Enclosure 3

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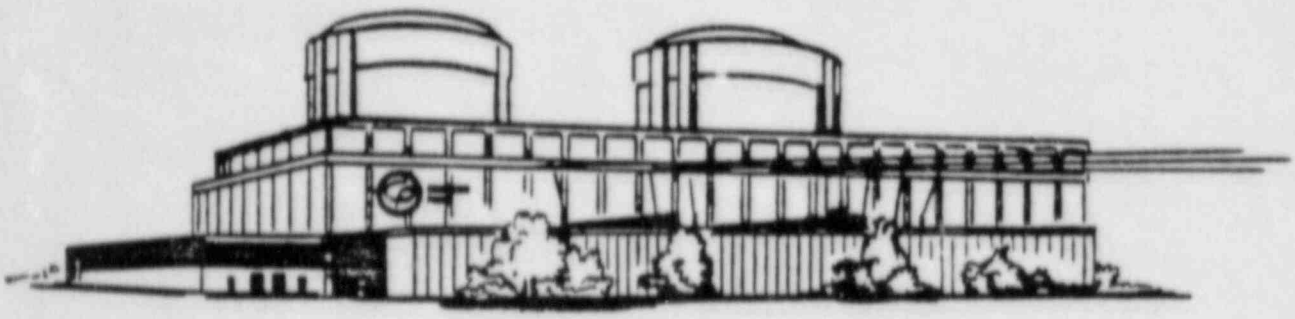
MIDLAND ENERGY CENTER
PROJECT SHUTDOWN PLAN



CONSUMERS POWER COMPANY

REVISION 1
JANUARY 1985

MIDLAND ENERGY CENTER

PROJECT SHUTDOWN PLAN

MIDLAND ENERGY CENTER PROJECT SHUTDOWN PLAN

TABLE OF CONTENTS

MIDLAND ENERGY CENTER PROJECT SHUTDOWN PLAN

LIST OF TABLES & FIGURES

FOREWORD

This Midland Energy Center-Project Shutdown Plan was initially issued September 7, 1984 (Revision 0). Revision 1 updates the plan to reflect actual experience during the shutdown process through mid-November 1984. This revision provides a definitive description of the total shutdown work scope and cost estimate which can be used to both guide the completion of Project shutdown and to support future regulatory requirements.

Part of the work during the Demobilization Phase of the shutdown was to carry out the detailed planning for the subsequent Surveillance and Maintenance Phase. As part of Revision 1 to this Shutdown Plan, Section 3.12 has been expanded and separated from the Shutdown Plan as a stand-alone plan called the Midland Energy Center - Surveillance and Maintenance Plan. This plan (Revision 0) describes the ongoing activities necessary to preserve the plant's assets and maintain the construction permits and the operating license application. It will be issued during January, 1985.

The staffing levels and personnel assignment have changed frequently during the initial months of the shutdown. Rather than revise the plan each time a organizational change takes place a decision was made to have the organization structure unchanged for Revision 1. The steady-state Project organization, which essentially reflects the current shutdown organization, is included in the Surveillance and Maintenance Plan discussed above.

1.0 SHUTDOWN PLAN SUMMARY

1.1 PURPOSE

The purpose of the Midland Energy Center Project Shutdown Plan is to provide a mechanism to manage the shutdown of the Project in such a way as to provide the Company's management, the Company's stockholders, and the applicable regulatory bodies with confidence that the Company has undertaken this task with a set of logical and understandable objectives, and is prepared to achieve those objectives in a prudent and effective manner.

1.2 OBJECTIVES

The following primary objectives are established for the Midland Energy Center Project shutdown:

A. Shutdown the Project as rapidly and efficiently as practical, assuming that it is unlikely that the Project will be restarted in the near term

B. Attempt to minimize the cost of suspending work while preserving the assets that have been accumulated over the life of the Project

C. Preserve the option to resurrect the Project

D. Use CP Co personnel, to the extent practicable to carry out the shutdown, replacing contractors, contract personnel and consultants.

These objectives were established as a planning basis for a possible Project shutdown. In the period following the shutdown decision, more detailed Company policy has been articulated in several Midland-related areas. All of the details of this plan are intended to be consistent with overall Company policy, in particular, J D Selby's response to Question 3A-AB-69 in MPSC Case U-7830

1.3 PHASES OF THE SHUTDOWN

The Shutdown Plan is carried out in phases which are summarized as follows:

A. Initial Rampdown

The initial phase of the shutdown program carried out the massive reduction in staff in an orderly and professional manner. Based on the particular circumstances encountered, the major craft layoff occurred about two weeks prior to the actual shutdown decision. As a result, the initial rampdown immediately following the shutdown decision consisted of terminating the majority of contract temporary and consultant personnel within a day or so of July 16 and then phasing out a major

fraction of CP Co and Bechtel professional and hourly employees over the first few weeks.

B. Project Demobilization

This phase overlapped the initial rampdown and additional destaffing occurred throughout this phase. The destaffing plan had personnel levels consistent with the tasks needed to accomplish the shutdown. In addition, the detailed planning of the shutdown work occurred at the onset of this period. The end product of the Demobilization Phase is a plant which has gone from an active construction site to a plant which can be maintained without serious degradation until a decision is reached on the ultimate disposition of the facility.

The overall target is to accomplish the major demobilization tasks by December 31, 1984.

C. Surveillance and Maintenance

This phase anticipates a planned set of continuing activities which requires minimum resources but still preserves the plant in its shutdown condition. This phase continues until the decision has been made to either restart Project activities or to plan and carry out permanent abandonment of the facility. January 1, 1985 is the nominal starting date for this phase of the plan. Some surveillance and maintenance activities are initiated prior to this date and some demobilization activities extend beyond this date.

Throughout the report the words "short term" and "long term" are used. "Short term" refers to the time period covered by the Project Demobilization Phase. "Long term" refers to the period of time covered by the Surveillance and Maintenance Phase.

1.4 MAJOR COMPONENTS OF THE PLAN

This section of the plan describes the major activities identified to accomplish the objectives identified in Section 1.2 above.

The layoff of craft personnel was essentially complete prior to the decision to shutdown the Project. The termination of contract and consulting personnel was straightforward and rapid based on the conditions under which those services are administered.

The initial destaffing of CP Co and Bechtel professional and hourly personnel was preplanned, orderly, and efficient. Relocation services were made available to impacted employees, and these were high-lighted by the job fair held in Midland during the week of July 23.

As of the shutdown decision, all ongoing work aimed at plant completion was terminated. Some additional work does have to be carried out to fulfill the requirements of the Shutdown Plan. In addition, any external activities which do not involve the expenditure of any additional funds (ie. issuance of regulatory reports or receipt of completed vendor orders) will proceed to completion.

All purchase orders on active contracts and material purchase orders were immediately terminated retaining only those portions of the active contracts and purchase orders necessary to carry out the Shutdown Plan. CP Co assumed the close-out responsibility for all Bechtel purchase orders from both the site and home office. CP Co also participated actively in the close out of the major site subcontracts, but with Bechtel carrying out the majority of the staff work.

The Records Management Program is one of the most complex parts of the Shutdown Plan. The overall approach was to return the permanent Project records to the appropriate Document Control Center or Project File as part of the initial shutdown. Additionally as part of the demobilization effort the collection of documents in the possession of individuals was undertaken. As personnel departed the Project they were provided instructions on how to process records in their possession. These documents are classified as inactive records. They are then managed under a program which can make these records available with some effort.

Upon Project shutdown a detailed Shutdown Records Plan was prepared and is covered in Section 3.7 and Attachment A of this plan. The active records necessary to support the shutdown activities are maintained by the ongoing Project Shutdown Organization and controlled under normal records management procedures. The retrieval and preservation systems exists for both active and inactive records until the ultimate records disposition questions can be resolved.

As part of the demobilization activities, the permanent equipment and facilities were placed in a safe, maintainable condition and turned over by Bechtel to CP Co. A Layup and Maintenance Plan was developed to preserve the equipment and facilities during the Surveillance and Maintenance Phase and any subsequent salvage or reactivation period.

All temporary equipment and materials are being demobilized and removed from the site. All items owned by CP Co are being recovered, inventoried, and stored. Salvage operations on non-permanent equipment have begun, and salvage questions on permanent equipment are addressed on a case by case basis.

To preserve the option of possible Project resurrection at a later date, the licensing activities necessary to maintain the Construction Permits and Operating License applications are being identified and implemented. Chief among these activities is the establishment of a Quality Assurance (QA) program that covers the Shutdown Phase.

The focus of the QA program is to assure shutdown phase activities are conducted in accordance with established requirements.

CP Co has set up a new Project organization to carry out the various shutdown duties. Project Shutdown Organization personnel are located both at the General Office (Jackson) and the Site (Midland). A minimum level of ongoing Bechtel support is expected.

A budget based on this plan for both the Rampdown and Demobilization Phases and the long-term Maintenance and Surveillance Mode was prepared. Budget controls and reporting requirements were established. All cash disbursements made as part of the shutdown activities have prior CP Co Project review and approval.

2.0 ORGANIZATION AND RESPONSIBILITY

2.1 PROJECT SHUTDOWN ORGANIZATION

The overall CP Co organization for the Project shutdown is shown in Figure 2-1. The objectives and major components of the Shutdown Plan are described Section 1.0.

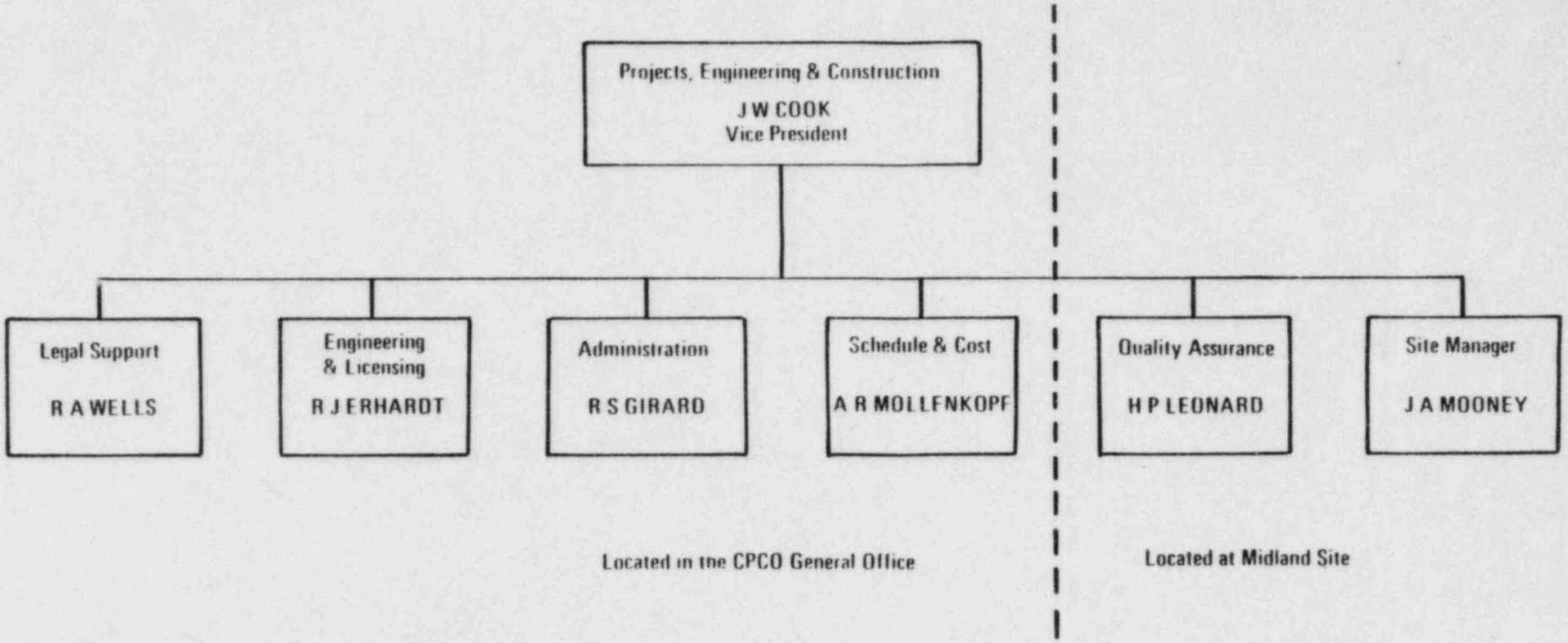
Subsequent sections describe the individual departments and their responsibilities in more detail. Bechtel phaseout and support to the CP Co shutdown organization is also delineated.

The Engineering and Licensing, Administration, and Cost & Schedule functions are headquartered in Jackson. Quality Assurance and the multiple functions under the Site Manager are located in Midland. During shutdown, personnel at each location are more closely tied physically and less formally structured to maximize shared services, and facilitate communications. It is also the intent of the organizational planning to define all external services required and to be essentially self-sustaining with minimum staff requirements.

In developing the shutdown organization several considerations were utilized beyond the Shutdown Plan primary objectives of Section 1.2. The organizational structure was collapsed from the pre-shutdown project organization to fit the tasks anticipated for the shutdown. Flexibility was a central theme. To retain a core of technical staff, some individuals were placed in new situations and some, for the near term, were placed in positions of lesser responsibility than they held previously. It is also expected that as events progress and as the Company's planning horizon broadens, additional shifts in organizational responsibility will be required. The overall shutdown organization and the staff described in this document is that in effect as of mid-August 1984.

FIGURE 2-1

MIDLAND PROJECT SHUTDOWN ORGANIZATION



AS OF AUGUST 1984

2.2 SITE SHUTDOWN ORGANIZATION

The Site Shutdown Organization includes the six (6) divisions shown in Figure 2-2 which report to the Site Manager.

2.2.1 Construction Division

The Construction Division is organized into five groups shown in Figure 2-3 and whose responsibilities are described below. The mission of the Construction Division is to direct the demobilization of all construction activities and to support the definition of layup requirements for the Midland Energy Center.

2.2.1.1 Engineering

A. Technical review of purchase orders

B. Develop and review long-term storage requirements

(1) Establish priorities and schedule release of equipment for layup

(2) Review existing layup procedures and modify for long-term layup

(3) Review and develop plans for long-term layup of items in the warehouse

C. Provide input on ASME and other codes to maintain the potential for resale or activation of the project

D. Review Field and Resident Engineering demobilization

E. Provide technical support to Engineering & Licensing Department

F. Provide technical support to the Soils group

G. Provide technical support to the Operations and Maintenance Division during layup

H. Resolve inspection findings in addition to other support to the Quality Assurance Division

Note: During the Initial Rampdown and Demobilization Phases (through November 1, 1984) this section takes direction from the Construction Division Head. After November 1, 1984 this section will become the Resident Engineering Section, reporting technically to the Engineering Technical Support Supervisor. The staffing level will be based on site needs. Administrative direction at the site will continue to be provided by the Construction Division Head.

