

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Board

In the Matter of)
)
THE CLEVELAND ELECTRIC) Docket Nos. 50-440
ILLUMINATING COMPANY, ET AL.) 50-441
)
(Perry Nuclear Power Plant,)
Units 1 and 2))

AFFIDAVIT OF CYRIL M. SHUSTER

County of Lake)
 :
State of Ohio)

Cyril M. Shuster, being duly sworn, deposes and says as follows:

1. I, Cyril M. Shuster, am Manager, Corporate Nuclear Quality Assurance Department (CNQAD), The Cleveland Electric Illuminating Company. My business address is 10 Center Road, Perry, Ohio 44081. A statement of my professional qualifications and experience is attached hereto. I have personal knowledge of the matters set forth herein and believe them to be true and correct.

2. I have reviewed NRC Inspection Report No. 50-440/83-13(DE); 50-441/83-12(DE)(the Inspection Report), which was transmitted to CEI by letter dated July 25, 1983. The

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Inspection Report resulted in a severity level V violation, as indicated in the Notice of Violation attached to the Report. I am the Chairman of the Quality Assurance Advisory Committee (QAAC) and have personal knowledge of matters relating to the QAAC issues that were the subject of the Notice of Violation. In addition, I have the responsibility for preparing CEI's response to the Notice of Violation. That response is now in preparation, and will be filed not later than August 24, 1983, as required in the Notice.

3. A description of the QAAC is set forth in CEI's prefiled testimony in the above-captioned proceeding, following Tr. 1031, at page 24. As described in the testimony, CEI established the QAAC to provide consultation and advice to CEI's Vice-President, Nuclear Group, on significant QA policy issues. The QAAC reviews a variety of QA program documents, including CNQAP quarterly reports, performance analysis reports (PARs), selected internal audits, NRC inspection reports, significant nonconformance reports, audit reports, corrective action requests, and stop work notifications. QAAC members also observe site activities and interview site personnel involved in quality related activities.

4. The Notice of Violation identifies procedural discrepancies in connection with QAAC activities in 1981 and 1982. The first finding described in the Notice is that the QAAC held two, rather than four, formal meetings in 1981, contrary

to the QAAC Charter. A third "informal undocumented" meeting was held in September 1981. See Inspection Report, p. 5. This consisted of site tours of three nuclear plants by three members of the QAAC. The purpose of the site tours was to evaluate various aspects of the quality assurance programs at those plants for possible applicability to Perry. The December 1981 QAAC meeting was postponed until January 1982. The QAAC held four formal meetings in 1980.

5. The NRC's second QAAC scheduling concern is that "two conflicting procedure instructions appeared to be in effect for approximately two months in 1982." See Report, pp. 4-5; Notice of Violation. During these two months one instruction provided for biannual meetings and another provided for quarterly meetings. Despite the discrepancy in the 1982 QAAC scheduling instructions, the QAAC held eight formal meetings in 1982. Thus far the QAAC has held six formal meetings in 1983. Although the QAAC charter currently provides for quarterly meetings, we intend to continue to meet on a frequent basis.

6. The remaining QAAC item discussed in the Notice of Violation and the Inspection Report concerns the QAAC's review of PARs and other Perry quality documents. The Inspection Report at page 5 does acknowledge the statement of the QAAC member interviewed that PARs were available and reviewed by the QAAC in 1981, although this review was not documented. As

indicated in ¶3, above, the QAAC has and will continue to review PARs and other quality documents, and will continue to monitor individual contractor performance.

Cyril M. Shuster
Cyril M. Shuster

Subscribed and sworn to before me
this 4th day of August, 1983

Caroline M. Wilde

NOTARY PUBLIC

My Commission Expires:

April 17, 1985

CAROLINE M. WILDE
Notary Public, State of Ohio
My Commission Expires April 17, 1985
(Recorded in Lake County)

CYRIL M. SHUSTER

MR. CYRIL M. SHUSTER, General Supervising Engineer, Nuclear Project Training Section of CEI, is a 1954 graduate of Case Institute of Technology with a B.S. degree in Electrical Engineering, and a 1963 graduate of Case Institute of Technology with an M.S. degree in Engineering Administration.

