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April 8, 1983

822-1090

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In the Matter of
Union Electric Company
(Callaway Plant, Unit 1)
Docket No. STN 50-483 OL

Administrative Judges Rosenthal, Edles and Gotchy:

Briefing is in progress on exceptions filed by the Joint Intervenors to the Atomic Safety and Licensing Board's Partial Initial Decision (Operating License). That decision was devoted to Joint Intervenors' contentions which allege certain failures in the Callaway Plant quality assurance/quality control program applied during project design and construction. The Licensing Board found: that the QA/QC program is extensive; that the deficiencies found were of limited extent and have no broader implications for the effectiveness of the program; that the

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deficiencies found were disclosed and remedied within the program itself; and that Applicant displayed a generally affirmative commitment to quality in the discovery and resolution of the problems considered by the Licensing Board. Union Electric Company (Callaway Plant, Unit 1), LBP-82-____, 16 N.R.C. ____, slip op. at 69 (Dec. 13, 1982).

This constitutes a preliminary report on new information which could be viewed to be relevant to the matters pending in this appeal. Applicant recognizes the obligation of parties to Commission proceedings to alert adjudicatory bodies directly regarding new information that is relevant and material to the matters being adjudicated. Tennessee Valley Authority (Browns Ferry Nuclear Plant, Units 1, 2 and 3), ALAB-677, 15 N.R.C. 1387, 1394 (1982); see generally Consumers Power Company (Midland Plant, Units 1 and 2), ALAB-691, 16 N.R.C. ____ (Sept. 9, 1982), review declined, CLI-83-3, 17 N.R.C. ____ (Feb. 18, 1983). Applicant feels at this point that it is improbable that the new information is material, as that term has been used by the Commission. See Virginia Electric and Power Company (North Anna Power Station, Units 1 and 2), CLI-76-22, 4 N.R.C. 480, 487, 491 (1976), aff'd sub nom., Virginia Electric and Power Company v. Nuclear Regulatory Commission, 571 F.2d 1289 (4th Cir. 1978). Despite the improbability at this time of either its relevance or materiality, Applicant provides the following information now out of an abundance of caution.

On March 23, 1983, Daniel International Corporation, constructor of the Callaway Plant, verbally informed Union Electric Company of a concern in the certification program for Quality Control inspectors and technicians. On the day before, a Daniel QC inspector who is undergoing certification in another discipline informed his supervisor that in that discipline someone may have compromised some of the tests which are part of the certification process. In particular, he had a copy of several procedures on which highlighted entries had been made, and after undergoing a test on a procedure, recognized that the highlighted portions of the procedure corresponded to the subjects of questions on the test. Exercising caution, on March 23 Daniel issued a Stop Work Order which suspended all QC training and certification activity. On March 24, the Order was modified to stop only certification and related testing.

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On March 28, Union Electric informed the NRC Resident Inspector of the situation, and on March 29, Union Electric notified NRC Region III, by telephone, of a potential reportable deficiency pursuant to 10 C.F.R. § 50.55(e).

Daniel and Union Electric are pursuing an aggressive evaluation, which will be completed shortly, to determine the extent of the potential deficiency. On April 1, based on the evaluation to date, the Stop Work Order was lifted as to the NDE (non-destructive examination) testing and certification program.

I should explain that prior to a final, comprehensive examination, a certification candidate is given, over time, a test on each of numerous procedures (as many as 20 to 25) relevant to the given discipline. The incident discussed above arose in connection with one of these single-procedure tests. In addition to these written examinations, which are designed to familiarize the trainee with the content of procedures, a candidate must subsequently pass a practical "hands on" examination (similar to actual work activities), followed by a period of supervised on-the-job training, in order to obtain certification. These demonstrations of a candidate's ability to perform are of major importance in his or her certification. For these and other reasons, while Applicant has specifically considered whether it was necessary to stop work on any other activities at this time, Applicant has determined that it is not necessary to do so.

The foregoing information is based upon my personal understanding, and must be regarded as preliminary and subject to change, since Applicant's evaluation is not yet completed. We will inform the Appeal Board of further developments as warranted. At this time, however, it does not appear that the potential deficiency occurred in the time frame during which the events addressed in Joint Intervenor's contentions took place, or in any other way would warrant a modification in any evidence Applicant presented to the Licensing Board.

Respectfully submitted,

Thomas A. Baxter

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Counsel for Applicant

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cc: per Certificate of Service

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING APPEAL BOARD

In the Matter of)	
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UNION ELECTRIC COMPANY)	Docket No. STN 50-483 OL
)	
(Callaway Plant, Unit 1))	

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing letter from counsel for Applicant to the Appeal Board dated April 8, 1983 were served this 8th day of April, 1983 by hand delivery upon the parties identified by an asterisk and by deposit in the U.S. mail, first class, postage prepaid, upon the following:

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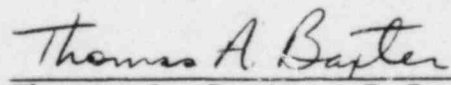
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