

DMB

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Docket No. 50-461

Allen Samelson, Esq.
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State of Illinois
500 South 2nd Street
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Dear Mr. Samelson:

Thank you for your questions and comments relative to Illinois Power Company's proposed changes to their Overinspection Program and procedures. Those questions and comments are being considered by Region III during our review of the proposed changes.

Enclosure 1 to this letter provides Region III responses to your questions and comments and to questions and comments received from Mr. Hubbard. Enclosure 2 to this letter provides Illinois Power Company responses to your questions and comments and to questions and comments from Mr. Hubbard.

If you have any additional questions or comments, please feel free to contact Mr. R. F. Warnick of my staff at (312) 790-5575.

Sincerely,
Original signed by
James G. Keppler
James G. Keppler
Regional Administrator

Enclosures:

- 1. Responses to Illinois Attorney General Questions and Comments
- 2. Illinois Power Company letter U-600026 dated May 3, 1985

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ENCLOSURE 1

RESPONSES TO ILLINOIS ATTORNEY GENERAL (IAG) QUESTIONS AND COMMENTS

A. Responses to IAG letter Samelson to Keppler dated April 12, 1985:

1. IAG Question:

(pp. ES-3, ES-8, ES-9, and III-1 and III-2)

IP concluded that its reinspections "have not revealed any nonconformances which have safety-significance" where a safety-significant nonconformance is defined as a condition which "even if the nonconformance were to have remained unidentified by the Overinspection Program, it would not have resulted in a loss of capability of a structure, system, or component to perform its intended safety function." In contrast, the QA criteria of Appendix B to 10 CFR Part 50 establishes a different standard for providing reasonable assurance that Clinton can be operated without endangering the public health and safety. Thus, Appendix B provides that IP shall establish and execute [sic] a quality assurance program comprised of "all those planned and systematic actions necessary to provide adequate confidence that a structure, system, or a component will perform satisfactorily in service." First, how does the "adequate confidence" standard provided by compliance with the 18 criteria of Appendix B compare with the "safety-significant" nonconformance standard proposed by IP? Second, which of the two standards is the appropriate NRC threshold for developing the "reasonable assurance" required by the NRC prior to its issuing an operating license? (Also, see D. P. Hall letter of February 13, 1985, which states that the purpose of the IP report is to demonstrate that there is reasonable assurance regarding the as-built condition of Clinton).

Region III response:

It is the NRC's responsibility to determine whether Clinton Power Station (CPS) has been constructed in such a way as to provide reasonable assurance for issuance of an operating license. Determination of reasonable assurance is an overall judgement comprised of many factors. Those factors include an assessment of the adequacy of the IP QA program for construction of CPS of which the IP Overinspection Program is a supplemental part.

Illinois Power's use of the term "safety significant" is consistent with 10CFR50.55(e) (i.e., the deficiency identified would not have resulted in loss of capability to perform its intended safety

function even if the deficiency had gone undetected). The extensive data base obtained from the Overinspection Program provides a means to determine the quality of work performed during a time when the IP quality assurance program (management controls to assure quality) was in question. The quality assurance program requirements of 10CFR50 Appendix B do not assume construction free from deficiencies; they provide management controls to identify, disposition, and correct deficiencies. That QA program is intended to provide adequate confidence that plant structures, systems, and components (SSC's) will perform satisfactorily in service. Satisfactory performance does not necessarily require complete freedom from deficiencies.

IP has concluded that their QA program for construction has provided confidence in the ability of plant SSC's to perform satisfactorily in service, that is, to provide adequate protection to the public. Region III is presently in the process of inspecting the adequacy of engineering evaluations performed by S&L for nonconformances identified during overinspections to determine if any were safety significant. The results of that inspection effort will be considered in RIII's decision concerning IP's request to terminate overinspection of safety related piping and mechanical supports.

2. IAG Question:

(p. ES-7 and pp. IV-24 to IV-27)

Does the NRC plan to verify the adequacy and timeliness of IP's commitment "to include computer-assisted trending of conditions adverse to quality, analyses of individual conditions to identify root causes, and notification to senior management of the results of trend analyses?" How often are the results of trend analyses provided to senior management? (p. IV-27)

Region III response:

The NRC resident inspectors routinely review the status of corrective action systems and trend analysis reports developed by IP using their computer trending program. The NRC's Systematic Assessment of Licensee Performance (SALP) regularly reviews the adequacy of IP's management and quality assurance including corrective action systems.

