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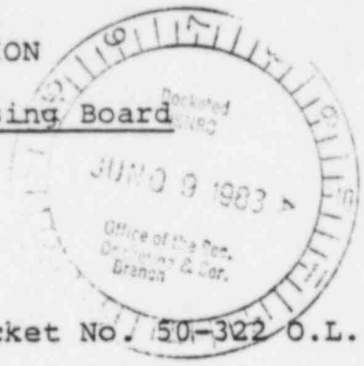
UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Before the Atomic Safety and Licensing Board



In the Matter of	)	
	)	
LONG ISLAND LIGHTING COMPANY	)	Docket No. 50-322 O.L.
	)	
(Shoreham Nuclear Power Station, Unit 1)	)	
	)	

REPORT TO BOARD ON DISAGREEMENTS OVER QUALITY ASSURANCE/QUALITY CONTROL -- OPERATIONS MATTERS

Pursuant to paragraph II.C of "Resolution of SC Contention 13(a) -- Quality Assurance/Quality Control -- Operations," dated May 5, 1983, as amended by Addendum No. 1, dated May 16, 1983 (the "Resolution Agreement"), approved by the Board's Order on May 24, 1983, Suffolk County hereby reports seven remaining disagreements to the Board, described in detail in Exhibit 1 hereto. These disagreements are all clearly within the scope of the litigation, and the County intends to litigate them as contemplated by paragraph II.C of the Resolution Agreement. The date of "June 2, 1983" in paragraph II.C was extended to June 8 by agreement of the Parties and after notification to the Board.

I. BACKGROUND

After extensive negotiations between LILCO and Suffolk County's consultants, LILCO agreed to make a number of changes to the OQA Documents (as defined in paragraph I.B of the

DS03

Resolution Agreement). However, despite the apparent progress which had been made as of March 25, 1983 (see paragraph I.C of the Resolution Agreement), a number of disagreements remained thereafter concerning the OQA Documents. As contemplated by paragraph II.B of the Resolution Agreement, the County notified the Parties of the specifics of such disagreements under cover of letters from the County's counsel dated May 19 and May 23, 1983, copies of which are attached hereto as Exhibits 2 and 3, respectively.

Under cover of letters dated May 26 and May 31, 1983 (copies of which are attached hereto as Exhibits 4 and 5, respectively), LILCO, as permitted by paragraph II.C of the Resolution Agreement, responded to the more than 30 specified disagreements by rejecting each of them. The NRC Staff responded by letter dated May 31, 1983 (a copy of which is attached hereto as Exhibit 6), stating that it did "not believe it necessary for LILCO to make any of the remaining changes . . ." identified by the County.

The County's final attempt to settle the over 30 disagreements proved fruitless, with LILCO continuing to refuse to make any of the requested changes to the OQA Documents. To mitigate the burden on the Board of the litigation of the remaining disagreements, the County has reduced to seven the disagreements it will litigate.

II. SUMMARY OF DISAGREEMENTS

The following is a summary of the disagreements which the County intends to litigate. The letters identifying each disagreement correspond to the letters identifying the more complete descriptions in Exhibit 1.

A. Composite Component List - Section 2 of QA Manual

LILCO has still not produced the Composite Component List ("CCL") required by Criterion II of 10 C.F.R. 50, Appendix B, to identify equipment covered by the QA program. The non-existent CCL is referenced in a number of procedures, and is critical to the performance of the QA program. The County believes LILCO should produce the CCL promptly. Section 2 of the QA Manual should refer to the CCL and address its distribution, control, review, revision and auditing. Appropriate procedures should be generated to implement the revised Section 2.

B. Section 3 of QA Manual - Verification Testing

LILCO's revisions to Section 3, paragraphs 3.3.2.9.h and i (attached to Exhibit 1.B) do not address the County's concerns that verification testing using prototype equipment could result in safety problems unless the test equipment is shown by analysis to be the same or equivalent in design as the equipment installed in the plant. A simple wording change to accomplish this has been suggested and rejected by LILCO.

C. Section 15 of QA Manual - Disposition of Nonconforming Activities

This section (attached to Exhibit 1.C) covers nonconforming activities (such as an incorrect procedure or service being performed) as well as nonconforming items of equipment. However, requirements are only given for the disposition of nonconforming items (see paragraph 15.3.6 - "accept as is," "repair," "rework," "scrap"). There are no requirements for disposition of a nonconforming activity. Appropriate requirements should be inserted in Section 15, and in QAP-S-15.1, which implements Section 15 at the Station.

D. QAP-S 4.1

The County's concerns about the quality requirements for spare and replacement parts was partially met by LILCO's change to QAP 4.2; paragraph 4.6.1 now assures that the QA Department's review of procurement documents will consider that "Quality requirements for spare and replacement items shall be equal to or exceed that specified for the original item." For its own reasons, LILCO has refused to insert the same requirement in QAP-S 4.1, the procedure which controls review of procurement documents by the OQA Section, which is likely to conduct most of such reviews during operations.

E. QAP-S 7.1

While this procedure was revised at the County's request to provide that removal of a vendor from the CASE Register will affect outstanding orders from that vendor, LILCO has rejected

the County's reasonable suggestion that removal should also result in engineering evaluations of items previously procured by LILCO from that same vendor during the affected time period.

F. QAP-S 9.1 - Review of Special Process Procedures

The County believes the types of procedures listed in paragraph 5.3 are incomplete. The special process checklists should be attached to the procedure or, at least, referenced. There are no provisions for the development and review of checklists. Paragraph 5.3 states that checklists shall be developed and controlled per QAP-S 5.4; however, QAP-S 5.4 deals only with review of procedures, and does not refer to or mention development or review of checklists. LILCO states in its responses to the County that QAP-S 5.2 and QAP-S 6.3 are also adequate to cover the development and review of checklists. In fact, QAP-S 5.2 covers development of procedures, not checklists, and is not referenced in QAP-S 9.1; QAP-S 6.3 deals only with identification and logging of checklists, and not with their development and review.

G. Post-test Conditions and Configuration - Various QAP-S

LILCO changed QAP-S 5.4 at the County's request to provide that QA review of procedures will ensure that as a minimum "the procedure contains instruction on . . . post test conditions and configuration." Paragraph 5.6.9. While a change was made in QAP-S 11.1 (paragraph 5.4.2H) to comply with this requirement, no similar language was placed in

QAP-S 9.2, 9.3, 10.4 and 10.5.

III. RIGHT TO LITIGATE DISAGREEMENTS

Paragraph II.C of the Resolution Agreement provides that the County may litigate remaining disagreements "if the Board concludes that these remaining disagreements are within the scope of the litigation . . . ." The scope of the litigation includes matters within the scope of SC Contention 13(a), and at a minimum certainly includes all of the OQA Documents.

In Attachment A to its response of May 26, 1983 (Exhibit 4) LILCO suggested for the first time a novel and twisted interpretation of the "scope of the litigation" -- that it means only those matters on which LILCO witnesses were actually cross-examined during the hearing. If this is what LILCO meant, it did not say so in plain English in the protocol for settlement drafted by LILCO or in the Resolution Agreement signed by LILCO. The Board and all Parties are aware that the County's cross-examination was limited by time pressures and was illustrative only (as the Board often stated, the County was attempting to give examples of deficiencies in the QA Manual and procedures). The County's findings would not have been limited to those matters on which cross-examination had been conducted, and it should be clear that no such limitation on unsettled disagreements would have been acceptable to the County.

Accordingly, the County submits that the Board should reject LILCO's tortured construction of the "scope of the litigation," accept the plain meaning of those terms, and permit the County to litigate the seven remaining disagreements. In any event, even LILCO concedes that items C and D of part II above were matters on which LILCO witnesses were cross-examined, and the County asserts that item A is in the same category. Item F could not have been subject to cross-examination, because LILCO deleted the checklists only after the hearing terminated.

To the extent the Board finds any of the disagreements not within the scope of the litigation, the County requests that the Board mediate such disagreements.

Respectfully submitted,

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June 8, 1983

EXHIBIT 1

EXHIBIT 1A

The Composite Component List

The Composite Component List, identified as the CCL, has been the subject of Suffolk County Consultant comments in each meeting, teleconference or communications with the LILCO QA representatives because of its absence from the LILCO QA Program documentation for the Shoreham Nuclear Power Station. As of this time, the LILCO QA representatives have not noted when this important document will be committed to official use or how this document will be controlled to ensure its proper use by those at the Station and those that support the operation of the Station from other sites.

The importance of the role of the CCL, or a document of any other title with the same contents, on the design, construction, start-up and operation of a nuclear power station must not be overlooked. At Shoreham, the basic implementation of 10CFR50 Appendix B is accomplished as outlined in the Quality Assurance Manual. This implementation is carried out by quality assurance activities on structures, systems and components that are defined as safety-related, as noted in most sections of the QA Manual. These sections of the QA Manual note specific activities that are to be accomplished for safety-related structures, systems, and components by QA personnel and other personnel at the station and at other locations, both LILCO and contractor types. The types of activities dependent upon the detailed safety-related classification information to be provided by the CCL include procurement of systems, components, and materials, including replacement and spares; design and design changes; maintenance and repair; preventive maintenance; inspection; test; identification and control of material, parts, and components; trouble shooting; and identification, reporting and resolution of nonconformances. Virtually all activities at the plant or done for the plant are dependent upon the information to be contained in the proposed CCL.

Thus, it is noted that without a CCL that is complete, current and in use by personnel at the Station and by those that support the station work, there is no way that these many activities can be accomplished with the degree of certainty that is required for safe operation of a nuclear power station.

The basic requirement for a document with the contents of the CCL stems from Criterion II of Appendix B of 10CFR50. This reads, in part -

"..... The applicant shall identify the structures, systems and components to be covered by the quality assurance program ....The quality assurance program shall provide control over activities affecting the quality of the identified structures, systems and components to an extent consistent with their importance to safety."

Paragraph 2.1.4 of Section 2 (dated 5-3-83) of the QA Manual refers to FSAR Table 3.2.1-1, Equipment Classification, for identification of safety-related structures, systems and components. This reference is the same as it was in the same place in the QA Manual dated 6-1-82, despite the Suffolk County comments and the obvious fact that this FSAR Table does not contain the necessary level of detail to provide the important guidance to the many LILCO people who perform activities related to safety-related items.

Also, the NRC, during its inspection of Shoreham November 29 - December 15, 1982, in paragraph 6.2 of inspection report 82-34, noted a weakness in SP 12.013.01, Maintenance Work Requests, in that it did not refer to a source of sufficient detail for identification of safety-related structures, systems and components. The NRC inspector was satisfied when a reference was added to this SP for the "safety-related Q-List that is maintained by the architect/engineer". Had the NRC inspector looked farther into where else such detailed knowledge was missing from the LILCO documentation, he would have seen the basis for this Suffolk County concern. It is understood that the architect/engineer's Q-List is similar in detail to the CCL that is discussed herein. The difference is that the anticipated CCL is to be produced by the LILCO NOSD and is to be used by the LILCO staff in the operational phase. It will be important, once the CCL is released for use by the NOSD, for a comparison to be made of the Q-List and the CCL to identify any weaknesses that may have existed in the Q-List so that corrective action can be promptly initiated by LILCO. A similar retrospective examination must be undertaken by LILCO to identify lapses that may have occurred on the part of LILCO employees who have been performing safety-related activities in the absence of the detailed guidance that is expected to be provided by the application of the CCL.

With the importance of the CCL, as described above, it is imperative that LILCO produce this list as soon as possible; make sure that it reflects the current plant and that it is complete; and place it in the hands of all those at the station and all those that support the station from other sites. It is equally important, as repeated Suffolk County Consultants' comments to LILCO QA representatives have noted, that the CCL be subject to QA audits. It has been suggested that the CCL should be added to the QA audit responsibilities in

Appendix A of the QA Manual. Because of the significance of the CCL to the overall QA program, this QA audit should not be cursory. Instead, the QA staff should be prepared to periodically audit the CCL in detail to assure that it remains complete and current and that it is in use by each of the LILCO personnel who must have it to make their daily decisions. Such a detail review may require the addition of more capabilities to the QA function.

