



City of Cincinnati

ENVIRONMENTAL ADVISORY COUNCIL

January 10, 1983

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Mr. James G. Keppler
Regional Administrator
U.S. Nuclear Regulatory Commission
Region III
799 Roosevelt Road
Glen Ellyn, Illinois 60137

Zimmer

Dear Mr. Keppler:

Please communicate to the Cincinnati Environmental Advisory Council the procedures envisioned for selecting an independent management review entity for the Zimmer project if the Regional Administrator does not approve Bechtel for that role.

Also, please send copies of the November 18 and 22, 1982 letters from CG&E to the NRC referred to in Stephen Lewis' November 24, 1982 MEMO of the November 17, 1982 meeting of the NRC, CG&E and Bechtel.

In addition, please send a copy of the minutes of the November 22, 1982 meeting of the NRC and CG&E referred to in Mr. Lewis' November 24, 1982 MEMO.

Your earliest response to these requests will be appreciated.

Sincerely,

J Bruce Suits

J. Bruce Suits
Administrative Assistant
Cincinnati Environmental Advisory Council

Equal Opportunity Employer

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

November 24, 1982

MEMORANDUM FOR: Region III Files

FROM: Stephen H. Lewis, Regional Counsel, Region III

SUBJECT: NOVEMBER 17, 1982 MEETING OF REGION III WITH CINCINNATI
GAS & ELECTRIC AND BECHTEL REGARDING CLI-82-33, "ORDER TO
SHOW CAUSE AND ORDER IMMEDIATELY SUSPENDING CONSTRUCTION"

Following the Commission's November 12, 1982 order suspending safety-related construction at the Zimmer plant and directing Cincinnati Gas & Electric Company (CG&E) to undertake certain actions prior to NRC consideration of resumption of safety-related construction, meetings were held on November 17, 1982 in Cincinnati between NRC Region III and CG&E and among Region III, CG&E and the Bechtel Ann Arbor Power Division (AAPD). The purposes of the meetings were to explain the order and discuss CG&E's planning for implementation. The Region met with CG&E alone in the morning and with CG&E and AAPD together in the afternoon. Participants in the morning meeting were:

CG&E

William Dickhoner, President
Earl Borgmann, Vice President
William Moran, General Counsel
Mark Wetterhahn, Outside Counsel

NRC, Region III

James Keppler, Regional Administrator
Robert Warnick, Director, Office of Special Cases
Dorwin Hunter, Section Leader, Zimmer Section, Office of Special Cases
Stephen Lewis, Regional Counsel

Joining the above participants for the afternoon meeting were:

Howard Wahl, Vice President and General Manager, AAPD
Bill Henry, Vice President and Deputy General Manager, AAPD
George Jones, proposed Project Manager for AAPD work at Zimmer

Mr. Keppler opened the meeting with a discussion of the considerations which led to the issuance of the Commission order. He noted that the Commission and staff were particularly concerned about rework growing out of the Quality Confirmation Program (QCP) being undertaken prior to completion of all of the relevant QCP Tasks.

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November 24, 1982

Mr. Dickhoner described steps that had been undertaken by CG&E, both before and after the order, with respect to Zimmer construction. He stated that personnel at the site had been further cut back, and that there were now approximately 700 people at the site, of whom 200 were craftspeople. The QCP is, however, continuing. He advised that the CG&E Board of Directors would be meeting on November 18, 1982. He complained that CG&E has not always been provided copies of allegations sent by GAP to the NRC.