He joined CEI in 1954 as an Engineering Assistant, in the System Planning Department. He was later assigned to the position of Associate Engineer. In 1962, he was appointed Engineer, where he was responsible for designing protection systems for the electrical power system. In 1963, he served for eight months as Electrical Test Foreman, (on Rotation of Assignment) where he was responsible for the testing and maintenance of electrical control and relay equipment.

In 1967, he was assigned to the position of Senior Engineer. He was responsible for the direction and design of protection plans for power system applications. He participated in a series of Rotation of Assignments from 1975 to 1977, as General Supervisor of Customer Engineering responsible for the design of the facilities required for Commercial and Industrial customers. As General Supervising Engineer for Electrical Projects Engineering, he was responsible for the overall design of all company transmission and distribution stations. He served as Acting Manager of Plant Substation Engineering Department responsible for the design of all company transmission and distribution substations and all plant electrical facilities.

In 1977, he was assigned to General Supervising Engineer, System Protection Section, responsible for automatic protection systems and automatic control systems for application on the Electrical Power System.

Concurrent with his other responsibilities, Mr. Shuster served as Engineering Training Coordinator from 1968 to 1976. He was responsible for coordinating the training program for new engineering personnel to provide broad training on power system design methods.

In 1982, he was named to the position of General Supervising Engineer, Nuclear Project Training Section. He is responsible for directing the development and coordination of training to assure that the Perry Plant is staffed with trained, qualified individuals capable of supporting, maintaining and operating the Perry Plant.

In December 1982, he was named to his present position of Manager, Nuclear Quality Assurance Department. He is responsible for directing all quality assurance and quality control activities for the Perry Plant.

Mr. Shuster is a registered professional engineer and holds professional memberships in the following organizations: The Electric Power Research Institute, Institute of Electrical and Electronic Engineers, and the Cleveland Engineering Society. In addition, he is the CEI representative on the Power System Planning and Operations Task Force. He is Chairman of Under-frequency Protection Working Group of Power Relay Committee.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

JUL 25 1983

CMS

Docket No. 50-440
Docket No. 50-441

The Cleveland Electric Illuminating
Company

ATTN: Mr. Murray R. Edelman
Vice President
Nuclear Group
Post Office Box 5000
Cleveland, OH 44101

Gentlemen:

This refers to the special safety inspection conducted by Messrs. J. N. Kish, and T. E. Vandel of the Region III office, and G. F. Maxwell of the Region II office on April 4-8, 13-15, May 10-13, and June 15, 1983, of activities at Perry Nuclear Power Plant authorized by NRC Construction Licenses No. CPPR-148 and No. CPPR-149 and to the discussion of our findings with Mr. C. M. Shuster and members of your staff at the conclusion of the inspection.

The enclosed copy of our inspection report identifies areas examined during the inspection. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel.

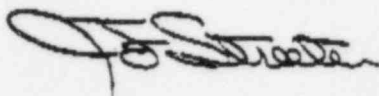
During this inspection, certain of your activities appeared to be in non-compliance with NRC requirements, as specified in the enclosed Appendix. A written response is required.

In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosure(s) will be placed in the NRC Public Document Room unless you notify this office, by telephone, within ten days of the date of this letter and submit written application to withhold information contained therein within thirty days of the date of this letter. Such application must be consistent with the requirements of 2.790(b)(1). If we do not hear from you in this regard within the specified periods noted above, a copy of this letter, the enclosure(s), and your response to this letter will be placed in the Public Document Room.

The responses directed by this letter (and the accompanying Notice) are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-311.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,



J. F. Streeter, Chief
Engineering Branch 1

Enclosures:

1. Appendix, Notice
of Violation
2. Inspection Reports
No. 50-440/83-13(DE)
No. 50-441/83-12(DE)

cc w/encls:

J. Waldron, Plant Manager
L. Beck, General Supervisor
Licensing and Fuels Management
DMB/Document Control Desk (RIDS)
Resident Inspector, RIII
Harold W. Kohn, Ohio EPA
Daniel D. Wilt, Attorney
James W. Harris, State of Ohio
Robert H. Quillin, Ohio
Department of Health

Appendix

NOTICE OF VIOLATION

Cleveland Electric Illuminating
Company

License No. CPPR-148
License No. CPPR-149

As a result of the inspection conducted on April 4-8, 13-15, May 10-13, and June 15, 1983, and in accordance with the NRC Enforcement Policy, 47 FR 9987 (March 9, 1982), the following violation was identified:

10 CFR Part 50, Appendix B, Criterion II requires a quality assurance program be documented by written policies, procedures, or instructions and shall be carried out throughout plant life in accordance with those policies, procedures or instructions and that the applicant regularly review the status and adequacy of the program.