2.2.1.2 Soils

A. Oversee the Remedial Soils Shutdown Plan

B. Interface with Bechtel Field Soils Organization (FSO) during transition

C. Review all technical issues and inputs relating to Remedial Soils

D. Provide for data collection on building monitoring instrumentation

E. Provide Feedwater Isolation Valve Pit (FIVP) support system load monitoring

2.2.1.3 Facilities

A. Facility Usage and Planning

(1) Temporary Facilities

(a) Identify leased facilities

(b) Determine needs (storage, personnel) for short-term and long-term

(c) Attempt to satisfy needs with owned facilities and eliminate all leased facilities

(d) Modify parking facilities

(e) Provide for snow removal, dust control, etc

(2) Permanent Facilities

(a) Evaluate current status of facilities; ie, scaffolding in place, security provisions, safety, lighting, heating, fire protection, communications systems, etc

(b) Coordinate with the Operations and Maintenance (O&M) and Security Divisions to determine required conditions

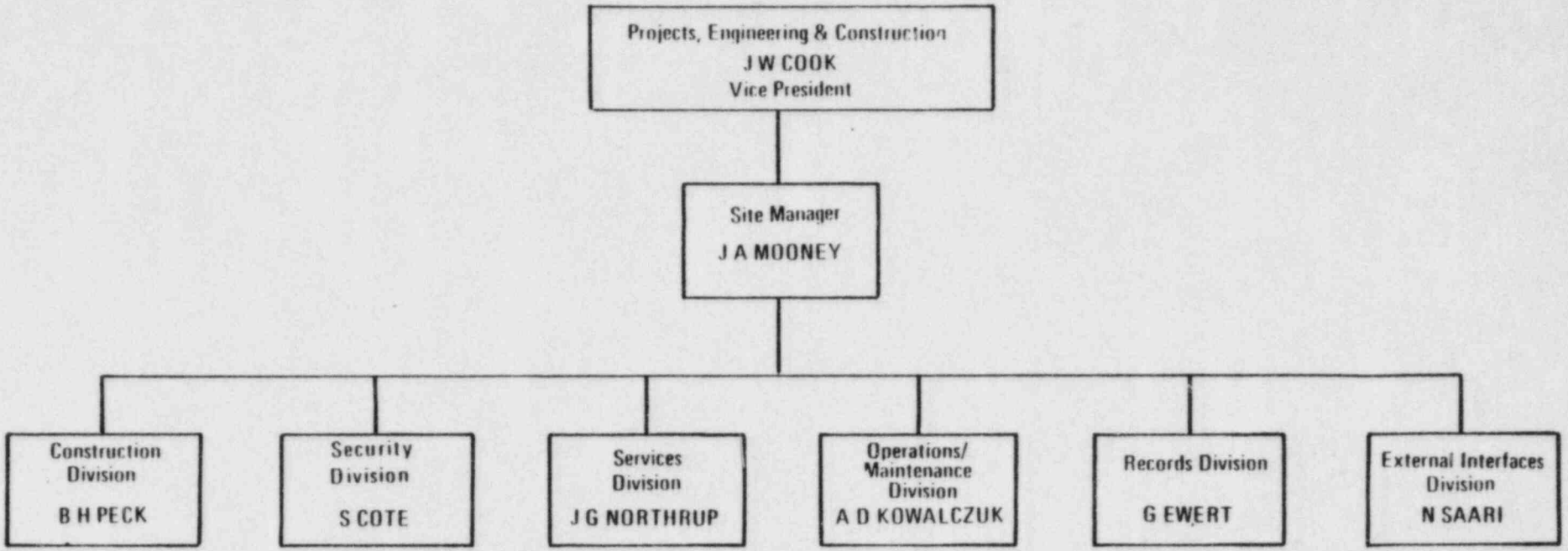
(c) Implement required modifications; ie, install doors for security, barriers for safety locks, etc

B. Demobilization of Temporary Facilities

(1) Coordinate with other groups (Records, Warehousing, etc.) to clear out and demobilize leased facilities first. Consolidate personnel as required

FIGURE 2 2

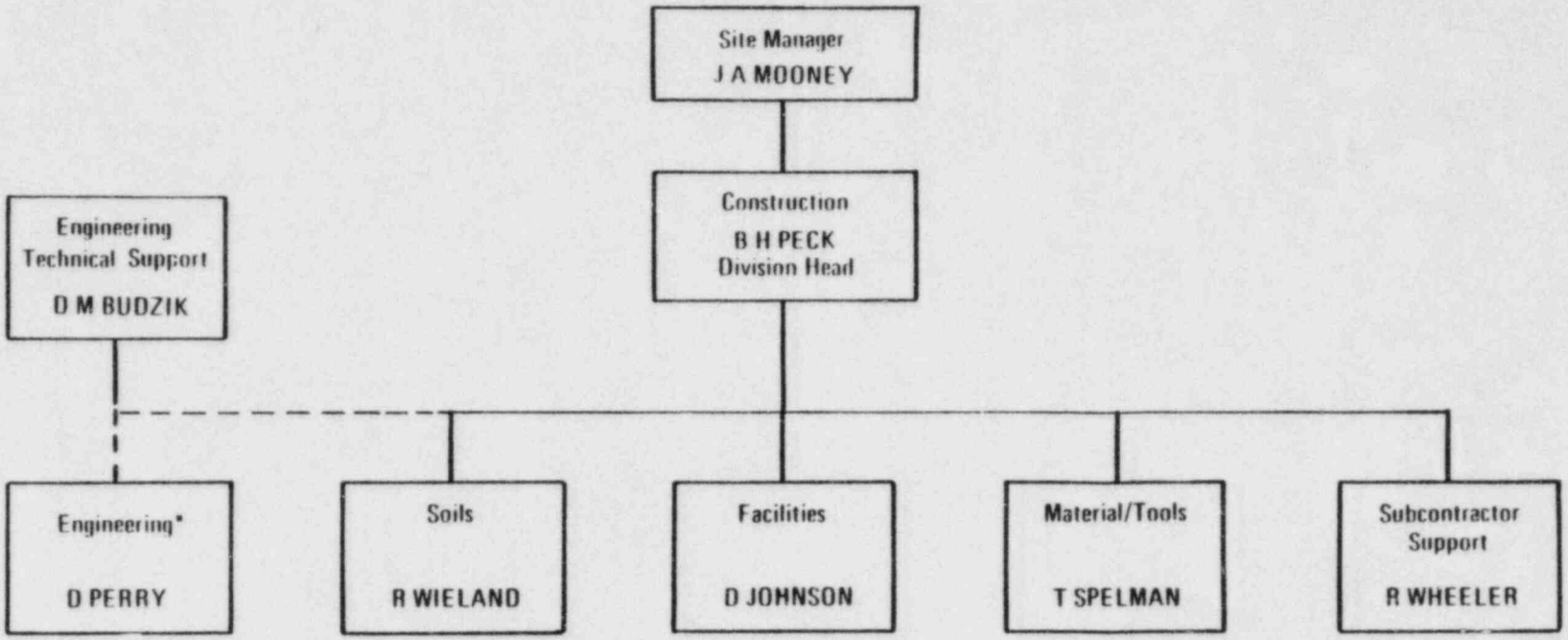
SITE SHUTDOWN ORGANIZATION



AS OF AUGUST 1984

FIGURE 2 3

CONSTRUCTION DIVISION



*See note in Section 2.2.1.1

AS OF AUGUST 1984

(2) Evaluate other temporary facilities for removal or leave in place

(3) Move furniture to staging location and salvage

2.2.1.4 Materials/Tools

A. Closeout the Standish Fabrication Shop

B. Collect and disposition material (non installed) and tools from all contractors and subcontractors

C. Disposition all site leased vehicles and construction equipment. Salvage materials, tools and equipment

D. Collect and disposition office equipment (except Computer and Data Processing equipment) from all site organizations

E. Salvage all materials, tools and equipment

2.2.1.5 Subcontractor Support

A. Review and approve the Bechtel contingency plan for demobilization and closeout of all subcontracts

B. Assign existing subcontracts to CP Co and initiate new contracts for services which require continuation after shutdown with support from Department Services

C. Closeout and administer existing Bechtel field purchase orders

D. Participate in the closeout of all Bechtel subcontracts. All open Bechtel subcontracts will be approved by CP Co prior to final closeout

E. Closeout and administer of all Bechtel backcharges to subcontractors and suppliers

2.2.2 Security Division

The mission of the Security Division is to provide security services 24 hours per day. In addition, the division is also responsible for the staff supervision of site fire protection programs.

2.2.2.1 Responsibilities (with support from the Property Protection Department).

A. Prepare and administer budget for personnel, equipment, and contract security agency services

B. Ensure corrective actions are initiated and replies prepared in response to NRC and Property Protection Department audit findings

C. Oversee control of the vital and protected area keys, card-keys, locks and weapons

D. Establish and maintain compliance with federal, state and local fire protection regulations and corporate insurance company standards

E. Develop and implement fire protection procedures and supervise fire brigade requirements

F. Administer anti-theft, traffic and access control programs

G. Conduct liaison with local fire and law enforcement agencies

H. Establish site security procedures to be followed by site employees and enforced by the contract security force

I. Plan for the disposition of fire and security equipment

J. Prepare long range plans for site physical security, security force configuration and long range fire protection plans

K. Establish with Records Division, a revised program for the control and storage of Safeguards Information

2.2.3 Services Division

The Services Division is organized into four (4) groups shown in Figure 2-4. Their mission is to provide Warehousing, Accounting, Administration and Human Resources support services to the shutdown effort. In addition to the four organizations identified below for which there is direct responsibility, a functional relationship exists with Construction and Generating Plant Accounting Department.

2.2.3.1 Warehousing

Conduct, coordinate and administer warehousing activities; issuing, receiving, transferring, storing and inventory control to support demobilization activities. In addition, this organization is responsible for providing janitorial services.

A. Interface Activities

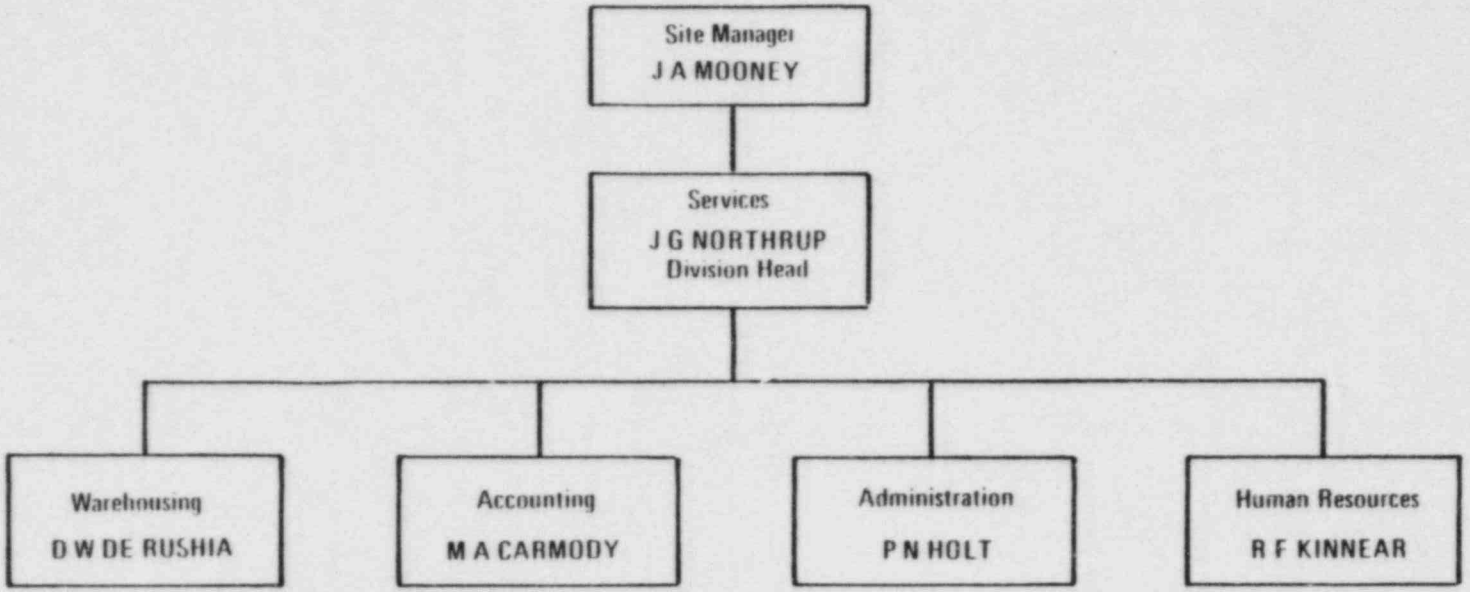
(1) CP Co with off-site departments-Material Control, Purchasing, Legal, Leasing Services, Salvage Services Departments, Palisades Plant, Big Rock Point Plant and etc

(2) Bechtel Power Corporation with on-site materials and warehouse activities, to include laydown areas

(3) Bechtel Power Corporation with off-site material and warehouse activities

FIGURE 2-4

SERVICES DIVISION



AS OF AUGUST 1984

B. Coordination/Administration

(1) Coordinate disposition of materials, supplies, tools, furniture and equipment

(2) Process purchase orders, invoices, requisitions, validations

(3) Administer working agreement-OM&C labor agreement, General Order 35 SE-W for department employees

C. Conducting/Completing

(1) Inventories-count, reconcile, process records (Material Management System)

(2) Receipts-unload, verify, receive and store Q-Items and hold for receipt inspection

(3) Batching-process on-line all issue, transfer, receipts and etc activities

(4) Return Material Request-process necessary documents to complete this transaction, initiate or complete

(5) Memorandum of Change-processing necessary documents to complete this transaction

(6) Accounting Distribution-validate and reconcile to resolve outsort errors

(7) Freight Bills-invoice matching process to authorize payment

(8) 1069's-complete, process and file

(9) Filing-miscellaneous documents filed

(10) Special Projects-assist on-site and off-site personnel with requests or needs

(11) Deliveries/pickups-materials, supplies, furniture, tools, equipment and etc

(12) Mail-communication on-site and off-site correspondence

(13) Working files-package, label and arrange for storage

(14) Return materials-assist site personnel in returning materials for storage or to vendors

2.2.3.2 Accounting (with support from Construction Accounting Department)

A. Accounting is responsible for:

(1) Ensure that employees are compensated in accordance with Company policies and procedures

(2) Ensure that all business expenses are authorized, properly supported and approved

(3) Ensure that accounting for shutdown costs is accurate

(4) Ensure that future procurements are necessary, cost effective and properly authorized

(5) Provide general accounting support as needed

2.2.3.3 Administration

A. Special Projects provides the following types of services:

(1) Liaison with the Information Systems Department for hardware and software demobilization and future needs

(2) Develop and implement control programs or systems for use by the demobilization team

(3) Project or task estimating and planning services

(4) Perform short term tasks or projects not assigned to another group

(5) Scope, estimate and recommend any required service or task not previously identified or assigned

(6) Develop and implement controls and procedures to be used by the caretaker force

(7) Capture computerized data files

(8) Insure capture and permanent retention of CP Co production mainframe computer files. Includes providing contents description and available documentation to be filed and catalogued concurrent with records capture activities

(9) To the extent possible, assist General Office functional areas in identification of retention requirements and data to be captured

(10) Interview Bechtel and various subcontractors to determine contents of CP Co related data files. Negotiate and document agreements to insure that pertinent data is retained and accessible as required

B. General Services (with support from Administrative Services Department) provides the following services:

(1) Adequate support level to assist demobilization staff activities, specifically in the following areas: text processing support; secretarial support; mail; stationery supplies; vehicle availability; telephone service; computer and office equipment support

(2) Provide adequate office and computer equipment to support demobilization activities

(3) Provide review assistance and establishment of current and accurate equipment inventories

(4) Coordinate through General Office functional support areas the release of equipment to other CP Co locations and/or vendors

2.2.3.4 Human Resources

Human Resources is responsible for the following activities:

A. Provide guidance to all levels of management regarding union relations matters and the proper interpretation of the working agreement

B. Provide guidance to management as well as SE-W employees on the proper administration of General Order 35 and its provisions

C. Provide guidance to management as well as EA&P employees on General Order 45 and all other matters pertaining to promotion, selection, advancement and associated topics

D. Prepare and maintain all on-site employee records and associated documents

E. Promote and keep records of all local safety activity

F. Provide coordination of all local medical and worker's compensation activity

G. Coordinate the implementation of all local affirmative action and EEO activities, including the investigation of any charges of illegal or discriminatory action

H. Coordinate sufficient staffing and assist with the placement of all levels of employees as the need arises

2.2.4 Operations/Maintenance Division

The Operations/Maintenance Division is shown in Figure 2-5. The mission of the five (5) groups in this division is to operate and maintain the equipment necessary to provide house services and environmental control. Implement a layup and preventive maintenance program which preserves the quality and functional capability of the equipment and structures. Implement those activities required to comply with the Special Nuclear Material Licenses, By-products Material License, National Pollutant Discharge Elimination System (NPDES) Permit and environmental regulations.

