

October 8, 1996

Mr. R. A. Fenech
Vice President, Nuclear Operations
Consumers Power Company
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

Dear Mr. Fenech:

Thank you for your 10 CFR 50.54(a) submittal dated June 25, 1996, which proposed changes to your Quality Assurance (QA) Program description. The submittal proposed changes (1) to your supplier evaluation program, (2) to the qualification requirements for lead auditors, and (3) to the record retention requirements for radiation exposure records. We have reviewed the changes associated with this submittal. The first two proposed changes, i.e., changes to your supplier evaluation program and qualification requirements for lead auditors, are similar to proposals made by the Nuclear Energy Institute (NEI) in a letter dated January 30, 1996, to the NRC. The NEI proposals are currently under review by the Office of Nuclear Reactor Regulation. As such, these two proposed changes cannot be approved at this time because an agency position has not yet been established. Based on our review of your submittal, we have concluded that the third proposed change, i.e., changes to the record retention requirements for radiation exposure records, continues to meet the requirements of 10 CFR Part 20 and 10 CFR Part 50, Appendix B; and that the revision associated with the third change is acceptable. Although this change will delete the QA Program description requirement for retention of monthly radiation exposure records, Technical Specification 6.10.2.c for the Palisades Nuclear Generating Plant still requires that monthly radiation exposure records be retained.

If there are changes to QA commitments existing in docketed correspondence outside of the Quality Assurance Program description, you are obligated to notify this office. We appreciate your timely submittal of information required by 10 CFR 50.54(a). Please

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R. A. Fenech

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contact Mr. Ronald A. Langstaff of my staff at (630) 829-9747 with any questions you may have regarding this matter.

Sincerely,

Original signed by John M. Jacobson

John M. Jacobson, Chief
Division of Reactor Safety

Docket No. 50-155

Docket No. 50-255

Enclosure: Ltr dtd 06/25/96, R. Smedley
Consumers Power, to NRC w/atts

cc w/o encl: T. Palmisano, General
Manager, Palisades
P. M. Donnelly, Plant Manager
Big Rock Point
T. C. Bordine, Manager
Licensing Department

cc w/encl: James R. Padgett, Michigan
Public Service Commission
Michigan Department of
Public Health
Department of Attorney General (MI)

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**POWERING
MICHIGAN'S PROGRESS**

Palisades Nuclear Plant: 27780 Blue Star Memorial Highway, Covert, MI 49043

June 25, 1996

U.S. Nuclear Regulatory Commission
Document Control Desk
Washington, DC 20555

DOCKET 50-155 - LICENSE DPR-6 - BIG ROCK POINT PLANT
DOCKET 50-255 - LICENSE DPR-20 - PALISADES PLANT
REQUEST FOR APPROVAL OF CHANGE TO THE QUALITY PROGRAM
DESCRIPTION FOR OPERATIONAL NUCLEAR PLANTS (CPC-2A)

In accordance with 10 CFR 50.54(a)(ii), Consumers Power Company requests approval for three changes to our CPC-2A report, "Quality Program Description for Operational Nuclear Power Plants". The changes are detailed in Attachment 1 of this letter. The affected pages of CPC-2A are shown in their unrevised form in Attachment 2.

Upon approval of these changes by the NRC, a revision will be made to incorporate the changes into CPC-2A.

SUMMARY OF COMMITMENTS

This letter contains no new commitments and no revisions to existing commitments.

Richard W. Smedley
Richard W. Smedley
Manager, Licensing

CC Administrator, Region III, USNRC
Project Manager, NRR, USNRC
NRC Resident Inspector - Palisades

Attachment

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ATTACHMENT 1

CONSUMERS POWER COMPANY

**BIG ROCK POINT PLANT
DOCKET 50-155
LICENSE DPR-6**

**PALISADES PLANT
DOCKET 50-255
LICENSE DPR-20**

**REQUEST FOR APPROVAL OF CHANGE
TO THE QUALITY PROGRAM DESCRIPTION
FOR OPERATIONAL NUCLEAR PLANTS (CPC-2A)
DETAILS OF CHANGES**

ATTACHMENT 1 - DETAILS OF CPC-2A REQUESTED CHANGES

1. REQUESTED CHANGE

Add the following exception/interpretation where none currently exists for Regulatory Guide 1.144, Revision 1 (page 74 of CPC-2A):

A. CURRENT WORDING

None.

B. REVISED WORDING

16.d. RG 1.144, Sec C.3.b(2), second paragraph

Requirement

A documented evaluation of the supplier should be performed annually. Where applicable, this evaluation should take into account (1) review of supplier-furnished documents such as certificates of conformance, non-conformance notices, and corrective actions, (2) results of previous source verifications, audits and receiving inspections, (3) operating experience of identical or similar products furnished by the same supplier, and (4) results of audits from other sources, e.g., customer, ASME or NRC audits.