The NRC has a history of permitting plants to operate without appropriate identification of safety-related structures, systems and components. A problem in 1983 at the Salem Plant resulted in the following comment relative to equipment classification, as noted in the May 16, 1983 issue of Inside NRC -

> "... tighten requirements for equipment classification. Methods vary widely for listing and tracking maintenance and use of safety-related equipment. In use at Salem is a "Master Equipment List" which NRC staffers said was reasonably good, but the scram breakers were mistakenly not listed on it."

Also, inadequate listings of safety-related equipment was also noted during an investigation (President's Commission) following the accident at TMI. The following quotation is a finding from the Quality Assurance Staff Report of this investigation -

> "Misunderstanding exists among NRC and TMI management and project personnel as to what specific hardware is considered safety-related and what specific document defines that hardware." (P. 71, "Reports of the Technical Assessment Task Force, Vol. IV; U.S. Government Printing Office: 1980 307-483/6796)

The present condition of LILCO seems to parallel the above TMI experience about "..... what specific document defines the hardware" with -

1. The Q-List referenced in SP 12.013.01 as result of the

NRC inspection in Nov. - Dec. 1982 (Paragraph 6.2 of 82-34), though not observed by the SC Consultants;

2. The reference to FSAR Table 3.2.1-1 in paragraph 2.1.4 of the Quality Assurance Manual;

3. The safety classification of spare and replacement material, parts, and components, Appendix 12.4 of SP 12.019.01;

4. The use of references to FSAR Table 3.2.1-1 and to NOSD Procedure 29 (which is the non-existent CCL) in SP 12.013.01.

While the NRC may have improved their examination of safety-related equipment lists since the TMI accident, the more recent experience at the Salem Plant indicates that still more care must be taken by the NRC and the individual plants to assure that equipment identification is properly accomplished.

Section 2 of the QA Manual, in order to conform to Criterion II of Appendix B, should address the distribution, control, review, revision, and auditing of the CCL. Appropriate procedures should be generated to implement Section 2.

EXHIBIT 1B

Area: QA Manual, Section 3

Subject: Correction of paragraphs dealing with verification testing.

Status: This subject was discussed at the meeting at King of Prussia in February 1983 and believed to have been RESOLVED. It was discussed again during the March 2-4, 1983 meeting at Hauppauge and believed to have been RESOLVED. Changes made by LILCO in the current revision of Section 6 have been inadequate; these were discussed again during the April 22, 1983 telecon. This subject is now identified as UNRESOLVED. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale: Verification testing is accomplished to confirm that the equipment (such as pumps, valves, and controllers) will perform as designed under the normal conditions and the worst expected conditions (as emergency conditions). Verification testing is very sensitive to the version of the equipment tested and to the test conditions imposed during these tests.

Suffolk County comments during the meetings at King of Prussia noted that the use of "prototype or first article" equipment in verification testing has potential problems unless care is taken through careful analyses to show that the test article is the same as the equipment installed in the plant. We also stressed the need to include worst case, as in emergencies, test conditions.

LILCO revised paragraph 3.3.2.8.h. of the QA Manual to include a rewritten paragraph 3.3.2.9.h. and a new paragraph 3.3.2.9.i. to accommodate Suffolk County comments. Each of these paragraphs continues to have problems.

Paragraph 3.3.2.9.h. still permits verification testing of prototype of the production model without noting the need for analysis to establish sufficient similarity with installed equipment to produce valid test results. Paragraph 3.3.2.9.i. permits station testing to verify design; it is unlikely that station testing can reproduce the necessary emergency conditions necessary to verify operation of the equipment design in that significant part of the environment envelope.

Solutions to these problems were suggested in the April 15 letter to LILCO. The LILCO response was that these paragraphs are correct as written. They are not.

These suggestions are repeated from I.d. of the April 15 letter -

> "d. Section 3, Rev. 1, - Ellis IE 2a - Modifications to paragraph 3.3.2.9.h. and 3.3.2.9.i. don't properly address the comment. By breaking the response into two parts, we now have two problems.

I suggest that they be rewritten a little, as follows -
3.3.2.9.h. When design verification testing is performed, the test shall be .....

3.3.2.9.i. - When design verification testing is performed with other than identical production equipment, the test equipment must be shown by analysis to be the same or equal in design as ....."

Obviously there are other ways to reword the QA Manual to correct the current problems. LILCO should be encouraged to understand what verification testing is all about and then make appropriate changes to the QA Manual.

d. The designer's immediate supervisor shall not perform verification unless he is the only technically qualified person available. Such arrangements shall be approved in advance by higher management and documented.

e. In general, verification by the design review or alternate calculation methods shall be completed prior to release of the design for fabrication, construction, or other design purposes. However, if such timing cannot be met, and is justified and documented, verification shall be completed prior to relying upon the component, system or structure to perform its function in the operating station.

f. However, should equipment be conditionally released pending design verification, installation shall not proceed beyond the point where, should verification fail, corrective action would become impractical or impossible to achieve.

g. Formal interdisciplinary and multi-organizational verification of design documents that reflect FSAR commitments shall be controlled.

h. When design verification consists of testing a prototype of the production model, the test shall be performed under conditions that simulate to the greatest degree practicable the most severe conditions, as determined by analysis, that would be encountered during normal operations and emergencies. | 1

i. Station testing may be used to verify design of equipment if that equipment is evaluated to be the same or equal in design as equipment already installed and proved, and which was produced using the same or acceptable alternate manufacturing processes. Such engineering judgement shall be justified, approved and recorded. | 1

EXHIBIT 1C

Area: QA Manual, Section 15

Subject: Provision of words in the requirements part of Section 15 to cover nonconforming items.

Status: This subject was discussed during the March 2-4, 1983 meeting at Hauppauge and identified as RESOLVED. Subsequent changes made to Section 15 by LILCO are believed to be inadequate. This was discussed again during the April 22, 1983 teleconference and identified as UNRESOLVED. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale: The scope of Section 15 of the Quality Assurance Manual notes that, "The requirements of this section apply to nonconforming items and to related activities/services,....."

The requirements part of this section treats, in paragraph 15.3.6., the disposition of nonconforming items in considerable detail. However, there are no requirements noted for the disposition of nonconforming activities.

Nonconforming activities are generally considered to be problems identified with procedures that don't produce the desired results or with people who don't follow procedures because of a lack of capability, training, or an overload of work. Nonconforming activities, like nonconforming equipment, can have significant detrimental effect on the operation of a plant; thus there should be appropriate requirements established in the QA Manual for their disposition.

15.0 Purpose

To establish QA Program requirements for the control of nonconforming materials, parts and components.

15.1 Scope

15.1.1 The requirements of this section apply to nonconforming items, and to related activities/services, from the time of their detection to final disposition. | 1

15.1.2 For purposes of this manual, the following definitions apply:

a. Nonconformance - A deficiency in characteristic, documentation, procedure or activity that renders the quality of an item unacceptable or indeterminate. | 1

b. Nonconformance report - A generic term for a document used to record a nonconforming item or a related deficiency, the approved disposition, and completed corrective action, e.g. LILCO Deficiency Report (LDR) and Corrective Action Request (CAR). | 1

15.2 Responsibilities

15.2.1 LILCO organizations requisitioning materials, parts, components or services are responsible to impose appropriate nonconformance control requirements upon suppliers and to arrange for verification that such measures are implemented.

15.2.2 LILCO organizations performing functions that may affect the quality of materials, parts, components, or structures are responsible for exercising control of nonconformances within their scopes of activities.

15.2.3 LILCO organizations performing safety-related activities are responsible for reviewing nonconformances within their scope of activities for reportability to the NRC in accordance with 10CFR21, Reporting of Defects and Noncompliances. LILCO contractually imposes this requirement on responsible suppliers.

15.2.4 The OQA Section is responsible to review and verify that nonconformance controls, as is exercised by the Plant Staff and suppliers employed in the station, meet the requirements of this section. | 1

15.2.5 The QA Department is responsible to review and verify the nonconformance control functions of the OQA Section, other LILCO organizations, and suppliers of materials, parts, and components. | 1

15.3 Requirements

15.3.1 Responsible organizations shall implement documented approved procedures for controlling materials, parts and components in order to prevent inadvertent use or installation of nonconforming items.

15.3.2 Procedures shall require prompt reporting of nonconformances. Measures shall be provided to appropriately identify nonconforming items such as by marking or tagging them "Reject" or "Hold". If practical, they shall be placed in controlled segregated areas until proper and approved disposition and/or correction has been effected.

15.3.3 Procedures shall define organizations' nonconformance control responsibilities including those individuals or groups authorized to provide disposition of nonconforming items.

15.3.4 Measures shall provide for appropriate investigation of significant nonconformances in order to determine causes and effective corrective and preventive actions. | 1

15.3.5 Dispositions authorizing changes in requirements may be made or approved only by the same personnel or groups responsible for establishing the original requirements or by equally qualified designated personnel or organizations. | 1

15.3.6 Disposition of nonconforming items shall, as appropriate, indicate "accept as is", "repair", "rework", or "scrap", with the following conditions: | 1

a. "Accept as is" - Such disposition shall be justified and documented. Evidence shall be provided that the deviation will not adversely affect safety or operation of the item.

b. "Repair" - The repair procedure shall be described or referenced. Evidence shall be provided that the repaired item will meet prescribed requirements or that any remaining deviations will not affect safety or operation of the item.

c. "Rework" - the rework procedure shall be described or referenced and shall assure that the reworked item will meet prescribed requirements.

d. "Scrap" - The item shall be disfigured or identified and disposed of in a manner to preclude its use in a safety-related function.

15.3.7 Provisions shall be made for independent review of nonconformances, their dispositions, and closeouts.

15.3.8 Items that have been repaired or reworked shall be inspected and tested in accordance with the original requirements or acceptable alternatives.

15.3.9 Nonconformance reports, or equivalent documentation, shall fully record relevant information including identification of nonconforming items, dispositions and signature approval of the dispositions, inspection and test requirements, and satisfactory completion of corrective actions. |1

15.3.10 Distribution of nonconformance reports shall be controlled to assure notification to all affected organizations.

15.3.11 Nonconformances shall be satisfactorily corrected or resolved prior to startup testing.

15.3.12 Nonconformances shall be periodically reviewed and analyzed to determine quality trends. Significant trends shall be reported to appropriate management for assessment.

15.3.13 LILCO organizations procuring items or services shall specify that suppliers comply with the requirements of 10CFR21 when so required by purchase order. They shall provide LILCO with copies of reports made to the NRC regarding failures and defects that affect LILCO equipment or services. |1

15.3.14 Responsible QA organizations shall verify by means of audit, inspection and/or surveillance that organizations within their scope of responsibilities provide adequate nonconformance control.

EXHIBIT 1D

Area: QAP-S-04.1

Subject: Addition of instructions to emphasize quality requirements for spare and replacement items.

Status: This subject was identified as RESOLVED during the April 22, 1983 teleconference. At that time the subject involved additions to QAP-4.2, QAP-S-04.1 and to section 4.0 of the QAM. LILCO has made a suitable addition to QAP-4.2, paragraph 4.6.1; though not yet done, LILCO agreed to add words to the QAM as noted in item IV.g of the Ellis letter of May 3, 1983. LILCO noted on May 18 to Mr. Dynner that they will not make a similar addition to QAP-S-04.1. This subject is now UNRESOLVED. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale: The importance of ensuring that spare and replacement parts are procured to specifications that have QA requirements that have at least the rigor of the original requirements is self-evident. Requirements to be added to Section 4 of the QA Manual and paragraph 4.6.1 added to QAP-4.2 take care of some of the needed documentation changes. As the Shoreham Station enters into the operational phase of its life, it is conceivable that most all of the QA reviews of procurement documents will be accomplished by members of the OQAE Section. Thus, the lack of such specific instructions to the OQAE reviewers in QAP-S-04.1 is a significant omission. This omission can be rectified by the addition of a paragraph in Section 5.0 of QAP-S-04.1 with wording similar to that used in paragraph 4.6.1 of QAP-4.2, such as,

> "Quality requirements for spare and replacement items shall be equal to or exceed those specified for the original item."

