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MIDDLE SOUTH UTILITIES SYSTEM

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Mr. George W. Knighton, Director
PWR Project Directorate No. 7
Division of PWR Licensing-B
Office of Nuclear Reactor Regulation
Washington, D.C. 20555

SUBJECT: Waterford 3 SES License No. NPF-38
Submittal of Changes to Operational QA Program

Dear Sir:

As required by 10CFR50.54, this is notification of a change in the LP&L Quality Assurance Program. The change is submitted because it is a departure from the program defined in FSAR 17.2. The change, the reason for the change, and the basis for concluding that the Quality Assurance Program continues to satisfy the criteria of 10CFR50, Appendix B are provided as attachments to this letter.

LP&L committed to ANSI N45.2.12 in FSAR 17.2 Table 17.2-1. ANSI N45.2.12 requires that a pre-audit conference be held prior to commencing an audit. The Standard also requires a post-audit conference be held at the conclusion of the audit process. LP&L desires to change its commitment concerning pre-audit and post-audit conferences. Pre-audit and post-audit conferences are intended to exchange information concerning the audit. They are particularly critical when the audited organization and the auditing organization do not interface frequently, such as in audits of contractors or suppliers. This is not the case with Operations Quality Assurance internal audits. Operations Quality Assurance is located at the Waterford 3 site as are most of the personnel in the Nuclear Operations Department. Operations QA is in daily contact with other internal groups. Under these circumstances the intent of ANSI N45.2.12, pertaining to information exchange, is met.

LP&L now commits to hold such conferences only when deemed necessary by the QA organization or when requested by the audited organization. Additional information concerning LP&L's proposed change in commitment is contained in the attachment.

Based on an evaluation by LP&L, the Quality Assurance Program with the change included continues to satisfy the requirements of 10CFR50, Appendix B and acceptance criteria provided by NUREG-0800.

To aid in your review of the QA Program change, the revised portion of the QA Program (Attachment 2) is provided in FSAR 17.2 format with all changes clearly shown. New material has been shown as underlined; the material which



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has been deleted is shown hyphened through. This change will be subsequently submitted to NRC in accordance with 10CFR50.71(e)

In accordance with 10CFR50.54(a)(3)(iv) this change shall be considered accepted unless notification to the contrary is received within 60 days from the date of this letter.

Should you have any questions, please contact Mr. T.F. Gerrets, Corporate Quality Assurance Manager (504) 464-3466 or the undersigned.

Yours very truly,

K W Cook

K.W. Cook
Nuclear Support & Licensing Manager

Attachments

KWC/RAS/plm

cc: B.W. Churchill, W.M. Stevenson, R.D. Martin, J. Wilson, NRC Resident Inspector's Office (W3)

ATTACHMENT 1

PROPOSED QA PROGRAM CHANGE

## Summary

The current FSAR 17.2 (Amendment 34) indicates that LP&L is committed to the requirements for pre-audit and post-audit conferences in accordance with ANSI N45.2.12.

LP&L has revised its Quality Assurance Program (See Attachment 2) to allow for the conduct of most internal audits at the Waterford 3 Plant site without holding pre-audit and post-audit conferences. Such conferences will be held only when deemed appropriate by the QA organization or the audited organization. The intent of such conferences is met throughout the audit process. Thus the proposed QA Program changes do not lessen the effectiveness of the Waterford 3 audit program, do not represent an unreviewed safety question, and do not require a Technical Specification change.

## Reason for Change and Justification

ANSI N45.2.12 specifies that a pre-audit conference be held prior to commencing an audit and that a post-audit conference be held at the conclusion of the audit process. Pre-audit and post-audit conferences are intended to exchange information concerning the audit. They are particularly critical when the audited organization and the auditing organization do not interface frequently, such as in audits of contractors or suppliers. This is not the case with operations phase Quality Assurance internal audits. The Operations Quality Assurance organization is located at the Waterford 3 site as are most of the personnel in the Nuclear Operations Department. This organization is in daily contact with other internal groups. Under these circumstances pre-audit and post-audit conferences are unnecessary for LP&L to meet the intent of ANSI N45.2.12.