Computer assisted trending of conditions adverse to quality is not a regulatory requirement. Region III currently has no plans to inspect and verify implementation of this IP commitment which exceeds our requirements; however, as part of its normal SALP process Region III will review output from IP's trending program.

IP's response states: "The results of trend analyses are provided to IP senior management on a monthly basis."

3. IAG Question:

(pp. ES-7 and IV-23)

What were the results of IP's verification of "existing inspector certifications"? Were any corrective actions initiated? Does the NRC plan to review the IP findings, and if so, when and to what extent?

Region III response:

The matter of inspector certification was identified by Region III as an item of noncompliance in Inspection Report 50-461/82018 (noncompliance item 461/82018-01). Subsequent inspection by Region III, documented in Inspection Report 50-461/84002, determined that IP's actions in response to the Notice of Violation were adequate and that IP commitments would provide an adequate level of confidence in the work performed by BA QC inspectors. As identified in Inspection Report 50-461/84002, IP took credit for the Overinspection Program as part of their corrective actions. This matter is currently under review by Region III.

Region III reviews the qualifications of personnel as a routine part of our inspection activities. One unresolved item (461/85-05-47) concerning certification of Baldwin Associates Document Review Group personnel is currently open.

At present, Region III has no further plans to audit the upgraded training program or the results of IP reviews performed. However, should additional problem areas be identified, Region III will evaluate such matters on a case by case basis.

IP's response to your question is contained in Enclosure 2 and provides some additional information.

4. IAG Question:

(p. IV-2)

To what extent were previously installed and accepted large bore pipe supports reinspected using the new procedure?

Region III response:

The new procedure for installation and inspection of pipe supports was written for use by first line quality control. It was not intended for reinspection purposes. Several of the inspection requirements of the new procedure were for inspection "in process" (i.e., during the fabrication and installation process) and were

therefore not useable during post-installation inspection. Reinspections performed under the Overinspection Program were performed to procedures which included accept/reject criteria that were consistent with the new procedure.

5. IAG Question:

(p. IV-6)

Has the NRC verified the adequacy of the fracture mechanics/crack propagation analysis performed by S&L of the potential flaws identified in the drywell refueling bellows?

Region III response:

Region III has not verified the adequacy of the fracture mechanics/crack propagation analysis performed by S&L of the potential flaws identified in the drywell refueling bellows. The drywell refueling bellows is not a safety related component. Region III does not plan to review the S&L analysis. Region III's review of matters related to the drywell refueling bellows was documented in Inspection Report 50-461/83005.

6. IAG Question:

(pp. IV-7 and IV-8)

To what extent were previously accepted spare and replacement parts reinspected to assure that PSAR and FSAR commitments were met?

Region III Response:

Reinspection of previously accepted spare and replacement parts was not included in the Overinspection Program Plan concurred in by RIII in correspondence dated December 3, 1982, and January 25, 1983. As documented in Inspection Report 461/83001, RIII did inspect IP's recovery plan for procurement of spare and replacement parts which had been ordered stopped by IP on March 18, 1982. The inspection included review of IP's surveillance of a procurement dry run. The inspection did not include a review of previously accepted spare and replacement parts. RIII concurred in IP's lifting the stop work order for procurement of spare and replacement parts on May 19, 1983. Region III will include previously accepted (prior to March 18, 1982) spare and replacement parts in a future inspection.

7. IAG Question:

(pp. III-4 and IV-17)

IP relies upon the "extensive programmatic improvements" described in "Summary of Quality Improvements and Confirmatory Actions (QICA)"

for Clinton which was submitted to the NRC on August 30, 1984. How does the NRC plan to systematically evaluate the scope, implementation, and timeliness of all the QICA actions?

Region III Response:

This question was previously asked by the IAG during a meeting held in Region III on December 6, 1984. Region III responded to that question in a letter from C. E. Norelius to Allen Samelson dated January 25, 1985.

Our letter identified the following: Inspection Report numbers in which NRC inspections of licensee quality improvements and confirmatory actions (QICA) have been documented; the licensee QICAs which are not being reviewed by the NRC; and the licensee QICAs which will be reviewed as part of the normal NRC inspection program.