EXHIBIT 1E

Area: QAP-S-07.1

Subject: Provision for LILCO reaction in the event of changes in vendor classification to "Unacceptable" in the CASE Register.

Status: This subject was discussed extensively during the teleconference of April 22 as agenda items III.v and III.x and was identified as RESOLVED. LILCO did make modifications to QAP-S-07.1 as a result of this teleconference; however, the modifications only covered part of the action needed. The part left out is believed to be significant. LILCO noted to Mr. Dynner on May 19, 1983 that no further modifications would be made to QAP-S-07.1 on this subject. Thus, this subject is identified as UNRESOLVED. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale: Whenever the performance of a supplier of items is downgraded in the CASE Register, recipients of such items are placed on notice that they must take certain actions to make sure that they have not received (and possibly put in use) defective items, that they do not receive defective items, and that they do not place orders with such suppliers without adequate safeguards against defective items. LILCO's currently modified QAP-S-07.1 provides adequate guidance for orders that were placed during the period affected by the down-graded notice and for future orders (when paragraph accidentally deleted during the revision has been replaced). LILCO needs to add words in this procedure that covers those items that may have been delivered to them that could have been affected by the downgraded supplier's performance in the period of the notice. Such items should also be identified as "suspect", including those in storage and those already installed.

EXHIBIT 1F

Area: QAP-S-09.1

Subject: Periodic reviews of Checklists for Special Processes.

Status: This subject was discussed during the teleconference of April 22, 1983 and was identified as RESOLVED. Modifications to accommodate the SC comment on this subject were not included in the revised QAP-S-09.1 received subsequent to this teleconference. LILCO noted to Mr. Dynner on May 18 that they do not intend to make further changes to QAP-S-09.1 on this subject, since the intent of the SC comment is accomplished by QAP-S-05.2. It has been determined that QAP-S-05.2 does not cover this subject; thus this subject is UNRESOLVED. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale: LILCO has deleted the Special Process Checklists that were once part of QAP-S-09.1; because of this deletion and the special significance to work at Shoreham of the Special Process Checklists, the SC Consultants requested that QAP-S-09.1 contain a provision for periodic reviews of these checklists. Such periodic reviews are believed necessary to ensure that these Special Process Checklists remain current by reflecting LILCO experience with them, by reflecting industry experience with these processes and by reflecting the state-of-the-art of these processes. The lack of such attention could pose unnecessary potential lapses in the QA Program at Shoreham.

The rationale provided by LILCO for not making the SC suggested modification to QAP-S-09.1 is based on the statement provided in paragraph 5.3.5 of QAP-S-05.2. This LILCO rationale is defective because it specifies periodic review of the OQAE Section procedures; however, the Special Process Checklists have been deleted from QAP-S-09.1 and are thus no longer subject to periodic reviews as per QAP-S-05.2.

Area: QAP-S 9.1

Subject: Review of Special Process Procedures.

Status: This item was resolved with limitations at the April 22 Teleconference, however later questions arose when SP 12.019. 01 Procurement of Parts, etc was reviewed. Item is considered unresolved.

Rationale: QAP-S-09.1 revision 1, no longer includes checklists necessary when this procedure is utilized to review Special Process Procedures.

Example:

SP 12.019.01 Procurement of Parts etc.
Page 20 Para. 8.8 Control of Special Processes.
8.8.1

Special processes performed by vendors shall be controlled by written procedures or instructions. The development, review and approval of these procedures or instructions may be performed by LILCO in accordance with Ref. 11.1 (QAP-S 09.1 Station OQA Review of Special Processes).

QAP-S 09.1 , para 5.3 States:

The assigned reviewer shall utilize the applicable approved checklist to document the review. Checklists for the types of procedures listed below shall be developed in accordance with Ref. 2.2 (QAP-S-05.4, Operational Quality Assurance Review of Procedures) and controlled per Ref. 2.2 (should be 2.3) QAP-S-6.3 Control of Generic Checklist and Surviellance Plans.

Neither of the last two QAP-S's are referenced in the SP. There is also no provision for the development of any other Special Process Procedure other than those called out in the list in QAP-S-09.1. Several examples were previously brought to LILCO's attention but were ignored. Two that immediately come to mind are Soldering of Electronic Components and Wire Terminations. Since this is the document called out for the reviewer to use, then it should specifically state where the Checklists may be obtained or it should contain copies of them.

Further: QAP-S-05.4 does not specifically reference Special Process Procedure Checklists or describe how they can be developed. Paragraph 5.1 of QAP-S 9.1 states that this procedure is utilized for On-Site Organizations, however as indicated in the referenced SP. The use of the QAP-S is utilized during procurements by the station. This QAP-S should include statements similar to those in Section 3.0 of QAP 9.1. Also this QAP-S should either include checklists or specifically tell where they may be obtained.

EXHIBIT 1G

Area: QAP-S-09.2, -09.3, -10.4, -10.5

Subject: Provision of specific words in appropriate QAP-Ss to emphasize the need for verification by inspection or surveillance of required system condition and configuration at the completion of maintenance, tests, inservice tests, or modifications.

Status: This subject was discussed during the March 2-4 meeting at Hauppauge, the teleconferences in the last of March and during the teleconference of April 22 and had been identified as RESOLVED. LILCO has made a number of changes to the QA documentation, but noted on May 18 to Mr. Dynner that changes to the above QAP-Ss will not be made. This portion of the subject is now UNRESOLVED. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale: As a result of discussions with LILCO on this subject, modifications have been made to accommodate the SC comments. These changes included important modifications to QAP-S-05.4 to guide the OQAE review of procedures on this subject, and to QAP-S-11.1 to guide the OQAE in Operational Test Control, which is but one facet of the OQAE participation in the operational phase of Shoreham. The remaining UNRESOLVED part of this subject is for LILCO to provide similar guidance to OQAE personnel when they participate in other aspects of the Shoreham operation as noted in QAP-S-09.2, -09.3, -10.4, and -10.5 and any other QAP-Ss of similar operational nature.

EXHIBIT 2

KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

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(412) 355-6500

May 19, 1983

Anthony J. Earley, Jr., Esq.
Hunton & Williams
707 East Main Street
P.O. Box 1535
Richmond, Virginia 23212

Dear Tony:

Suffolk County has a number of disagreements with LILCO concerning the OQA Documents (the QA Manual, QAPs, QAP-Ss, and certain SPs) which remain following settlement discussions. Attachments 1 and 2 to this letter set forth in detail the specifics of each disagreement, including the subject, status and rationale for the County's concern.

An additional list of disagreements with detailed explanations is expected tomorrow. That list covers SPs 12.013.01 and 12.019.01 and SPs 12.011.01 and 12.075.01 insofar as they were cited by LILCO as satisfying concerns by the County's consultants with certain OQA Documents. I will supply you and the Staff with the additional list as soon as I receive it.

Your May 18 response to the comments sent to you on May 17 is appreciated and appears to settle most issues raised in the comments. Your response to items 1, 3, 4 and 5 is being reviewed today by the County's consultants, and we will notify you shortly if any of these items should be added to the list of disagreements.

Under cover of this letter, I am sending the attached materials to Region 1, with a copy by messenger to Mr. Bordenick. This letter is being telecopied to you, with the attached material being sent to your Washington office by messenger. In addition, to save time I am sending the entire package to you in Richmond and to Mr. Gerecke of LILCO by Federal Express.

We are prepared to discuss the disagreements at any time with LILCO and the Staff in further efforts to clarify and resolve them.

Very truly yours,

Alan

Alan Roy Dynner

ARD/dk
Enclosures
cc: Edward Greenman
Bernard Bordenick, Esq.
Frank Gerecke

ATTACHMENT 1

Area: FSAR

Subject: Use of the LILCO QA Manual for Section 17.2 of the Shoreham FSAR.

Status: This subject was given to the NRC during the teleconference of March 24, 1983 after being identified as an UNRESOLVED item during the March 2-4, 1983 meeting at Hauppauge.

Rationale: The QA/QC Program description in Section 17.2 of the FSAR lacks specificity, and in general, fails to describe how the QA/QC program elements will be accomplished during operations. Since the FSAR does not address each of the 18 criteria in Appendix B to 10 CFR 50 in sufficient detail to enable a reviewer to determine whether and how all the requirements of Appendix B will be satisfied, we recommend that the FSAR write-up be deleted by LILCO and replaced with a commitment to meet the QA/QC measures set forth in the QAM. Thus, the NRC's regulatory review of the Shoreham QA/QC program to determine compliance with the regulations and satisfactory program implementation during the 40 years of plant life would be based on the detailed baseline measures provided in the QAM. As a result, the QAM rather than Section 17.2 of the FSAR would provide the documentation pursuant to the new NRC rule for reporting of changes to the QA Program (see Federal Register, Vol. 48, No. 6, Jan. 10, 1983 at pp. 1026 to 1029).

Area: QA Manual, Section 3

Subject: Correction of paragraphs dealing with verification testing.

Status: This subject was discussed at the meeting at King of Prussia in February 1983 and believed to have been RESOLVED. It was discussed again during the March 2-4, 1983 meeting at Hauppauge and believed to have been RESOLVED. Changes made by LILCO in the current revision of Section 6 have been inadequate; these were discussed again during the April 22, 1983 telecon. This subject is now identified as UNRESOLVED. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale: Verification testing is accomplished to confirm that the equipment (such as pumps, valves, and controllers) will perform as designed under the normal conditions and the worst expected conditions (as emergency conditions). Verification testing is very sensitive to the version of the equipment tested and to the test conditions imposed during these tests.

Suffolk County comments during the meetings at King of Prussia noted that the use of "prototype or first article" equipment in verification testing has potential problems unless care is taken through careful analyses to show that the test article is the same as the equipment installed in the plant. We also stressed the need to include worst case, as in emergencies, test conditions.

LILCO revised paragraph 3.3.2.8.h. of the QA Manual to include a rewritten paragraph 3.3.2.9.h. and a new paragraph 3.3.2.9.i. to accommodate Suffolk County comments. Each of these paragraphs continues to have problems.

Paragraph 3.3.2.9.h. still permits verification testing of prototype of the production model without noting the need for analysis to establish sufficient similarity with installed equipment to produce valid test results. Paragraph 3.3.2.9.i. permits station testing to verify design; it is unlikely that station testing can reproduce the necessary emergency conditions necessary to verify operation of the equipment design in that significant part of the environment envelope.

Solutions to these problems were suggested in the April 15 letter to LILCO. The LILCO response was that these paragraphs are correct as written. They are not.

These suggestions are repeated from I.d. of the April 15 letter -

> "d. Section 3, Rev. 1, - Ellis IE 2a - Modifications to paragraph 3.3.2.9.h. and 3.3.2.9.i. don't properly address the comment. By breaking the response into two parts, we now have two problems.

I suggest that they be rewritten a little, as follows -
3.3.2.9.h. When design verification testing is performed, the test shall be .....

3.3.2.9.i. - When design verification testing is performed with other than identical production equipment, the test equipment must be shown by analysis to be the same or equal in design as ....."

Obviously there are other ways to reword the QA Manual to correct the current problems. LILCO should be encouraged to understand what verification testing is all about and then make appropriate changes to the QA Manual.

Area: QA Manual, Section 3

Subject: Application of a quantity limitation on the number of drawing change notices before drawing update is required. (This also applies to documents such as specifications.)