NRC participants stated that CG&E would have to receive the Regional Administrator's approval of the independent entity selected to conduct the review of CG&E's management of the Zimmer project (Paragraph IV.B(1) of the order). CG&E advised NRC that prior to the order it had already arranged for AAPD to conduct a review of CG&E's management of the project and that AAPD had commenced its review. NRC advised CG&E that we would not prevent AAPD from continuing with this review, but that CG&E was proceeding at its own risk until the Regional Administrator has approved the selection of AAPD. That approval determination would be based upon a written submission from CG&E to the Regional Administrator setting forth: (1) AAPD's capabilities to perform the management review, (2) whether AAPD (and Bechtel, generally) has the necessary independence of CG&E (e.g., whether Bechtel has performed work, and if so of what type, for CG&E), and (3) the nature of the review that AAPD would undertake under Paragraph IV.B(1).

Paragraph IV.B(2) of the order was discussed. NRC emphasized that the quality verification plan could be submitted only after the Regional Administrator had approved the CG&E recommendations regarding management of the Zimmer project (Paragraph IV.B(1)(b)). NRC clarified that we would expect CG&E to use an outside entity (e.g., AAPD) in preparing the plan for verification of plant quality. That outside entity should be free to conclude that the QCP is insufficient to verify the quality of construction of the plant. CG&E indicated that it was their present intention to use the services of AAPD in the preparation of the comprehensive quality verification plan (and in the construction management of the facility). The staff stated that the order did not preclude the use of the same outside party to perform the management review and to assist in the preparation of the quality verification plan. CG&E also inquired whether the order would preclude the use of AAPD as the entity performing the audit to verify the quality of construction (Paragraph IV.B(2)(a)). The NRC stated that the order would not preclude the use of AAPD as the auditor, inasmuch as AAPD "did not perform the activities being audited."

The NRC agreed that the review under paragraph IV.B(1) was to be focused on management of the Zimmer project including its QA program and quality verification program, and was not intended to be a review of the content of the QCP. The review of the content of the QCP was to be part of the preparation of the comprehensive plan under Paragraph IV.B(2)(a).

The NRC advised CG&E that the quality verification audit under Paragraph IV.B(2)(a) was not to be confused with the independent verification of design adequacy (typically conducted by reviewing a "vertical slice" of the plant), which would be required of CG&E at some later date prior to any issuance of an operating license for the facility.

Paragraph IV.B(3) of the order was discussed. NRC stated that if CG&E sought to have the order "relaxed" to permit the resumption of certain safety-related construction activities, it would have to demonstrate to the Regional Administrator that any work sought to be permitted: (1) is not related to any quality verification concerns which have been raised and (2) will include adequate controls.

The NRC stated that if CG&E should determine that the facility will not be able to meet any applicable codes and standards, it should proceed promptly to propose to the NRC alternative engineering bases for demonstrating acceptability. Any consideration of deviations from the ASME Code would have to involve the cognizant Code Committees and the National Board of Boiler and Pressure Vessel Inspectors.

Mr. Dickhoner requested that the NRC be prepared to act promptly on any request CG&E might file for permission to proceed with identified construction activities. Mr. Keppler indicated that NRC would give high priority to any such request and would seek to act on it as promptly as possible.

CG&E asked for an early meeting with Region III on the September 24, 1982, "Demand for Information" issued under 10 CFR §50.54(f) with respect to "Miami Valley Power Project's Petition to Suspend Construction of the Zimmer Station," dated August 20, 1982. The purpose of the meeting would be to clarify the "Demand." [The requested meeting was held on November 22, 1982.]

CG&E advised the NRC that it will shortly send the NRC a letter advising of certain activities which it believes are not proscribed by the order and asking for the Regional Administrator's concurrence that CG&E may continue with those activities. [A letter was sent on November 18, 1982 and a revised letter on November 22, 1982.]

In the afternoon, AAPD joined CG&E and the NRC for discussions. The focus of the meeting was on the following areas:

1. CG&E should be sensitive to NRC's concerns with AAPD's performance at Midland and should reflect in the document submitted with respect to approval of AAPD the capabilities of AAPD to assess effectively CG&E's management.