8. IAG Question:

(p. IV-30)

To what extent does IP's QA program include surveillances and audits of the technical adequacy of design and construction features as opposed to reviews of compliance with procedural attributes? For example, the Overinspection Program addresses the adequacy of some of the construction attributes. However, the IP audits set forth in Appendices B and L seem to be largely limited to a review of deviations from procedural requirements.

Region III Response:

Since Region III has not recently inspected this area, we cannot answer this IAG question directly. However, Region III notes the following:

- IP is committed to ANSI N45.2.12-1977, "Requirements for Plants". That American National Standard specifies the requirements for the IP QA Audit Program. Region III inspection of the IP QA Audit Program, documented in Inspection Report 50-461/83015, identified no deficiencies.
- The IP QA Surveillance Program is not a regulatory requirement. However, Region III believes that program to be an effective management control tool to assure construction quality.
- The details of IP audits set forth in Appendices B and L of the "Results of Quality Programs" report were limited to the adverse findings of the audit. The extent of the audits conducted cannot be judged from the findings alone.

Region III plans to review the IP operational QA audit program during 1985 or prior to fuel load. This IAG question will be considered in preparing that inspection plan.

9. IAG Question:

(p. V-1)

Does the NRC plan to conduct an independent assessment of S&L's "engineering evaluation of the safety-significance of the nonconformances identified by the program"? If so, when and to what extent?

Region III Response:

Region III commenced an inspection on April 29, 1985 to independently assess the adequacy of engineering evaluations performed by S&L under the IP Overinspection Program. That inspection is evaluating a significant sample of engineering evaluations performed and documented by S&L. The results of that inspection (which is still in progress) will be documented in an inspection report and will be considered in Region III's decision concerning IP's request to terminate overinspection of safety related piping and mechanical supports.

10. IAG Question:

(p. V-1)

Does the NRC plan to conduct an independent assessment of IP's "quantitative analyses of the results of the Overinspection Program"? If so, when and to what extent?

Region III Response:

Region III is presently reviewing the data submitted by IP.

Region III did not agree with the IP conclusion that a quantitative analysis of Overinspection Program results provided a sufficient basis for termination of overinspection activities. IP was required to provide Overinspection Program results for safety related piping and mechanical supports in a qualitative fashion for Region III review (refer to Region III letter J. G. Keppler to Illinois Power Company dated April 11, 1985). Region III's review will be completed prior to any decision concerning IP's proposal to terminate overinspection of safety related piping and mechanical supports.

11. IAG Question:

(pp. V-5 and V-21)

Does the NRC approve of IP's acceptance quality level for critical attributes (i.e., "95% confidence exists that at least 95% of the critical attributes in the entire lot under investigation are conforming")? Where is the NRC's review of the preceding acceptance criteria documented? What attributes do IP and the NRC consider to be "critical attributes"?

Region III Response:

Originally, Region III asked IP to provide "a healthy sample of past work" in order to determine the adequacy of plant structures, systems, and components to perform their intended safety function.

Following submittal of IP's Overinspection Program Plan, Region III reviewed and concurred in IP's Plan in correspondence dated December 3, 1982 and January 25, 1983. The acceptance quality level (AQL) is a part of that plan based on MIL-STD-105D.

Critical attributes were delineated by S&L during preparation, review, and approval of overinspection checklists. Region III review of those checklists was documented in Inspection Report 50-461/83-16.

It is important to note that the IP Overinspection Program (including the AQL) is only one of many factors being considered by the NRC in determining whether or not there is reasonable assurance that the activities authorized by an operating license can be conducted without endangering the health and safety of the public, and that such activities will be conducted in compliance with the applicable regulations.

12. IAG Question:

(p. V-8)

The overinspection appears generally limited to safety-related items. Will the NRC require IP to conduct an Overinspection Program for structures, systems, and components "important to safety" but not "safety-related" as defined by GDC-1 of Appendix A to Part 50? Note: IP acknowledges that it expects that such items will "contain proportionally more nonconformances than the safety-related structures, systems, and components."

Region III Response:

The Overinspection Program Plan (which was concurred in by Region III) includes within its scope augmented class D radwaste and fire protection systems (refer to the Overinspection Program Plan submitted by IP to Region III on December 23, 1982; paragraph 2.5). These are "important to safety" systems which are not classified as safety related but which do require QA/QC controls in accordance with IP's commitments. Additionally, IP is conducting a "Seismic Interaction Analysis Program" which is intended to identify and resolve potential physical interactions between safety related components and other plant equipment, including "important to safety" equipment. Region III does not intend to require IP to include other "important to safety" systems under the Overinspection Program.