Status: This subject was given to the NRC during the teleconference of March 24, 1983 after being identified as an UNRESOLVED item during the March 2-4, 1983 meeting at Hauppauge.

Rationale: The accumulation of change notices that apply to particular drawings and documents can impede full technical understanding of the drawings and documents when such changes accumulate. LILCO has made a change to paragraph 3.3.2.3 of the QA Manual which calls for "timely incorporation of approved design changes into specifications, drawings and other affected design documents".

SC contends that the "timely incorporation" should be supplemented with a quantity limitation that provides for update of a drawing or document after "X" number of changes have been generated. This technique has been applied in other industries and is believed to be applicable to the nuclear industry.

LILCO notes that since they are through the majority of the design effort that such a limitation is not needed. SC notes that the benefit of such a limitation would be realized in event that LILCO has to provide an intensive design effort to correct a design deficiency, to provide for NRC backfitting, or to provide for a design update. In such events the imposed limitation would help provide for the timely update of drawings and documents, and would thus provide documents that are readily useable in event of operating emergencies. If these events never materialize, then LILCO would only be out the effort required to add this quantity limitation to the QA Manual and the implementing procedures.

Area: QA Manual, Section 6

Subject: Master List or equivalent system for providing identification of current revision of procedures.

Status: This subject has been identified as RESOLVED as result of the April 22, 1983 teleconference and LILCO has made the agreed changes to paragraph 6.3.7 of the QAM. Since the method of resolution selected may impact a prior LILCO commitment to the NRC, it is suggested that this subject be forwarded to the NRC for information.

Rationale: This subject is relative to words in paragraph 6.3.7 of Section 6 of the Quality Assurance Manual about a Master List or equivalent system shall be provided so that the current change or revision of procedures can be readily determined. It was apparent during the teleconference that no such single Master List or equivalent system for providing such information exists or is intended to exist. The position of RESOLVED was attained with LILCO agreeing to changes in the words in the QA Manual to indicate lists and systems. A Single Master List would be a better solution for the management and staff at the plant.

Area: QA Manual, Section 10

Subject: Application of true independent verification of system configuration and condition at the completion of activities such as maintenance work, inservice testing, special testing and modifications.

Status: This subject was given to the NRC during the teleconference of March 24, 1983 after being identified as an UNRESOLVED item during the March 2-4, 1983 meeting at Hauppauge. LILCO noted that this was not an NRC requirement.

Rationale: It is requested that the NRC consider making it a requirement for operating nuclear power plants to provide for truly independent verification of systems configuration and condition at the conclusion of special activities. Special activities to include maintenance and repair work, inservice testing, special testing and modifications. The need for such independent verification has been demonstrated by experience that has been obtained by the nation's power plants (such as TMI) and collected by the NRC.

Such verification can be accomplished by an expanded and trained OQAE Section through inspection and/or surveillance.

This is considered to be one of the most important UNRESOLVED items. A favorable decision by the NRC and proper implementation at Shoreham by LILCO would be a big step toward establishing a strong QA program.

Area: QA Manual, Section 15

Subject: Provision of words in the requirements part of Section 15 to cover nonconforming items.

Status: This subject was discussed during the March 2-4, 1983 meeting at Hauppauge and identified as RESOLVED. Subsequent changes made to Section 15 by LILCO are believed to be inadequate. This was discussed again during the April 22, 1983 teleconference and identified as UNRESOLVED. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale: The scope of Section 15 of the Quality Assurance Manual notes that, "The requirements of this section apply to nonconforming items and to related activities/services,....."

The requirements part of this section treats, in paragraph 15.3.6., the disposition of nonconforming items in considerable detail. However, there are no requirements noted for the disposition of nonconforming activities.

Nonconforming activities are generally considered to be problems identified with procedures that don't produce the desired results or with people who don't follow procedures because of a lack of capability, training, or an overload of work. Nonconforming activities, like nonconforming equipment, can have significant detrimental effect on the operation of a plant; thus there should be appropriate requirements established in the QA Manual for their disposition.

Areas: QAP-2.7 and QAP-S-02.4

Subject: Use of more similar formats for the generation of Quality trend reports by the QA Department and the OQAE Section.

Status: This subject was given to the NRC during the teleconference of March 24, 1983 after being identified as an UNRESOLVED item during the March 2-4, 1983 meeting at Hauppauge.

Rationale: The value of trend information is strongly dependent on the way it is generated and presented. LILCO presently provides different procedural guidance for the trend reports provided by the QA Department and the OQAE Section. It is SC's comment that LILCO should select the most meaningful method, which may be neither of the current methods, of generating and presenting Quality trend information and apply this method to the trend work accomplished by the QA Department and the OQAE Section.

An additional benefit from such a uniform presentation will be that the ultimate decision makers, who may receive information from both sources, will be able to concentrate on the problems rather than have their efforts diluted by having to integrate two types of presentations.

Area: QAP-3.3 and QAP-S-3.1

Subject: Checklist differences between QAP-3.3 and QAP-S-3.1.

Status: This subject had been discussed during the March 2-4, 1983 meeting at Hauppauge and identified as RESOLVED when LILCO agreed to consider changes to make the checklists more similar. Some changes were made by LILCO; however, SC Consultants believed more changes were necessary; and this subject was discussed during the April 22, 1983 teleconference and identified as UNRESOLVED when LILCO stated "no more changes to these checklists". It is suggested that this subject be forwarded to the NRC for resolution.

Rationale: The QA task, in review of design and design change documents, is to assure that the QA requirements are properly reflected in these documents. QAP-3.1 and QAP-3.3 are related to design and design change documentation. The station procedure, QAP-S-3.1, relates to design, modification and repair documents. While the greatest work load at the station may be expected to relate to repair documents, this procedure must also take care of design and modification documents. It may also relate to repair documents in event the repair procedure proposes any alteration to the original design, even as something as simple as a change in material of a part. Also, it doesn't make any difference as to what organization does the design or design change work. QA still needs to provide a careful review, as per the QA procedures, to make sure the QA requirements are accurately reflected in the design/design change or modification documents.

From the visibility permitted the Suffolk County Consultants through the review of these procedures, it is not evident why these checklists should not cover the same items. LILCO has not offerred a reason to support the existing differences.

Comment item II.h., is reproduced below to provide specific information -

"h. QAP-3.1/-3.3, Ellis IA 2 - Comparison of checklists in QAP-3.1 and 3.3 still have significant differences with the checklist of QAP-S-03.1. It is suggested that the lists be combined to have the best checklist to apply in QAP-3.1, -3.3 and QAP-S-03.1.

Items in QAP not in QAP-S	Items in QAP-S not in QAP
#1, 3, 4, 6, 10	~~#1,~~ 3, 4, 10, 11, 12, 13, 14, 15, 16, 18, 19"

While the words in the checklists do not have to be identical, it is important that the substance be adequately represented. Examples of important items, from the above listing, not represented in the QAP-S-3.1 checklist, are material certifications and review and approval of specifications and drawings. Examples of important items, from the above listing, not represented in the checklist of QAP-3.3 are maintenance requirements and accessibility requirements.

The main thrust of this subject is between checklists of QAP-3.3 and QAP-S-03.1, since close examination of paragraph 3.2 of QAP-3.1 discloses that LILCO plans to establish another procedure to take the place of QAP-3.1 for the operation phase "when the initial period and Nuclear Construction and Engineering is phased out". Since that period is close upon Shoreham and the operations phase is the subject of the Suffolk County and the current NRC reviews, the "lack" of this "new" procedure should also be passed on to the NRC.

EXHIBIT 3.3.1

Comparable items from QAP-5-3.1

LONG ISLAND LIGHTING COMPANY - SNPS UNIT 1
QA CHECKLIST FOR DESIGN DOCUMENT REVIEW - CATEGORY I

SPEC. NO. SH1-_____ TITLE_____

DATE_____ PRELIM_____ BID_____ PURCH_____ ADDEND_____ REV___

Review Document for the following provisions:	YES	NO	N/A	Comm. No.
1. Adequate supplier QA Programs requirements.				
2. Appropriate codes and standards or adequate specifications, instructions, etc.				2
3. Materials, parts, equipment, and processes that are suitable for applicable safety-related functions.				
4. Material controls including submittal of material certifications.				
5. Control of special processes (welding, heat treatment, NDT, etc.) including qualification of personnel				20
6. Review and approval of specifications, drawings, procedures and instructions.				
7. Methods for identification of equipment.				8
8. Handling, cleaning, preparation for shipment and preservation and storage, as required.				9
9. Adequate testing, (hydrostatic, pressure, leak, performance, electrical, etc.) and vendor inspection (NDT, visual, weld, dimensional, etc.);				4/6
10. [redacted]				
11. Change controls on suppliers.				17
12. Control of deviations and nonconformances, corrective action and recurrance prevention.				
13. Adequate QA/QC surveillance and inspections.				3
14. Documentation requirements				7

APPROVED _____ DISAPPROVED _____ REVIEWER _____ DATE_____

LILCO

File: 1A11.920

Design, Modification, or Repair Document Review Checklist
(DMRDR Supplement)

Document Title:			Number:	Prepared by:
Issue under review:	Document Type:	QA Category:	Date Reviewed:	Reviewed by:

No.	Attribute	SAT	UNSAT	N/A	Comments
1.	Correct QA Category				
2.	Applicable codes, standards and regulatory requirements				
3.	Inspection requirements				
4.	Accept/Reject Criteria (Inspection)				
5.	Testing requirements				
6.	Accept/Reject Criteria (Testing)				
7.	Documentation requirements				
8.	Identification requirements				
9.	Handling, shipping and storage requirements				
10.	Maintenance requirements				
11.	Accessibility requirements for in service inspection.				
12.	Compatibility of Materials Specified				
13.	Correct Review Cycle				
14.	Administrative Requirements				
15.	Personnel Qualification Requirements				
16.	Organization Interface Controls				
17.	Design change Requirements				
18.	Distribution of DMR documents prior to use				
19.	Collection, storage and maintenance requirements of DMR documents				
20	[redacted]				

Area: QAP-3.3

Subject: Provision for transfer of design changes processed by QAP-3.3 when they should be handled by QAP-3.1.

Status: This had been identified as a RESOLVED item at the March 2-4, 1983 meeting at Hauppauge. During the April 22, 1983 teleconference, it became reclassified to an UNRESOLVED item. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale: During the discussions about the differences between checklists included in QAP-3.1 and QAP-3.3, LILCO noted that QAP-3.3 was utilized for minor design modifications and that QAP-3.1 was utilized for major modification; LILCO agreed, at that time, that they would consider making changes to QAP-3.3 that would result in shifting those to QAP-3.1 that were later found to exceed a definition of minor-modification.

Subsequently, LILCO noted that they would not make such a change to QAP-3.3 (to result in shift to QAP-3.1) because they had made the checklists the same.

It is not clear how a change in checklist content can be the supporting rationale for not providing for the shift as first suggested by LILCO. It is possible that the reluctance of LILCO to implement their own suggested change is related to the plan for QAP-3.1, as noted in paragraph 3.2, to be replaced by a new procedure for the operating phase; this new procedure may not be available.

Area: QAPs

Subject: Provision of QAPs for QA Manual sections 8, 10, 11, 12, 13 and 14.

Status: This subject has remained UNRESOLVED since the March 2-4, 1983 meeting at Hauppauge. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale: It was noted during the review with LILCO that such QAPs are needed for the QA Department in order to be consistent in dealing with suppliers and vendors who provide equipment that will go on to the station for use. The documentation systems established by the suppliers and vendors as they manufacture, process and deliver equipment to the plant will be more useful to LILCO if they were compatible, from the beginning, with the systems in use at the plant.

Area: QAP 18.1, QAP 18.2, and QAP-S-18.1

Subject: Use of a standard format for the generation of QA audit reports by the two QA Department Divisions and the OQAE Section.