The Cleveland Electric Illuminating Company (CEI) Corporate Nuclear Quality Assurance Program Manual (QAM), Section 0200, Revisions 0 through 3 (in effect until September 15, 1982), requires that the Quality Assurance Advisory Committee perform quarterly reviews of the program and to report the results of these reviews, in writing, to upper level CEI management.


Contrary to the above, this committee conducted only two meetings during 1981. Additionally, the meeting documents did not include any review of ongoing program activity as required even though several significant program deficiencies were reported during 1981 by the monthly performance analysis reports. Furthermore, a formal charter was created and approved in June 1982, for the Quality Assurance Advisory Committee activities. This charter prescribed semiannual meetings to be conducted contrary to the then current Revision 3 of the QAM.

This is a Severity Level V violation (Supplement II).

Pursuant to the provisions of 10 CFR 2.201, you are required to submit to this office within thirty days of the date of this Notice a written statement or explanation in reply, including for each item of noncompliance: (1) corrective action taken and the results achieved; (2) corrective action to be taken to avoid further noncompliance; and (3) the date when full compliance will be achieved. Consideration may be given to extending your response time for good cause shown.

JUL 20 1983

Dated _____


J. F. Streeter, Chief
Engineering Branch 1

U.S. NUCLEAR REGULATORY COMMISSION

REGION III

Report No. 50-440/83-13(DE); 50-441/83-12(DE)

Docket No. 50-440; 50-441

License No. CPPR-148; CPPR-149

Licensee: Cleveland Electric Illuminating Company
Post Office Box 5000
Cleveland, OH 44101

Facility Name: Perry Nuclear Power Plant, Units 1 and 2

Inspection At: Perry Site, Perry, OH

Inspection Conducted: April 4-8, 13-15, May 10-13, and June 15, 1983

Inspectors: *J. N. Kish*
J. N. Kish

7/25/83

G. F. Maxwell
G. F. Maxwell (Region II)

7/25/83

T. E. Vandel
T. E. Vandel

7/25/83

Approved By: *F. C. Hawkins*
F. C. Hawkins, Chief
Management Programs Section

Inspection Summary

Inspection on April 4-8, 13-15, May 10-13, and June 15, 1983 (Reports No. 50-440/83-13(DE); 50-441/83-12(DE))

Areas Inspected: Special, announced inspection by Region II and Region III inspectors of the licensee management of the Quality Assurance Program, licensee auditing activities, and quality assurance program activities of three safety-related contractors onsite. The inspection involved a total of 203 inspector-hours onsite by three NRC inspectors.

Results: One item of noncompliance was identified: (failure to periodically assess the adequacy of the quality assurance program - Paragraph 2).

DETAILS

1. Persons Contacted

Cleveland Electric Illuminating Company (CEI)

*M. Edelman, Vice President, Nuclear - Cleveland Electric Illuminating Co.
*T. Boss, Supervisor, Construction Audit Group
*K. Cimonelli, Electrical Quality Engineer
J. Connelly, Unit Supervisor
K. Currier, Document Control Coordinator
D. Ernest, Engineering Aide
*V. Higaki, Electrical Quality Engineer
A. Jones, Project Licensing
*R. Jadgchew, General Supervision, Licensing
*K. Kaplan, Senior Engineering Technician
*J. Kerr, Unit Supervisor
*M. Kritzer, Unit Supervisor
J. Kline, Manager, Nuclear Engineering Department
*G. Leidich, Senior Engineer
*P. Martin, General Supervisor, Engineering
*R. Matthys, CQS, Lead Piping
*E. Riley, General Supervisor, CQS
*C. Shuster, Manager, Quality Assurance
*F. Stead, Manager, Nuclear Engineering Department
*E. Sterle, Construction Manager
*T. Swansiger, QA Engineer
*S. Tulk, Quality Engineer
*J. Wack, CQS Engineer
*H. Walls, Senior NDE Administration
*B. Walrath, General Supervising Engineer, CQS

Pullman Power Products Company (PPP)

M. Lipscomb, Training Coordinator
J. Miller, QA Manager
D. Sebastian, Lead Internal Auditor
R. Rutkowski, Drawing Coordinator

Metalweld, Inc.