IP overinspection results for those "important to safety" systems were provided in Appendix D, subsection E of IP's "Results of Quality Programs" report. The applicant has not requested termination of overinspection in these areas.

13. IAG Question:

(p. V-12 and Appendix D, Part D)

Since "S&L was unable to determine the precise impact of these nonconformances on the affected items because the items had been reworked and the NCRs did not contain sufficient information to permit performance of detailed engineering calculations", how could S&L determine the extent of the nonconformance in order to draw a conclusion regarding the significance? What is the technical justification for not accounting for "two individual nonconformances"?

Region III Response:

IP's response to this question, contained in Enclosure 2, indicates that it was not possible to determine the extent of the nonconformances. For this reason S&L evaluated the nonconformances using a worst case analysis (e.g., the undersized socket weld failed; the arc strike fully penetrated the pipe wall). According to IP the results of this worst case analysis found the NCR's not to be safety significant. The architect engineer has evaluated the "two items" and found the nonconformances not to be safety significant based on a worst case analysis. Region III concurs with this approach and will review S&L's evaluations for adequacy.

14. IAG Question:

(p. V-12)

What are the root causes within the QA program that enabled the nonconforming conditions cited herein to remain undetected by the normal QA/QC measures (i.e., weld size, undercut, arc strike, etc.)? Doesn't the reported nonconformance rate, and the root causes of the nonconformances, suggest that the approximately 95% of the construction attributes not addressed by the samples included in the Overinspection Program should be reinspected in whole or in part?

Region III Response:

10CFR50, Appendix B, Criterion XVI requires in part that, "In the case of significant conditions adverse to quality, [emphasis added] the measures shall assure that the cause of the condition is determined and corrective action taken to preclude repetition". Region III is presently reviewing the engineering evaluations of the dispositions of nonconformances to see if they support IP's conclusions. Should significant conditions adverse to quality be identified during Region III's review, the cause of the condition will have to be determined by IP if not already determined and corrective action taken to preclude repetition.

In addition, IP's data suggests that corrective actions taken to address root causes in connection with IP Stop Work Actions and their respective recovery programs were effective in reducing overall nonconformance rates for non-safety significant deficiencies.

15. IAG Question:

(p. V-20)

Does the NRC plan to review the crack propagation analyses and acceptance criteria utilized by S&L to accept welds with cracks? For such cracked welds, is additional strain gage-monitoring or leak detection appropriate? Why were the cracks not originally detected by the QA/QC inspections?

Region III Response:

This matter was not specifically addressed in the inspection plan used for review of S&L engineering evaluations of nonconformance reports (NCRs) identified by the Overinspection Program. However, NCRs reviewed during the Region III inspection of S&L engineering evaluations did contain evaluations of cracks in structural steel

welds (not pressure boundary). The NRC review of those evaluations concluded that the S&L evaluations were adequate (i.e., the structures containing the cracked welds were still in compliance with existing codes when the cracked weld was entirely discounted).

Please note that the applicant's letter (No. U-0828 dated March 29, 1985, Attachment 2, pages 1 and 2) clearly stated in part "Although S&L evaluated each nonconformance identified by the Overinspection Program to determine whether it was safety significant, it should be emphasized that most nonconforming items have been reworked in accordance with applicable design drawings and specifications and the remainder have been determined to be acceptable as they are".

IP's response contained in Enclosure 2 states that all cracks were reworked and that IP is reinspecting 100% of accessible structural steel. Since all cracks were reworked, additional strain gage monitoring or leak detection is not needed. We do not know why cracks were missed by first line QC inspection; however, as previously stated, NRC's review of S&L's evaluations of the cracks showed that the structures containing the cracked welds were still in compliance with existing codes even when the cracked weld was entirely discounted.

16. IAG Question:

(p. V-22)

Are there practical non-destructive techniques for examining the conformance of the inaccessible structural steel members? Has S&L conducted an engineering evaluation of inaccessible structural steel members assuming "that the conformance rate for structural attributes is 92.3%" which is consistent with the rate developed for the field verification of accessible members (also, see p. V-29 regarding the validity of this assumption)?

