



General Offices: 1945 West Parnall Road, Jackson, MI 49201 • (517) 788-0453

April 6, 1983

Mr J G Keppler, Administrator, Region III
Nuclear Regulatory Commission
799 Roosevelt Road
Glen Ellyn, IL 60137

MIDLAND NUCLEAR COGENERATION PLANT -
MIDLAND DOCKET NO's 50-329, 50-330 -
CONSTRUCTION COMPLETION PROGRAM THIRD PARTY OVERVIEW -
FILE 0655, B1.1.7 SERIAL 22268

- REFERENCES
1. LETTER TO J W COOK DATED MARCH 28, 1983 FROM NRC REGION III REGARDING CONSTRUCTION COMPLETION PROGRAM
 2. LETTER FROM J W COOK DATED MARCH 10, 1983 TO MR R C DEYOUNG REGARDING MIDLAND PROJECT RESPONSE TO NRC NOTICE OF VIOLATION EA83-3 DATED FEBRUARY 8, 1983

Your letter of March 28, 1983 regarding the Construction Completion Program (CCP) consisted of Parts A, B and C. The following is in partial reply to the referenced letter:

- A. Items A1. through A9. will be addressed in a subsequent letter to you except for Item A5. for which our response is as follows:

Mr Keppler has asked that we develop measures that will ensure that our key hold points are honored and that critical parameters of our program are in place before proceeding to the next step. In order to ensure the Project's readiness to undertake the various steps in the CCP, the CCP includes provisions for management review at key points in the process. The review will examine plans for future implementation and ensure that programs and processes are thorough, complete, and correct. To provide the NRC with additional assurance that the CCP processes have, in fact, been and will be implemented as described in my January 10, 1983 letter, this letter, and the forthcoming response to Questions A1-A9 of Mr Keppler's March 28 letter, we will include in the duties of the third party construction overviewer responsibility for audits of our performance of these management reviews of the CCP process. We will not proceed with the CCP implementation beyond these points until the third party overviewer has documented their satisfaction with our readiness to proceed, including satisfaction with our initial response to any audit

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findings, in their weekly reports. This commitment will also assure that the CIO is in place in time to audit the management review of Phase I planning, and hence before any physical verification under Phase I takes place. (Note: The title of this particular third party overview is now being entitled Construction Implementation Overview, CIO).

The Company has or will provide information regarding all items which the NRC wished to review through the normal exchange of information with the NRC Staff. This information was provided through the response to the Notice of Violation regarding DGB inspection, through the forthcoming response to Questions A1-A9 of Mr Keppler's March 28 letter, and through daily interaction with the NRC Resident Inspector (the adoption of the QC organization within MPQAD and the resolution of the CP Co stop work order on Zack welding).

- B. A more detailed description of the third party installation implementation overview (now titled CIO) is provided in the enclosed proposal (3 copies attached) from Stone and Webster (S&W).
1. The CIO will encompass all aspects of the CCP from the point that the CIO is mobilized onsite (including the process aspects discussed in A above and the reinspection work). The exception is that the CIO will not include an overview of the other third party evaluations being conducted as described in my letter to Region III dated January 10, 1983.
 2. As defined on Page 2 of Section 2 of the S&W proposal, there will be weekly meetings with S&W, Consumers Power and the NRC and weekly minutes (reports) of these meetings will be issued. The protocol for communications between the parties will be the same as used by S&W on the soils remedial activities.
 3. The CIO will continue until Consumers Power and the NRC have confidence in the adequacy of the Consumers Quality Assurance Program for the Midland Project.
- C. Consumers Power Company proposes that Stone and Webster be the organization to perform the CIO. This is based on the fact that we consider S&W technically capable to perform the activities both in terms of the individual team proposed and in the corporate depth to support this effort. They are presently conducting what we believe is a highly professional overview of the soils remedial activities and have been found acceptable by the NRC for corporate independence. In addition, your letter indicated that it would not be acceptable for the CIO organization to also be involved with the IDV, thereby disqualifying the other evaluated bidder, Tera Corporation.

The proposal submitted by S&W addresses Items C1, 2 and 3 of your letter except that the statements provided in the attachment concerning corporate and personnel independence were inadvertently not notarized. This situation will be immediately corrected and the sworn statements of independence will be sent to you directly by S&W by approximately April 8, 1983.

Enclosure 1 to your letter of March 28, 1983 discussed protocol for IDV on the Aux Feedwater System, Electric Power System (diesel generator), and the HVAC system assuring control room habitability. This protocol will be adopted by asking Tera Corporation to prepare a detailed procedure implementing this protocol.

Based on the need to have the S&W team audit our pending initial management reviews, we have requested S&W to be able to mobilize their team as soon as possible. This is currently scheduled to occur the week of April 18, 1983. We plan to proceed at our risk unless instructed otherwise by your office. However, we would very much appreciate your expeditious review of S&W as a satisfactory contractor for the third party overview of the CCP.

James W. Cook

JWC/GSK/lc

CC Atomic Safety and Licensing Appeal Board (w/o att)
CBechhoefer (w/o att)
FPCowan, ASLB (w/o att)
JHarbour, ASLB (w/o att)
MMCherry (w/o att)
FSKelley (w/o att)
HRDenton, NRC (w/att)
WHMarshall (w/o att)
WDPaton, NRC (w/o att)
BStamiris (w/o att)
MSinclair (w/o att)
LLBishop (w/o att)



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

Government Accountability Project
Institute for Policy Studies
ATTN: Ms. Billie P. Garde
Director
Citizens Clinic for
Accountable Government
1901 Que Street, NW
Washington, D. C. 20009

Dear Ms. Garde:

Thank you for your letters dated October 22, 1982 and November 11, 1982 addressed to Mr. Denton and me, conveying the Government Accountability Project's views on quality assurance matters and the third party assessment at the Midland Nuclear Power Station. We are considering your comments and concerns.

There have been two public meetings on the independent review program, one held October 25, 1982, and the second on November 5, 1982.

After the October 25 meeting Mr. Eisenhut and I informed Mr. James Cook of Consumers Power Company by telephone that the following elements were necessary to accomplish an adequate ~~third party review~~: *Small review of*

1. The third party design review, of the auxiliary feedwater system (proposed by TEKA Corporation), should be broadened by including an additional safety system and that the design review should encompass an evaluation of the actual system installation. *which is not*
2. The INPO and biennial QA audits are not an acceptable substitute for the third party review. While these activities do have merit, they do not fulfill the review needs we have identified. *Review*
3. Management Analysis Company was not ~~considered~~ sufficiently independent and ~~should not have~~ lead responsibility for the independent review. *to assume*

Regarding the ability of the Stone and Webster personnel to perform the third party independent review of the remedial soils work, the final decision should be made in the near future.

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The remainder of the independent review effort is still under consideration. We intend to hold an additional public meeting, probably in Midland, regarding the independent review programs at the Midland site, but the date has not yet been scheduled.

You requested a series of documents in the November 11, 1982 letter. None of these are in the NRC's possession, although they would be available for our review at the plant site or corporate offices. You may wish to request access to the documents from Consumers Power.

I also understand from my staff that you have indicated to them that the Government Accountability Project has additional affidavits concerning construction activities at the Midland site. If you do have any further information, I would hope that you would forward it to us promptly so that we may include it in our investigation of the affidavits you previously submitted.

I can assure that the NRC shares your concern that any third party at Midland be both independent and competent. We also must be careful that we, the NRC, do not intrude into the review process ourselves and thus compromise its independence. We will, however, provide sufficient direction to assure the thoroughness and objectivity of the review.

Sincerely,

James G. Keppler
Regional Administrator