2.2.4.1 Operations

A. Operate the minimum equipment necessary to provide house services (HVAC, water, lighting, power and sewage), to provide fire protection and to prevent environmental damage to equipment and facilities

B. Implement and record activities to monitor equipment operation and layup condition. Coordinate this program with the Construction Division-Engineering and with other groups in the Division

C. Assist the Security Division in implementing a fire watch program which meets insurance requirements

2.2.4.2 Mechanical

A. Perform corrective and preventative maintenance on in-service mechanical equipment and plant facilities

B. Implement activities to layup and to perform preventative maintenance on plant mechanical equipment and plant facilities

C. These activities are to be consistent with the programs developed by Construction Division - Engineering and are to meet the quality requirements specified by the Quality Assurance Division

2.2.4.3 Electrical/Instrumentation and Control (with support from System Protection and Laboratory Services)

A. Perform corrective and preventative maintenance on in-service electrical equipment and instrumentation

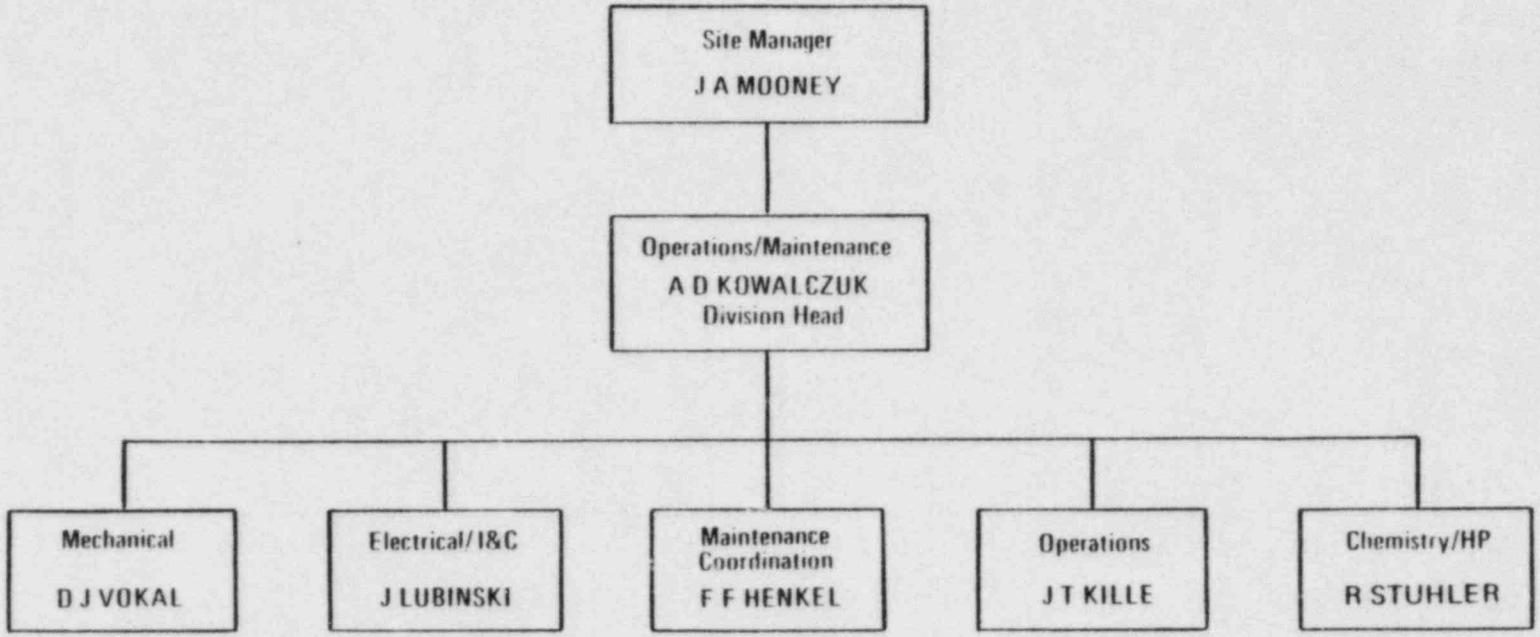
B. Implement activities to layup and perform preventative maintenance on plant electrical equipment and instrumentation

C. Maintain and calibrate portable laboratory measuring and test equipment

D. These activities are to be consistent with the programs developed by Construction Division - Engineering and are to meet the quality requirements specified by the Quality Assurance Division

FIGURE 2 5

OPERATIONS & MAINTENANCE DIVISION



AS OF AUGUST 1984

2.2.4.4 Chemistry/Health Physics (with support from the Environmental Department)

A. Maintain and implement programs which achieve compliance with the Special Nuclear Material Licenses, By-product Material License and NPDES Permit

B. Provide for collection, storage and disposal of wastes regulated by the State of Michigan and Federal authorities

C. Provide chemistry support as needed to support site activities

D. Collect, store and disposition chemistry and health physics equipment and instrumentation. Disposition is to be in accordance with the criteria specified by the Services Division

2.2.4.5 Maintenance Coordination

Maintain and implement a system for planning, documenting and scheduling Operations/Maintenance Division activities. The methods used are to meet the quality requirements specified by the Quality Assurance Division and are to be consistent with Midland Project methods

2.2.5 Records Division

The Records Division is shown in Figure 2-6. The mission of the Records Division is to support the Midland Energy Center shutdown organization by providing active records management and document control services and support the shutdown of the Midland Energy Center by collecting, storing and maintaining inactive records. The responsibilities of the three groups in this division are defined below.

2.2.5.1 Documentation Services

A. Provide document control and active records management services.

B. Organized along functional lines and coordinates with other organizations for ongoing document control and active records management activities

2.2.5.2 Records Closure

A. Collects, stores, and maintains inactive records.

B. Organized along functional lines and coordinates with other organizations the collection, storage, and maintenance of Midland Energy Center records

2.2.5.3 Special Projects

Performs special projects and provide assistance as requested

2.2.6 External Interfaces Division

2.2.6.1 Primary Responsibilities

The External Interfaces Division focuses on the following activities:

A. Provide the contact person and issue public information statements to the media and public

B. Communicate with governmental units about Midland shutdown issues. This includes providing the interface with the counties, cities and townships having governmental and political relations with the Midland Plant

C. Provide direction and assistance to Company programs communicating with the NRC about the maintenance of the Midland Plant Construction Permits and responses to the NRC on plant issues

D. Serve as the plant contact point for General Office departments associated with Midland Plant and external issues. These include providing assistance to Government Affairs, Finance and Treasury, Public Affairs, region administration and others

2.2.6.2 Support Responsibilities

Issues which may require assistance, or deserve to be monitored carefully include:

A. Possible investigations into the plant from State regulatory and/or legislative review of Midland issues

B. Permit issuance from local units of government including the City of Midland building department, Midland Township zoning ordinances

C. Environmental permits required for site activities, potentially including the cooling pond, roads, meteorological tower, etc

D. Emergency planning activities including status of siren warning system (with support from Nuclear Activities Department)

E. Local property tax assessments and tax exemptions

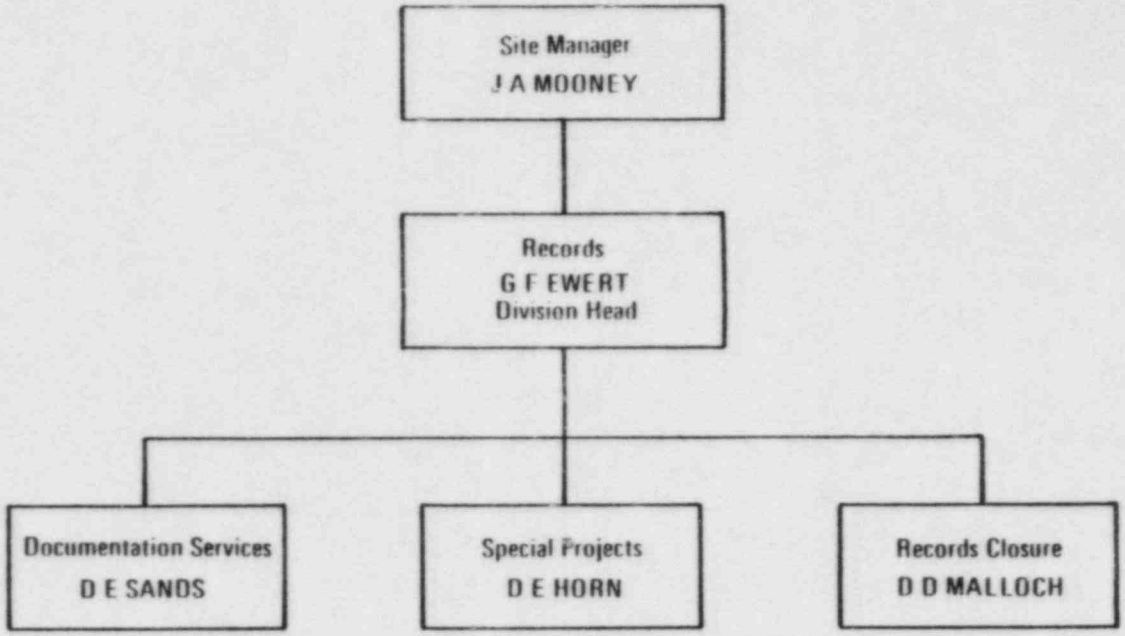
F. Continued media coverage and interpretation of shutdown and site status

G. Ongoing need for onsite employee communications

H. Cancellation of Midland tour program and responsiveness to VIP program requests

FIGURE 2-6

RECORDS DIVISION



AS OF AUGUST 1984

2.3 QUALITY ASSURANCE DIVISION

Overall management of the Quality Assurance Division (QAD) is the responsibility of the Division Head, QAD, who reports to the Vice President, Projects, Engineering and Construction (PE&C).

QAD is accountable for development, execution and evaluation of Quality Assurance Programs and systems.

Responsibilities and authorities assigned to the Director, Environmental and Quality Assurance Department (E&QAD), the Executive Manager, Midland Project Quality Assurance Department (MPQAD), and the Midland Superintendent, Quality Assurance-Nuclear Operations Department (QA-NOD), by CPC-1-A (Quality Assurance Program Manual Volume I), by the Quality Assurance Program Procedures (Volume II) and by the MPQAD Procedures Manual are now assigned to the Division Head, QAD.

The QAD is organized in three elements shown in Figure 2-7 and whose responsibilities are described below.

2.3.1 Assurance Engineering

A. Prepare and maintain the Quality Assurance Program Plan (QAPP) and QAD procedures

B. Prepare and maintain inspection plans

C. Review procedures (shutdown construction, engineering, procurement, operations, maintenance, records management, etc.) which describe or affect Q-activities or Q-hardware

D. Conduct trend analyses

E. Audit ongoing subcontractor activities

F. Audit ongoing shutdown construction, engineering, procurement, operations, maintenance and records management activities

G. Certify audit personnel

H. Certify Non-Destructive Examination (NDE) personnel

I. Prepare and maintain the audit plan

J. Determine reportability in accordance with 10 CFR 50.55(e) and 10 CFR 21

K. Coordinate QAD input to responses to the USNRC for Notices of Violation, 10 CFR 50.55(e) reports and 10 CFR 21 reports

2.3.2 Inspection

A. Inspect construction, operations, and maintenance activities

B. Source inspection

C. Receipt inspection

D. Periodic surveillance of safety-related structures, systems, components, equipment and materials

E. Certify inspection personnel (except NDE)

2.3.3 Administration

A. Design, data base control, maintenance and administration of QAD information systems (trend program, Quality Action Item List (QUAIL), performance measurement system, Midland Inspection Records System (MIRS), HVAC Quality Statusing System, commodity based statusing programs)

B. Coordinate QAD periodic reports

C. Administer the indoctrination program for QAD personnel

D. Log, maintain and store inprocess quality documentation, and turnover of documentation at the point of designation as a quality record

F. Coordinate QAD resource needs (budget, personnel)

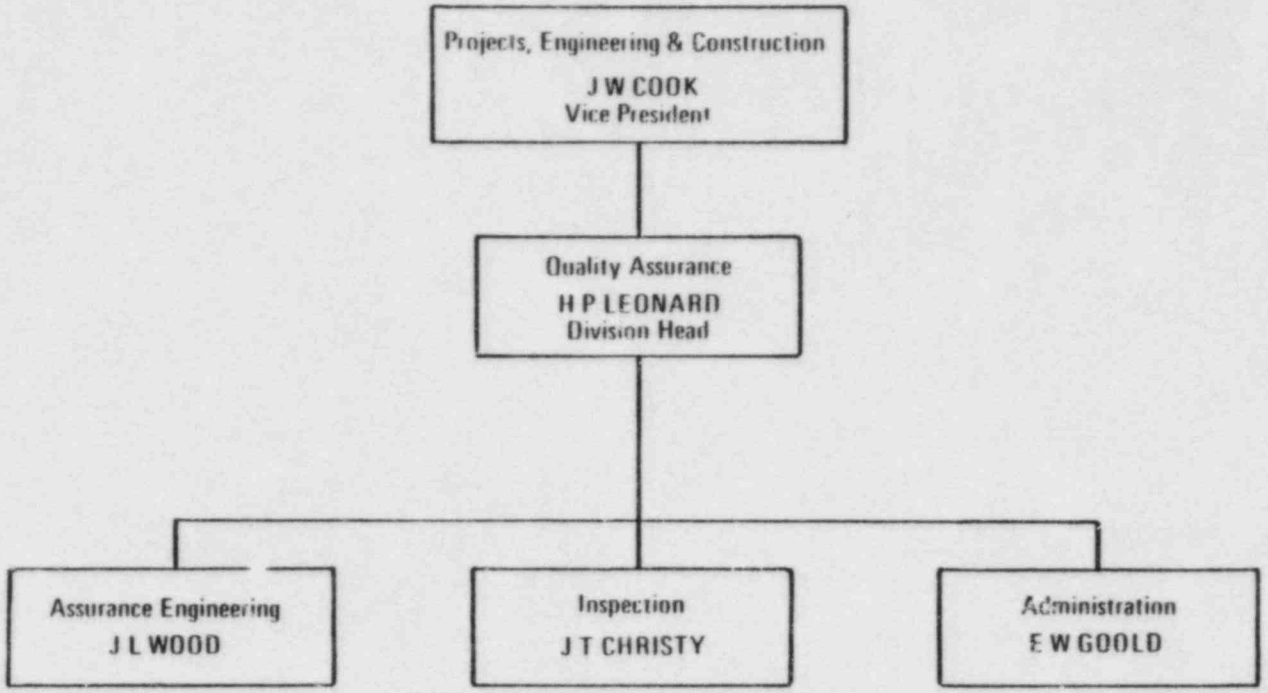
F. Coordinate the control of measuring and test equipment used by the QAD

G. Coordinate QAD participation in the confined space entry program

H. Coordinate the safety program within QAD

FIGURE 2-7

QUALITY ASSURANCE DIVISION



AS OF AUGUST 1984

2.4 CP CO GENERAL OFFICE ORGANIZATION

The General Office Organization for Project shutdown includes three departments shown in Figure 2-8. The organization and responsibilities of each of these departments is defined in subsections below.

2.4.1 Engineering and Licensing

Figure 2-8 shows the organization of the Engineering and Licensing Department. The responsibilities of the two sections in this department are defined below.

2.4.1.1 Engineering Technical Support

A. Coordinate with Records Division for the disposition of General Office and Bechtel - Ann Arbor engineering records and documents in accordance with policies defined by the Records Division

B. Licensing, quality and Construction Permit support

C. Coordinate development of engineering procedures to implement the Quality Assurance Plan

D. Provide technical support to Construction Division-Engineering

E. Absorb Construction Division-Engineering personnel and assume technical responsibility for site engineering activities as described in Section 2.2.1.1. (Construction DivisionEngineering personnel then become resident engineers reporting to the Engineering Technical Support Section)

2.4.1.2 Procurement Technical Support

Identify and recommend for resolution, the settlement of all General Office purchase orders and contracts in concert with Department Services, except the Bechtel contract. This includes CP Co General Office purchases and Bechtel - Ann Arbor purchase orders and contracts. Field purchase orders and contracts will be handled by the Site Shutdown Organization

2.4.2 Schedule and Cost

The Schedule and Cost Department reports to the Vice President, Projects, Engineering and Construction and includes three (3) sections as shown in Figure 2-3. Section responsibilities are described below.

2.4.2.1 Planning and Scheduling

A. Refine the Integrated Project Schedule (IPS) and release as Revision 0. Collect, organize and inventory IPS backup data.