Region III Response:

Region III is not aware of any practical nondestructive techniques for examining the conformance of inaccessible structural steel members.

Region III letter Keppler to IP dated April 11, 1985; Enclosure 3, comment C asked IP to provide the engineering basis for determination of the acceptability of inaccessible structural steel. Region III will review that engineering basis when it is provided by IP.

* 17. IAG Question:

(p. V-25 and V-27)

What are the root causes within the QA program which resulted in an 84.4% field verification conformance rate" for mechanical equipment

and a "conformance rate for new electrical equipment...(of) 84.6%"? What corrective actions are or will be initiated to remedy these conditions?

Region III Response:

Region III letter, Kepler to IP dated April 11, 1985, Enclosure 3, question D.2 is similar to this IAG question. When it is received, IP's response to Region III's question should be responsive to this IAG question. Region III noted that, as stated in the response to IAG question A.14 above, corrective actions regarding root causes are only required for significant conditions adverse to quality in accordance with 10CFR50, Appendix B, Criterion XVI.

In addition, IP has recently notified Region III verbally that the IP Overinspection Program will reinspect 100% of all safety related electrical and mechanical equipment.

18. IAG Question:

(p. V-28)

Doesn't IP's justification herein for not looking at civil work fail to support its conclusion? For example, since the events leading to the series of Stop Work Orders in 1982 demonstrated that the overall quality of construction was unacceptable, that conclusion is applicable to civil construction since BA performed both the civil work and most of the remaining construction work at Clinton.

Region III Response:

Region III believes that IP's conclusion was adequately justified. The problems identified in 1982 were largely programmatic in nature and did not demonstrate overall unacceptable construction quality.

In particular, Inspection Report 50-461/82-02 described problems related to construction in the electrical areas and problems related to the organizational independence of quality control inspectors. This Inspection Report contained approximately 75% of all items of noncompliance identified by Region III in 1982. In addition, Region III Systematic Assessment of Licensee Performance (SALP) Reports for 1979-1983 (Inspection Reports 50-461/80-22, 82-11, 82-21, and 84-03) all indicate that NRC inspection in the civil area found the applicant's civil construction to be adequate.

19. IAG Question:

(p. VI-4)

Since the disposition of the 587 NCRs in the Records Review resulted in over 25% (19 + 129) of the 587 nonconformances being reworked,

doesn't this result suggest that expanded record verification reviews are appropriate?

Region III Response:

Records verification reviews are conducted under IP's QA program as follows:

- * 100% review by first line QC and QC Supervision
- * 100% review by the Baldwin Associates Document Review Group
- * 20% review (sample inspection) by IP Records Review Group

Region III does not believe that expanded record reviews are warranted, based on the above. The important factor to be considered is not the number of NCRs generated but the significance of the deficiencies that were not detected by first line QC.

20. IAG Question:

(p. VI-5)

Does the NRC plan to conduct an independent assessment of S&L's engineering evaluation of the 171 NCRs documenting nonconforming conditions developed in the Records Verification? If so, when and to what extent?

Region III Response:

Based on preliminary results of Region III's review of engineering evaluations performed by S&L under the IP Overinspection Program and based on the number of allegations received by Region III concerning the Baldwin Associates document review effort, Region III is evaluating the need for additional inspection in this area. Any inspection conducted would be unannounced and may include a sample of the 171 NCRs. This is being tracked by Region III as an open inspection item.

21. IAG Question:

(p. VII-3)

IP acknowledges that "questions have been generated" as a result of reviewing the material control procedures. First, when will these questions be resolved? Second, how does the NRC plan to review these areas now being resolved?

Region III Response:

The material control problems were first identified by Region III in 1981. Resulting construction deficiency reports 461/84002-EE and

461/84018-EE (which resulted in NRC Information Notice 85-15) are open and require followup inspection prior to closure by Region III. These matters are required to be resolved prior to fuel load.

Recent inspection in the area of material control (see Inspection Report 50-461/85015) indicated that current procedural controls were adequate to provide assurance that the proper type and grade of safety related material is installed in safety related applications. However, there are open allegations concerning implementation of those procedures which are under current review by Region III.

22. IAG Question:

(p. VII-20)

How does IP plan to document the results of the stress reconciliation walkdowns conducted in response to the requirements of NRC/IE Bulletin 79-14?

