

**ENCLOSURE 3**

**NUCLEAR MANAGEMENT COMPANY**

**DUANE ARNOLD ENERGY CENTER**

**DOCKET 50-331**

**KEWAUNEE NUCLEAR POWER PLANT**

**DOCKET 50-305**

**MONTICELLO NUCLEAR GENERATING PLANT**

**DOCKET 50-263**

**PALISADES NUCLEAR PLANT**

**DOCKET 50-255**

**POINT BEACH NUCLEAR PLANT UNITS 1 AND 2**

**DOCKETS 50-266 AND 50-301**

**PRAIRIE ISLAND NUCLEAR GENERATING PLANT UNITS 1 AND 2**

**DOCKETS 50-282 AND 50-306**

**October 31, 2003**

**LIST OF QATR EXCEPTIONS/ALTERNATIVES  
TO NQA-1-1994**

**7 Pages Follow**

**ENCLOSURE 3**  
**NMC QATR Exceptions/Alternatives**

QATR Exception	Source/Basis for Acceptance
<p><b>A.5</b> For Supplement 2S-1: Inspections, examinations or tests may be performed by individuals in the same organization as that which performed the work, provided that (a) the qualifications of the inspector for an activity are equal to or better than the minimum qualifications for persons performing the activity, (b) the work is within the skills of personnel and/or is addressed by procedures, and (c) if work involves breaching a pressure-retaining item, the quality of the work can be demonstrated through a functional test. When a, b and c are not met, inspections, examinations or tests are carried out by individuals certified in accordance with Supplement 2S-1. Individuals performing visual inspections required by the ASME Boiler and Pressure Vessel Code are qualified and certified according to Code requirements.</p>	<p>Taken from Palisades Quality Program Description, CPC-2A, (Part 2), Revision 21. This was originally an alternative to provisions of ANSI N45.2.6 and Regulatory Guide 1.58, approved by the NRC with Revision 12 of CPC-2A on 02/27/1992. NRC endorsed incorporation of ANSI N45.2.6 into NQA-1-1994, Part 1, via Regulatory Guide 1.28.</p> <p>The last sentence is also consistent with provisions approved by the NRC in <u>Safety Evaluation by the Office of Nuclear Reactor Regulation</u>, "Proposed Change to the Quality Assurance Program, Quality Assurance Program Consolidation, Exelon Generation Company, LLC and Amergen Energy Company, LLC," dated December 24, 2002.</p>
<p><b>A.5</b> In lieu of Nonmandatory Appendix 2A-1, NMC does not establish levels of qualification/ certification for inspection personnel. Instead, NMC establishes initial qualification requirements and determines individual qualification through evaluation of education, training and experience, and through demonstration of capability in performing the type of inspections expected on the job.</p>	<p>Based on NRC letter of April 2, 1982 (R.A. Clark to C. W. Fay), which endorsed the same position as meeting the applicable regulatory guidance (then Regulatory Guide 1.58) at the Wisconsin Electric Power Company (WE) Point Beach Nuclear Plant. The WE letter that established the position was dated July 31, 1981.</p>
<p><b>A.5</b> For Supplement 2S-2: NMC may implement other versions of ASNT SNT-TC-1A, or other ASME Boiler and Pressure Vessel Code(s) or national standards, as applicable to the particular work involved.</p>	<p>This exception recognizes that later versions of the standard referenced in NQA-1-1994, or other appropriate standards (such as AWS or ASME) may apply in particular situations. Since the particular code used for qualification of inspection, examination or testing personnel is not specified in 10CFR50, Appendix B, this allowance does not effect the QATR's compliance therewith.</p>