Status: This subject was given to the NRC during the teleconference of March 24, 1983 after being identified as an UNRESOLVED item during the March 2-4, 1983 meeting at Hauppauge. This item was also reaffirmed as UNRESOLVED during the more recent teleconference with LILCO on April 22, 1983.

Rationale: QA activities are generally recognized in industry as those that provide a significant amount of discipline into a working organization. Experience has shown that those QA organizations that are the most effective in providing such discipline are those that have self-discipline. In the case of LILCO, the three QA organizational elements provide guidance for preparing audit reports to differing outlines, thus indicating a lack of self-discipline.

In addition, preparation of audit reports to consistent guidelines will provide uniformly prepared information to recipients of the reports so that the contents can be more readily understood. Consistent guidelines will also provide for more effective cross utilization of personnel from the three QA organizational elements.

Area: QAP-18.1 and QAP-18.2

Subject: Correction of deficiencies in procedures for conducting audits by the QA Department.

Status: This subject was identified as UNRESOLVED during the April 22, 1983 teleconference. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale: There are three procedures used by LILCO to provide guidance to the auditing process. These are QAP-18.1, QAP-18.2, and QAP-S-18.1. Since these procedures are supposed to undergo a "common" review cycle, it would be expected that each would contain similar important guidance. However, this is not the case. QAP-18.1 fails to include some important guidance on the subject of post audit conferences. The missing guidance could be carried over from sections of QAP-S-18.1, such as -

> "Paragraph 5.4.4.b. Identify status of findings identified during previous audits....."
>
> "Paragraph 5.4.4.c. Present elements considered to be in noncompliance, including pertinent facts relating to the findings and reach an understanding with the audited organization as to the validity of the findings....."
>
> (The underlined portion is the part under discussion here and is normally an important step to avoid inaccurate audit results.)
>
> "Paragraph 5.4.4.h. Advise the responsible representative that a response to open findings shall be within 30 days of the issuing of the audit response form. If the 30 day limit cannot be.... ....."

Both QAP 18.1 and QAP 18.2 would benefit by having a section on the conduct of Post Audit Conference, as in section 5.4.4 of QAP-S-18.1.

Also, QAP-18.2 addresses the evaluation of the QA program elements only in the outline of the Field Audit Report format presented in Exhibit 18.2.1. A function this important should also be included in the text of the procedure. LILCO doesn't believe this to be necessary.

It is suggested that the LILCO audit program would benefit by selecting the best features of their three audit procedures and by presenting them consistently. This would improve the performance of the individual auditors when "borrowed" to conduct audits for another QA element.

Area: QAP-S-05.3

Subject: Instructions for preparation of Station QAIs and handling of QA Department and Station QAIs.

Status: This subject has been identified as UNRESOLVED as a result of the April 22 teleconference; the part on handling QAIs had also been identified as UNRESOLVED during the March 2-4, 1983 meeting at Hauppauge. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale: The generally accepted definition of QAIs is as given in paragraph 3.3 of QAP-5.1: "QAIs are used where necessary to provide supplementary instructions for implementing specific QAPs."

Paragraph 4.3 of QAP-S-05.3 provides instructions for Station QAIs that goes far beyond this norm; namely "..... or to control certain activities associated with abnormal operating conditions or urgently required station operations". Such instruction has resulted in QAIs, such as QAI 14.1-01 and QAI 14.1-02, which are regular QAP-Ss. QAP-S-05.3 should be modified to provide instructions for the preparation of QAIs similar to that of QAP-5.1. The need for procedures to support "urgently required station operations" can be adequately fulfilled by the provision of interim procedures as noted in QAP-S-05.2.

Also, since QAIs, by the definition in QAP-5.1, are used to provide supplemental instructions for implementing a specific procedure, the QAIs should be part of the procedures document. This is presently done with the QAIs issued for QAP-Ss, but the QAIs issued for QAPs are kept separate. The QA Department should change their system and include QAIs with the specific QAPs they supplement.

Area: Composite Component List NOSD Procedure # 29.

Subject: Availability and control of above document.

Status: Questionable, resolved status because of later information revealed in review of SP's.

Rationale:

The following item is from Mr. Bland's report of April 25, 1983, page 27-24 which states:

2. Item IV,c., relative to the use of the CCL (Composite Component List), for the identification of safety-related equipment, in the Quality Assurance Manual has a questionable RESOLVED status. The LILCO Quality Assurance personnel agreed during the teleconference on April 22 to use the CCL when and if such a list is generated and made available by the LILCO NOSD. Resolved Item IV,d. is also contingent upon the availability of the CCL. It is suggested that this item be forwarded to the NRC. Consultants to provide write up.

To add to that:

SP 12.019.01 Procurement of Parts etc. states:

> Para.8.1.7.1 All parts of SR components with the exception of Appendix 12.1, page 32 of 32 (as listed on the Master Composite Component List) are condidered SR unless a technical and quality evaluation is performed to downgrade them.

SP 12.013101 MAINTENANCE WORK REQUESTS

> APPENDIX 12.1 in the title page 1 of 7 calls out the Composite Component List NOSD # 29.

Since this list is used in conjunction with the Procurement of Parts, etc. and in the Maintenance Work Requests it then is necessary that this list be controlled and subject to OQA Audit. The statement made by LILCO during the teleconference, that when and if such a list is generated and made available by the LILCO NOSD, brings up the question as to what they have been using in the past. This again should be referred to the NRC.

Area: Q. A. MANUAL, Section 18

Subject: Provisions in audit section for evaluation of the adequacies of QAP's and QAP-S's (Herein referred to as Quality Assurance Procedures) to perform their intended function.

Status: This subject has been identified as unresolved as a result of the April 22, 1983 Teleconference. Items covering this same subject had previously been submitted to Lilco for consideration on April 25 and in memos presented in March.

Rationale: Quality Assurance Procedures are written to supplement the requirements outlined in the QA Manual. These QA Procedures should periodically be evaluated to determine if they adequately perform their intended purpose.

When audits reveal deficiencies they should be analyzed to determine if the deficiency is caused by an inadequacies in the procedures governing the operation of the areas being audited. Then the Quality Assurance Procedures should be reviewed to determine if the inadequacies in those procedures found to be deficient were caused by lack of specific information or requirements in the Quality Assurance Procedures.

An example of this was QAP-S 12.1 which was inadequate prior to its revision and resulted in SP 41.003.01 also being inadequate. Deficiencies existed which were not noted on previous audits and audit checklists were inadequate.

When Quality Assurance Procedures are deficient the problem becomes twofold:

1. The procedures and areas being audited are deficient.
2. The audit checklists are also deficient because of deficient procedures and / or requirements.

SC contends that some provision should be included in both the QA Manual and QA Audit Procedures for analysis and the action to be taken when audit results indicate that deficiencies identified are in an area covered by QAP's and QAP-S's.

Area: QAP's

Subject: Copies of forms called out in the body of procedures are not included as exhibits in section 6.0 of numerous QAP's in addition, paragraphs calling out the form should include references to the exhibit.

Status: Comments were previously submitted relative to specific procedures however, LILCO was advised that this was a generic problem and that similar conditions existed on numerous other procedures. Some changes were made but in general the condition still exists. LILCO does not agree and the items are listed as unresolved as of April 22, 1983.

Rationale: QAP 5.1, paragraph 4.2.1.1 format states: QAP's shall be written using the form and format demonstrated by this procedure. This procedure includes as an appendix copies of each form mentioned in the text. Additionally each paragraph which calls out that form references the appendix number of that form.

As an added benefit, changes in the format of the form would result in an automatic review of the QAP utilizing that form to ascertain if the form change affected the use and intent of the QAP. QAP's 2.9, 3.1, 4.2, 4.3 and general comments under item 2, page 27-7 were listed in the memorandum to Frank Gerecke dated April 15.

The following is a list of all of the QAP's with this generic problem, included with each is the name of the specific form (s) which should be included. It is interesting to note that, while the Comment and Resolution Form is not included as an exhibit in five of the procedures where paragraphs call for its use, it is included in three QAP's.

QAP	FORM (S)
1.2	Stop Work Order
2.1	Copies of documents called out in Paragraph 5.0
2.3	Auditor Training and Quality Record
2.4	Monthly QA Reports and Audit Summary Reports.
2.6	Appropriate copies of documents in Paragraph 5.0
3.1	Comment and Resolution Form, Project Release Form and Procurement Release Form
3.3	Comment and Resolution Form
4.1	See 2.6
4.2	Comment and Resolution Form, Procurement Release Form
5.2	Comment and Resolution Form, Change Notice Form
7.2	Supplier Evaluation Report Form
15.1	Comment Control Form, CAR Form, and Non-Conformance Report Log
15.2	QA Possibly Reportable Deficiency and Significant Item Record
15.3	QA Possible Reportable Deficiency Record
16.1	CAR Logs
17.1	SR2 Transmittal Form
18.1	Applicable Forms from Paragraph 5.0: CAR Form, Audit Checklist, and Auditor Training Record

Area: QAP-S's

Subject: Copies of forms called out in the body of QAP-S's are not included as appendices in section 3.0.

Status: Numerous additions to appendices have been made to the majority of the procedures. However a few remain to be corrected. LILCO does not agree and those are listed as unresolved as of April 22, 1983. They include QAP-S-5.3, 8.1, 15.1, 15.3, 16.1, 17.1.

Rationale: QAP-S-05.2 OQA Procedure Development.

Paragraph 5.1.3 explains the sequential numbering system of appendices.

Paragraph 5.2.2 and 5.2.4 both call out forms to be utilized in this procedure and illustrate the reference that should be made to the appendix.

Paragraph 5.1.7 states: "Procedures are to be complete".

Each procedure which calls for the use of a particular form should include as an appendix a copy of that form to make that procedure complete in itself.

LILCOs argument has been that changes in the form would require changing the procedure. As an added benefit changes in the form would result in a review of all QAP-S's utilizing that form to determine if the form change affected the use and intent of the QAP-S.

QAP-S-05.2 illustrates the correct way of utilizing the forms and appendices. The QAP-S's listed in the Status section do not follow the format indicated and should be corrected.

Area: QAP's and QAP-S's

Subject: Reference section of many of the subject procedures is deficient. It does not reference many documents called out either by text or subject matter.

Status: This deficiency has been brought to LILCO's attention many times by SC. The NRC has also recognized this deficiency,Ref. NRC Inspection Report 50-322/83-05, para. 6.2.25. As of April 22, 1983 this is unresolved.

Rationale: Procedures should be complete including references to other ~~exhibit~~ documents where the text or subject matter calls for the use of forms or specific information.

Example: Any procedure which will cause records to be generated should list the applicable Records Procedure as a reference. (Ref. NRC, para. 6.2.2.2 of above NRC Report). QAP-S-2.4 Trend Analysis utilizes records and information called for in many procedures. These procedures should be included in the reference section. Procedures deficient in the reference section are QAP-S-2.4, 8.1, 10.1, 10.2, 10.3, 10.4, 10.5, 15.1, 15.3, 17.1 and QAP 4.3, 17.1.

Area: QAP 5.1 and QAP-S-5.1

Subject: The above procedures call for the development of Quality Assurance Procedures.

Status: QAP 5.1 was listed as deficient on page 27-6 of the April 15 letter to Frank Gerecke. It was listed as unresolved following the April 22, 1983 Teleconference.

Rationale: The effectivity of a procedure is greatly dependent on the way it is written. Each section should be throughly covered with detailed explanations as to how, why, and when. Areas lacking adequate coverage and explanations particularly in development procedures such as these will lead to deficiencies and omissions in other procedures.

Analysis of the many deficiencies found in both sets of procedures QAP's and QAP-S's indicate that many of the omissions found in those procedures could be traced to the lack of clarity or information in these two referenced documents.

While each document has its good points they each need improvement. It is recommended that they both be revised to improve their clarity particularly in areas covering references, appendices (exhibits) and records. We recommend that this also be summitted to the NRC.