Region III Response:

IP's response stated "As-built packages are reviewed by S&L and GE and the results are documented in the individual system stress reports."

Region III will inspect IP's actions in response to IE Bulletin 79-14 prior to fuel load.

23. IAG Question:

(pp. VII-21 to VII-24)

Why was no hardware reinspected or retested retrospectively in response to the deficiencies identified in the Management Corrective Action Program (MCAP)? Also, see Table VII-3.

Region III Response:

Hardware has been reinspected, where required, as a result of findings under the IP Management Corrective Action Request (MCAR) Program. For example, the corrective action under MCAR 05, Structural Concrete, included an extensive walkdown inspection program conducted by BA QC. The corrective action under MCAR 07, Material Traceability, (50.55(e) 461/84002-EE) included destructive testing (chemical and physical properties) of a number of electrical hanger assemblies by an independent test laboratory. These are examples of MCARs which resulted in reinspection or retest of hardware.

B. Responses to IAG letter Hubbard to Warnick dated April 18, 1985:
Questions and comments concerning IP letter U-0827

1. IAG Question:

(p. 1, para. 2) Are all samples selected in a random fashion? If non random or judgement samples are ever utilized, describe the extent and purpose of such sampling. Are items in the population ever excluded from the lot being sampled (i.e. inaccessible, etc.) If items are excluded, describe the extent of such practices.

Region III Response:

Overinspection Program sampling techniques were described in the Overinspection Program Plan reviewed and concurred in by Region III. Region III inspection of the implementation of IP's Overinspection Program, documented in Inspection Report 50-461/85015, revealed that inaccessible items were being controlled in accordance with the program plan. IP's response to this question is contained in Enclosure 2 and provides additional information.

2. IAG Comment:

(p. 1, para. 4) Describe the nonconforming attributes which IP defines as "superficial and insignificant" which have resulted in reinspections.

Region III Response:

IP's response to this question states: "Examples of these types of nonconforming attributes include cosmetic arc strikes, weld spatter, minor cases of surface slag and undercut on welds, minor documentation errors, etc." Region III's review of Overinspection Program NCRs is documented in inspection reports 50-461/84041, 85005, 85012, 85013, and 85015.

3. IAG Question:

(p. 2, Acceptable Lots) Does IP intent that the 95/5 acceptance criteria apply to the lot or to a subpopulation consisting of specific attributes? What is IP's proposed definition of a "significant" nonconforming condition?

Region III Response:

IP's response contained in Enclosure 2 indicates that the 95/5 acceptance criteria apply to the lot. Region III review of IP Overinspection Program implementing procedures, documented in Inspection Report 50-461/85021, found this IP response to be correct.

IP has not defined "significant" nonconforming condition; however, in the "Results of Quality Programs" Report, section V, page V-9, paragraph C.2.a., it states: "For purposes of this report, a safety-significant nonconformance is defined as a nonconformance which, were it to have remained unidentified by the Overinspection Program, could have resulted in the loss of capability of a structure, system or component to perform its intended safety function."

4. IAG Question:

(p. 2, Rejectable Lots) Will S&L or GE be technically responsible for all evaluations resulting in "repair" or "use-as-is" decisions and for all decisions to conduct further reinspections? (Also, see p. 7 of I&E Report 85-08).

Region III Response:

IP has ultimate responsibility for the design in accordance with the requirements of 10CFR50, Appendix B, Criteria III and XV. All nonconformances requiring engineering disposition are dispositioned by Sargent & Lundy or General Electric, as required, or by IP with designer oversight. Decisions to conduct further reinspections are made by IP based on criteria of the Overinspection Program.

5. IAG Comment:

(p. 2, paras. 1 and 2) Proposed revisions to the Overinspection Program should be provided by IP to the NRC for approval, and to the Attorney General for comment, prior to being implemented.

Region III Response:

Proposed revisions to the OI Program are required to be provided to Region III for concurrence prior to implementation. However, IP has stated that the changes made to Overinspection Program implementing procedures do not represent changes to the program. Region III has reviewed those changes to the implementing procedures. Our review, documented in Inspection Report 50-461/85021, indicated that the procedure changes do not represent changes to the Overinspection Program.

6. IAG Question:

(p. 2, para. 3) The Overinspection Program should provide assurance that the Clinton Plant is constructed in accordance with applicable design drawings and quality specifications. All nonconformances should be reviewed in the context of the preceding criteria rather than "according to their significance to plant safety." What is the IP definition of "significance to plant safety"?