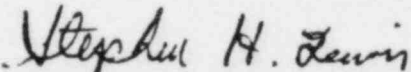
November 24, 1982

2. The NRC advised AAPD that, if selected to conduct the review of CG&E management, it should feel free to discuss matters with respect to this review directly with NRC, without having to go through CG&E.
3. The NRC emphasized that AAPD, if selected, should consult with the Authorized Nuclear Inspector, the National Board of Boiler and Pressure Vessel Inspectors and other entities involved in assessing the adequacy of construction of the Zimmer facility.

AAPD emphasized to the NRC that it would strive for open communication among itself, NRC, and CG&E. If AAPD is retained to assist CG&E in management of construction of the facility, AAPD would normally expect to discuss its findings with CG&E before bringing them to NRC's attention.

AAPD hopes to complete its initial assessment of CG&E's management and to make recommendations to CG&E within three weeks. It is already on site and has begun its review.

Mr. Keppler stated that the NRC intends to hold meetings that would be open to the public at appropriate stages in the implementation of the order.


Stephen H. Lewis
Regional Counsel

cc: W. Dircks, EDO
H. Denton, NRR
R. DeYoung, IE
G. Cunningham, ELD

THE CINCINNATI GAS & ELECTRIC COMPANY
ZIMMER NUCLEAR POWER STATION, P.O. BOX 201, MOSCOW, OH 45153



CINCINNATI, OHIO 45201

November 18, 1982
QA-2118

E. A. BORGMANN
SENIOR VICE PRESIDENT

U.S. Nuclear Regulatory Commission
Region III
799 Roosevelt Road
Glen Ellyn, Illinois 60137

Attention: Mr. J. G. Keppler
Regional Administrator

RE: WM. H. ZIMMER NUCLEAR POWER STATION UNIT 1
CONCURRENCE OF NON-CONSTRUCTION ITEMS UNDER
SHOW CAUSE ORDER OF NOVEMBER 12, 1982
DOCKET NO. 50-358, CONSTRUCTION PERMIT NO.
CPPR-88, W.O. #57300, JOB E-5590, FILE #NRC-3

Gentlemen:

Reference is made to the meeting held in Cincinnati, Ohio November 17, 1982 in Mr. Dickhoner's office. We wish to continue certain activities which we believe do not violate the spirit of the November 12, 1982 Show Cause and Order of Immediate Suspension of Essential Construction. However, we wish concurrence on these items prior to their performance:

1. Removal of paints and coatings necessary to inspect welds. Repainting to protect welds. Is this permitted?
2. Removal of fireproofing and insulation to inspect welds and heat number traceability. Can this be done?
3. Removal of hanger or parts of hanger looking for heat number traceability. Is this permitted?
4. Essential HVAC is ready for air test and balancing. May we proceed?
5. It is necessary to perform routine maintenance on essential components such as lubrication, cleaning, changing filters, etc., on HVAC, motors, etc. Will this be permitted?

(Continued)

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J. G. Keppler
QA2118
November 18, 1982
Page 2

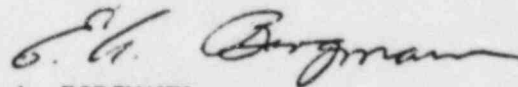
6. HJK would like to ship essential material off site to vendors for fabrication.
7. Grinding is required in some cases to prepare essential welds for NDE examination. Is this permitted?
8. Are we prohibited from receiving and reissuing essential material to contractors on site provided they are not used in construction?
9. We would like to continue walkdown of essential systems both for engineering, inspection and traceability.
10. We would like to conduct evaluations of existing essential coatings which require taking samples and conducting tests.
11. We would like to continue electrical testing of cables and logic testing. Is this permitted?
12. Is it permitted to physically move mechanical equipment provided it does not enhance construction?
13. Are we permitted to continue application of fire barriers classified as important to safety not listed as essential?
14. May we proceed with hydrostatic, pneumatic testing and NDE?
15. Review and acceptance of quality-related documentation - may it proceed?
16. Installation of mirror insulation on the RPV vessel. May it proceed?