Area: QAP-S 9.1

Subject: Review of Special Process Procedures.

Status: This item was resolved with limitations at the April 22 Teleconference, however later questions arose when SP 12.019. 01 Procurement of Parts, etc was reviewed. Item is considered unresolved.

Rationale: QAP-S-09.1 revision 1, no longer includes checklists necessary when this procedure is utilized to review Special Process Procedures.

Example:

SP 12.019.01 Procurement of Parts etc.
Page 20 Para. 8.8 Control of Special Processes.
8.8.1

Special processes performed by vendors shall be controlled by written procedures or instructions. The development, review and approval of these procedures or instructions may be performed by LILCO in accordance with Ref. 11.1 (QAP-S 09.1 Station OQA Review of Special Processes).

QAP-S 09.1 , para 5.3 States:

The assigned reviewer shall utilize the applicable approved checklist to document the review. Checklists for the types of procedures listed below shall be developed in accordance with Ref. 2.2 (QAP-S-05.4, Operational Quality Assurance Review of Procedures) and controlled per Ref. 2.2 (should be 2.3) QAP-S-6.3 Control of Generic Checklist and Surviellance Plans.

Neither of the last two QAP-S's are referenced in the SP. There is also no provision for the development of any other Special Process Procedure other than those called out in the list in QAP-S-09.1. Several examples were previously brought to LILCO's attention but were ignored. Two that immediately come to mind are Soldering of Electronic Components and Wire Terminations. Since this is the document called out for the reviewer to use, then it should specifically state where the Checklists may be obtained or it should contain copies of them.

Further: QAP-S-05.4 does not specifically reference Special Process Procedure Checklists or describe how they can be developed. Paragraph 5.1 of QAP-S 9.1 states that this procedure is utilized for On-Site Organizations, however as indicated in the referenced SP. The use of the QAP-S is utilized during procurements by the station. This QAP-S should include statements similar to those in Section 3.0 of QAP 9.1. Also this QAP-S should either include checklists or specifically tell where they may be obtained.

Area: QAP-S-12.1 M. & TE.

Subject: Evaluation of QAP-S-12.1

Status: Because of the method of presentation of this QAP-S with just general requirements and no specific recommendations no evaluation of the effectivity can be made without evaluation of SP. 41.003.01 to assure that quality requirements are properly implemented. This is still unresolved.

Rationale: The NRC Inspection Report 50-322/83-05 closed this item in Para. 2.1.13. However if their statement that draft procedure SP 41.003.01, Revision 7B specifies environmental limits in Para. 8.11.1 of 68°F to 78°F. and less than 85% humidity is true then that SP is unacceptable to the county.
NOTE: SP 019.03 Storage of Materials and Equipment calls out Level A storage temperature and humidity controlled environment with clean filtered air. Temperature and humidity levels shall be determined by the most restrictive requirements for Level A. Unless otherwise noted the temperature and humidity should be 60°F to 80°F and shall be less than 60% respectively.

Environmental controls in a Calibration Area should be at least as restrictive as those in storage areas. SC considers this QAP-S unresolved until review of SP 41.003.01 can be made and evaluated.

KIRKPATRICK, LOCKHART, HILL, CHRISTOPHER & PHILLIPS

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EXHIBIT 3

May 23, 1983

Anthony J. Earley, Jr., Esq.
Hunton & Williams
707 East Main Street
P.O. Box 1535
Richmond, Virginia 23212

Dear Tony:

I am enclosing as Attachment 1 the disagreements on station procedures as referred to in my letter of May 19, along with the details of disagreements relating to items 1, 3, 4 and 5 referred to in your letter to me of May 18, 1983.

Again, in the interest of saving time, I am delivering the enclosures by messenger to Mr. Bordenick, and sending them by Federal Express to you in Richmond, to Mr. Gerecke of LILCO and to Mr. Greenman of Region 1.

Very truly yours,

Alan

Alan Roy Dynner

Enclosures

cc (w/encls.): Edward Greenman
Bernard Bordenick, Esq.
Frank Gerecke

AREA SP 12.019.02, SP 12 019.03, SP 12.019.04 and SP 12.019.01

Subject: Deficiencies noted in each subject SP.

Status: Unresolved.

Rationale: SC contends that procedures written by other organizations performing Quality functions should be complete and cover all aspects of the tasks being performed.

Deficiencies noted below for each of the listed SP's should be corrected.

SP 12.019.03 RECEIVING OF SPARE PARTS, MATERIALS AND COMPONENTS

Various paragraphs list SP's 12.015.01, 12.019.03 and 68.003.01. These documents should be referenced in Section 11.0.

Para. 8.3.3 calls for the use of Form SPF12.015.01-1. A copy of this form is not included as an Appendix.

QAP-S-10.2.0QA Receipt Inspection of Irradiated Fuel should be added to Para. 8.7.1 and included as a reference in Section 11.0.

SP 12.019.03 STORAGE OF SPARE PARTS, MATERIALS AND COMPONENTS
8.1 Storage Areas and Levels.

Para. 8.1.1 Level A Storage: Inside, Temperature and Humidity controlled environment with clean filtered air. This storage level shall be used for items having storage requirements too restrictive for Level B. Temperature and Humidity limits shall be determined by the most restrictive requirements of those items in Level A storage. However, unless otherwise noted Temperature and Humidity should be 60°F to 80°F and shall be less than 60% respectively.

The above para. describes requirements for Level A storage. However, this procedure does not describe how these requirements are to be maintained or checked; it does not set any criteria for filtered air and makes no provision for maintaining records of Temperature and Humidity.

Para. 8.1.2 Level B Storage: Inside, Weathertight, well ventilated, temperature controlled and fire resistant. The area shall be provided with uniform temperature control between 40°F and 140°F (or less if so required by manufacturer).

The statements in the above paragraph are neither consistent or compatible. A uniform, well ventilated, temperature controlled area is hardly consistent with a temperature range of 40°F to 140°F.

Para. 8.4.1 and 8.5.1 These paragraphs call out SP 12.015.01 and SP 12.023.01. These SP's are not included in the references in Section 11.0.

QAP-S-12.1.OQA Control of Handling, Storage and Shipping should be referenced in Section 11.0.

SP 12.019.04 ISSUE OF SPARE PARTS AND COMPONENTS

Para. 5 2 This paragraph calls out for MWR's or SAW's to be used in certain cases. There is no reference to the SP's governing the use of these two documents either in this paragraph or in Section 11.0.

There is a requirement in this procedure for provisions for First-in, First-out issuance of stock items or spare parts. This requirement is particularly important for shelf-life items.

SP 12.019.01 PROCUREMENT OF PARTS, MATERIALS, COMPONENTS, AND MATERIALS

This SP calls out in Para. 8.1.7.1 a Master Composite Component List; however, it does not list this as an Appendix nor is it listed as a reference in Section 11.0. There is some question as to whether this is the same as NOSD Procedure # 29.

Section 11.0 calls out the Quality Assurance Manual but does not reference the section of the manual.

GENERAL COMMENTS

The Quality Assurance Manual is referenced in Section 11.1 in only two of the four documents and only one calls out the applicable section.

Station Quality Assurance Procedures that are applicable to the work being performed are not all referenced.

General Station Quality Assurance procedures such as Audit, Surveillance, Non-Conformance, etc., are not referenced in any of these SPs.

Only two of the four documents make any reference in Section 11.0 to Procedures or Regulations concerning Records.

1. SP 12.013.01, Rev. 5, Maintenance Work Request -

a. Except for Suffolk County comments relative to instructions for Step 54 & 55 about application of the LDR, page 14 of this SP, LILCO has made adequate changes to this document. The Suffolk County comments on Step 54 & 55 have been carried as a RESOLVED item, Package Page 25-8, since the teleconferences of the week of March 21. LILCO has not indicated that they wish to change the agreed action that led to the RESOLVED anotation. This item is still open.

b. An additional comment is now added, based on the current understanding about the lack of a issued and approved CCL (Composite Component List), item 2, Package Page 27-24 and last paragraph of George Inskeep's letter of April 26.

SP 12.013.01 requires the use of the CCL, as noted on page 9 -

> "In addition, the Section Supervisor should verify Step 16, by using the Composite Component List (NOSD Procedure #29)"

and on page 1 of Appendix 12.2. Without an approved, controlled and issued CCL, it is unlikely that SP 12.013.01 has been adequately implemented or can be adequately implemented in the operations phase. This is a new open item.

It is suggested that items a. and b., above, be forwarded to the NRC.

2. SP 12.019.01, Rev. 11, Procurement of Parts, Materials, Components, and Services -

a. Except for Suffolk County comments #2 on Package Page 25-12 and #7 on Package Page 25-15, both of which had been believed to be RESOLVED from LILCO statements during the teleconference on March 25, LILCO has made adequate changes in this document.

Comment #2, Package Page 25-12, is reproduced below -

> "2. In several places in the document, Paragraphs 8.1.2 and 8.1.5, for examples, there appears to be an important factor left out for consideration in the procurement of items to upgraded requirements or of replacement items. In either event, the procurement process should ensure that the upgraded requirements are not outside the operating environments that the intended item has been qualified for, and that the replacement part has been qualified to operate in the intended environment."

This is an important feature for LILCO to add to this document since it governs procurement of replacement parts, materials and components. This item is still open.

Comment #7 on Package Page 25-15 is a rather simple one that merely requested LILCO to provide a definition for an important acronym, BOP, used in Appendix 12.12. This item is still open.

b. An additional comment is now added, based on a review of Appendix 12.12 which had not been complete in the copy of Rev. 10, previously reviewed. On pages 4 and 6 of Appendix 12.12, LILCO

accepts safety-related spare parts fabricated to the same or better quality assurance requirements. It is suggested that "or better" can be a potentially significant addition to the LILCO requirements. The "or better" is often no more than a judgment call on the part of the supplier, and may, in fact, be lesser on an absolute scale. It is suggested that LILCO must add to Appendix 12.12 words to express the following thought.

> When the spare parts are fabricated to quality assurance requirements different from those applied to the basic equipment, the supplier must provide documented rationale to show how the changed requirements result in the same or better parts, material, or components than the basic item previously procured.

This is a new open item.

It is suggested that items in a. and b., above, be forwarded to the NRC.

3. SP 12.011.01, Rev. 10, Station Equipment Clearance Permits -

a. This procedure was provided by LILCO as their response to Suffolk County comment #1 on Package Page 25-9; this Suffolk County comment is reproduced below -

> "1. The Maintenance Work Request system, as outlined in this procedure, sounds like a real good systematic way to control the work on the plant systems.
>
> The potential benefits of such a system, however, are significantly weakened when built-in exceptions to its application exist. Such exemptions are noted as a Note to Paragraph 8.1.1. These exemptions are noted as reference 11.6, SP 12.015.01, Preventive Maintenance Program, and reference 11.7, SP 12.016.01, Surveillance Program. Apparently some options get exercised in whether or not these exemptions are included in the Maintenance Work Request System.
>
> On the surface, it would appear best to have no exemptions. If exemptions are an absolute necessity, there must be firm controls set up and exercised to avoid mistakes in judgment and lapses in control. How is this being done? Where is it documented, as in a procedure?"

SP 12.011.01 does show how the LILCO watch engineer is a focus point to coordinate the major work efforts at the operating plant set up by the Maintenance Work Request, the Preventive Maintenance Program, and the Surveillance Program procedures;

thus it satisfies the above Suffolk County comment.

b. However, a brief review of this SP, SP 12.011.01 shows that less than adequate care has been taken in its development. The predominant work addressed in this procedure is that resulting from the above noted procedures; but, these prime station procedures are not used to support this procedure. SP 12.013.01, Maintenance Work Request is included as reference 11.4, but does not appear to have been utilized in the text; SP 12.015.01, Preventive Maintenance Program and SP 12.016.01, Surveillance Program, are not listed in the references or utilized in the text. These documents should be added to this procedure. Also, other references don't appear to be utilized in the text. This is a new open item.

c. SP 12.011.01 would also benefit from a definition section, or at a minimum, from a definition of acronyms when first used. This is a new open item.