B. Coordinate schedule document and data base retention with Bechtel Cost/Schedule and site Records Division staff

C. Coordinate the development and updating of the shutdown schedule

2.4.2.2 Cost Engineering

A. Assist Plant Accounting Department in the development and maintenance of the shutdown cost and forecast report

B. Prepare a revised shutdown cost estimate based on work plans provided by all Project departments and Bechtel

C. Provide cost engineering and estimating support for the Project site and home office organizations

D. Collect, organize and inventory Project cost information

E. Coordinate cost document and data base retention with Bechtel cost/schedule and site Records Division staff

F. Prepare cost estimates in support of claims and litigation against vendors and contractors

2.4.2.3 Budget & Contract Administration

A. Revise construction budget and provide ongoing budget administration and analysis. Coordinate budget matters with Department Services

B. Close out unessential work order subaccounts as work is completed

C. Work with General Accounting Department to establish new work order subaccounts as required by the shutdown organization

D. Closeout the scope control program

E. Support Engineering and Licensing Department in the closeout of CP Co contracts and resolution of commercial issues

F. Assist Plant Accounting Department in the auditing of Bechtel Ann Arbor demobilization plan

G. Provide special studies and budget information as requested by Corporate management.

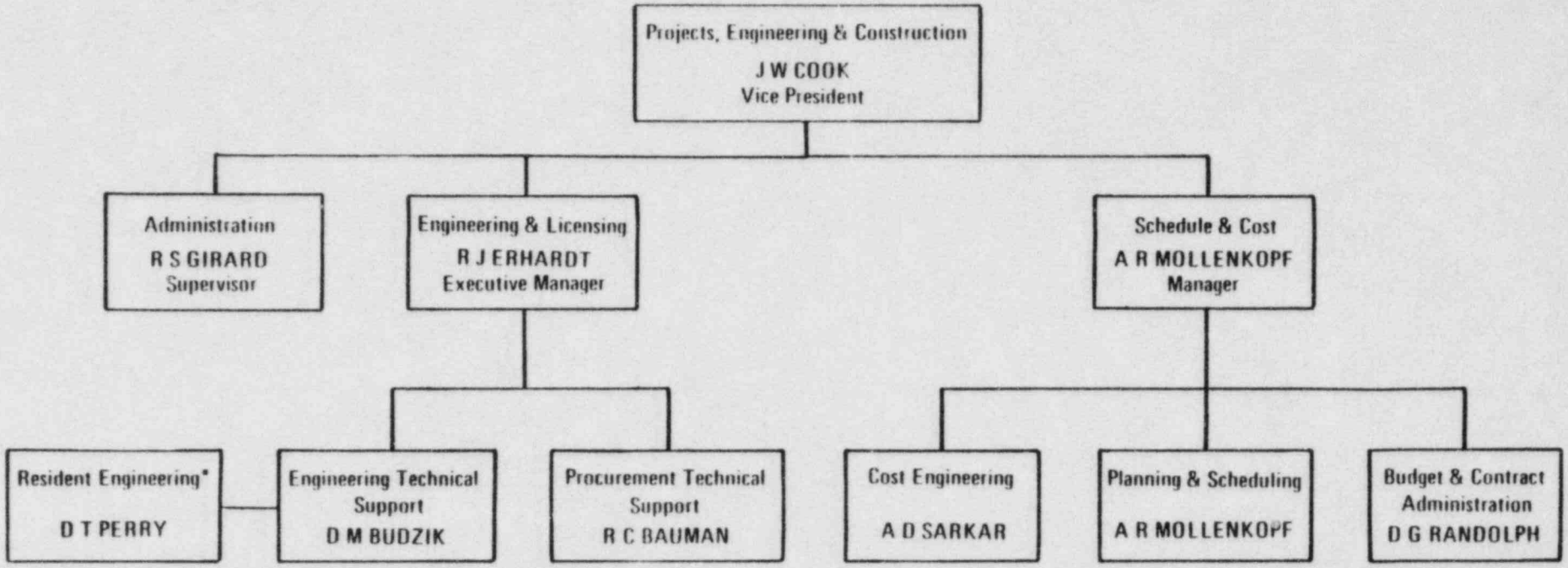
2.4.3 Administration Department

Figure 2-8 shows the Administration Department which provides:

A. Staff support to Project management

FIGURE 2-8

GENERAL OFFICE ORGANIZATION



*See note in Section 2.2.1.1

AS OF AUGUST 1984

B. Supervision for all General Office SE-W employees other than individual manager secretaries

C. File Room and Steno Room Services

2.5 BECHTEL SHUTDOWN SUPPORT

The Bechtel organization has been realigned to provide counterpart to counterpart support to the CP Co organization previously described. As the shutdown effort is phased down and total responsibility assumed by CP Co, the Bechtel organization will be consolidated and reduced in size until total shutdown is accomplished.

3.0 FUNCTIONAL PLANS

The Midland Energy Center Shutdown process is controlled by a series of functional plans covering the major issues which must be considered in the process. These plans are summarized in the subsections which follow. Several of the plans will be further detailed in the form of department guidelines and procedures.

Each plan defines (1) the guiding principles and policies established by project management, (2) the work scope required to accomplish the functional area covered by the plan, and (3) the interfaces and coordination required between organizations (on-project, off-project, contractors) to carry out the plan.

A summary schedule for the overall shutdown effort through December, 1984, is included in Section 4.4.

3.1 PERSONNEL DESTAFFING AND PLACEMENT PROGRAM

3.1.1 Principles

A. Reduce the manpower associated with the Midland Project as rapidly as possible consistent with personnel policies

B. Replace contract personnel with Company employees in those positions required for demobilization to the maximum extent possible

C. Eliminate the use of contract personnel elsewhere in the Company thus retaining as much "in-house" talent as possible consistent with staffing requirements

D. Terminate with dignity the excess manpower that cannot be effectively utilized elsewhere within the Project or the Company

3.1.2 Scope

A. Reduced Project personnel dramatically within the first two weeks of shutdown. The crafts personnel were on layoff at the time of shutdown and were terminated. Contract personnel were terminated within two days of shutdown. The personnel reduction continued with Bechtel personnel rampdown complete by September 30, 1984 and CP Co personnel reduced to the working level consistent with the identified workload by October 31, 1984

B. Assigned a management level person to coordinate placement of those people affected by the shutdown. This included direct solicitation of opportunities within internal CP Co departments and contact with outside organizations and industries

C. Supported a Job Fair to provide employment opportunities for displaced Company and contract personnel. This program was very successful in that more than one hundred companies were represented during the four days of the Job Fair held at the Project Site. Anyone laid off after the Job Fair had his resume submitted to all companies attending the Job Fair

D. Solicited updated background resumes and job preference indications from all retained EA&P employees to match available skills to shutdown and layup tasks

E. Use in-house personnel to plan and execute identified program for shutdown and layup

3.1.3 Interfaces

A. Coordination was completed with the Human Resources Department on personnel layoff, retention and placement

B. Coordination continues with all functional areas to ensure a sufficient staff to accomplish the shutdown objectives

3.2 NRC LICENSING REQUIREMENTS AND REGULATORY INTERFACE

3.2.1 Principles

A. Maintain the NRC Construction Permits and Operating License application for both units

B. Maintain, as appropriate, all necessary Federal, State and local licenses and permits

3.2.2 Scope

A. Established licensing shutdown strategy to ensure that all necessary licenses and permits are maintained to support the Project shutdown with support from the CP Co departments as applicable

B. Perform necessary tasks to maintain the Construction Permits for Units 1 and 2

C. Administer the preparation and submittal of the appropriate NRC licensing correspondence, including supporting documentation

D. Maintain the Correspondence Logging and Commitment Tracking System (CLCTS) during the shutdown process

E. Provide the primary interface with the NRC Washington, DC, offices and other Federal, State and local agencies with support from other CP Co departments as applicable. Support the Site Manager in his interfaces with NRC Region III

F. Documented the status of licensing documents being prepared/ updated and supported the provision for long-term caretaking per the Records Management Plan

G. Coordinate Project legal staff assistance and interface on licensing issues including the Atomic Safety Licensing Board and National Pollutant Discharge Elimination System (NPDES) permit

H. Ensure establishment of a Corporate position concerning the disposition of the nuclear fuel, sources and the disposition of the NRC fuel applications accordingly

I. Review and concur with all correspondence sent to the NRC in Region III and in Washington, DC

J. Ensured the archival of the Final Safety Analysis Report, Technical Specifications, Environmental Protection Plan, and Security Plan

K. Maintain effective the NPDES Permit and obtain the necessary regulatory approvals/permits for pond dewatering and maintenance with assistance from other CP Co departments as applicable

L. Remain current on NRC regulatory rules and documents impacting Project shutdown and maintain a continuing liaison with nuclear power industry groups and utilities to stay current on specific applications of NRC shutdown requirements

M. Determined the status of all environmental permits and licenses for the shutdown period and took the necessary licensing actions with assistance from other CP Co departments as applicable

N. Ensure that other project functional areas are aware of licensing commitments and requirements

O. Provided for the turnover of appropriate documents and activities to the Nuclear Licensing Department

3.2.3 Interfaces

A. Interface with appropriate project functional areas is required in maintaining the CLCTS and administering NRC interfaces

B. Interface and coordination is required with the NRC in Region III and Washington, DC

C. Coordination with Bechtel is required for turnover of the FSAR and its non-nuclear permits and licenses

D. Coordination is required with Records Division for records processing

E. Coordination with assistance from the Environmental Department, is required with the Michigan Department of Natural Resources and the Legal Department on pond dewatering and maintenance

F. Interface with Project and off-Project Company areas is required in Project permits and licenses

3.3 QUALITY ASSURANCE PLAN

3.3.1 Principles

The mission of the Quality Assurance Division (QAD) is to support the licenseability of the Midland Energy Center and the preservation of assets by implementing a Quality Assurance Program to assure that shutdown activities are conducted in accordance with established requirements

The goals of QAD are to:

A. Execute the assurance functions

B. Utilize resources effectively

C. Maintain regulatory confidence in the assurance program

3.3.2 Scope

The QAD prepares and maintains a Quality Assurance Program Plan (QAPP) for the shutdown of the Midland Energy Center. The QAPP represents CP Co's commitment to comply with Appendix B to 10 CFR 50 and responds to the guidance of the ANSI N45.2 series of standards and the corresponding regulatory guides. The QAPP establishes the quality assurance requirements for:

A. The maintenance of the USNRC Construction Permit

B. The preservation of assets within available resources

The QAPP was prepared by reviewing existing commitments and regulatory requirements, and deriving polices which emphasize the needs of the shutdown activities instead of the design, construction and testing phase. The QAPP consists of 19 policies, 18 of which address the criteria of Appendix B to 10 CFR 50 and 1 of which addresses the reporting requirements of 10 CFR 21 and 10 CFR 50.55(e)

The QAPP and the implementing procedures are designed to address only those requirements which are applicable to the shutdown activities and to establish a level of commitment considered to be absolutely necessary based on the financial constraints imposed on CP Co. The Plan does not provide for ease of restart at some future date

The QAPP supersedes Topical Report CPC-1-A (Volume I), the Quality Assurance Program Procedures Manual (Volume II) and the Quality Assurance related commitments in the Final Safety Analysis Report

Revision 0 of the QAPP was submitted to the UNSRC by CP Co letter Serial 31666 on October 1, 1984. The QAPP was implemented October 1, 1984 with full compliance by January 1, 1985.

The QAD prepares and maintains procedures to implement the provisions of the QAPP and executes duties previously the responsibility of:

A. MPQAD-HVAC
B. MPQAD-Remedial Soils
C. MPQAD-Balance of Plant
D. Quality Assurance - Nuclear Operations (on site)
E. Babcock and Wilcox Quality Assurance and Quality Control (on site)

The QAD performs four primary assurance functions (review, audit, inspection and analysis) and a number of related functions (personnel certification, nonconformance management, supplier evaluation, reportability determination, allegation evaluation and corrective action management)

3.3.3 Interfaces

Figure 3-1 provides the Quality Assurance Division logic diagram for the shutdown. Figure 3-1 identifies activities which must be performed by other organizations and which are prerequisites to the performance of QAD activities

3.4 CONTRACTOR DEMOBILIZATION & PLANT TURNOVER PLAN

3.4.1 Principles

A. Demobilize Bechtel and subcontractors in a thorough, timely and orderly manner. All contractor operations shall be turned over to CP Co

B. Capture records in accordance with CP Co Records Management Plan, Bechtel Project Engineering Work Suspension Procedure and QA requirements

C. Account for equipment, including office equipment, telephones, Xerox machines, data processing computer hardware, etc. and store/return as appropriate

D. Maintain certifications on materials

E. Accomplish turnover of physical plant and equipment in accordance with the established guidelines

3.4.2 Scope

3.4.2.1 Midland Plant Site

A. Temporary construction structures and trailers were removed from the premises after the following activities were completed

(1) Records captured by Records group
(2) Removal of Xerox machines
(3) Administrative group arranged for equipment removal
(4) Furniture was removed to staging areas

B. Permanent plant structures/areas were turned over to CP Co

C. Tools and materials were placed into storage

(1) All tools were gathered into central locations, they will be sorted into boxes, labeled and placed into the warehouses for disposition

(2) All non-installed material were placed back into storage except for large or heavy items and fabricated assemblies

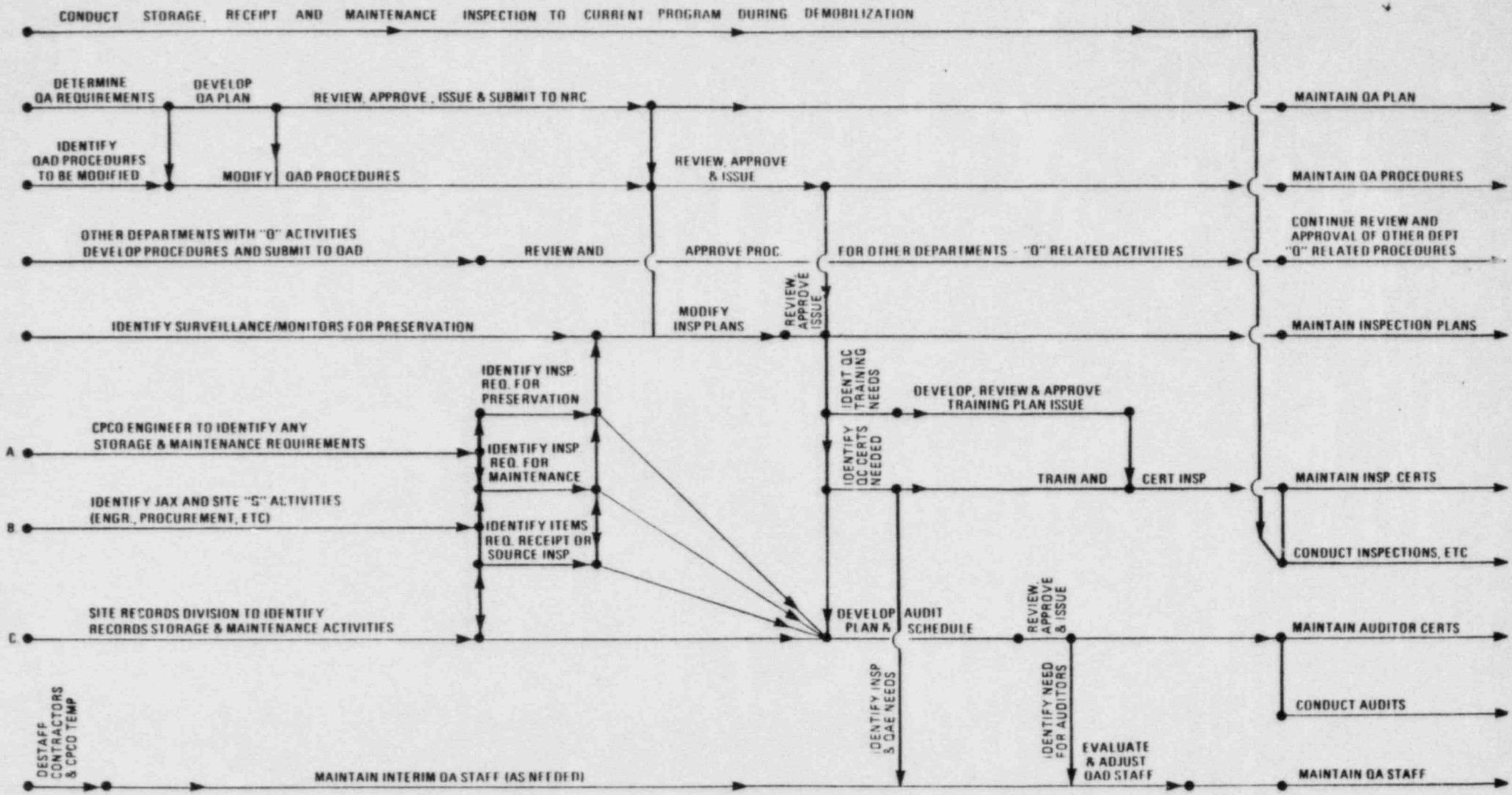
(3) All trucks and other construction equipment that is CP Co owned but not needed for the site will be salvaged

D. Tools and a portion of the material and equipment at the Standish Fabrication Shop will be moved to the site and placed into stock. The remaining material will be salvaged directly from Standish

E. Bechtel owned equipment was removed

FIGURE 3 1

QUALITY ASSURANCE PLAN IMPLEMENTATION LOGIC



F. Modifications required to support safety, security, etc, are being provided

G. Needed services such as snow plowing, etc, are being provided

H. Yard area cleanup and grading for proper drainage was completed

3.4.2.2 Bechtel Ann Arbor Office

A. Project closeout and records collection and storage is being conducted in accordance with Bechtel's Project Engineering Work Suspension Procedure, dated July 3, 1984 including supplements 1 through 5

(1) The Procedure applies to all Bechtel Project Engineering personnel and staff, including Resident Engineering

(2) The Procedure covers such activities as records statusing, storage and turnover, return of supplies, handling of personal and working files, filing of Project calculations and computer files, archiving, staff and management support, preparation of discipline reports, etc

(3) Bechtel Project Records in Ann Arbor at the time of shutdown are stored in Ann Arbor until such time as a records turnover agreement is reached

C. Each engineering discipline prepared a Discipline Work Suspension Summary Report. The reports address activities such as the status at shutdown of work in progress, documents being revised, computer files, discipline files and purchase orders being processed, instructions for project reactivation, and an inventory of the discipline records which were placed in storage boxes.