**ENCLOSURE 3**  
**NMC QATR Exceptions/Alternatives**

QATR Exception	Source/Basis for Acceptance
<p><b>A.5</b> For Supplement 2S-3: The requirement that prospective Lead Auditors have participated in a minimum of five (5) audits in the previous three (3) years is replaced by the following, "The prospective lead auditor shall demonstrate his/her ability to properly implement the independent assessment (audit) process, as implemented by NMC according to section C.3 of this QATR, to effectively lead an assessment team, and to effectively organize and report results, including participation in at least one independent assessment or audit within the year preceding the date of qualification." Also, replace the term "audit" throughout with the term "independent assessment."</p>	<p>Taken from Palisades Quality Program Description, CPC-2A, (Part 2), Revision 21. This alternative was originally related to ANSI N.45.2.23 and was approved on 04/18/1997 by the NRC with revision 18 to CPC-2A. Duane Arnold, another NMC plant, also had applied for and received NRC approval for this approach.</p> <p>The last sentence represents a terminology choice made by NMC and has no effect on applicability of the requirements of NQA-1.</p>
<p><b>B.4</b> For Supplement 4S-1, section 2.3, which requires procurement documents to require a quality program that complies with NQA-1, NMC may apply other nationally recognized and NRC endorsed quality standards, such as N45.2, as appropriate to the circumstances of the procurement.</p>	<p>Taken from Palisades Quality Program Description, CPC-2A, (Part 2), Revision 21. This alternative was originally related to a provision of ANSI N18.7-1976, and was approved by the NRC on 01/12/1982 with revision 0 to CPC-2A.</p> <p>This exception is necessary because some existing long-term NMC or plant purchases have imposed ANSI N45.2, or other appropriate quality standards. Where these standards can be shown to be equivalent to NQA-1, NMC will not require the procurement to be changed. For future procurements, NQA-1 or an alternative standard endorsed by the NRC, will be specified.</p> <p>Since the NRC has endorsed both ANSI N45.2 and NQA-1, either standard can be imposed on suppliers to meet provisions of 10CFR50, Appendix B.</p>
<p><b>B.4</b> For Supplement 7S-1, section 8.1, documentary evidence that items conform to procurement requirements need not be available at the site prior to item installation, but will be available at the site prior to placing reliance on the item for its intended safety function.</p>	<p>Taken from Palisades Quality Program Description, CPC-2A, (Part 2), Revision 21. This alternative was originally related to a provision of ANSI N18.7-1976, and was approved by the NRC on 01/12/1982 with revision 0 to CPC-2A.</p>

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**NMC QATR Exceptions/Alternatives**

QATR Exception	Source/Basis for Acceptance
<p><b>B.4</b> NMC commits to Position C.3.2 of Regulatory Guide 1.28, Revision 3, for auditing and evaluation of suppliers, with the exception that for position C.3.2.2, NMC will review the information described therein as it becomes available through its ongoing receipt inspection, operating experience, and supplier evaluation programs, in lieu of performing a specific evaluation on an annual basis. The results of the reviews are promptly considered for effect on a supplier's continued qualification and adjustments made as necessary (including corrective actions, adjustments of supplier audit plans, and input to third party auditing entities, as warranted) In addition, results are reviewed periodically to determine if, as a whole, they constitute a significant condition adverse to quality requiring additional action.</p>	<p>Taken from Palisades Quality Program Description, CPC-2A, (Part 2), Revision 21. This alternative was originally related to Regulatory Guide 1.144, which has since been withdrawn and replaced by Regulatory 1.28. This alternative was approved by the NRC on 04/18/1997 with revision 18 to CPC-2A.</p>
<p><b>B.7</b> Subpart 2.2, section 2.2 establishes criteria for classifying items into protection levels. Instead of classifying items in to protection levels, NMC plants may establish controls for the packaging, shipping, handling and storage of such items on a case-by-case basis with due regard for the item's complexity, use, and sensitivity to damage. Prior to installation or use, the items are inspected and serviced as necessary to assure that no damage or deterioration exists which could affect their function.</p>	<p>Taken from Palisades Quality Program Description, CPC-2A, (Part 2), Revision 21. This alternative was originally related to a provision of ANSI N45.2.2-1972, and was approved by the NRC on 01/12/1982 with revision 0 to CPC-2A.</p>

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**NMC QATR Exceptions/Alternatives**

QATR Exception	Source/Basis for Acceptance
<p><b>B.7</b> Subpart 2.2, section 5.2.2 requires receiving inspections be performed in an area equivalent in environmental controls to those for the level of storage of the item. At NMC plants, receiving inspection area environmental controls may be less stringent than the storage environmental requirements for the item. Such inspections are performed in a manner and in an environment which does not endanger the required quality of the item.</p>	<p>Taken from Palisades Quality Program Description, CPC-2A, (Part 2), Revision 21. This alternative was originally related to a provision of ANSI N45.2.2-1972, and was approved by the NRC on 01/12/1982 with revision 0 to CPC-2A.</p>
<p><b>B.7</b> Subpart 2.2, section 7.1 refers to Subpart 2.15 for requirements related to handling of items. The scope of Subpart 2.15 includes hoisting, rigging and transporting of items for nuclear power plants. This scope exceeds the scope of the NRC's original endorsement of ANSI N45.2.2 in Regulatory Guide 1.38, and establishes requirements for which there is no NRC regulatory position. In lieu of compliance with Subpart 2.15, NMC establishes and implement controls over hoisting, rigging and transport activities to the extent necessary to protect the integrity of the items involved, as well as potentially affected nearby structures and components. Where required, NMC complies with applicable hoisting, rigging and transportation regulations and codes.</p>	<p>In updating commitments to NQA-1-1994, industry moved and expanded upon certain requirements from the original ANSI N45.2.2, resulting in NQA-1-1994, Subpart 2.15. As noted, there is no currently applicable NRC guidance regarding the expanded requirements therein. Therefore, NMC proposes this alternative to section 7.1 of Subpart 2.2, to establish adequate requirements to assure compliance with Criterion 13 of 10CFR50, Appendix B.</p>