## Pre-Audit Conference

The Standard lists six purposes for a pre-audit conference. The justification for exception is provided below as it relates to each of the six purposes outlined in ANSI N45.2.12.

1) Confirm audit scope, and

2) Present the Audit Plan - Prior to initiating an audit, Operations Quality Assurance transmits an Audit Plan to the audited organization. The Audit Plan identifies the audit subject, audit dates, audited organization, audit team, audit scope, criteria to be audited, procedures or other documents to be reviewed for information during the audit, and any previously identified audit findings that will be reviewed. This information in the Audit Plan is in addition to the published two year audit schedule approved by the Safety Review Committee, and the monthly audit schedule issued by Operations Quality Assurance that identifies subjects scheduled to be audited during the next four month period. The Operations Quality Assurance personnel are easily accessible to the other Nuclear Operations Department personnel. As such, any questions concerning an audit can be brought to the attention of the audit team for resolution at any time. Therefore, a formal pre-audit and/or post-audit conference is unnecessary.

3) Introduce the auditors, and

4) Meet counterparts - Due to the day-to-day interactions between Operations QA and other groups within the Nuclear Operations Department, no formal introductions are necessary.

5) Discuss audit sequence - Due to the Operations QA Sections understanding of W3 programs and personnel, most audits are performed without the need for continuous involvement by the audited organization. The audit process and schedule has sufficient flexibility to allow the audit to be worked around major conflicts. Appointments are made with personnel as necessary during the audit. Responsible management is kept apprised of any significant issues as these issues are identified. The information on audit sequence, therefore, is addressed as the audit is performed. A pre-audit conference for this purpose is unnecessary.

6) Discuss plans for the post-audit conference - Significant findings, observations, and conclusions are discussed with responsible management of the audited organization throughout the audit process. If a post-audit conference is desired by either the audited organization or Operations QA, a mutually agreeable time can be established for the conference. It is not necessary, however, to establish the schedule for a post-audit conference prior to beginning the audit process.

The intended functions of a pre-audit conference are addressed through the normal interfaces within the Nuclear Operations Department. Therefore, the proposed exception is justified.

Post-Audit Conference

ANSI N45.2.12 provides two purposes for post-audit conferences. These purposes are to present audit findings, and to clarify misunderstandings. All audit findings identified in Operations QA audits are issued on Quality Notices (QNs). All QNs are required by procedure to be presented to a representative of the audited organization for acknowledgement. This acknowledgement is for the explicit purpose of ensuring that the responsible organization understands the finding. Any clarifications or misunderstandings that have not already been resolved during the audit are discussed at the time of acknowledgement. In most cases, these discussions are handled informally. A post-audit conference for this purpose is unnecessary.

Quality Assurance proposes to schedule post-audit conferences, for internal audits, only if QA or the audited organizations determines that a post-audit conference is necessary or desired. Since the intent of a post-audit conference is met throughout the audit process this exception is justified.

These exceptions do not lessen the effectiveness of the Waterford 3 Quality Assurance Program, do not represent an unreviewed safety question, and do not require a Technical Specification change.

17.2.18 AUDITS

17.2.18.1 General

The Senior Vice President - Nuclear Operations has delegated to the Corporate Quality Assurance Manager the responsibility and authority to plan, schedule, conduct, and report audits of activities associated with safety-related functions associated with the operation of Waterford-3. The Corporate Quality Assurance Manager has the authority and organizational freedom (see Section 17.2.1) to schedule and perform internal and external audits of safety-related programs and activities during the ~~startup and~~ operation of Waterford-3.