D. A final Project Engineering Suspension Report is being prepared which will contain each Discipline Work Suspension Summary Report as well as one volume devoted to the overall status of the engineering effort at the time of shutdown and recommendations for activities to be done at the time of Project reactivation

E. Bechtel is maintaining a small group of management and administrative personnel on the Project to carry out such activities as personnel demobilization, invoice processing, assistance to CP Co as needed for purchase order and Technical Services Agreements close out, records retrieval, etc until such time as they are no longer necessary and/or the Bechtel CP Co contract is terminated

3.4.3 Interfaces

3.4.3.1 Midland Plant Site

A. Coordination with Bechtel was necessary to ensure that equipment was not moved until dependent tasks were performed and that cleaning was accomplished prior to systems and structures being turned over to CP Co

B. Coordination with Salvage Services was done to aid in the disposition of furniture. Sale of furniture directly from the staging areas eased the problem of locating sufficient storage area

C. Teams were organized and coordinated by Facilities and daily meetings were held to ensure that the dependent activities in 3.4.2.1.A were completed in a timely manner. Coordination with Bechtel crafts was required to avoid tying up trailers and/or inefficient use of personnel

D Turnover of structures impacted the Security Division. Facilities coordinated as required with Administration in the turnover effort

3.4.3.2 Bechtel Ann Arbor Office

A. Following the shutdown, weekly status meetings were held between Bechtel and CP Co Project Management to ensure coordination of closeout activities and provide timely Project direction and response to Bechtel activities and questions. Once the demobilization activities had progressed sufficiently the meetings were held on an as-needed basis

B. The CP Co Ann Arbor Resident Engineer continued in residence and acted as a focal point for coordination between Bechtel Ann Arbor and CP Co General Office Project personnel

C. Following shutdown CP Co Project personnel worked closely with Accounting in reviewing the Bechtel monthly billings, providing Project input as to the appropriateness of the charges

D. CP Co Project and Information Systems Department worked with Bechtel in coordinating the turnover of computer records such as the Remaining Work Schedule, Computer Aided Design Drafting tapes, etc which were felt necessary to allow job reactivation

3.5 PLANT LAYUP AND MAINTENANCE PLAN

3.5.1 Principles

The Layup and Maintenance Plan has been formulated assuming a several year period before any possible reactivation, thereby requiring the Plant to be placed in long term layup. In addition, CP Co cash resources required are being minimized, while maintaining the option to restart or sell the equipment. The Layup and Maintenance Plan recognizes that the Construction Permits are being maint ined and the licenseability of the units is not being jeopardized.

3.5.2 Scope

3.5.2.1 Maintenance

To establish a maintenance program avai.able information was reviewed. The sources of the information were:

A. Vendor recommendations

B. Programs in existence at other plants

C. CP Co Operations, Bechtel, Zack, and B&W programs

D. Discussions with knowledgeable CP Co employees

Until the long-term maintenance program is fully implemented, the maintenance programs are being conducted using the existing Bechtel, B&W, Zack, and CP Co programs. To place the plant into a storage condition the above programs are being reviewed for changes. Equipment which is included in existing maintenance programs are being reviewed for changes. The new maintenance program is based on equipment cost, complexity, or potential for resale. Equipment not included in the maintenance program is based on cost effectiveness assuming a lengthy shutdown.

3.5.2.2 System Layup

Programs in existence at other plants and information generated as a part of Unit 1 deferral were reviewed. Included in this were discussions with CP Co personnel who have specific expertise. Also the systems required to remain operational are segregated from the systems to be placed into long-term layup. After the systems to be laid up were determined, they were inspected and layup recommendations were generated.

3.5.2.3 ASME Code Items

The responsibility for ASME Code items will remain the responsibility of the N Stamp holder. The N Stamp holders on site are Bechtel and B&W Construction Company.

Agreement has been reached with Bechtel on their activities to maintain their responsibility:

A. All ASME records must remain intact on site. Any additions or deletions to the files will be indexed and issued to Bechtel

B. Bechtel is providing necessary QA and Quality Control (QC) services when required to monitor the ASME items

C. ASME materials in storage will remain segregated from non-ASME materials

D. The Bechtel Authorized Nuclear Inspector (ANI) is conducting periodic audits at the site to review the documents and equipment

Similar agreements have been reached with B&W Construction Company with their code responsibility

3.5.2.4 Plan Implementation

The Maintenance Planning Group has been formed and assignments have been distributed. The process of gathering information from all available sources has been initiated.

The following work activities has been completed or are in progress to layup the plant systems and establish maintenance requirements:

A. Identify and drain those systems which are wet and not in use (in progress). Layup will occur in 1985 for all systems. The layup of piping systems at Midland consists of:

   (1) Carbon Steel systems will be drained and dried and monitored for corrosion

   (2) Stainless Steel systems will be drained and dried and monitored for corrosion

   (3) Carbon steel systems interfacing with the steam generator will be drained, dried, and dehumidified air will be circulated

B. Review the preventative maintenance activities for systems which had been turned over to CP Co and modified as necessary to provide intermediate term layup (complete)

C. Transfer responsibility for the implementation of Bechtel and subcontractor maintenance to CP Co (complete)

D. Review and modify the preventative maintenance program to achieve long-term layup conditions (in progress). The major components of the program are:

(1) Inspect coatings and protective covers

(2) Rotate pumps periodically (yearly on non-Q and per the vendor's recommendations on Q). Mechanical seals are left in place and the oil system is operated during the rotation

(3) Energize and protect heaters supplied with motors. Other motors are protected and may be provided with desiccant

(4) Energize heaters supplied with control panels and cover the panel. Other panels are protected with vapor phase inhibitor and covered

(5) Monitor piping and tanks for corrosion both by visual inspections and a corrosion monitoring program using coupons

(6) Protect the turbine and all systems connected including the shell side of the steam generator by dehumidified air. The turbine is rotated weekly and the oil systems are maintained operational

(7) Maintain the Midland Plant buildings at ANSI Class B State, which requires heating and temperature control between 40 and 140°F

E. Review open Construction Work Requests and Maintenance Orders. Close or restore equipment as appropriate for protection (complete)

F. Tour plant and identify partially completed, disassembled and open equipment which could result in deterioration or a hazard (complete)

G. Continue preventative maintenance on stored/warehoused equipment. Incorporate these activities into the schedule (complete)

H. Develop an administrative system for performing and scheduling work activities (complete)

I. In September 1984 Marble Hill, WNP-I and Marysville Gas Reforming projects were visited by a CP Co task force and after review of the layup and maintenance programs at these facilities, the Midland program seems to be adequate to protect the Company assets at minimum required expenditure

3.5.3 Interfaces

The interfaces for maintenance and layup activities have been and continue to be:

A. Engineering & Licensing Department for definition and development of Layup and Maintenance Plan

B. Maintenance Crews at other CP Co locations for experience in performing maintenance activities

C. Other utilities for implementing maintenance and layup programs

D. Vendors (informal discussions with no purchase orders required) for specific requirements for their equipment

E. Operations and Maintenance Division for actual implementation of layup and maintenance programs

F. B&W for specific requirements for NSSS equipment

3.6 SOILS DEMOBILIZATION PLAN

3.6.1 Principles

A. Prepare the Auxiliary Building and Service Water Pump Structure excavations for layup and prepare all yard excavations for layup by filling with temporary fill

B. CP Co assumes responsibilities for some of the required data collection and building surveillance

C. Initiate technical service agreements where specialized technical expertise is required for performing work or analyzing data necessary to assure the structural integrity during layup conditions

D. Review the condition of all structures in the remedial soils area to assure that buildings were in a safe condition

E. Review and adapt existing requirements as necessary for use in the shutdown period

3.6.2 Scope

A. The scope of work involved in the soils work shutdown consists of preparing the Auxiliary Building excavation, Service Water Pump Structure (SWPS) excavation, Borated Water Storage Tank (BWST) excavation, and miscellaneous yard excavations for long-term layup, cooling pond dewatering, freezewall and dewatering system removal, and Feedwater Isolation Valve Pit (FIVP) support system monitoring. Implementation of shutdown activities began immediately following the July 16, 1984 shutdown order. As of August 1, 1984, the Auxiliary Building excavation was secured by filling finger drifts and certain drift activities in progress with lean flyash grout. Sumps were installed in the access shafts, and soil stabilization grouting was performed where necessary. The main access drifts and shafts, as well as all piers installed to date, will remain fully accessible at this time. The SWPS excavation was filled with lean flyash grout as of August 1, 1984. All miscellaneous yard excavation, as well as the BWST tank farm area, were filled with temporary fill soil as of August 1, 1984. CP Co assumed the monitoring duties as of September 1, 1984

Bechtel resident engineering duties were taken over by CP Co Site Engineering as of September 1, 1984. The freezewall was deactivated October 24, 1984 and related equipment was in process of being demobilized and removed as of November 1, 1984. The plant cooling pond dewatering was completed December 19, 1984. Major work activities remaining are:

(1) Cleanup pond and make provisions for precipitation runoff handling

(2) Deactivate and removing those dewatering systems which are still in place

B. The excavations have already been stabilized as described above by use of temporary fill, soil stabilization grouting, and lean flyash backfill. The cooling pond dewatering commenced after environmental concerns were addressed and approval was secured from the Michigan Water Resources Commission. After the pond dewatering commenced, the freezewall was deactivated. The dewatering system will be deactivated and removed when ground water level has been drawn down and submersible pumps are installed where the ejector systems are now working. CP Co Engineering prepared building monitoring procedures, maintenance load jacking procedures, and fines monitoring procedures for CP Co takeover of these activities during shutdown. The soils work in the Auxiliary Building and SWPS will be left in a stable condition, with minimal monitoring and no maintenance jacking planned in the SWPS and a modified monitoring plan in place with minimal maintenance jacking anticipated in the Auxiliary Building. Routine checks of the support rod tension in the FIVP are performed by CP Co personnel. Calibration activities to support ongoing monitoring will be performed by CP Co or contracted out as required. CP Co Engineering will continue to monitor settlement markers with CP Co survey personnel as required

No excavation had taken place below the Service Water Pump Structure, so no technical concerns are outstanding on support of SWPS as a result of loss of soil due to excavation

The Borated Water Storage Tank foundation additions are nearly complete. One small concrete pour remains to be completed in each valve pit before the foundations are complete. The tanks cannot be filled until these pours are finished

C. The Auxiliary Building underpinning remains at the following status as of July 15, 1984:

(1) 31 of 57 temporary piers are installed and loaded (where loading is necessary). All critical areas of the Electrical Penetration Area (EPA) and Control Tower are supported. The essential monitoring elements will be continued and jacking response could be affected if unacceptable movements are detected

(2) 16 of 24 grillage beams are installed and loaded

(3) Mass excavation started, but only a small volume of total excavation was removed (down to el. 591' 6" in area of east and west access shafts only)

(4) No permanent wall work was started except for four temporary piers in the Control Tower areas that are eventually to become a part of the permanent wall

3.6.3 Interfaces

A. Bechtel Site Project Engineering, Mergentime, and Spencer, White and Prentis were demobilized and off-site by August 31, 1984

B. A consulting agreement will be written to retain Mergentime for maintenance jacking and a contract will be written with Mergentime to provide services in the event further underground activities would be required during the shutdown phase

C. U.S. Testing Company and Wiss, Janey, Elstner duties on testing and building monitoring were assumed by CP Co by August 31, 1984

D. The Nuclear Regulatory Commission Region III is kept informed as the shutdown activities are performed, as well as consulted on the modification of technical requirements related to the soils work during shutdown

3.7 RECORDS MANAGEMENT PLAN

3.7.1 Principles

A. Minimize the cost to suspend the work and preserve inactive and active records

B. Meet user requirements for inactive and active records

C. Process records to support shutdown activities

3.7.2 Scope

A. Establish the requirements, responsibilities, and methods for the processing of inactive and active records

B. Include all inactive and active records, regardless of who generated them and where they are presently located

C. Applies to organizations who are responsible for the processing of records

D. Meet the needs of: the MEC Project Shutdown Organization; suppliers who have transferred records to CP Co and who may need access to those records; and other organizations who may have a legitimate reason for requesting access to or copies of records

E. Classify records generated prior to shutdown as "inactive" (not needed for continuing activities) or "active" (needed for continuing activities). Records generated after shutdown are classified as active if they do not relate to records inprocess at the time of shutdown or inactive if they relate to records in process at the time of shutdown

F. Separate active records from inactive records

G. Maintain records that were in Document Control Centers or Records Centers (DCC/RC) at the time of shutdown as they were to facilitate retrieval

H. Retain records in the Company's records management systems and retrieve them through those systems

I. Process active records according to established procedures to support the continuing activities of shutdown, and surveillance and maintenance

J. Utilize storage facilities that have been evaluated for protection of records from a disaster such as a fire. Inactive records that are not in the Company records management system may be stored in interim storage facilities prior to transfer to the Midland Energy Center

K. Preplan the collection of records in the possession of individuals. As personnel departed the Project they were provided instructions on how to process records in their possession. Collection of these records was done with appropriate identifiers. However, additional sorting and indexing will be needed to classify records and enhance retrieval.

L. Establish the MEC as the long-term storage location for records that are not microfilmed

3.7.4 Interfaces

A. The Records Division interfaces with all Project and several off-Project organizations as the focal point for the processing of inactive and active records

B. The Records Division coordinates and interfaces with other CP Co records management organizations (Engineering Records Center, Management and Budget, General Files) to support the records management effort

C. Disposition records in the possession of suppliers as directed by the organizations closing out contracts and purchase orders as concurred with by the Records Division

D. Bechtel had records located onsite, in Ann Arbor and at other locations, records onsite for the most part remained onsite. Records in Ann Arbor or other locations for the most part are still in those locations. Disposition these records based on an agreement between Bechtel and Consumers Power Company

NOTE: Because of the importance of capturing and retaining MEC records, the complete MEC Records Plan is included as Attachment A to this Project Shutdown Plan.

3.8 WAREHOUSING AND SALVAGE PLAN

3.8.1 Principles

A. Collect and store all CP Co equipment and material in the most cost effective and efficient manner possible

B. To the extent practicable, use CP Co personnel to carry out the Shutdown Plan and get contractor personnel off the job

C. Obtain the highest possible economic return for items sold or transferred under the salvage plan

3.8.2 Scope

A. General Activities

(1) Coordinate and conduct the loading, unloading and transporting of furniture into short-term storage to await the salvage process. (See Salvage Policy and Procedure MMS-317-1 - Attachment B)

(2) Coordinate, evaluate and conduct the effective and efficient utilization of storage facilities to support shutdown activities

(3) Coordinate with Construction Division, and conduct the loading, unloading and transporting of equipment, tools, documents, records, furniture and stationery supplies to the appropriate assigned area

(4) Transition responsibility and control of all warehousing facilities and Poseyville storage area to CP Co from Bechtel effective July 30, 1984

(5) Evaluate, coordinate and administer the staffing of warehouse and storage facilities to support the demobilization activities applicable to Material Services

(6) Coordinate and monitor with the Construction Division, the unloading of materials to support the closeout and relocation of the Standish Fabrication Facility to Poseyville Area, Combination Shop and Warehouse 3A on James Savage Road

B. Warehousing Activities

(1) Conduct, coordinate, administer, control and monitor warehousing activities during the Demobilization Phase

(2) Evaluate, coordinate and conduct warehousing utilization with emphasis on supplying short or long-term storage as required to support the Demobilization Phase and

Surveillance and Maintenance Phase as applicable and disposition unneeded facilities

(3) Evaluate, coordinate and conduct staff utilization at each storage facility with emphasis on supplying short or long-term staffing as required to support the Demobilization Phase and the Surveillance and Maintenance Phase as applicable (Warehouse 1, 2, 3, 3A, 3B, 4 and Poseyville Area)

(4) Evaluate and coordinate staffing requirements for janitorial services as required to support the Demobilization Phase and the Surveillance and Maintenance Phase as applicable

(5) Coordinate with the Construction Division the collection, sorting and turnover to stock or appropriate area all construction tools, non-installed equipment, material and vehicles

(6) Evaluate, coordinate and conduct loading, unloading and transportation of furniture, stationery supplies, tools, equipment and materials to support the Demobilization Phase and the Surveillance and Maintenance Phase as applicable

(7) Evaluate and conduct transitioning materials and tools into the Inventory Management System as applicable

C. Salvage Activities

(1) Permanent Plant Equipment

One of the guidelines for the Midland shutdown is to preserve the option, at least for the present, to restart the Project at some later date a few years in the future. As a result any action to salvage or sell permanent plant equipment is being undertaken only after a careful evaluation to insure that the proposed sale will not invalidate the restart option.