Exception/Interpretation

Consumers Power Company will review the information described in the second paragraph of section C.3.b(2) of Regulatory Guide 1.144, Revision 1, 1980, as it becomes available through its receipt inspection, operating experience and supplier evaluation programs, in lieu of performing a specific evaluation on an annual basis. The results of the reviews are considered immediately for effect on a supplier's continued qualification and adjustments made as necessary.

C. REASON FOR CHANGE

A documented annual evaluation of suppliers is neither necessary nor cost-efficient. The annual review can be eliminated because alternative measures developed through industry initiatives, and through the evolution of utility supplier performance monitoring and evaluation programs, provide a more responsive and effective means to identify and correct supplier performance problems.

At Consumers Power Company, supplier-furnished documents are reviewed as part of the receipt inspection process for purchased items and services, and any deficiencies or concerns are documented at that time. The supplier is notified on a real-time basis for correction. The results of the receiving inspection process are trended as necessary, and provided to the supplier evaluation process for review and determination of the effect on the supplier's qualification status.

Consumers Power Company personnel perform source verifications and audits as needed to establish procurement acceptability. The results are provided to the supplier evaluation process for review and determination of the effect on the supplier's qualification status. In addition, the supplier evaluation process reviews third party audit reports (NUPIC, ASME, NRC, etc) as they are received and considers their effect on supplier qualification status.

Consumers Power Company personnel perform reviews of operating experience information involving part and equipment failures received from various sources, such as vendor notices, Part 21 reports, INPO notices, NRC notices, and the like. In addition, the industry has established a bulletin board through the Nuclear Procurement Issues Committee (Consumers Power Company is a member) to share real-time data regarding supplier performance from audits, surveillances and other information. This information is provided to the supplier evaluation process for review and determination of the effect on the supplier's qualification status.

Thus, in many cases, evaluation of supplier performance is performed more frequently than annually through the routine reviews described, especially when performance problems have been identified. In some cases, the evaluation may be extended.

D. BASIS FOR CONTINUED COMPLIANCE WITH 10 CFR 50, APPENDIX B

The proposed change continues to require that Consumers Power Company perform reviews of information relevant to determining supplier qualification and the adequacy of supplier control of quality. This exception does not relieve Consumers Power Company of the obligation, contained in this document through its commitment to other requirements, to assure that material, equipment, and services that are purchased conform to procurement requirements. As required by 10 CFR 50, Appendix B, measures applied to give this assurance include provisions, as appropriate, for source evaluation and selection, objective evidence of quality furnished by the contractor or subcontractor, inspection at the contractor or subcontractor source, and examination of products upon delivery. The approach discussed in this exception provides for ongoing source evaluation, in lieu of the annual evaluation recommended in regulatory guidance. This is consistent with 10 CFR 50, Appendix B, Criterion VII, which requires, in part, that "The effectiveness of control of quality by contractors and subcontractors shall be assessed at intervals consistent with the importance, complexity, and quantity of the product or services."

2. REQUESTED CHANGE

Add the following exception/interpretation where none currently exists (page 77 of CPC-2A):

A. CURRENT WORDING

None.

B. REVISED WORDING

18.b. ANSI N45.2.23-1978 Section 2.3.4

Requirement

The prospective lead auditor shall have participated in a minimum of five (5) quality assurance audits within a period of time not to exceed three (3) years prior to the date of qualification, one audit of which shall be a nuclear quality assurance audit within the year prior to his qualification.

Exception/Interpretation

The prospective lead auditor shall demonstrate his ability to properly implement the audit process defined by this Standard and Consumers Power Company program/procedure, to effectively lead an audit team, and to effectively organize and report results.

C. REASON FOR CHANGE

The process of becoming a lead auditor is defined by ANSI N45.2.23 - 1978, "Qualification of QA Program Audit Personnel for Nuclear Power Plants," as endorsed by NRC Regulatory Guide 1.146 of August, 1980. As defined by ANSI N45.2.23, the process consists of essentially the following parts:

1. Evaluation of the candidate's prior education and experience, professional accomplishments, including some management discretion regarding the candidate's maturity, etc, to achieve 10 or more points within the system defined by section 2.3.1.
2. Employer certification that the candidate's written and oral communication skills effectively meet its expectations, as described in section 2.3.2.
3. Evaluation of the candidate's knowledge and understanding of quality assurance program requirements, and auditing and audit planning techniques, obtained either through experience or training programs, coupled with on-the-job training to demonstrate understanding of the audit process. Knowledge/understanding must be demonstrated through satisfactory completion of a written examination, as described in section 2.3.3.
4. Demonstration of the candidate's capabilities through participation in the performance of audits as described in section 2.3.4.