Requirements for the audits program are defined in the ~~Quality Assurance Manual and procedures for its implementation are contained in the Quality Assurance Section Procedures Manual~~ Quality Policies as contained in the Nuclear Operations Management Manual. Procedures for implementation of the audit program are contained in the Quality Assurance Group Procedures Manual. The audit system is designed to satisfy the requirements of 10CFR50, Appendix B, and the Technical Specifications.

Objectives of the audit program are:

a) To ensure that the LP&L Quality Assurance Program is defined and documented;

b) To verify on a regular basis by examination and evaluation of objective evidence that established requirements, methods, procedures, and instructions are being implemented;

c) To assess the effectiveness of the Quality Assurance Program;

d) To identify program weakness and nonconformances; and

e) To verify correction of identified adverse conditions.

17.2.18.2 Audit Scope

Audits are conducted to verify that procedures and activities of LP&L organizations and its contractors/suppliers comply with the Quality Assurance Program requirements. Audits are performed by the Quality Assurance Group to provide a comprehensive independent verification and evaluation of safety-related procedures and activities. Additional audits are performed as required to verify and evaluate supplier Quality Assurance Programs, procedures, activities, and interface controls.

Audits include objective evaluation of work areas, activities, and processes including the review of selected associated documents and records. Audits also include an objective evaluation of safety-related practices, procedures, and instructions; the effectiveness of their implementation; and compliance with policy directives.

Audits are performed in areas where 10CFR50, Appendix B, requirements are being implemented. These areas include, as a minimum, the safety-related activities associated with:

a) ~~Startup~~ Operation, maintenance, and modification;

b) The preparation, review, approval, and control of designs, specifications, procurement documents, instruction, procedures, and drawings;

c) Receipt inspection;

d) Indoctrination and training programs;

e) Implementation of operating and test procedures;

f) Calibration of measuring and test equipment; and

g) Interface control among LP&L organizations and contractors/consultants.

In addition to the above, audits are conducted of the Radiological Environmental Monitoring Program, the Emergency Plan, the Fire Protection Plan, the Security Plan, and other area required by LP&L Management, including the Corporate Quality Assurance Manager, or regulatory agencies. These audits are conducted in accordance with requirements of the guidance documents listed in Table 17.2-1.

17.2.18.3 Audit Planning and Scheduling

The Corporate Quality Assurance Manager is responsible for determining the need for audits of safety-related programs and activities. The audit program includes a documented schedule of audits showing the organizations to e audited, the dates of the audits, and the areas to be audited in accordance with regulatory position C.4 of Regulatory Guide 1.33 and Section 6 of the Waterford-3 Technical Specifications. Audits are scheduled based on the status and safety importance of the activities to be audited. Audit frequency is determined by the requirement to ensure effective quality assurance during the operational phase. The audit schedule is approved by the Corporate Quality Assurance Manager.

Quality Assurance audits are planned and conducted in accordance with approved procedures. Audit planning includes preparation of checklists or procedures that will ensure consistency and completeness in the evaluation. Unresolved items noted during previous audits are reviewed prior to checklist preparation and included for reaudit as appropriate.

17.2.18.4 Audit Performance

Audits are performed using prepared checklists or procedures. The audit checklist is a guide and does not restrict the audit scope when additional investigation is needed. Audit notification, ~~pre-audit-conference,~~ the audit process, and discussion of audit results with management ~~post-audit-conference~~ is in accordance with established procedures.

17.2.18.5 Activity Audits

The LP&L Operations QA Group may conduct Activity Audits to verify that an item or activity conforms to specified requirements. These audits supplement regular audits. They are limited in scope, usually involving:

a) A specific activity being performed,

b) A procedure or portion of a procedure, or

c) A specific area within a program.

Since Activity Audits supplement required audits, formal scheduling, pre-audit/post-audit meetings, lead auditor qualifications, and pre-approved checklists are not required.

