

ISHAM, LINCOLN & BEALE
COUNSELORS AT LAW

THREE FIRST NATIONAL PLAZA
CHICAGO, ILLINOIS 60602
TELEPHONE 312 558-7500
TELEX 2-5288

EDWARD S. ISHAM, 1872-1902
ROBERT T. LINCOLN, 1872-1889
WILLIAM G. BEALE, 1885-1923

WASHINGTON OFFICE
1120 CONNECTICUT AVENUE, N.W.
SUITE 840
WASHINGTON, D.C. 20036
202 833-9730

March 22, 1983

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of)	
)	Docket Nos. 50-329-OM
CONSUMERS POWER COMPANY)	50-330-OM
)	50-329-OL
(Midland Plant, Units 1)	50-330-OL
and 2))	

Mr. James G. Keppler
Director, Region III
Division of Inspection and Enforcement
Nuclear Regulatory Commission
799 Roosevelt Road
Glen Ellyn, IL 60137

Dear Mr. Keppler:

As you know, there are certain Contentions in the Midland Operating License Proceeding which have been accepted by the licensing board for litigation and which deal with quality assurance related matters. Specifically, Mary Sinclair Contention 1 relates to miscellaneous quality assurance issues and relies on information supplied by certain anonymous affiants. The information as well as the identity of the affiants is purportedly in the possession of the Governmental Accountability Project ("GAP"). Contentions Mary Sinclair 15, 16, and 17 asserts that there are quality assurance related deficiencies in the HVAC systems at Midland. That Contention is based on the affidavits of Mr. Terry Howard and Ms. Sharon Mareello, former Zack Co. employees.

In the summer of 1982 we caused the Licensing Board in the above-captioned proceeding to issue subpoenas directed to three employees or associates of GAP. In August 1982 we met with you regarding the subpoenas and other discovery of these issues we planned to institute.

Mr. James G. Keppler
Director, Region III
Division of Inspection and Enforcement
Nuclear Regulatory Commission

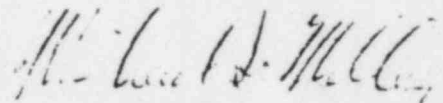
March 21, 1983
Page Two

At your request, pending completion of the NRC's investigation of both the so-called GAP allegations and the Zack HVAC issue, we deferred enforcement of subpoenas and further discovery regarding these matters. We now understand that conclusion of the NRC's investigations is not likely to occur before the summer of 1983. Accordingly, we wish to pursue our discovery efforts in the operating license proceeding.

It is my understanding that you are concerned that information revealed during the discovery process will be used by Consumers Power Company to correct non-conforming conditions in the plant or to change or supplement quality related documentation. On behalf of the company, I assure you that no such action will be taken secretly or in any way that would hinder the NRC's own investigative efforts. In the event that affiants have any knowledge of non-conforming conditions or documentation at the Midland Plant, and the company deems it appropriate to take corrective action as a result of these disclosures, we will inform you of any proposed corrective action fifteen days prior to the time such action is begun.

Unless I hear from you to the contrary in 14 days, I plan to pursue discovery as outlined above. In any event, before initiating such discovery I will contact your counsel, Bill Payton and Steve Lewis.

Yours truly,



Michael I. Miller

MIM:cjs
cc: Service List

SERVICE LIST

Frank J. Kelley, Esq.
Attorney General of the
State of Michigan
Carole Steinberg, Esq.
Assistant Attorney General
Environmental Protection Div.
720 Law Building
Lansing, Michigan 48913

Cherry & Flynn
Suite 3700
3 First National Plaza
Chicago, Illinois 60602

Mr. Wendell H. Marshall
4625 S. Saginaw Rd.
Midland, Michigan 48640

Charles Bechhoefer, Esq.
Atomic Safety & Licensing
Board Panel
U.S. Nuclear Regulatory Comm.
Washington, D.C. 20555

Dr. Frederick P. Cowan
6152 N. Verde Trail
Apt. B-125
Boca Raton, Florida 33433

Lee L. Bishop
Harmon & Weiss
1725 I Street, NW #506
Washington, D.C. 20006

Mr. D. F. Judd
Babcock & Wilcox
P.O. Box 1260
Lynchburg, Virginia 24505

James E. Brunner, Esq.
Consumers Power Company
212 West Michigan Avenue
Jackson, Michigan 49201

Steve Gadler,
2120 Carter Avenue
St. Paul, Minnesota 55108

Atomic Safety & Licensing
Appeal Panel
U.S. Nuclear Regulatory Comm.
Washington, D.C. 20555

Mr. C. R. Stephens
Chief, Docketing & Services
U.S. Nuclear Regulatory Comm.
Office of the Secretary
Washington, D.C. 20555

Ms. Mary Sinclair
5711 Summerset Street
Midland, Michigan 48640

William D. Paton, Esq.
Counsel for the NRC Staff
U.S. Nuclear Regulatory Comm.
Washington, D.C. 20555

Atomic Safety & Licensing
Board Panel
U.S. Nuclear Regulatory Comm.
Washington, D.C. 20555

Barbara Stamiris
5795 North River Road
Route 3
Freeland, Michigan 48623

Jerry Harbour
Atomic Safety & Licensing
Board Panel
U.S. Nuclear Regulatory Comm.
Washington, D.C. 20555