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**NMC QATR Exceptions/Alternatives**

QATR Exception	Source/Basis for Acceptance
<p><b>B.7</b> Subpart 2.1, sections 3.1 and 3.2 establish criteria for classifying items into cleanliness classes and requirements for each class. Instead of using the cleanliness level system of Subpart 2.1, NMC plants may establish cleanliness requirements on a case-by-case basis, consistent with the other provisions of Subpart 2.1. NMC establishes appropriate cleanliness controls for work on safety related equipment to minimize introduction of foreign material and maintain system/component cleanliness throughout maintenance or modification activities, including documented verification of absence of foreign materials prior to system closure.</p>	<p>Taken from Palisades Quality Program Description, CPC-2A, (Part 2), Revision 21. This alternative was originally related to a provision of ANSI N45.2.1-1973, and was approved by the NRC on 01/12/1982 with revision 0 to CPC-2A.</p>
<p><b>B.7</b> Instead of the five-level zone designation in Subpart 2.3, NMC bases its control over housekeeping activities on a consideration of what is necessary and appropriate for the activity involved. The controls are effected through procedures or instructions which, in the case of maintenance or modification work, are developed on a case-by-case basis. Factors considered in developing the procedures and instructions include cleanliness control, personnel safety, fire prevention and protection, radiation control and security. The procedures and instructions make use of standard janitorial and work practices to the extent possible.</p>	<p>Taken from Palisades Quality Program Description, CPC-2A, (Part 2), Revision 21. This alternative was originally related to a provision of ANSI N45.2.3-1973, and was approved by the NRC on 01/12/1982 with revision 0 to CPC-2A.</p>
<p><b>B.9</b> Section 5.5 of IEEE 498-85 (NQA-1, Subpart 2.16) requires all M&amp;TE to be labeled. As stated above, NMC plants may not label certain M&amp;TE, such as installed instrumentation, but provide other means of identification so appropriate controls can be implemented. This exception also applies to Section 7.2.1 of IEEE 336-85 (NQA-1, Subpart 2.4).</p>	<p>Taken from Palisades Quality Program Description, CPC-2A, (Part 2), Revision 21. This alternative was originally related to a provision of ANSI N45.2.4-1972, and was approved by the NRC on 01/12/1982 with revision 0 to CPC-2A.</p>

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<p><b>B.15</b> Supplement 17S-1, section 4.2(b) requires records to be firmly attached in binders or placed in folders or envelopes for storage in steel file cabinets or on shelving in containers. For hard-copy records maintained by NMC plants, the records are suitably stored in steel file cabinets or on shelving in containers, except that methods other than binders, folders or envelopes may be used to organize the records for storage.</p>	<p>Taken from Palisades Quality Program Description, CPC-2A, (Part 2), Revision 21. This alternative was originally related to a provision of ANSI N45.2.9-1974, and was approved by the NRC on 01/12/1982 with revision 0 to CPC-2A.</p>
<p><b>B.16</b> Section 2.3.a requires cleanliness during maintenance to be in accordance with Subpart 2.1. NMC commitment to Subpart 2.1 is described in section B.7.</p>	<p>See B.7 discussion.</p>
<p><b>B.16</b> Section 2.7 requires the application of Subparts 2.4, 2.5 and 2.8 for inspections of installation activities. NMC commitment to Subparts 2.5 and 2.8 is limited to activities comparable in nature and extent to those during original construction (see B.12). Inspections (verifications) of maintenance or modification activities are established, conducted and documented as required by Section B.12 to establish a suitable level of confidence in affected structures, systems, or components. The inspection criteria in Subparts 2.5 and 2.8 may be used in establishing required inspections for maintenance and minor modifications.</p>	<p>The limitation to use Subparts 2.5 and 2.8 in situations comparable to construction is consistent with the Regulatory Positions provided in Regulatory Guides 1.33 (2/78), and 1.116 (5/77) (for Subpart 2.8). The use of Subpart 2.5 for operations goes beyond the Regulatory Position of Regulatory Guide 1.94 (4/76). The NMC QATR has provisions sufficient to assure compliance to Criterion 10 of 10CFR50, Appendix B.</p>

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**NMC QATR Exceptions/Alternatives**

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<b>C.1</b> For Basic Requirement 18 and Supplement 18S-1, in lieu of the term “audit,” substitute “independent assessment(s).”	This alternative represents a terminology choice made by NMC and has no effect on applicability of the requirements of NQA-1. The NMC QATR provides for assessment (audit) programs that comply with the requirements of Criterion 18 of 10CFR50, Appendix B.