It is suggested that items b., and c., above, be forwarded to the NRC.

4. SP 12.075.01 Administration of Startup Testing -

This procedure was provided by LILCO as their response to Suffolk County comment #11 of Package Page 25-17. This Suffolk County comment is reproduced below -

> "11. Paragraph 11.2.2. notes that the Reactor Engineer is responsible for initial startup testing. Paragraph 11.2.3. notes that the ROC is responsible to the Plant Manager for the conduct of the Startup Test Program and that the ROC reviews and approves Startup Test Procedures. Wouldn't it be also logical to note who or what organization (NRB?) approves the Startup Program? Also, wouldn't it help to describe the QA role in review of the Startup Program?"

SP 12.075.01 has been reviewed only to the extent of the Suffolk County comment #11, above.

The role of the OQA Engineer is adequately addressed in this procedure, but the approval point of the Startup Program is not identified. Identification of the main point of responsibility for the Startup Program should be included in the QA Manual so that the OQAE has a point to appeal to in event he cannot obtain satisfaction from the Reactor Engineer, who is responsible for implementation of this procedure (Paragraph 2.0); and the Plant Manager, who is responsible for startup test preparation and execution (Paragraph 8.1.1).

This is an open item that had been noted as RESOLVED. It is suggested that it be forwarded to the NRC.

QAP-S 04.1 Addition of Instruction to Emphasize Quality Requirements for Spare and Replacement Items.

Status. This subject was identified as resolved during the April 22, 1983 conference call. At that time, the subject involved additions to QAP 4.2, QAP-S 4.1 and to Section 4 of the QAM. LILCO has made a suitable adition to QAP 4.2 in paragraph 4.6.1. Though not yet done, LILCO agreed to add words to the QAM as noted in item IVg of the Ellis letter of May 3, 1983. LILCO noted on May 18 that they will not make a similar addition to QAP-S 4.1. Therefore, this item is now identified as UNRESOLVED.

It is suggested that the subject be forwarded to the NRC for resolution.

Rationale. The importance of ensuring that spare and replacement parts are procured to specifications that have QA requirements that have at least the rigor of the original requirements is self-evident. Requirements to be added to Section 4 of the QA Manual in paragraph 4.6.1 added to QAP 4.2 take care of some of the needed documentation changes. As the Shoreham station enters the operational phase of its life, it is conceivable that most if not all of the QA reviews of procurement documents will be accomplished by members of the OQA section. Thus the lack of such specific instructions to the OQAE reviewers in QAP-S 04.1 is a significant omission. This omission can be rectified by the addition of a paragraph in Section 5 of QAP-S 04.1 with wording similar to that used in paragraph 4.6.1 of QAP 4.2 such as: "Quality requirements for spare and replacement items shall be equal to or exceed that specified for the original item."

QAP-S 09.2, 09.3, 10.4, 10.5
Provision of Specific Words in Appropriate QAP-Ss to Emphasize the Need for Verification by Inspection or Surveillance of Required System Condition and Configuration at the Completion of Maintenance, Tests, In-Service Tests, or Modifications.

Status. This subject was discussed during the March 2-4 meeting in Hauppauge, the teleconferences in the last of March and during the teleconference of April 22, and had been identified as Resolved. LILCO has made a number of changes to the QA documentation, but noted on May 18 to Mr. Dynner that changes to the above QAP-Ss will not be made. This portion of the subject is now UNRESOLVED. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale. As a result of discussions with LILCO on this subject, modifications have been made to accommodate the Suffolk County comments. These changes included important modifications to QAP-S 05.4 to guide the OQAE review of procedures on this subject and to QAP-S 11.1 to guide the OQAE in operational test control, which is but one facet of the OQAE participation in the operational phase at Shoreham. The remaining unresolved parts of this subject is for LILCO to provide similar guidance to OQAE personnel when they participate in other aspects of the Shoreham operation as noted in QAP-S 09.2, 09.3, 10.4 and 10.5 and any other QAP-Ss of a similar operational nature.

QAP-S 07.1. Provision for LILCO Reaction in the Event of Changes in Vendor Classification to "Unacceptable" in the CASE Register.

Status. This subject was discussed extensively during the teleconference of April 22 as agenda items IIIv and IIIx and was identified as Resolved. LILCO did make modifications to QAP-S 07.1 as a result of this teleconference. However, the modifications only covered part of the action needed. The part left out is believed to be significant. LILCO noted to Mr. Dynner on May 18, 1983 that no further modifications will be made to QAP-S 07.1 on this subject. Thus this subject is identified as UNRESOLVED.

It is suggested that the subject be forwarded to the NRC for resolution.

Rationale. Whenever the performance of a supplier of items is downgraded in the CASE register, recipients of such items are placed on notice that they must take certain actions to make sure that they have not received (and possibly put into use) defective items, that they do not receive defective items, and that they do not place orders with such suppliers without adequate safeguards against defective items. LILCO's currently modified QAP-S 07.1 provides adequate guidance for orders that were placed during the period affected by the downgrade notice and for future orders. (When paragraph was accidentally deleted during the revision, it was then replaced.) LILCO needs to add words to this procedure that cover those items that may have been delivered to them that could have been affected by the downgrade in suppliers' performance during the period of notice. Such items should also be identified as suspect, including those in storage and those already installed.

QAP-S 09.1 Periodic Reviews of Checklists for Special Processes.

Status. This subject was discussed during the teleconference of April 22, 1983 and was identified as Resolved. Modifications to accommodate the Suffolk County comment on this subject were not included in the revised QAP-S 09.1 received subsequent to this teleconference. LILCO has noted to Mr. Dynner on May 18 that they do not intend to make further changes to the QAP-S 09.1 on this subject since the intent of the Suffolk County comment is accomplished by QAP-S 05.2 It has been determined that QAP-S 05.2 does not cover this subject. Thus this subject is UNRESOLVED. It is suggested that this subject be forwarded to the NRC for resolution.

Rationale. LILCO has deleted the special process checklists that were once part of QAP-S 09.1. Because of this deletion and the special significance to work at Shoreham of the special process checklists, the Suffolk County consultants requested that QAP-S 09.1 contain a provision for periodic reviews of these checklists. Such periodic reviews are believed necessary to ensure that these special process checklists remain current by reflecting LILCO experience with them, industry experience with these processes, and the state of the art of these processes. The lack of such attention could pose unnecessary potential lapses in the QA program at Shoreham. The rationale provided by LILCO for not making Suffolk County's suggested modifications to QAP-S 09.1 is based on the statement provided in paragraph 5.3.5 of QAP-S 05.2. This LILCO rationale is defective because it specifies periodic review of the OQA section procedures. However, the special process checklists had been deleted from the QAP-S 09.1 and thus are no longer subject to periodic reviews as per QAP-S 05.2.

EXHIBIT 4

LONG ISLAND LIGHTING COMPANY
SHOREHAM NUCLEAR POWER STATION
P.O. BOX 618, NORTH COUNTRY ROAD • WADING RIVER, N.Y. 11792

Direct Dial Number

May 26, 1983

Alan R. Dynner, Esq.
Kirkpatrick, Lockhart, Hill,
Christopher & Phillips
1900 M Street, N.W.
Washington, D.C. 20036

Dear Mr. Dynner:

Attachment A to this letter contains various LILCO comments concerning the matters set forth in Attachments 1 and 2 to your letter dated May 19, 1983.

As you know, there has already been substantial discussion of these matters. LILCO, County and NRC representatives met during a two day period in King of Prussia in February. Thereafter LILCO and County representatives also met on Long Island over a three day period in March. In addition to those meetings, there have been numerous extensive telephone conversations, including a 7 1/2 hour conference call among the County's consultants and various LILCO personnel. In short, there has already been so much discussion on these various matters that I don't think it is necessary or appropriate to repeat them in the attachment to this letter. Our comments, accordingly, are more limited and focus more on issues such as scope.

I must say I was surprised to see a number of the items listed as disagreements because I thought they had either been resolved or the NRC Staff had indicated its disagreement with the County's suggestions. Your March 25 letter indicated, correctly I thought, that LILCO had agreed to make a number of changes in the manual and procedures and that "The few significant differences brought to the attention of the Staff have been resolved."

In any event, LILCO has already made a large number of changes responsive to County concerns. It has also carefully reviewed this latest submission and believes no further changes are appropriate or warranted. In addition, LILCO does not believe it is necessary or appropriate for any of these matters to be litigated or mediated by the Board.

Sincerely,

John D. Lynch
Licensing Engineer

JDL/dp1

Attachment

cc: Bernard M. Bordenick, Esq.
Edward G. Greenman

ATTACHMENT A

1. Use of QA Manual for Section 17.2 of the FSAR

This issue is not within the agreed upon scope of the settlement negotiations. That scope consisted of the QAP's, QAP-S's, the QA Manual and two specific station procedures. This issue concerns the appropriate level of detail in the FSAR. In any event, LILCO believes that the FSAR Section 17.2, which has undergone NRC review, is adequately detailed and meets the regulations. A similar contention was rejected by an earlier licensing board. Public Service Co. of Oklahoma (Black Fox Station, Units 1 and 2), LBP-78-30, 8 NRC 327 (1978).

2. Verification Testing

LILCO made changes at the request of County consultants in this connection and considered that the matter had been resolved. LILCO considers the changes it has made and the procedures as written to be entirely appropriate on the issue of verification testing of prototypes.

This issue, while within the scope of the negotiations, is not within the scope of the litigation. This subject was not part of the County's cross-examination of LILCO's witnesses.

3. Design Change Notices

LILCO believes that a time limitation in the implementing procedures is appropriate and sufficient with respect to incorporation of design change notices during the operations phase. A quality limitation is neither appropriate nor required. This matter was discussed among the parties, including the NRC Staff, during a telephone conversation and LILCO thought the matter was resolved by the NRC Staff at that time.

This matter was never inquired into by the County during its cross-examination of the LILCO panel and is therefore not within the scope of the litigation.

4. QA Manual Section 10 -- Independent Verification

LILCO already conducts appropriate verifications as required by the regulations. This County suggestion goes well beyond the regulatory requirements and was discussed with NRC Staff and the parties at King of Prussia and LILCO considered the matter resolved by the NRC at that time.

This matter was not inquired into during the cross-examination of the LILCO panel and is not within the scope of the litigation.

5. QA Manual Section 15 -- Nonconforming Activities

LILCO made changes to accommodate County concerns and had considered this matter to have been resolved. LILCO does not agree that the changes are insufficient. Activities are included within the scope of the procedure through the definition of nonconformance in Section 15.1.2(a).

6. QAP 2.7 and QAP-S 2.4 -- Make Trend Reports Identical

The trending performed under QAP 2.7 is in full satisfaction of all Appendix B requirements. The QAP 2.7 trending includes all areas covered under QAP-S 2.4 plus others as well. QAP-S 2.4 is not required for LILCO to have an acceptable program. However, LILCO has chosen to implement both programs. The two procedures are tailored to meet the needs of their respective implementing organizations. Any dissimilarities between the two methods is considered beneficial by providing different perspective on the same data. Quality trends are clearly presented in both procedures so that any recipient of either report would have no difficulty in identifying them.

7. QAP 3.3 and QAP-S 3.1 -- Checklist Differences

This matter had been discussed among the parties and with the NRC, and LILCO had thought the matter was resolved. LILCO does not agree that additional changes should be made to the checklists. The forms are appropriate given the differing roles of the organizations involved. Despite substantial discussions, the County does not appear to understand that the checklists are different for a purpose.

No questions were asked concerning checklist differences during the cross-examination of LILCO's panel and therefore this matter is not within the scope of the litigation.