A prompt communique in response to our request would be appreciated.

Very truly yours,

THE CINCINNATI GAS & ELECTRIC COMPANY

By



E. A. BORGMANN
SENIOR VICE PRESIDENT

RPE:jas
cc: NRC Office of Inspection
& Enforcement
Washington, D.C. 20555
NRC Senior Resident Inspector
Attn: W. F. Christianson
Zimmer Project Inspector
Region III

THE CINCINNATI GAS & ELECTRIC COMPANY

ZIMMER NUCLEAR POWER STATION, P.O. BOX 201, MOSCOW, OH 45153



CINCINNATI, OHIO 45201

November 18, 1982

QA-2118

Revised Nov. 22, 1982

E. A. BORGMANN
SENIOR VICE PRESIDENT

U.S. Nuclear Regulatory Commission
Region III
799 Roosevelt Road
Glen Ellyn, Illinois 60137

Attention: Mr. J. G. Keppler
Regional Administrator

RE: WM. H. ZIMMER NUCLEAR POWER STATION, UNIT 1
CONCURRENCE OF NON-CONSTRUCTION ITEMS UNDER
SHOW CAUSE ORDER OF NOVEMBER 12, 1982
DOCKET NO. 50-358, CONSTRUCTION PERMIT NO.
CPPR-88, W.O. 57300, JOB E-5590, FILE NRC-3

Gentlemen:

This letter is a revision to our letter QA-2118 of November 18, 1982. The revision required the removal of items No. 9 and No. 15 from the original letter because they do not constitute physical construction as covered by your Show Cause Order and therefore should not have been included.

This revision confirms the exchange of information in a telephone conversation between Messrs. D. Hunter of your staff and B. K. Culver on November 19, 1982.

Reference is made to the meeting held in Cincinnati, Ohio November 17, 1982 in Mr. Dickhoner's office. We wish to continue certain activities which we believe do not violate the spirit of the November 12, 1982 Show Cause and Order of Immediate Suspension of Essential Construction. However, we wish concurrence on these items prior to their performance:

1. Removal of paints and coatings necessary to inspect welds. Repainting to protect welds. Is this permitted?
2. Removal of fireproofing and insulation to inspect welds and heat number traceability. Can this be done?
3. Removal of hanger or parts of hanger looking for heat number traceability. Is this permitted?
4. Essential HVAC is ready for air test and balancing. May we proceed?
5. It is necessary to perform routine maintenance on essential components such as lubrication, cleaning, changing filters, etc., on HVAC, motors, etc. Will this be permitted?

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Mr. J. G. Keppler
November 18, 1982
QA-2118
Page 2

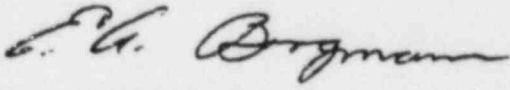
6. HJK would like to ship essential material off site to vendors for fabrication.
7. Grinding is required in some cases to prepare essential welds for NDE examination. Is this permitted?
8. Are we prohibited from receiving and reissuing essential material to contractors on site provided they are not used in construction?
9. We would like to conduct evaluations of existing essential coatings which require taking samples and conducting tests.
10. We would like to continue electrical testing of cables and logic testing. Is this permitted?
11. Is it permitted to physically move mechanical equipment provided it does not enhance construction?
12. Are we permitted to continue application of fire barriers classified as important to safety not listed as essential?
13. May we proceed with hydrostatic, pneumatic testing and NDE?
14. Installation of mirror insulation on the RPV vessel. May it proceed?

A prompt communique in response to our request would be appreciated.