To properly evaluate potential sales of permanent plant equipment the Construction Division acts as the focal point, and maintains a listing of all inquiries regarding the availability of Midland permanent plant equipment. This listing includes equipment requested, estimated value of that equipment, interested organization, and, to the extent known, their need date.

The pricing of the sale of this equipment was studied and a pricing procedure developed.

(2) Non-Permanent Plant Equipment and Material

A. Procedure

The Construction Division-Materials/Tools determines the possible use, or declares as surplus all material and equipment. Once an item is declared surplus, that item is placed on the Midland Energy Center Surplus Report for disposition. This Surplus Report is generated weekly to the following departments:

- Nuclear Operations Department
- Traveling Repair Crew
- Field Maintenance Services
- Plant Superintendents

These departments have a priority on receiving the Midland Surplus Report. The Surplus Report will be issued for a period of four weeks to those on the priority list. After this four week period, the Midland Surplus Report will be incorporated into the Salvage Services monthly surplus report, at which time, all Company departments will have an opportunity to acquire a surplus item.

Salvage Services coordinates outside sales of surplus material and equipment if no response is received on the monthly surplus report for two months. Items out for bid can be obtained by company departments with immediate notification to Salvage Services to remove that item from the sale process.

Salvage Services works in conjunction with the Construction Division in the disposition of surplus material and equipment. Inquires concerning the transfer and/or sale of surplus should be directed to the Construction Division.

B. Pricing

The costs associated with materials to be transferred from the site to other Company locations is based on standard Company practice, as summarized below.

New Items - The transfer price is the original invoice cost of items which have not been used.

Used Items - The transfer cost of used items is based on the condition of the item, and a depreciation calculation of 20% per year down to 50% of original price.

Temporary Construction - The transfer price is one half of the new price.

Stock Items - Transfers of stock items is based on the Company's System Average Price.

Prices associated with equipment and material sold outside CP Co are evaluated on a case by case basis

3.8.3 Interfaces

A. Coordinate and conduct interface activities with on-site divisions/organizations - Quality Division, Construction Division, Security, Operations and Maintenance and other groups within the Services Division.

3.9 SECURITY PLAN

3.9.1 Principles

A. Provide site security coverage 24 hours a day, establish site security programs and provide oversight of the contract security force

B. Supervise the fire prevention and protection program, which includes inspections, policy and procedure formulation, incident investigation, fire watches, and compliance with fire insurance requirements

C. Transition from a nuclear-capable security force to a force providing industrial security functions

3.9.2 Scope

A. Security

(1) Provide ongoing traffic, access control, incident investigation, and site badging services. In addition, personnel and vehicle inspection, key control, and security patrol coverage continue on a daily basis

(2) Established policies for the removal of site equipment with appropriate site divisions.

(3) Completed two contract change orders with Burns Security. These changes reflect an alteration of the security mission from nuclear to industrial security. In addition, security costs were lowered both by lowering the hourly billing rate and reducing force strength from 89 to 15

B. Fire Prevention and Protection

(1) Established fire watch coverage that complies with Nuclear Mutual Limited (NML) Insurance standards.

(2) Completed fire brigade training for Operations and Security personnel. A three-person fire brigade is now provided on around-the-clock basis seven days a week.

C. Inspections and Audits

(1) Successfully completed an audit of fission chamber security conducted by the Property Protection Department in July, 1984

(2) Nuclear Mutual Limited Insurance representatives have conducted three inspections since July, 1984

3.9.3 Interfaces

A. Continues coordination with other site divisions to facilitate the shipment of material offsite while maintaining proper security

B. Coordinate with the Property Protection Department which has responsibly for interfacing Burns Contract administration, fire brigade training, security force training, and fire insurance matters

C. Coordinate with Site Management, the Property Protection Department, and other appropriate site divisions regarding fire suppression and detection systems needs and fire water supplies

3.10 CONTRACT AND PURCHASE ORDER CLOSEOUT

3.10.1 Principles

The objective of this task is to achieve an orderly, expedited minimum cost closure of all contracts and purchase orders for the Midland Project except those necessary to support Project shutdown and plant layup. The final status of engineering and equipment will be consistent with management objectives regarding project reactivation and equipment internal use or sale.

3.10.2 Scope

A. General Office

(1) CP Co Purchase Orders

Following project termination, the CP Co Purchasing Department immediately notified all suppliers, except those necessary to support Project shutdown and plant layup, to cancel all purchase orders. Department Services prepares and processes single scope contract termination letters when requested by the Midland Project. To support follow-up closure activities, a cognizant engineer is assigned to each purchase order. The cognizant engineer is responsible for preparing an engineering status, identifying supplier activities necessary to support project shutdown, and for communicating these requirements to the appropriate Purchasing Department buyer. The cognizant engineer is also responsible for providing assistance to the buyer as requested. All negotiations with material suppliers are conducted by the Purchasing Department, negotiations with contractors and consultants will be conducted by the cognizant engineer with support from Department Services, with approval of final invoices by the Midland Project

(2) CP Co/B&W Nuclear Equipment Contract

Following project termination, B&W was directed to immediately cancel all work except for statusing uncompleted engineering tasks and closing open purchase orders. All existing work authorizations were closed and new ones prepared for approval of closure activities. Open commercial issues are negotiated with B&W by the Project based on CP Co position statements

(3) Bechtel Ann Arbor Purchase Orders

Following project termination, Bechtel immediately notified all suppliers to cancel work. Effective August 10, 1984, CP Co is responsible for closing all active Bechtel purchase orders. Engineering and purchasing status statements and suppliers' responses to the cancellation notice are

used by the CP Co Purchasing Department to close all open purchase orders. Cognizant CP Co engineers are assigned for each purchase order and technical service agreement. A resolution team consisting of Bechtel Purchasing, CP Co Purchasing, CP Co Engineering and Project Management establishes commercial positions for management approval and use by the Purchasing Department during closeout negotiations. The Midland Project approves all final invoices

B. Field

(1) Bechtel Subcontract Closeout

The scope of the Bechtel subcontract closeout plan involves the turnover of subcontractor hardware and the commercial closeout of the subcontracts. The plan calls for hardware and subcontract closeout to be completed in an expeditious manner. Bechtel continues closeout of subcontracts until assigned to CP Co, after which time the CP Co subcontracts group assumes responsibility for commercial closeout of remaining subcontracts. Turnover of all subcontracts, hardware and associated records should be completed by August 31, 1984. Responsibility for several subcontracts involving services which continue after job shutdown were transferred to CP Co by August 15, 1984

Upon assignment of Purchase Orders and subcontracts to CP Co, the approval authority is as defined in General Order No. 6. The form actually assigning the contract to CP Co must be signed for CP Co by J W Cook, Vice President, Projects, Engineering and Construction. If a single Change Order is anticipated to closeout a contract, that too should be signed by J W Cook. However, if a contract continues to be used and more than one Change Order is necessary to administer it, a Change Order signed by J W Cook delegating approval authority to J A Mooney, Site Manager, is executed. This enables J A Mooney to execute further Change Orders up to the General Order No. 6 limit of $100,000

(2) Bechtel Field Purchase Order Closeout Plan

The general approach is to closeout Bechtel field purchase orders as soon as possible with the least cost to CP Co. Bechtel continued to closeout Purchase Orders until August 10, 1984 at which time CP Co became responsible for closing out the remaining Purchase Orders. It is expected that a number of purchase orders require extensive follow-up to close due to commercial issues. CP Co becomes familiar with the purchase orders requiring follow-up and closes the purchase orders out directly with the vendors

Assistance from the CP Co Purchasing Department is obtained where necessary

3.10.3 Interfaces

A. General Office

(1) Procurement Technical Support, Purchasing Department and Department Services for CP Co purchase orders and contracts

(2) Procurement Technical Support, Purchasing Department and Bechtel Ann Arbor Purchasing for Bechtel purchase orders and technical service agreements

B. Field

(1) CP Co subcontract group, the Bechtel subcontract group and the individual subcontractors for Bechtel subcontracts

(2) CP Co subcontract group, Bechtel Procurement and the individual vendors for Bechtel field purchase orders

3.11 BUDGET CONTROL AND CASH DISBURSEMENT

3.11.1 Principles

The guiding principles and policy for the charging and control of costs for the Midland Plant shutdown are defined in Project memoranda dated August 1, 1984 (Serial 31705) and dated August 29, 1984 Serial 31712), from J W Cook. The more important of these principles and policies are listed below:

A. Cost charging categories:

(1) Costs incurred through July 16, 1984 are charged to the Midland work orders (7020 and others)

(2) Cost incurred from July 17 through completion of the "demobilization" phase are charged to the demobilization work order (7010)

(3) Surveillances, maintenance and caretaker costs incurred after July 16, 1984 are expensed

B. Capitalization of AFUDC and Oakway contract ceased beginning July 17, 1984

C. Legal Expenses - Costs applicable to cases relating to work performed through July 16, 1984, continue to be charged to the Midland work orders and settlements are credited to the work orders. Any legal costs related to the Demobilization Phase are charged to the demobilization work order

D. Salvage and Back Charge Credits - Salvage and back charge credits are credited to the Midland work orders as received except for General Stores Inventory (see "E" below)

E. Stores - Materials and supplies issued through July 16, 1984, are charged to the Midland work orders and those issued during the Demobilization Phase are charged to the demobilization work order. At the end of the Demobilization Phase, all unusable items remaining in inventory are identified and charged to the demobilization work order

3.11.2 Scope

3.11.2.1 Budget and Cash Flow Preparation and Control

A. Prepare Midland Plant Shutdown Budget Cash Flow Report to be utilized for informing Corporate Treasury of cash requirements on a projected daily, weekly and monthly basis and; to be utilized for comparison of budget and forecast to actual expenditures on a daily, weekly and monthly basis to monitor and control cost. Budget Reports include a detailed report and

summary report. The Budget Cash Flow Support is now provided on a monthly basis

B. The budget is developed by the Schedule and Cost Department through coordination with CP Co Site and General Office and Bechtel personnel

C. Construction and Generating Plant Accounting Department are responsible for translating budget dollars into daily, weekly and/or monthly cash flow projection

D. Construction and Generating Plant Accounting Department are responsible for developing systems to report cash expenditures for the Midland Project on a daily basis. These systems are in operation, however there is no longer a need for daily reporting

E. The Construction and Generating Plant Accounting Department and the Schedule and Cost Department are responsible for determining allocations that will be charged to the Midland Project at month end reporting periods. Cash expenditures plus allocations equal total charges to Midland demobilization

F. The Schedule and Cost Department is responsible for periodic review of Budget, Forecast and actual variations on Budget Cash Flow Report and reporting to Project Management (J W Cook and Staff) for their review and monitoring of costs. This report, along with daily personnel count variations is utilized to monitor costs. Personnel costs have stabilized and are now reported on a monthly basis

3.11.2.2 Cash Disbursements

A. Cash disbursements to Bechtel Power Corporation are reviewed by Construction Accounting Department to ensure all billings are in accordance with contractual provisions. Disputed or potential disputed items are deducted from cash transfers. All Bechtel and subcontract invoices must be approved by the appropriate CP Co personnel prior to Construction Accounting review. All cash transfers are approved by J W Cook or J A Mooney (see letter from J W Cook dated 7/24/84 and titled "Contract Payment Authorizations")

B. Cash disbursements for contracts paid by CP Co purchase orders are reviewed by Construction Accounting Department as noted in (A) above and approved by J A Mooney for site contractors and R J Erhardt for General Office sponsored contracts or by J W Cook. (See letter from J W Cook dated 7/24/84)

C. All other expenditures are reviewed and approved for payment in accordance with normal Company procedures

3.11.2.3 Labor/Expenses Charging System

A. Charges for labor and expenses for on-Project and off-Project personnel are distributed to the following account categories:

(1) Demobilization

(2) Surveillance and Maintenance

(3) Administration and General

Administrative and General covers all support of litigations other than those associated with contractors, subcontractors or other suppliers

B. Personnel Profiles are changed as necessary to reflect the appropriate demobilization charge number. Labor charges to account categories other than the charge number on an employee profile are collected using a monthly time sheet system and entered into the accounting system via an Adjustment Time Report (Form 2603)

C. After December 31, 1984 Personnel Profiles are changed to the appropriate Surveillance and Maintenance charge number. Labor charges to other account categories are collected and handled as in (B) above

D. Business expenses are charged to the appropriate account category on the Employee Expense Summary and Reimbursement form (Form 165)

3.11.3 Interfaces

A. Bechtel provides on a daily basis actual personnel counts and any changes to personnel forecast and dollars to J A Mooney and Construction Accounting. This task is completed

B. Bechtel provides cash forecast on a daily basis for succeeding week plus any changes in future weeks' cash forecast. This task is now performed on a periodic basis

C. The Schedule and Cost Department notifies Project Management (J W Cook and Staff) weekly on significant variations in actual versus forecast dollars for prior weeks expenditures. This task is now performed on a monthly basis

D. Project Management is responsible for reviewing the report to monitor cost variances and notify the Schedule and Cost Department of significant changes required in forecast

E. Prepare an estimate of liabilities for purchase order and contract closeouts required for budget preparation

F. Prepare an estimate of liabilities for leases required for budget preparation, e.g., IBM Equipment, Public Warning System, Radar Detection. This task is completed

G. Potential disputed items are communicated to Construction Accounting Department (G Giem - Site, M R Bowles - General Office) to ensure billings are deducted

H. The Schedule and Cost Department coordinates the compilation of a Responsibility Budget 1984 current outlook for submittal to Corporate Budgeting Department (completed), and to assist General Accounting Department to analyze charges to area and functions, and the various Work Order subaccounts. This task is complete

I. The Schedule and Cost Department assists General Accounting Department to set up areas and functions and work order subaccounts sufficient to record and control the costs for the original budget items, the demobilization work, and the O&M functions. This task is complete

3.12 PLANT SURVEILLANCE AND MAINTENANCE PLAN

The implementation plan for the Surveillance and Maintenance (S&M) phase is included in a separate document titled" Midland Energy Center Project-Surveillance and Maintenance Plan". Revision 0 of this plan is scheduled for release in January 1985.

The S&M plan defines (1) the project organization; (2) the licensing requirements and regulatory interface; (3) the quality assurance requirements; (4) the preventive maintenance program; (5) the long-term salvage program; and (6) the plans for site security and records management. In addition considerations for future planning requirements relative to the ultimate disposition of the facility are discussed.

3.13 PROJECT REACTIVATION CRITERIA

One primary objective of the Shutdown Plan is to preserve the ability to reactivate the Project in the future by either Consumers Power Company or a third party. To meet this objective it is necessary to identify the basic elements for reactivation for consideration by those preparing the Shutdown Plan. What follows is one possible reactivation scenario.

Upon reactivation, it must be assumed that the Project will be staffed with new people who will have to familiarize themselves with the remaining work scope. The following are the priorities that need to be addressed by the initial Project team during the early stages of reactivation once a contract with an architect engineer has been initiated.

3.13.1 Midland Project Plan

To facilitate understanding by potential purchasers of the Project status at the time of termination, a review would need to be made of the Midland Project Plan dated June 1984.