R. Garret, QA Manager

Pittsburgh Bridge and Iron (PBI)

J. Annulies, QA Construction Manager

Kaiser Engineers, Inc. (KEI)

P. L. Gibson, Project QC Manager
D. L. Howard, Director, Quality Assurance

Gilbert Associates, Incorporated (GAI)

N. Barker, Vice President and General Manager
R. Lewis, Manager, QA Programs

Nuclear Regulatory Commission (NRC)

*M. L. Gildner, Senior Resident Inspector, Construction

*Denotes those persons attending one or more of the exit briefings held on April 8, 13, May 13, and an exit meeting held on June 15, 1983.

2. Program Areas Inspected

a. Quality Assurance Program

A review of the licensee Quality Assurance Program was conducted. This review covered (1) the inclusion of licensee commitment to regulatory guides/codes and standards, (2) adequacy of management review and assessment of the program, and (3) control of program revisions.

- (i) Commitments to Regulatory Guides: A comparison was made of the regulatory guides listed in Appendix I of the QAM to: (1) the inclusions of commitment details in the relevant sections of the QAM and/or relevant sub-tier Project Administrative Procedures (PAPs), (2) the historical revisions of the QAM for continuity of the inclusions, and (3) the FSAR Chapter 1.8 commitment information.

It was determined that the QAM did not uniformly provide commitments to the applicable regulatory guides and that at best only a few were found in the QAM. Most Appendix I listed regulatory guides were found to have been acknowledged in PAPs, some with such disclaimer wording as, (ie; "Project position in response to regulatory guide 1.94 and ANSI N45 2.5").

In response to discussions held with the CEI Vice President - Nuclear, a revision to the QAM was promised to provide commitment details in the QAM and in addition the new revision would also include a document hierarchy triangle depicting the commitment documents and the sub-tier implementation documents. This revision was completed and issued on April 12, 1983, and was subsequently reviewed by the NRC Inspectors during the course of the inspection.

(ii) Program Revisions

A side-by-side comparison was made of the QAM from the original 1978 version (Revision 0) through all revisions up to and including the most recent revisions currently in use. It was revealed that:

- (1) The manual now adequately includes commitments to the applicable regulatory guides
- (2) Changes were significant in Section 0200 of the manual regarding the management assessment of the Quality Assurance Program commitments in Paragraph 1.4 as to meetings frequency, documentation and subject coverage. This item is identified and discussed further in the next paragraph.
- (3) A hierarchy of QA program documents figure is now included. New NRC requirement, regarding submittal of QA Program changes for regulatory review by the Regional offices, had been added to the QAM.

No significant reduction in program controls were identified other than the Section 0200 changes.

(iii) Management Program Review

The licensee's review and assessment of the status and adequacy of the Quality Assurance Program was reviewed. The QAM Section 0200 provides, in paragraph 1.4, for the management review and evaluation of the Quality Assurance Program procedural requirements. Consistently, from the original revision through Revision 3 of the QAM section, the requirements have remained the same and required that the QA Advisory Committee (QAAC) shall perform quarterly reviews and report the results to top CEI management and that the reviews shall be documented and shall incorporate the input provided by the following:

- (1) Personal assessments of QA agent representatives on the committee
- (2) Audit trend analysis provided by PQS Quality Administration
- (3) Nonconformance trend analysis provided by CQS Quality Engineering
- (4) Corrective action request evaluations provided by CQS and PQS General Supervising Engineering
- (5) Evaluations provided by outside audit groups or QA task forces which may be organized by the QAAC to provide specialized input.
- (6) Conventional management, appraisal, and analysis techniques.