Very truly yours,

THE CINCINNATI GAS & ELECTRIC COMPANY

By


E. A. BORGMANN
SENIOR VICE PRESIDENT

RPE:jas

cc: NRC Office of Inspection & Enforcement
Washington, D.C. 20555
NRC Senior Resident Inspector
Attn: W. F. Christianson
Zimmer Project Inspector
Region III



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

NOV. 30 1982

Docket No. 50-358

Cincinnati Gas and Electric
Company
ATTN: Mr. Earl A. Borgmann
Senior Vice President
Engineering Services and
Electric Production
139 East 4th Street
Cincinnati, OH 45201

Gentlemen:

This is in response to your letter (QA-2118) dated November 18, 1982, and revised on November 22, 1982 (copies enclosed).

Your request for NRC concurrence prior to performing the 16 activities listed in your November 18, 1982 letter is not considered to be a request to relax the order as provided for in paragraph IV.B.(3) of the November 12, 1982 Order to Show Cause and Order Immediately Suspending Construction. Rather, it is considered to be a request for clarification of the scope of the activities suspended by the order.

As discussed in the meeting with you on November 17, 1982, the NRC requested that activities which might be considered to be covered by the order be submitted to Region III for review and approval.

During telephone conversations on November 19, 1982, RIII personnel informed CG&E that items 9, walkdown of essential systems, and 15, document reviews, of the November 18, 1982 letter were clearly not prohibited by the order and that they could continue. CG&E's revised letter dated November 22 deleted those two items.

The following activities are not considered to be safety-related construction activities suspended by the order, and they may be continued within your existing management controls and your established quality assurance programs. The item numbers listed below correspond to the numbers contained in your November 22, 1982 letter.

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March 30 1982

1. Removal of paints and coatings necessary to inspect welds, not to infringe on the established corrective action system and the verification program and not to include grinding, cutting, etc.
2. Removal of fireproofing and insulation to inspect welds and heat number traceability. Grinding and cutting steel are not permitted.
3. Removal of hangers or parts of hangers looking for heat number traceability, not to include cutting, chipping, grinding, burning, etc.
4. Essential HVAC air flow testing and balancing.
5. Routine maintenance of essential components such as lubrication, cleaning, changing filters, etc. on HVAC, motors, etc.
8. Receiving of essential material; however, the issue or reissue of essential materials for essential application is not to be performed except in support of item 5 above and the verification program.
9. Conduct evaluations of existing essential coatings which require taking samples and conducting tests. Samples are to be limited in size such as paint chips and the authorization does not include cutting steel, grinding, etc.
13. Hydrostatic and pneumatic testing and NDE activities.

The following items did not contain sufficient information to permit blanket approval. We believe such work should be requested by CC&E and approved by NRC Region III on a case by case basis.

11. The physical movement of mechanical equipment, provided it does not enhance construction.
12. The application of fire barriers classified as important to safety not listed as essential.

The following activities may not continue at this time:

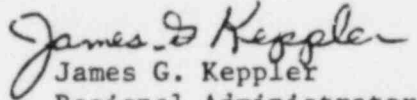
6. Shipment of essential material offsite to vendors for fabrication. This is considered to be safety-related construction work.
7. Grinding activities to prepare essential welds for NDE examinations. Grinding on essential materials is considered to be a safety-related construction activity.

NOV 30 1982

10. Electrical testing of cables and logic testing. Although testing is not specifically prohibited by this order, the proposed testing involves determining and terminating leads which is normally considered to be a construction activity. Region III is not prepared to issue blanket approval for electrical testing of cables and logic testing, but will consider approval of such testing on a specific case basis.
14. Installation of mirror insulation on the RPV vessel is not approved since it would cover areas that may require inspection.

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

Sincerely,


James G. Keppler
Regional Administrator

Enclosures: As stated

cc w/ltrs dtd 11/18; 11/22/82:
DMB/Document Control Desk (RIDS)
Resident Inspector, RIII
Harold W. Kohn, Power Siting Commission
Citizens Against a Radioactive
Environment
Helen W. Evans, State of Ohio
Robert M. Quillin, Ohio
Department of Health
Thomas Applegate
Thomas Devine, Associate
Director, Institute for
Policy Studies
Dave Martin, Office of
Attorney General
Mark Wetterhahn, Esq.
Jerome A. Vennemann, Esq.