3.13.2 Design Considerations

The following steps need to be followed by each discipline to gain an understanding of the design status at Project termination:

A. Locate all documents which were archived during the demobilization process

B. Review the following:

   (1) Discipline Work Suspension Summary Reports

   (2) Document Revision In Progress Status Forms

   (3) Design Pending Completion Status Sheets

   (4) Design Document Register

   (5) Remaining Work Schedules

C. Assess the impact of changes in regulatory requirements, feedback from industry and operating plants, and establish current criteria that would apply to Project completion

D. Establish the scope of the remaining design work based on the reviews performed in B and C above

E. Establish a configuration control procedure

F. Establish design control procedures which optimize constructability, inspectability and auditability

3.13.3 Construction Considerations

A. Locate boxed records of to-go work which were archived by CP Co during the deactivation process

B. Review the records to establish the scope of work

C. Identify change documents which were not processed prior to project termination

D. Reevaluate the Construction Completion Program (CCP) based on the experience gained in handling QA/QC concerns on projects completed during the period that the Midland Project was deactivated. Renegotiate a CCP commitment with the NRC

E. Review and establish/initiate permits and licenses

F. Project procedures training program for both manual and non-manual personnel will need to be implemented prior to commencing with physical work.

G. The labor contracts, specifically General President's Project Maintenance Agreement (GPPMA), must be negotiated with the local building trades prior to hiring craftsmen

3.13.4 Soils Considerations

The following activities must be performed:

A. Study discipline report and follow through

B. Evaluate building performance during suspension period (Auxiliary Building and SWPS)

(1) Determine load distribution by performing liftoff (Auxiliary Building only)

(2) Review settlement data

C. Study groundwater condition. Leave pond at lowest level possible. Install pump hardware as necessary and lower groundwater if required. Reactivate freezwall if necessary

3.13.5 Manpower Planning

Based on the reviews performed in Subsections above, develop man-hour curves/budget and organization structure from restart through Project completion.

3.13.6 Procurement Activities

A. In addition to establishing contact with the major vendors (e.g., B&W for NSSS and G.E. for turbine generator) to reopen contracts, a review needs to be made to determine the status of individual purchase orders with the various vendors. Status summary sheets are located in each procurement file outlining the open items at the time of Project termination. Status of warranties, delivery dates, and availability of materials and equipment will need to be addressed

B. Equipment and materials in the warehouse should be checked against the inventory made at the time of Project termination. Vendors need to be located for those items no longer available from the warehouse

C. Installed equipment which has been salvaged during the shutdown period must be reprocurred

D. The review with B&W should address any industry developments and new regulatory requirements that may have an impact on the Midland design. A similar review should be made with other major vendors

E. Representatives of major equipment vendors should be contacted to inspect and suggest refurbishment procedures and parts

F. Initiate/Reactivate the following subcontracts:

(1) NSSS
(2) HVAC
(3) Insulation Wrap
(4) Insulation Reflective
(5) Fire Protection
(6) Wiss, Janney, Elstner (Technical Service Agreement)
(7) Testing
(8) Penetration Sealing
(9) Concrete
(10) Mergentime
(11) Spencer, White & Prentiss

G. Review vendor performance on orders not completed and rebid equipment previously purchased from problem suppliers

3.13.7 Planning and Control

A. Review Project completion approach

The Project was in the process of transition from a module completion approach for the CCP (Construction Completion Program) to a system/component completion approach. Review this type of approach and implement upon project reactivation if still appropriate

B. Review and update the IPS (Integrated Project Schedule)

(1) Identify "hard spots" (critical path)

(2) Review sequence of system turnovers in light of transition to system/component completion approach

C. Review and update the cost forecast

D. Reevaluate the methods used to track construction and engineering activities, quantities, manpower and budget. Establish a component based statusing system to measure degree of completion and acceptability

3.13.8 Other Considerations

A. Licensing

Provide support of licensing activities as required. This would include support of:

(1) Reevaluation of Construction Permits

(2) Reevaluation and closeout of items associated with the Safety Evaluation Report

(3) Updating of Final Safety Analysis Report (FSAR), Environmental Report (ER), Soils 50.54(f)

(4) Addressing intervenor contentions

(5) Atomic Safety Licensing Board (ASLB) hearings

(6) Seismic Qualification Review Team (SQRT)

(7) Equipment qualification

B. ASME Considerations

(1) Reconcile ASME III work in progress to current ASME program and certificates of authorization

(2) Evaluate the need to have an ASME survey performed. The current certificates of authorization for the Midland site expire in August 1986

C. Procedural Aspects

Establish procedures and reconcile with procedures that existed at the time of Project termination to determine if changes that would impact the Midland Project had occurred during the period that the Project was shutdown. Procedures would be reviewed to assure they remain cost-effective

D. Critical Items Action Report

Review and evaluate the items on the Critical Items Action Report

E. Permanent Plant Equipment

Review condition of permanent plant equipment and recondition/ rebuild as necessary

F. Systems Evaluation

(1) Reevaluate the turnover and testing status

(2) Reevaluate turnover status

G. Quality Items

(1) Reevaluate and identify the quality assurance program to be implemented

(2) Identify and set up plan to respond to all open quality items, including any 10 CFR Part 21 and/or 50.55(e) reports or notifications issued by suppliers or licensees before and after Project termination

H. Third-Party Reviews

Evaluate third-party review issues which were outstanding at the time of Project termination

I. Decoupling Completion Considerations

Review the decoupled completion task force proceedings to determine the basic scope for completion

3.14 COORDINATION OF OFF-PROJECT ORGANIZATIONS

3.14.1 Principles

A. The scope of all off-Project support to the Midland Project Organization is defined in the Shutdown Plan and included in the cost estimate

B. All off-project support is assigned an on-Project sponsor who is a Department or Division Head. The sponsor monitors off-Project support and assures the effort is within scope and budget

C. Off-Project support organizations charge to an area and function of an on-Project organization via monthly journal entry

D. The use of off-Project support is to be minimized and reduced as quickly as possible

3.14.2 Scope

A. The Schedule and Cost Department coordinates the preparation of scope statements and cost estimates for off-Project organizations and assures they are included in this plan

B. The Schedule and Cost Department defines the area and function charge numbers for each off-Project organization

C. Sponsors of off-Project work scope monitor progress and budget and assure the effort is completed on-time and within the cost estimate

D. The Schedule and Cost Department monitor off-Project charges to the demobilization work order and reverse out-of-scope charges

3.14.3 Off-Project Support Organizations

The following organizations are identified as providers of off-Project support that charge to the demobilization Work Order:

Organization	On-Project Sponsor(s)
Administrative Services	R S Girard
Construction Accounting	A R Mollenkopf
Engineering Records Center	G F Ewert
Management and Budget	G F Ewert
Environmental Department	A D Kowalczuk/T R Thiruvengadam
Laboratory Services	A D Kowalczuk/B H Peck
PM&MP Engineering	R J Erhardt
Property Protection Department	S Cote
Quality Assurance - PE&C	H P Leonard

4.0 PLANT SHUTDOWN STAFFING, COST ESTIMATE AND SCHEDULE

This section of the Shutdown Plan defines:

(1) The basis and qualifications used to prepare the cost estimate and schedule

(2) The staffing requirements for the shutdown organization through 1986

(3) The updated cost estimate with actual cost through July 1984

(4) A summary schedule for the shutdown activities

4.1 BASIS AND QUALIFICATIONS

A. The shutdown cost estimate was developed based on the functional plans included in Section 3.0

   CP Co assumed responsibility for closeout of all purchase orders and subcontracts effective August 10, 1984. Bechtel had this responsibility prior to that date for closeout of their purchase orders and subcontracts they were executing prior to the Project shutdown

B. Documentation turnover and records management responsibilities are assumed by CP Co during shutdown

C. All manual labor support for the demobilization phase is furnished by Bechtel

D. Bechtel also provides nonmanual personnel support for demobilization and closeout both on site and in their Home Office in Ann Arbor

E. Bechtel's work plan incorporates their corporate requirements for plant shutdown

F. CP Co maintains the Construction Permits for each unit

G. Legal services costs to close out Operating License issues are included

H. For the purposes of this estimate, the salvage value is assumed to be zero

I. Property tax payments are based on the 1983 assessed value

J. Insurance costs are included

K. Fees for all relevant permits/licenses are included

L. Estimates include the cost of compliance with the corporate personnel policies for layoffs and relocations of personnel (both CP Co and Bechtel)

4.2 STAFFING PLAN

Table 4-1 defines the staffing plan required for the shutdown effort through December 31, 1986. The manpower requirements are broken down by the major departments as shown in the Project Shutdown Plan organization (Figure 2-1).

TABLE 4-1
MIDLAND SHUTDOWN PLAN
FORECAST MANPOWER REQUIREMENTS

CP CO (Project)		PERIOD ENDING 1984 July	AUG	SEPT	OCT	NOV	DEC	1985 JUNE	DEC	1986 JUNE	DEC
Engineering/Licensing	EA&P	76	35	28	26	16	16	1	0	0	0
	SE-W	16	5	5	5	2	2	1	0	0	0
	Subtotal	92	40	33	31	18	18	2	0	0	0
Administration	EA&P	9	2	1	1	1	1	0	0	0	0
	SE-W	9	7	6	6	4	4	0	0	0	0
	Subtotal	18	9	7	7	5	5	0	0	0	0
Schedule & Cost	EA&P	11	9	6	6	6	6	0	0	0	0
	SE-W	5	4	1	1	1	1	0	0	0	0
	Subtotal	16	13	7	7	7	7	0	0	0	0
Quality Assurance	EA&P	206	33	26	21	14	14	0	0	0	0
	SE-W	97	3	3	3	3	3	0	0	0	0
	Subtotal	303	36	29	24	17	17	0	0	0	0
Site Management	EA&P	199	105	79	56	53	51	9	9	5	4
	OM&C	209	57	53	46	46	47	4	4	2	2
	SE-W	162	59	57	39	36	36	5	5	3	2
	Subtotal	570	221	189	141	135	134	18	18	10	8
Total CP Co (Project)	EA&P	501	184	140	110	90	88	10	9	5	4
	OM&C	209	57	53	46	46	47	4	4	2	2
	SE-W	289	78	72	54	46	46	6	5	3	2
Off Project		84	36	31	25	9	9	0	0	0	0
CP Co Total		1,083	355	296	235	191	190	20	18	10	8
Bechtel		1,590	366	23	20	4	4	2	2	0	0
Contract Personnel		75	60	56	19	15	15	0	0	0	0
Total Project		2,748	781	375	274	210	209	22	20	10	8

4.3 ESTIMATED COST

Table 4-2 summaries the estimated cost for the demobilizations portion of the Shutdown Plan. For the purposes of developing this estimate, it was assumed that the demobilization work will essentially be completed by December 31, 1984. However, portions of the demobilization work will be carried on into 1985 and beyond. The costs related to those activities have been included in this estimate.

The total budget of the shutdown effort is estimated at $110 million with $55 million to be charged to demobilization and $55 million in Midland Plant costs. The Midland Plant costs are those costs which were incurred prior to the July 16, 1984 shutdown but paid subsequent to that date. The criteria for segregation of costs between demobilization and Midland Plant are defined in Section 3.11.1.

4.4 SHUTDOWN SCHEDULE

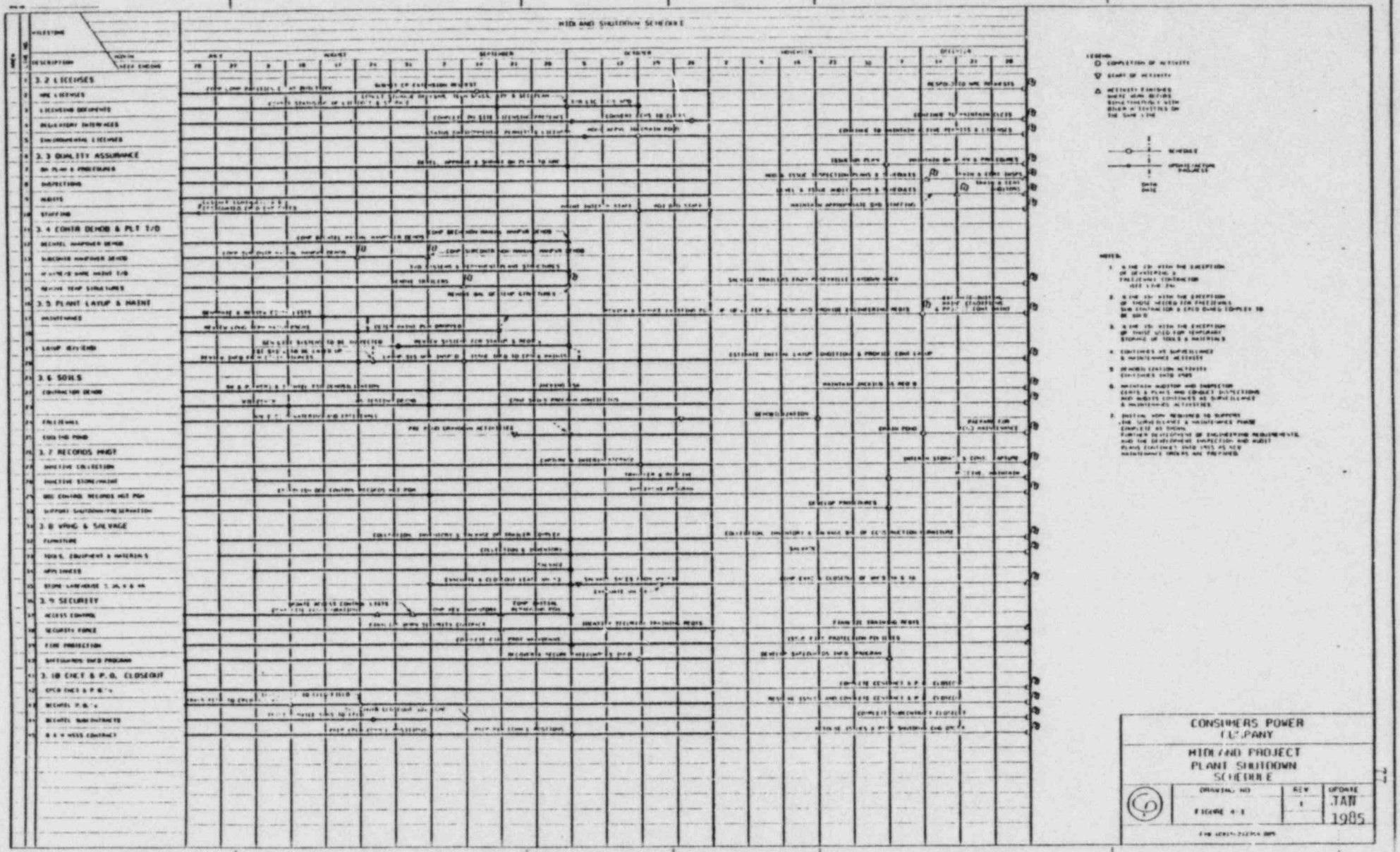
A summary schedule of major shutdown activities is shown in Figure 4-1.

The Demobilization Phase nominally runs until December 31, 1984, followed by the Surveillance and Maintenance Phase. Certain demobilization activities will extend beyond this date. These include the final closeout of some subcontracts and purchase orders, the completion of the processing of documents and records, and salvage operations at the site.

Conversely some surveillance and maintenance activities will start prior to the completion of the Demobilization Phase.

Table 4-2
MIDLAND SHUTDOWN PLAN
DEMOBILIZATION COST ESTIMATE

		Estimated Costs ($X1,000)
A.	CP Co Labor	$11,121
B.	Bechtel Labor	$16,223
C.	Contracts and Purchase Orders	4,201
D.	Miscellaneous Expenses	2,207
E.	General Stores Inventory	$ 7,200
F.	Overhead Costs	$10,697
G.	Contingency	$ 3,351
H.	Total Estimated Costs	$55,000


MIDLAND SHUTDOWN SCHEDULE
3.2 LICENSES
3.3 QUALITY ASSURANCE
3.4 CONTR DEMOB & PLT T/O
3.5 PLANT LAYUP & MAINT
3.6 SOILS
3.7 RECORDS MGT
3.8 VPNG & SALVAGE
3.9 SECURITY
3.10 CNST & P.O. CLOSEOUT
CONSUMERS POWER COMPANY
MIDLAND PROJECT
PLANT SHUTDOWN SCHEDULE
FIGURE 4-1
JAN 1985

ATTACHMENT A

MIDLAND ENERGY CENTER PROJECT

SHUTDOWN RECORDS PLAN

SHUTDOWN RECORDS PLAN

TABLE OF CONTENTS

MIDLAND ENERGY CENTER PROJECT

SHUTDOWN RECORDS PLAN

EXECUTIVE SUMMARY

The purpose of this Plan is to establish the requirements, responsibilities, and methods for the processing of inactive and active records.