These finite requirements were in effect until issuance of Revision 4 which became effective on September 15, 1982. The specific requirements, deleted from the QAM Section 0200, were redefined and incorporated into a charter that was approved and authorized during June 1982, that committed to biannual meetings to be held and reported. In response to questioning, licensee personnel indicated that they had issued a Program Revision Notice (PRN) in June 1982, revising the current QAM section to be compatible with the newly issued chart. However, they were unable to provide a copy of any such issue notice nor was the QAM section revised until

September 1982; thus, two conflicting procedure instructions appeared to be in effect for approximately two months in 1982.

The NRC Inspector reviewed the activities of the QAAC committee for the year of 1981 with the following results:

- (a) Two meetings were held and results documented during the year of 1981; one held on March 5-6, 1981 and the second on June 11-12, 1981.
- (b) A letter was issued by the Nuclear Quality Assurance Department (NQAD) Manager on August 4, 1981, advising of the upcoming scheduled meeting and outlining the objectives for the meeting. This meeting was never held, nor were any other meetings held by the Committee during the remainder of 1981.

During the review of the monthly and quarterly Performance Analysis Reports (PARs), which were provided routinely to the licensee management, the Inspector learned that the Manager NQAD had been reporting significant QA problems in these reports previously during 1981. For example, Pullman Power Products had been rated unsatisfactory for the year in most of the monthly reports due to problems related to material control, inspector qualifications, and QC inspections. The inspector additionally learned that in April 1982, the format of the periodic reports (PARs) had been altered. The change eliminated supporting detailed data, resulting in a loss of ability to ascertain status of contractor performance or disposition of deficiencies by licensee management.

There was no evidence that these kinds of problems were being considered and/or evaluated by the Committee. In response to questions by the NRC Inspector, it was learned from the Gilbert Associates, Inc. (GAI), Vice-President and General Manager Quality Assurance Division, (a member of the QAAC Committee), that quarterly PARs were available to the Committee and were reviewed by the Committee (though not documented). The GAI Vice-President also informed the inspectors that an informal undocumented meeting was held offsite in September 1981, in lieu of a regular scheduled meeting.

This failure to conduct quarterly meetings for the express purpose of reviewing the QA Program and reporting the results to CEI management, as committed to in the CEI Quality Assurance Manual is considered to be an item of noncompliance with 10 CFR Part 50, Appendix B, Criterion II (440/83-13-01; 441/83-12-01).

b. Licensee Program Controls

Licensee procedures and activities related to programmatic controls were reviewed.

(1) Design/Document Control

The following procedures and documents were reviewed:

- (a) QAM 0300 - Design Control
- (b) QAM 0600 - Document Control
- (c) PAP 302 - FDI and FDDR Control (Field Design Instructions and Field Design Document Revision)
- (d) PAP 605 - Drawing File Control

The Document Control Center has the responsibility for receipt of and distribution of revisions to drawings, Engineering Change Notices (ECNs), and Drawing Field Variance Authorizations (FVAs). Additional responsibilities include the retrieval and disposition of obsolete drawings.

Two drawings were selected at random for review to check for proper status control. Each drawing was stamped with the FVA and ECN control numbers. A check with the document control center to compare the control numbers indicated the drawings were the current revisions and had correct FVA and ECN control numbers.

(ii) Contractor Controls

(1) Electrical Contractor

The NRC Inspector conducted an in-depth evaluation of the licensee's controls over the site electrical contractor (L. K. Comstock). The evaluation included a review of the licensee audits of the contractor's implementation of their QA Program, licensee surveillance inspections of electrical construction activities, Corrective Action Requests and Stop Work Notifications written by the licensee against the electrical contractor, and audits conducted by the electrical contractor. The details of the above reviews and evaluations are as follows:

- (a) Audits conducted by CEI of L. K. Comstock (LKC) construction activities were evaluated for the time period between mid-1980 and mid-1982. The most significant audits were documented in audit report numbers AR 452, AR 553, and AR 684. They were conducted during October 1980, October 1981, and May 1982, respectively. The three audits were considered as being the most significant in that they demonstrated an evaluation of LKC implementation of their entire QA Program as it relates to each of the criteria of 10 CFR 50, Appendix B, and the supplementing regulatory guides which address the various ANSI standards (i.e., ANSI N45.2, N45.2.2, N45.2.6, and N45.2.12). The other CEI construction audits of LKC activities included audits of the implementing

procedures related to qualification and certification of Q.C. inspection personnel, cable and conduit installation, maintenance of class 1E hardware and equipment, and the installation of electrical raceway support anchor bolts.