Region III Response:

Overinspection program nonconformances have been processed in accordance with IP's QA program procedures. Engineering evaluations for safety significance are in addition to the normal NCR processing.

IP has not defined "significance to plant safety;" however, in the "Results of Quality Programs" Report, section V, page V-9, paragraph C.2.a. it states: "For purposes of this report, a safety-significant nonconformance is defined as a nonconformance which, were it to have remained unidentified by the Overinspection Program, could have resulted in the loss of capability of a structure, systems or component to perform its intended safety function."

7. IAG Question:

(General) How does IP plan to address the root cause(s) within the BA QA/QC program which allowed the nonconformances to requirements to remain undetected prior to the Overinspection? The preceding element of corrective action appears to be missing from the IP presentation.

Region III Response:

This question is similar to IAG question 14. Please refer to the Region III response contained in paragraph A. 14 above.

C. Responses to IAG letter Hubbard to Warnick dated April 18, 1985:
Questions and comments concerning IP letter U-0828

1. IAG Question:

(p. 1, paragraph 2) What is the "safety significance of the problems identified to date" for piping and mechanical supports in terms of the critical, major, or minor nonconforming conditions in accordance with IP's established classification of characteristics acceptance criteria (Ref. IP CNP 3.02; BA BAP 1.0). Also, see NRC I&E Report 85-08 at p. 11.

Region III Response:

IP's response contained in Enclosure 2 indicated that none of the NCRs identified under the OI program were safety significant. Region III is currently inspecting the adequacy of the engineering evaluations which support IP's response.

2. IAG Question:

(p. 2, paragraph 2) Why were important to safety, but not safety related, piping and mechanical supports excluded from the Overinspection Program? Isn't such an exclusion contrary to the QA/QC requirements of GDC-1 of Appendix A to 10 CFR Part 50? Also, see Harold Denton's 11/20/81 memorandum to all NRR personnel regarding "Standard Definitions For Commonly-Used Safety Classification Terms" which is Attachment A.

Region III Response:

Originally, Region III asked IP to look at "a healthy sample of past work" in order to determine the adequacy of plant structures, systems, and components to perform their intended safety function.

In response IP proposed their Overinspection Program Plan. This was reviewed and concurred in by the NRC. The proposed Overinspection Program included two systems important to safety-augmented class D radwaste and fire protection. At the time of concurrence the NRC did not believe it necessary to require more.

As stated in the response to question A-12, Region III does not intend to require IP to include other systems important to safety in the Overinspection Program.

3. IAG Comment:

(Attachment I, paragraph III C and Attachment 2 and 3) The acceptance criteria for reinspections should be based on conformance with applicable design drawings and quality specifications consistent with the original inspection/testing acceptance criteria. Further, the reinspection should be sufficient to demonstrate with "high confidence" that all critical characteristics, as defined by IP, are in accordance with acceptance criteria. Finally, the "loss of capability" standard proposed by IP is not an appropriate standard for determining the time to terminate the reinspections for a commodity since it is not the proper measure of the effectiveness of the QA/QA [sic] program. (See first sentence of this paragraph).

Region III Response:

We believe that acceptance criteria for inspections and reinspections should be based on conformance with applicable design, specifications, and procedures. We believe the decision to terminate reinspections should be based on acceptable results of reinspections. The NRC will judge each request to terminate the overinspections on the merits of each case.

4. IAG Question:

(Attachment 2, paragraph B) What are the non-conformance categories which "on their face have little or no impact on the integrity of an item"? Identify any of these categories classified by IP as critical or major characteristics.

Region III Response:

IP's response indicates conditions which on their face have "...little or not impact include cosmetic arc strikes, weld spatter, minor cases of surface slag, minor cases of undercut, minor documentation errors, etc." IP also stated in their response that "No Overinspection Program NCR's were classified as either critical or major." IP's response contains additional information regarding nonconformance categories.

5. IAG Question:

(Attachment 2, paragraph B) What are the nonconformance categories which "do not adversely affect the function of an item because of the inherent conservatism of the design for the item"? Identify any of these categories classified by IP as critical or major characteristics.