17.2.18.6 Audit Personnel

Audits are conducted by qualified LP&L auditors who are experienced, trained, and familiar with requirements and standards applicable to the area of activity being audited. Audit team members are independent of any direct responsibilities for the activities which they audit. Auditors participate in the LP&L Auditor Training Program and maintain proficiency through review and study of codes and standards related to quality assurance and through active participation in the audit program. LP&L lead auditors are certified in accordance with Regulatory Guide 1.146. Audit teams may include consultants and technical specialists not certified as auditors as long as they are under direct supervision of a certified lead auditor.

17.2.18.6 Audit Reporting and Follow-up

Audit procedures require that upon completion of an audit, findings are reported to responsible management of the organization audited. Any audit finding which requires immediate resolution is reported without delay to appropriate supervision. Audit findings are discussed ~~in the exit interview~~ with responsible management at the conclusion of the audit.

Formal audits reports are issued within 30 working days of the ~~exit interview~~ conclusion of the audit. Distribution includes the Senior Vice President - Nuclear Operations, the Corporate Quality Assurance Manager, the SRC Audits Subcommittee and the manager responsible for corrective action in the area audited. Those audit reports applicable to plant activities are also sent to the Site Quality Manager. It is the responsibility of the cognizant manager to review the audit report and to take action as necessary to ensure that corrective action is accomplished in a timely manner. The responsible Quality Assurance Section Manager or the audit team leader is responsible for follow-up action (including reaudits) as required to ensure that corrective action has been taken and is effective. Audit findings are documented in the audit report and corrective actions and reaudits are documented with reference to the original audit.

17.2.18.8 Management Audits

An independent review and evaluation of the Quality Assurance Program is performed annually at the direction of the Senior Vice President - Nuclear Operations. In combination with regular reports and assessments provided by the Corporate Quality Assurance Manager, these program audits enable the Senior Vice President - Nuclear Operations to adequately evaluate the effectiveness of the Quality Assurance Program.

17.2.18.9 Analy is of Audit Data

Audit data is analyzed by the Corporate Quality Assurance Manager who reports any significant quality problems and the effectiveness of the Quality Assurance Program, including the need for reaudit of deficient areas, to the Senior Vice President - Nuclear Operations.

Table 17.2-1

REGULATORY GUIDANCE DOCUMENTS

| Document | Comment |
|---|---|
| 13. Regulatory Guide 1.94, Rev.1, April 1976, "Quality Assurance Requirements for Installation, Inspection, and Testing of Structural Concrete and Structural Steel During Construction Phase of Nuclear Power Plants" (Endorses ANSI N45.2.5-1974) | No exceptions. |
| 14. Regulatory Guide 1.116, Rev.0-R, May 1977, "Quality Assurance Requirements for Installation, Inspection and Testing of Mechanical Equipment and Systems" (Endorses ANSI N45.2.8-1975) | No exceptions. |
| 15. Regulatory Guide 1.123, Rev.1, July 1977, "Quality Assurance Requirements for Control of Procurement of Items and Services for Nuclear Power Plants" (Endorses ANSI N45.2.13-1976) | No exceptions. |
| 16. Regulatory Guide 1.144, Rev.1, September 1980, "Auditing of Quality Assurance Programs for Nuclear Power Plants" (Endorses ANSI N45.2.12-1977) | LP&L takes exception to the following paragraphs of N45.2.12:<br>1. 2.3 - Training - Technical Specialists who assist in performing audits in their area of special expertise will not necessarily be trained in audit techniques; however, they will always be accompanied by a trained and qualified auditor. |

Table 17.2-1

REGULATORY GUIDANCE DOCUMENTS

| Document | Comment |
|---|---|
| 16. | 2. 4.4 - Reports - Audit reports will be issued within 30 working days of the post audit meeting.<br><br>3. 4.3 Conferences - Pre-audit and post-audit conferences shall be held only when deemed necessary by Quality Assurance or when requested by the audited organization. |
| 17. Regulatory Guide 1.146, August 1980, "Qualifications of Quality Assurance Program Audit Personnel for Nuclear Power Plants" (Endorses ANSI N45.2.23-1978) | No exceptions. |