- (b) CEI Surveillance Inspection Reports (SIR), documenting the activities of LKC overview, were reviewed for the time period of mid-1980 until mid-1982. CEI revised the format and style of writing the SIRs in August 1981. In general, the reports from mid-1980 until August 1981, were very brief and described the daily overviews of LKC by the assigned CEI inspectors. After August 1981 until mid-1982 the reports (SIRs) were utilized as a summary form to document more specific and detailed information. The reports document such surveillances as Class 1E cable pulling activities, Class 1E equipment installation, electrical equipment maintenance, housekeeping, overview of LKC Q.C. inspector activities, the use of specialized electrical tools, cable terminations, cable tray installations, conduit installations, electrical craft work activities, LKC personnel training, personnel qualification, records review, and filing. The inspector observed that in general, the SIRs were useful to the responsible CEI personnel.
- (c) Audits conducted by LKC during mid-1980 until mid-1982 were reviewed and evaluated to determine if they depicted an overall evaluation of the implementation of their QA Program.

As a result of the above evaluations, the inspector observed:

- (d) CEI audit report 452, item AR001 concerning inadequacies of the LKC audit program was opened on October 23, 1980 and remained open until on or about November 18, 1982.
- (e) Audit item AR006, also identified in the above report, concerned how LKC was to control their records to comply with the records storage requirements of ANSI N45.2.9, was opened on October 21, 1980, and remained open until June 11, 1982.
- (f) LKC self audit report items Q-82-02-256-1 and -2, and Q-82-02-257-1, -3 and -4 were opened on December 31, 1981, and remain open.

The LKC audit items that remain open are associated with findings relative to improper control of equipment calibration, not adequately controlling out-dated procedures,

inaccurate certification records, equipment storage, and failure of Q.C. to witness maintenance activities.

(2) Mechanical and Piping Contractor

The NRC inspector conducted a review of the licensee's controls for the site mechanical and piping contractor, Pullman Power Products Inc. (PPP). The evaluations and review included a review of the licensee audits of the contractor implementation of their QA program and surveillances of their construction activities, corrective action by the licensee (including the trend analysis program), and audits conducted by the contractor. The details of the review and evaluations are as follows:

- (a) Audits of the contractor, conducted by CEI, were reviewed along with related Corrective Action Reports (CARs) for the period mid-1980 through mid-1982.

CARs of interest which were reviewed included 0502, 0503, 0505, 0507, 0509, and 0510. These CARs identified errors which were addressed by the contractor and completely corrected in a timely fashion. The corrections were also verified and closed by the licensee.

Three audit reports which were reviewed included 81-03 (August 31, 1981), 82-04 (February 19, 1982) and 82-17 (June 18, 1982). The last audit required that certain purge dam material be removed from the site. The inspector observed that the item was closed out as accepted without verification of compliance, but with a note that the CQA should be advised when accomplished.

- (b) The licensee's Corrective Action Program for Pullman Power Products was reviewed by the inspector to determine the status and effectiveness of the program. In addition, PPP's Nonconformance Report Program was reviewed.

As part of the PPP NCR inspection review, the inspector reviewed Procedure No. XV-2, "Procedure for Handling Nonconformances (Field)". The inspector noted that Pullman uses a form known as an NR information sheet to supplement the basic NCR form. The NR information sheet is used to initiate an NCR if conditions warrant. There are no instructions for documenting that the disposition of the NR has been verified. The NR sheet does contain a signature block with the heading "Disposition Verified" on it. The lack of any instructions or Pre-requisites for signing

this block off has led to some problems in the area of properly closing out NCR's and verifying their disposition.

Pending further review of this area, this is considered an unresolved item (440/83-13-13-02; 441/83-12-02).

- (c) The inspector also reviewed Audit Reports, Corrective Action Reports (CARs), and trending pertaining to PPP. Several reports identified deficiencies relating to positive verification of corrective action. Specifically, they are as follows:

<u>CAR Report#</u>	<u>Item#</u>	<u>Issue Date</u>	<u>Finding</u>
543	1	6/19/81	Could not provide documentation for verifying NR PPP 463 and 468.
630	6	12/4/81	PPPs system for NR close out does not provide for positive verification
703	23	7/8/82	Procedure XV-2 fails to provide direction and detail for PPP controlling non-conformances.