8. QAP 3.3 -- Design Change Review

This matter had been discussed among the parties and the NRC and LILCO had thought the matter was fully resolved. The County reclassified this to an unresolved item in late April. LILCO believes the changes made to this procedure are adequate and does not think that any additional changes are required or appropriate.

This matter was not inquired into during the cross-examination of the LILCO panel and is not within the scope of the litigation.

9. QAP's and QA Manual Sections 8, 10, 11, 12, 13 and 14

LILCO does not agree with the County's conclusion or reasons. These QAP's are currently unnecessary for implementation of the LILCO QA program.

This matter was not inquired into during the cross-examination of the LILCO panel and is not within the scope of the litigation.

10. Use of Different Audit Report Formats by the QA Department Divisions and the OQA Section

Each QA Department Division and the OQA Section have developed audit report formats suited to their particular needs. All portions of each report format are clearly and explicitly identified and comply with the requirements of ANSI N45.2.12. The NRC has been reviewing the various audit programs over the years and has accepted the use of each of the formats. The County's concern about confusion is not well founded; these report formats have been successfully used for many years.

11. QAP 18.1 and QAP 18.2 -- Correction of Procedure Deficiencies

These three audit procedures have been successfully used for years and the NRC has found the program and the procedures essentially satisfactory. There is no requirement that the three procedures be the same. Each of the procedures satisfies all the requirements of the ANSI standard and Appendix B.

The suggestion that the three procedures be changed to one was not a matter inquired into during the cross-examination of the LILCO panel and is not within the scope of the litigation.

12. Filing of QAI's

The County comment concerning QAP-S 5.3 was not raised in timely fashion and indeed was not raised until late April and therefore is not appropriately within the scope of the settlement negotiations. This point is also not within the scope of the litigation.

Also, LILCO does not agree with the County comment concerning QAI's issued for QAP's. The County suggestion is unnecessary and unwarranted. This suggestion, too, is outside the scope of the litigation as it was not inquired into in any manner during the examination of the LILCO panel.

13. NOSD Procedure #29

NOSD Procedure #29 is not within the scope of the settlement negotiations.

LILCO was under the impression that this matter was resolved and does not agree with the County's characterization of it. The composite component list is in the process of being made a controlled document. The process will be completed before fuel load.

14. QA Manual Section 18 -- Provision for Evaluation of Procedures

This matter was not raised in timely fashion and indeed was not raised until late April and therefore is not properly within the scope of the settlement negotiations. Moreover, the suggestion is entirely unnecessary.

This matter was not inquired into during the cross-examination of the LILCO panel and is not within the scope of the litigation.

15. QAP's (Copies of Forms Mentioned are not Included as Exhibits)

LILCO has reviewed its procedures for this County comment and believes the procedures currently attach the forms as exhibits wherever appropriate or required. In many instances, the forms listed by the County are more appropriately found as exhibits to referenced documents.

16. QAP-S's (Copies of Forms Mentioned are not Included as Exhibits)

See comment no. 15 above.

The County has also misquoted Section 5.1.7 of QAP-S-0.5.3. Contrary to the County quote, that paragraph states:

> Procedures are to be complete, bearing in mind what information the user, rather than the writer, has.

17. QAP's and QAP-S's (References Not Complete)

LILCO has reviewed all of its QA procedures with this comment in mind and made a number of changes to accommodate this County suggestion. LILCO now believes that the references are adequate. LILCO does not agree that every document referred to in a procedure deserves to be listed as a reference; such a listing is unnecessary. The County's example underscores this.

18. QAP 5.1 and QAP-S 5.1

LILCO does not agree with the County's comment that these procedures are deficient or lack clarity. LILCO also believes that this is a new item not raised in timely fashion and indeed was not raised until late April and therefore is not appropriately within the scope of the settlement negotiations.

19. QAP-S 9.1

LILCO thought this item had been resolved and sees no basis for the contrary conclusion by the County. QAP-S 9.1, Revision 1, does refer to checklists which are developed and controlled in accordance with QAP-S 5.4 and QAP-S 6.3. LILCO does not believe the checklists need to be attached to this procedure. The checklist is adequately and appropriately controlled via QAP-S 6.3.

20. QAP-S 12.1

LILCO prepared a new QAP-S 12.1 in the context of these negotiations. LILCO believes the new procedure is appropriate and consistent with applicable standards and the matter should be resolved. Also, as noted, the NRC has closed out the item concerning environmental controls in the M&TE shop. Also, the point raised by the County which concerns specific environmental levels is a new item that was not timely raised and therefore not appropriately within the scope of the settlement negotiations.

EXHIBIT 5

LONG ISLAND LIGHTING COMPANY
SHOREHAM NUCLEAR POWER STATION
P.O. BOX 604, NORTH COUNTRY ROAD • WADING RIVER, N.Y. 11792

BY TELECOPY

May 31, 1983

Alan R. Dynner, Esq.
Kirkpatrick, Lockhart, Hill,
Christopher & Phillips
1900 M Street, N.W.
Washington, D.C. 20036

Dear Mr. Dynner:

Enclosed are some LILCO comments concerning the "disagreements" listed in the attachment to your letter of May 23, 1983. As I indicated previously, I see no need to repeat here the substance of the numerous discussions we have had on some of these matters. As before, LILCO does not think any of these remaining matters should be litigated or mediated by the Board. Several are plainly outside the agreed upon scope of the settlement, others are untimely and the few remaining are, at best, matters on which reasonable people might differ.

Sincerely,

John D. Lynch/gj

John D. Lynch
Licensing Engineer

JDL/gj
Enclosure

ATTACHMENT A

1. SP 12.019.02, SP 12.019.03, SP 12.019.04, SP 12.011.01, and SP 12.075.01.

   The agreed upon scope of the settlement consists of the QAPs, the QAP-Ss, the QA Manual and two specific station procedures. SP 12.019.02, SP 12.019.03, SP 12.019.04, SP 12.011.01, and SP 12.075.01 are not within this scope. Accordingly, the County's comments concerning Station Procedures 12.019.02, 12.019.03, 12.019.04, 12.011.01, and 12.075.01 are not within the scope of the settlement negotiations.

2. SP 12.019.01 -- Procurement of Parts, Materials and Components.

   LILCO does not agree with the County's position. The master composite component list is referenced in the text of ¶ 8.1.7.1; additional references are not necessary or appropriate. LILCO also disagrees with the County's position that LILCO should reference all Station Quality Assurance Procedures and all sections of the Quality Assurance Manual which are applicable. The County's suggestion is neither necessary nor appropriate.

3. SP 12.013.01 -- Maintenance Work Requests.

   The County's comment was not raised in a timely fashion and, indeed, was not raised until late April. Accordingly, the County's comment is not properly within the scope of the settlement negotiations and is not within the scope of the litigation.

4. SP 12.019.01 -- Procurement of Parts, Materials, and Components.

   LILCO does not agree with the County's position. As explained to the County, the procedure is accurately covered in ¶ 8.1.7.2 which provides a process and guidelines for procurement of upgraded materials. The second concern raised by the County is new. It is adequately covered by the existing procedures and, in any event, is untimely and not within the scope of the settlement negotiations.

5. QAP-S-04.1 -- Addition of Instruction to Emphasize Quality Requirements for Replacement Items.

   As noted by the County, LILCO has already made changes to its procedures to accommodate County concerns. LILCO does not believe any further changes are appropriate or

warranted. Existing procedures adequately cover the concern raised by the County.

6. QAP-S-09.2, QAP-S-09.3, QAP-S-10.4, QAP-S-10.5 -- Configuration Verification.

   LILCO already conducts appropriate verification as required by the regulations. The County's suggestion goes beyond regulatory requirements. However, QAP-S-10.5 was changed to accommodate the County's concerns; LILCO does not believe that any further changes are appropriate or warranted. Moreover, LILCO was under the impression that this matter had been resolved. County consultant, Mr. Bland, specifically noted that changes to QAP-S-09.2, QAP-S-09.3 and QAP-S-10.4 were not required. (Bland Package 23-15).

7. QAP-S-07.1 -- Procedures for Reaction to Vendor Reclassification.

   LILCO made changes in its procedures to accommodate the County's concern. LILCO believes that these procedures, as revised, are adequate and that no further changes are warranted.

8. QAP-S-09.1 -- Periodic Review of Checklist for Special Processes.

   This concern was not listed in a timely fashion and, therefore, is not within the scope of settlement negotiations. In addition, LILCO believes that procedures for the development, use and control of checklists provided in QAP-S-5.4 and QAP-S-6.3 are adequate; QAP-S-5.4 and QAP-S-6.3 are referenced in QAP-S-09.1.

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

EXHIBIT 6

May 31, 1983

Alan Roy Dynner, Esq.
Kirkpatrick, Lockhart, Hill
Christopher & Phillips
1900 M Street, N.W.
Washington, D.C. 20036

In the Matter of
LONG ISLAND LIGHTING COMPANY
(Shoreham Nuclear Power Station, Unit 1)
Docket No. 50-322 (OL)

Dear Mr. Dynner:

This letter is in response to your letters addressed to Anthony J. Earley, Jr., Esq. dated May 19 and 23, 1983, and is also written pursuant to Section II.C of the "Resolution of SC Contention 13(a) -- Quality Assurance/ Quality Control -- Operations" ("Resolution"). I am providing the following Staff comments to the LILCO-County "disagreements" concerning the OQA documents (the QA Manual, QAPs, QAP-Ss and certain SPs) which purportedly remain unresolved following what I understand were substantial and extensive meetings and discussions between LILCO and the County (in addition to meetings and discussions with the Staff).

The Staff (Region I) does not believe it necessary for LILCO to make any of the remaining changes to the OQA documents identified in the attachments to your recent letters. Additionally, I would note that, as to the items listed below, the Staff (E. Greenman, Region I) previously determined during a telephone conference call held on March 24, 1983, pursuant to Section I.B.5 of the "Procedural Outline for OQA Settlement Discussions" agreed to by the parties on January 20, 1983, that the NRC staff would not require LILCO to implement some of the County proposals in question at that time although certain changes were suggested by the Staff and agreed to by LILCO. These County proposals were:

(1) The County believed that paragraphs 4.3(d), 4.4(c) and 4.5(c) of QAP 1.1 were too broad.

(2) The County disagreed with the scope of QAP and QAPS 9.1 concerning "special processes."

(3) The County considered that the QA Manual should be inserted in the FSAR as a substitute for FSAR § 17.2.

Additionally, the Staff does not believe it is necessary for any of the matters listed in your recent letters to be litigated or mediated by the Licensing Board.

Finally, as a general comment, the Staff was surprised to see the extensive number of "disagreements" and new issues identified in the attachments to your recent letters to Mr. Earley in light of paragraph I.C of the "Resolution" which states as follows:

> As of March 25, 1983, the Parties had met and had extensive discussions in person and by telephone concerning the OQA Documents. NRC I&E Region I Staff participated in some of these discussions. As a result of these extensive discussions, LILCO agreed in principle to make a number of changes in the OQA Documents. The few significant disagreements that remained were brought to the attention of I&E Region I Staff and were resolved. (Emphasis added).

Sincerely,

Bernard M. Bordenick

Bernard M. Bordenick
Counsel for NRC Staff

cc: Anthony F. Earley, Jr., Esq.
Edward G. Greenman, NRC Region I

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of	)	
LONG ISLAND LIGHTING COMPANY	)	Docket No. 50-322 (O.L.)
(Shoreham Nuclear Power Station, Unit 1)	)	

CERTIFICATE OF SERVICE

I hereby certify that copies of REPORT TO BOARD ON DISAGREEMENTS OVER QUALITY ASSURANCE/QUALITY CONTROL -- OPERATIONS MATTERS, dated June 8, 1983, have been served to the following this 8th day of June 1983 by U.S. Mail, postage prepaid, except as otherwise noted. Enclosures to the Report have been served only to those persons indicated by (**).

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DATE: June 8, 1983

\# By Hand Delivery 6/8/83
* By Federal Express 6/8/83