Region III Response:

IP's response states: "Examples of the nonconforming conditions referred to in this question include loose hardware, tolerance violations, weld concavity, undersized welds, etc." IP's response refers to question 4 response which states: "No Overinspection Program NCR's were classified as either critical or major."

6. IAG Question:

(Attachment II, paragraph B) Will S&L or GE be technically responsible for all evaluations resulting in "repair" or "use-as-is" decisions? Will records for such decisions be retained for review by the NRC? Also see, NRC Standard Review Plan, NUREG-0800, Revision 2, July 1981, paragraph 7B3, page 17.1-16, which is Attachment B.

Region III Response:

This question is similar to Mr. Hubbard's question 4 concerning IP letter U-0827. Please refer to the Region III response contained in paragraph B. 4 above.

Records are required to be retained in accordance with 10CFR50 Appendix B, Criterion XVII.

7. IAG Question:

(Attachment 2, paragraph B) Has the NRC independently verified the adequacy of the dispositions of reinspection nonconformances? Also see the observations of deficiencies in dispositions cited in I&E Report 85-13 at pages 5 to 10.

Region III Response:

Region III and the resident inspectors have reviewed a sample of Baldwin Associates field verification and IP overinspection NCRs for, among other attributes, the adequacy of the disposition given. These reviews resulted in one item of noncompliance cited in Inspection Report 50-461/85013. The deficiencies identified were not safety significant in and of themselves (refer to page 6 of the report, paragraph 2.d.(2)); however, the practice cited involved the lack of adequate justification for some dispositions and the improper coding of other dispositions (i.e., Type A versus Type B). This is an open NRC enforcement issue which will be reviewed further in a subsequent inspection.

8. IAG Question:

(Attachment 2, paragraph B 1) Are "lack of fusion" discontinuities dispositioned in accordance with applicable codes and standards? Also, see I&E Report 84-36 at page 3.

Region III Response:

IP's response to this question, contained in Enclosure 2, indicates that lack of fusion discontinuities are dispositioned in accordance with applicable codes and standards.

9. IAG Question:

(Attachment 2, paragraph B 2) The acceptance criteria for pipe supports cited (i.e. "to preclude failure of the support" or "to cause any piping support to fail") appears to be less conservative than the original acceptance criteria. Have design margins been maintained during the disposition of nonconformances?

Region III Response:

IP's response to Region III questions and comments, contained in letter U-600008 dated April 19, 1985, Enclosure 1, Page 4 states, "The design margins of each piping system or mechanical support, considering the reported nonconformances, were determined to be within the specified design limits." Additional information provided during the April 22, 1985, meeting between Region III and IP (documented

in Inspection Report 50-461/85024, Page 28 of the attached transcript) indicates that none of the nonconformances identified during over-inspection of safety-related piping and mechanical supports resulted in strength reductions in excess of code allowables.

Region III is currently inspecting the adequacy of S&L's engineering evaluations. The results of that inspection will be documented in Inspection Report 50-461/85027.

10. IAG Question:

(Attachment 2, paragraph B 2) Justify why it is appropriate to rely on subsequent inspections to detect installation nonconformances? The IP proposal, as set forth in the preceding appears to represent an over reliance on final inspections.

Region III Response:

The S&L procedure for performing engineering evaluations of overinspection NCRs was reviewed by Region III in Inspection Report 50-461/85021. That review revealed that deficiencies were not evaluated for safety significance when credit was taken for future activities. Region III had previously questioned IP concerning their reliance on future activities for evaluation of deficiencies found under the Overinspection Program (refer to Region III letter Keppler to IP dated April 11, 1985; Enclosure 2, paragraph C.1)

Region III believes that some future activities can appropriately be considered in performing these engineering evaluations. The type of activities considered and their appropriateness will be reviewed as part of the ongoing Region III inspection of engineering evaluations at S&L.

11. IAG Question:

(Attachment 3, Table 3.1) Why do the field verification nonconformance rates for large and small bore pipes in Table 3.1 (i.e. 1.7% and 0.9% differ so substantially from the nonconformance by IP (i.e. 10.5% and 4.9% at page 10). Also, why are the "attributes inspected" smaller now that [sic] in October 1984, for large and small bore piping?

Region III Response:

IP's response stated the "...data presented in October included augmented D (radwaste) and fire protection. The data presented subsequently do not...." Region III notes that IP has not requested to terminate overinspection of radwaste and fire protection piping and mechanical supports.