Although CEI realized that a problem existed in the area of verifying dispositioning of NRs, as evidenced by the Audit Reports above, the Corrective Action recommended did not prevent the continuing occurrence of these problems. Licensee personnel stated that all three audit reports have been closed out.

The Corrective Action Program will be reviewed further regarding status and effectiveness. This is considered an unresolved item (440/83-13-03; 441/83-12-03).

- (d) Review of the contractor auditing activity for the same period established that the PPP audits were quite effective with significant items being identified and corrected. Report number 7026-1-82 for February 22-26, 1982, noted and corrected the use of an unapproved hydrostatic test procedure. Surveillance activity by PPP appeared to be equally effective. Surveillance reports reviewed included QASS-1 (August 5, 1981), QASS-2 (February 9, 1982), QASIA (January 21, 1982), QASIA (February 2, 1981) and QASIA (March 3, 1982).

(e) Trend Analysis Program review of the licensee's audit findings also indicated a large number of deficiencies in the procedures the licensee was auditing. Specifically, 25% of the deficiencies could be classified as inadequate procedures. This fact was not detected by the Trend Analysis Program committed to in Procedure No. 1602 of the Corporate Nuclear Quality Assurance Program. Pending further review of this matter by the inspector, this is considered an Unresolved Item 40/83-13-04, 441/83-12-04).

(f) Documents reviewed included:

- . CEI computer printout on Audit Report Findings related to PPP. (Program #E7887558 during the period mid-1980 through mid-1982).
- . Pullman Power Procedure XV-2 "Procedure for Handling Nonconformances (Field)" - September 16, 1982.
- . Audit Report Number 703 of July 8, 1982 (Items 1 and 23).
- . Audit Report Number 543 of June 19, 1981 (Item 1)
- . Audit Report No. 630 of December 4, 1981 (Item 6)
- . CEI Procedure Numer 1602, "Trend Analysis" - November 2, 1982

Licensee program and program controls appeared to be adequate and effective except for the cited violation in paragraph 2.1.(iii).

3. Contractor Program Control

The NRC inspector conducted a sampling review of licensee contractors program and controls for activities being conducted for Perry Nuclear Power Plant. The contractors reviewed were Pullman Power Products, Inc. (Mechanical/Piping Contractor), PBI Industries (Structural Erection Contractor), and Metalweld, Inc. (Coating Contractor).

The review included the following:

- a. Organization and independence of the QA/QC inspection activity.
- b. Qualification and Certification system for inspections
- c. Staffing of QC inspectors
- d. Utilization of program controls for drawing document control, nonconformance control and corrective action.
- e. Auditing and surveillance activities

The licensee's auditing and surveillance activities of the contractors were quite effective in identifying and correcting, on a timely basis, concerns and deficiencies.

Training and qualifications activities of PPP inspectors and craft personnel were observed to be in the process of being upgraded with larger training facilities and with improvements in the training system. The upgrading appeared to be beneficial.

Contractor Controls and implementation for document control, nonconformances, corrective action appeared to be under good control for all contractors except for the unresolved items addressed in Paragraph 2.b.(ii)(2).

The NRC inspector recognized the effective performance by the Perry site organization whose auditing and enforcement program had achieved significant improvement in contractor performance during the period beginning in early 1982 to present.

4. Unresolved Items

Unresolved Items are matters about which more information is required in order to ascertain whether they are acceptable items, violations, or deviations. Unresolved Items disclosed during this inspection are discussed in paragraph 2.b.(ii)(2).

5. Exit Interview

The inspectors met with licensee personnel (denoted in Paragraph 1) conducted at exit briefings conducted on April 8, 15, May 13, and the exit meeting on June 15, 1983. The inspectors summarized purpose and scope of the inspection. The findings were acknowledged by the licensee.

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Board

In the Matter of)	
)	
THE CLEVELAND ELECTRIC)	Docket Nos. 50-440
ILLUMINATING COMPANY)	50-441
)	
(Perry Nuclear Power Plant,)	
Units 1 and 2))	

SERVICE LIST

Peter B. Bloch, Chairman
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Washington, D.C. 20555

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U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

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