. Murphy
H. Barjian
~~M. W. Hill~~ - NRC
G. B. Jones - Bechtel

INTER-DEPARTMENT CORRESPONDENCE

TO: File

DATE: January 11, 1984

FROM: R. W. Bass

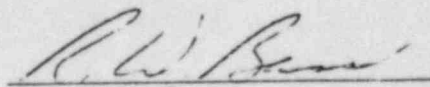
SUBJECT: INDEPENDENT AUDITOR FOR THE PVQC

	Action/Review
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DATE REC'D	JAN 11 1984

On January 9, 1984, representatives from Ebasco, the NRC resident staff and CG&E met at Zimmer for the purpose of hearing Mr. Stinson of Ebasco preview his presentation prepared for the public meeting scheduled for January 11, 1984.

Drafting assistance was provided to Mr. Stinson in the preparation of view graphs and in reproducing these graphs.

While on the station, the Ebasco prospective resident manager of the independent audit was shown the facilities that will be assigned to Ebasco and arrangements were discussed regarding furniture, telephones and other office equipment.


R. W. Bass

RWB:jac

cc: G. E. Murphy
H. Barjian
W. M. Hill - NRC