The scope of this Plan includes all records, regardless of who generated them and where they are presently located. The Plan also applies to Consumers Power Company (CP Co) organizations that are responsible for the processing of records.

The Plan:

a. Meets the needs of User Organizations

b. Minimizes cost

c. Specifies processing of records to support shutdown activities

For purposes of this Plan, User Organizations are defined as:

1. The Midland Energy Center Project Shutdown Organization

2. The CP Co Legal Department

3. Bechtel Power Corporation

4. Consumers Power organizations and suppliers who have transferred records to CP Co and who need access to those records

The Plan classifies records as inactive and active

Under the Plan:

1. Records are accepted "as-is" from the organizations that generated them

2. Active records will be separated from inactive records

3. Records in Document Control or Records Centers will be stored and maintained as they were in the Center to facilitate retrieval

4. Records in the Company's records management systems will remain there and be retrieved through those systems

5. Active records will be transferred to appropriate CP Co organizations

6. Inactive records may be placed in interim storage in Jackson, Ann Arbor, the MEC or other appropriate locations pending transfer to the Midland Energy Center

7. The MEC is established as the storage location for inactive records

The Plan establishes the Shutdown Organization Records Division as the organization responsible for records. Other CP Co records management organizations will support the records effort.

MIDLAND ENERGY CENTER

SHUTDOWN RECORDS PLAN

1.0 PURPOSE

To establish the requirements, responsibilities and methods for the processing of inactive and active records.

2.0 SCOPE

This Plan applies to all inactive and active records during the Shutdown Phase. It applies to MEC records, regardless of source or location, and to the organizations who are responsible for their generation, collection, storage and maintenance. The Plan meets the needs of User Organizations (see definitions section) in a manner which minimizes cost.

3.0 DEFINITIONS

3.1 Active Records - Records:

a. Generated on or after July 17, 1984 as part of shutdown, surveillance or maintenance activities, and which do not relate to records in process at the time of shutdown, or

b. Generated on or before July 16, 1984 and which require further processing as part of shutdown, surveillance, or maintenance activities

3.2 Inactive Records - Records:

a. Generated on or before July 16, 1984 and which do not require further processing as part of shutdown, surveillance, or maintenance activities, or

b. Generated on or after July 17, 1984 as part of shutdown surveillance, or maintenance activities and which relate to records in process at the time of shutdown

3.3 Record - Quality Assurance records and other importand documentation (may be complete or incomplete) relating to the MEC, except personnel records, generated by CP Co or Bechtel Power Corporation and their suppliers, contractors, subcontractors, and vendors (hereafter referred to as suppliers).

3.4 User Organizations (see Section 4.1.2 for discussion of User requirements) are:

1. The Midland Energy Center Project Shutdown Organization

2. The CP Co Legal Department

3. Bechtel Power Corporation

4. Consumers Power organizations and suppliers who have transferred records to CP Co and who need access to those records

4.0 GENERAL

4.1 Requirements

4.1.1 Cost - In order to minimize the expenditure of Company funds, records shall be processed on a least cost basis

4.1.2 User - This Plan shall meet user requirements for the processing of active and inactive records. Users shall define requirements on a least cost basis

4.1.2.1 Most User Organizations will be working with active records. User needs for active records include:

a. The acquisition of pre-shutdown active records (see 5.2.1.1) to support their needs

b. Inprocess controls for active records (see 5.2.1.1 and 5.2.1.2)

c. Access to and retrieval of records when they become inactive or complete (see 5.2.2 and 5.2.3)

4.1.2.2 Some Users may need to work with inactive records either now or in the future. User needs for inactive records include:

a. Collection of inactive records to support future needs (see 5.1.1)

b. Collection of inactive records to support rate cases and litigations (see 5.1.1)

c. Access to records (see 5.3)

d. Retrieval of records (see 5.1.3.2)

4.1.2.3 Bechtel Power also has some special needs. These include:

a. ASME record requirements as established in Bechtel Power Corporation Special Project Procedure SPP-1

b. Access -

1. Bechtel Power and CP Co will establish an access agreement (see 5.3.1.1) so each Company can access records in the others possession

4.1.3 Regulatory - This Plan is designed to meet the intent of ANSI N45.2.9, "Requirements for Collection, Storage and Maintenance of Quality Assurance Records for Nuclear Power Plants." It does not fully comply with ANSI N45.2.9. The Company position for meeting ANSI N45.2.9 is contained in the Quality Assurance Program Plan for the Shutdown Phase.

4.1.4 Company - This Plan does not meet all of the requirements of the Company records management systems. The intent of the Company records management systems shall be met on a least cost basis.

4.2 Responsibilities and Interfaces

4.2.1 Records Division - The Shutdown Organization Records Division (RD) is responsible for:

a. The overall formulation of records management and document control policy during project shutdown. The RD shall interface with appropriate organizations during policy formulation

b. Maintaining this Plan and interfacing with appropriate organizations for Plan maintenance

c. Monitoring and verifying Plan implementation

d. Maintaining the MEC Document Control Center and Records Center (DCC/RC) and processing records and controlled documents onsite

e. Developing appropriate procedures to implement the Plan

4.2.2 Off-Project Records Management Organizations (eg, Engineering Records Center, Management and Budget, General Files) are responsible for:

a. Providing input to the RD for policy formulation

b. Developing appropriate procedures to implement the Plan

4.2.3 User Organizations are responsible to:

a. Develop appropriate procedures to implement the Plan

b. Provide the RD an inventory of all pre-shutdown active records in their possession

4.2.4 Bechtel Power Corporation and Suppliers are responsible to:

a. Comply with this Plan based on direction from CP Co

b. Collect and interim store inactive records as directed by CP Co

c. Grant access to records in their possession in accordance with Section 5.3

d. Transfer inactive records to the long-term storage facility as directed by CP Co

e. Collect and transfer active records to the appropriate CP Co organization as the CP Co organization directs

4.3 Records Turnover

4.3.1 Under this Plan, records generated by organizations other than CP Co are considered to be the property of CP Co. As such, CP Co has elected to take custody of records as described in this Plan.

4.3.2 Normally records being transferred to CP Co would go through a records turnover process. The records turnover process would include checks to verify that documents are acceptable from a quality assurance, technical and records management standpoint.

4.3.3 Under this Plan CP Co will take custody of records that have not been processed to verify acceptability. As such, quality assurance, technical and records management problems will not be identified until some future date, if at all. Identified problems will have to be resolved at that time.

5.0 PLAN

5.1 Inactive Records

5.1.1 Collection

5.1.1.1 The RD is responsible to determine the records to be retained. The determination shall be as specified in Section 5.2.2.1.

5.1.1.2 Organizations who possess inactive records that are not in a records management system (RMS) shall:

a. Instruct their personnel leaving the project to:

1. Return records that had been checked out of a DCC/RC to the appropriate DCC/RC if possible

2. Status any records that cannot be returned or any other records using a records status sheet and leave them on their desk, or otherwise available

NOTE: This step will remain in effect as additional personnel leave the project.

b. Box all loose records outside of DCC/RCs with the corresponding record status sheet and label the boxes to identify:

1. Pre-shutdown location of records

2. Name of individual who had the records, if possible

3. Organization that had the records, if possible

4. Document types

A duplicate label shall be inserted with the records in the box.

c. Leave all records that are outside DCC/RCs but in appropriate containers (eg, file cabinets) in the containers and affix labels containing the information required in Steps 5.1.1.2 b

d. Label records within DCC/RCs but not in a RMS as required in Steps 5.1.1.2 b

5.1.1.3 The RD shall:

a. Coordinate with CP Co organizations to provide instructions to Bechtel Power for the collection of records

b. Coordinate with CP Co organizations to assure Suppliers are provided instructions for records collection

5.1.1.4 The RD shall coordinate with organizations to establish interim storage areas, and the organizations responsible for interim storage.

5.1.1.5 Organizations shall move records to the interim storage areas as directed by the RD.

5.1.1.6 The Interim Storage Organization shall:

a. Receive the records

b. Place the records in storage

c. Inventory the records received by box or other container

d. Grant access as described in Section 5.3

NOTE: The ability to promptly retrieve records in interim storage will be minimal.

5.1.2 Storage

5.1.2.1 The RD shall arrange for the transfer of records from offsite interim storage areas to storage areas at the MEC.

5.1.2.2 The RD shall receive the records from the offsite areas and place the records into storage.

5.1.3 Maintenance

5.1.3.1 The RD shall maintain the records in storage. The RD shall maintain the storage areas in a secure condition. Precautions to minimize the risk of fire shall be taken.

5.1.3.2 The RD shall grant access to records as described in Section 5.3. The RD shall retrieve the records as requested.

NOTE: The ability to promptly retrieve records in storage will be minimal.

5.2 Active Records

5.2.1 Collection

5.2.1.1 User organizations who require pre-shutdown active records shall:

a. Define the records they need

b. Acquire the records they need

c. Provide the Records Division with an inventory of the records they acquire

d. Process records in accordance with appropriate procedures

e. Submit records as they are completed to the appropriate DCC/RCs

f. Submit incomplete records to the RD as they become inactive

5.2.1.2 Organizations who generate records shall:

a. Process records in accordance with established procedures

b. Submit records to the appropriate DCC/RCs upon their completion

5.2.2 Storage

5.2.2.1 The RD is responsible to determine the records to be retained. This shall be done by:

a. Soliciting input to the Midland Records List (MRL) from appropriate CP Co organizations

b. Maintaining the MRL. The MRL shall:

1. List records to be retained

2. List the retention period

5.2.2.2 The RD shall store pre-shutdown active records that become inactive with other inactive records.

5.2.2.3 The DCC/RCs shall:

a. Receive records as they are completed or are no longer needed for continuing activities

b. Process the records in accordance with established procedures

5.2.3 Maintenance

5.2.3.1 The RD shall:

a. Maintain records that are not microfilmed in a secure area

b. Take precautions to minimize the risk of loss

c. Grant access as described in Section 5.3

5.3 Access

5.3.1 Access Agreements

5.3.1.1 The RD, in conjunction with the Legal Department, shall establish an access agreement with Bechtel Power. The agreement shall cover records in the possession of Bechtel Power and CP Co.

5.3.1.2 The RD, in conjunction with the Legal Department, shall establish access agreements with Suppliers who retain records or who require access to records they have submitted to CP Co.

5.3.1.3 Organizations who possess the records shall grant access in accordance with the agreements.

5.3.2 Inactive Records

5.3.2.1 The RD shall grant access to User Organizations as they may request. Access shall be on an escorted basis and RD personnel shall retrieve records.

5.3.2.2 The RD shall allow User Organizations to provide personnel to assist in retrieval if the RD cannot support retrieval requirements.

5.3.2.3 The Interim Storage Organizations shall grant access and provide retrieval as described in 5.3.2.1 and 5.3.2.2.

5.3.2.4 User Organizations shall request access and retrieval of records with as much advance notice as possible.

5.3.3 Active Records

5.3.3.1 DCC/RCs shall grant access to User Organizations as they may request. Access may be escorted or unescorted as the DCC/RCs determine.

5.3.3.2 DCC/RCs may check active records out to Users or provide copies as appropriate.

5.4 Options

5.4.1 Discussion

This Plan does not cover the processing of records should the Project be reactivated or abandoned. The Plan specifies storage and retrieval methods. Under the methods selected the prompt retrieval of inactive documents that are not in a records management system will be minimal.

5.4.2 Inactive Records Storage and Retrieval

5.4.2.1 A number of MEC records were in records management systems at the time of shutdown. However, there are some records that were not in a system. The actual quantities of records is not presently known.

5.4.2.2 In selecting the storage and retrieval methods two areas must be considered. One is what degree of protection is to be afforded to records. The other is the level of retrieval required. The two are tied together in that the level of retrieval impacts the manner in which records are to be stored.

5.4.2.3 The storage method selected in the Plan is to store the inactive records at the MEC. Other options considered were:

1. Incorporation into the Company records management systems

2. Placement in storage facilities that meet protection requirements

3. Duplicate storage

4. Storage in other locations

5.4.2.4 From a retrieval standpoint the storage method selected means that materials will be inventoried as received and placed in storage. The inventory will be by container with a description of contents. This provides minimum retrieval capability. Other options considered were:

1. Sorting material received and filing it in an appropriate scheme

2. Incorporation into the Company records management systems

5.4.3 Abandonment

5.4.3.1 Abandonment raises some questions related to records. Primarily, they hinge on equipment salvage and if records will be needed to substantiate the acceptability of equipment.

5.4.3.2 If records are not needed to support equipment salvage or continued maintenance there are a number of records that could be discarded. However, records may still be needed for other activities.

5.4.3.3 The discarding of records will have some cost associated with it as will the continued maintenance of records. If equipment is to be salvaged the sorting and filing of records discussed in Section 5.4.2 may be necessary.

5.4.4 Reactivation

5.4.4.1 If the Project is reactivated the amount of work with records will depend on how the records have been placed in permanent storage. The various options in Section 5.4.2 require different levels of effort to support reactivation.

5.4.4.2 With records placed in storage as described in this Plan they will require the sorting mentioned in Section 5.4.2. Also, action will be needed to verify that all records are available and that the status of activities and equipment can be determined. Records will need to be in a manner that Project personnel can resume their processing.

ATTACHMENT B

SALVAGE POLICY & RESPONSIBILITIES

MS 317-1

POLICY AND PROCEDURE MANUAL

MMS 317-1

MATERIALS MANAGEMENT SYSTEM

SECTION:

DISPOSAL OF SALVAGE EQUIPMENT, MATERIALS AND WASTE PRODUCTS

SUBJECT:

Salvage Policy and Responsibilities

Summary: Described are policies and practices for the disposal of salvage materials and other equipment. Policies and practices relating to waste products, other than radiological waste, are covered in MMS 317-12.

SALVAGE OPERATIONS: POLICY AND PROCEDURES

• Salvage Responsibility

The General Salvage Services Department has responsibility for coordinating and expediting the disposal of salvage property of the Company.

The Region and Plant Material Services Departments have responsibility for coordinating the disposal of salvage items from their facilities. (At some plants, this work may be done by the Plant Technical Superintendent.)

• Salvage Items - Owned or Leased

Generally will not be given away to employees or outside parties. Donations must be approved by request to General Salvage Services.

- Will usually be sold as scrap or reusable items to dealers or other outside purchasers normally on a bid basis (see Employee Sales Policy).
- May be disposed of only after appropriate functional, project or departmental approval to retire and dispose of the property is given.
- May not be sold for possible reuse when defective and a potential safety hazard. Must be cut up and scrapped.

• Leased Equipment

Procedures are the same as those for owned equipment except:

1. Requests for disposal must be sent to Leasing Services prior to functional approval of the request.
2. Leased equipment may not be processed as "trade-in" on new equipment.
3. A copy of all executed Bills of Sale and associated disposal requests will be sent to Leasing Services by General Salvage Services.

* * *

	POLICY
EMPLOYEE SALES:	
• Licensed and/or Heavy Power Operated Equipment	Such as automobiles, trucks, trailers, dozers, etc, WILL NOT be sold by negotiation to an employee, employee-owned company or an employee's family-owned business. Sales of licensed items may be made to employees only as a participant in sealed bids or as a third-party bidder at public auctions.
• Other Equipment and Materials	That are deemed to be a potential safety or hazardous waste item WILL NOT be sold to employees. Such material must be mutilated or otherwise made unusable and disposed of to a scrap dealer or to a hazardous waste facility.
OTHER EQUIPMENT:	May be sold to employees if: 1. They are posted for employees' bids in the Region or Plant and 2. Bids are reviewed by the local Material Services Superintendent/Supervisor (or designee) and another supervisor.
• Scrap Material	Metals - Minor amounts will be sold at the current price set periodically by General Salvage Services. Other Miscellaneous - Nonmetal scrap and containers may be sold at prices determined by the local Material Services Department. Assistance and advice should be requested from General Salvage Services, if needed.
• Restrictions	Salvage items MAY NOT be sold to supervisory employees involved in disposing of salvage material, equipment, byproducts or scrap. Involved is defined to include actions as: 1. Recommending, requesting, approving or designating items as salvage or scrap. 2. Offering, reviewing and awarding bids or contracts. 3. Administering the Investment Recovery Information System (IRIS).

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TABLE OF CONTENTS