December 1, 1982

NOTE FOR: Region III Files

FROM: Stephen H. Lewis, Regional Counsel

SUBJECT: NOVEMBER 22, 1982 MEETING BETWEEN REGION III AND CG&E REGARDING
"DEMAND FOR INFORMATION" IN RESPONSE TO MVPP §2.206 PETITION

In response to the request of Commissioner Ahearne (October 28, 1982 meeting on Zimmer, open session, Tr. 64-67), representatives of Region III met with Cincinnati Gas and Electric Company (CG&E) on November 22, 1982 at O'Hare Airport to assure that CG&E clearly understood the September 24, 1982 "Demand for Information" issued under 10 CFR §50.54(f) with respect to Miami Valley Power Project's (MVPP) Petition to Suspend Construction of the Zimmer Station (August 20, 1982). The following persons were in attendance:

NRC, Region III

Robert Warnick, Director, Office of Special Cases
Dorwin Hunter, Section Leader - Zimmer Section, Office of Special Cases
Stephen Lewis, Regional Counsel

CG&E

Dennis Waymire, Engineering Department (designated coordinator for preparation of response to Demand for Information)
John Hoffman, Engineering Department
Jerome Vennemann, Legal Department
Mark Wetterhahn, Outside Counsel

H. J. Kaiser (HJK)

Patrick Hickey, Outside Counsel
Brinley Varchol, HJK QA Administrator at Zimmer

CG&E stated that representatives of HJK were in attendance because a substantial portion of the assertions in the MVPP petition were within their scope of responsibility and HJK would be assisting in the preparation of those responses.

CG&E sought Region III's concurrence in the following manner of response:

1. Allegations may be grouped together for response where there is a common theme.
2. CG&E may respond by indicating that it does not contest certain allegations where those allegations repeat matters covered in the April 8,

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1981 Immediate Action Letter or in the November 24, 1981 Notice of Violation and Proposed Imposition of Civil Penalties, to which CG&E agreed or which it chose not to contest.

3. Where CG&E believes responses to matters raised in the petition have been provided in documents already filed with the NRC staff and made available to the public, it may rely on references to those documents in its responses. Region III suggested that copies of such documents be attached to the response if they have not previously been provided to MVPP.
4. Where allegations contain merely generalized statements, rather than any assertions about the Zimmer facility, CG&E may make "no response" notations.
5. If certain allegations are based on information provided to the NRC, but not to CG&E, CG&E would only be expected to respond with the information it has on the general subjects of the allegations.
6. Where CG&E is unable to locate the attachment referenced in a paragraph, it may so note in its response and answer to the best of its ability. Where CG&E questions the weight of an attachment relied upon by MVPP, it may so note in its response.

Region III indicated that the manner of responding suggested by CG&E seemed reasonable. CG&E should, however, be certain to provide an answer for each paragraph, even if only by brief notation.

Region III also advised CG&E that the response to the Demand and the information generated in the preparation of the response should be shared with whatever outside party(ies) is retained by CG&E to: (1) conduct the independent management review, (2) assist it in the preparation of an updated quality verification plan, (3) assist it in any proposal for continuation of construction activities, and (4) assist it in management of any further construction activities.

CG&E advised Region III that it did not appear possible to complete the response by the December 31, 1982 date set forth in the Demand. CG&E estimated that 3,000 person-hours would be required in the preparation of the response on its part alone, excluding HJK's time expenditure. Region III advised CG&E that any request for an extension of the response should be made in writing to the Regional Administrator. CG&E stated that it expected to file such a request during the week of November 29, 1982.

Stephen H. Lewis

Stephen H. Lewis
Regional Counsel