Thus, the process of lead auditor qualification is comprised of establishing the candidate's possession of satisfactory knowledge and understanding, prior experience, and demonstrated performance. This approach represents a systematic way to ensure an individual has demonstrated their ability to effectively lead audits prior to being certified as a lead auditor. The ANSI requirement for a particular number of audits over a particular time period, however, is unnecessarily restrictive, and

may not, by itself, assure the candidate has demonstrated the required proficiencies. An individual may have related experience and be capable of demonstrating the ability to lead an audit in fewer than five audits, or, may require more on-the-job experience than would be gained through "participation" in five audits. The objective of this section is that the prospective lead auditor demonstrate the ability to lead audits to the satisfaction of the responsible management. Consumers Power Company believes this objective can be met without a numerical restriction regarding audit participation. This is particularly true when considering the rotation into the auditing group of experienced technical and management staff to broaden their experience base, bring current experience to the audit function, and develop an assessment awareness in future managers. These individuals are frequently capable of demonstrating their ability to effectively lead audits in fewer than five audits.

The proposed change in the Quality Program Description would permit Consumers Power Company to assess the performance of prospective lead auditors against the knowledge and performance criteria established in Regulatory Guide 1.146 and ANSI N45.2.23-1978, and to judge whether an individual should be certified as a lead auditor based on demonstrated capability.

D. BASIS FOR CONTINUED COMPLIANCE WITH 10 CFR 50, APPENDIX B

The proposed change continues to require that Consumers Power Company follow an established process meeting NRC guidance prior to certifying an individual as a lead auditor, but provides management the flexibility to certify the individual once the requisite skills have been satisfactorily demonstrated. This is consistent with 10 CFR 50, Appendix B, Criterion II, "Quality Assurance Program," which requires the Quality Program to "provide for the indoctrination and training of personnel performing activities affecting quality as necessary to assure that suitable proficiency is achieved and maintained." This is also consistent with Criterion XVIII, which requires that audits be performed by "appropriately trained personnel."

3. REQUESTED CHANGE

Revise Appendix E, Record Retention, section E3.c (page 87 of CPC-2A) as follows:

A. CURRENT WORDING

E3. *The following records shall be retained for the duration of the Facility Operating License:*

- c. *Records of monthly radiation exposure for all individuals entering radiation control areas.*

B. REVISED WORDING

E3. *The following records shall be retained for the duration of the Facility Operating License:*

- c. Records of radiation exposure for all individuals entering radiation control areas, generated on the frequency specified by NRC regulations.

C. REASON FOR CHANGE

This section was placed into CPC-2A late in 1995 in anticipation of its removal from facility Technical Specifications in accordance with NRC Administrative Letter 95-06. A review has identified that exposure records have not been generated on a monthly basis since 1979. The current practice of generating these records on a quarterly basis is consistent with requirements in 10 CFR 20.401 and 10 CFR 20.2106(b).

D. BASIS FOR CONTINUED COMPLIANCE WITH 10 CFR 50, APPENDIX B

The specified records will continue to be retained for the term of the Facility Operating License, even though generated on a different frequency. This is consistent with 10 CFR 50, Appendix B, Criterion XVII, which requires that "sufficient records shall be maintained to furnish evidence of activities affecting quality," and "Consistent with applicable regulatory requirements, the applicant shall establish requirements concerning record retention ..."

ATTACHMENT 2

CONSUMERS POWER COMPANY

BIG ROCK POINT PLANT

DOCKET 50-155

LICENSE DPR-6

PALISADES PLANT

DOCKET 50-255

LICENSE DPR-20

**REQUEST FOR APPROVAL OF CHANGE
TO THE QUALITY PROGRAM DESCRIPTION
FOR OPERATIONAL NUCLEAR PLANTS (CPC-2A) -
AFFECTED PAGES (UNREVISED) OF CPC-2A**

16b. Sec C3a(2)

Requirement

Applicable elements of an organization's quality assurance program (for "design and construction phase activities") should be audited at least annually or at least once within the life of the activity, whichever is shorter.

Exception/Interpretation

Since most modifications are straightforward, they are not audited individually. Instead, selected controls over modifications are audited periodically.

16c. Sec C3b(1)

Requirement

This section identifies procurement contracts which are exempted from being audited.

Exception/Interpretation

In addition to the exemptions of RG I.144, CPCo considers that Authorized Inspection Agencies, National Institute of Standards and Technology or other State and Federal Agencies which may provide services to CPCo are not required to be audited.

17a. N45.2.13, Sec 3.2.2

Requirement

N45.2.13 requires that technical requirements be specified in procurement documents by reference to technical requirement documents. Technical requirement documents are to be prepared, reviewed and released under the requirements established by ANSI N45.2.11.

Exception/Interpretation

For replacement parts and materials", CPCo follows ANSI N18.7, Section 5.2.13, Subitem I, which states: "Where the original item or part is found to be commercially 'off the shelf' or without specifically identified QA requirements, spare and replacement parts may be similarly procured, but care shall be exercised to ensure at least equivalent performance."

tion 20a, is used to determine what systems and equipment included in the Quality Program.

- 19a. Branch Technical Position ASB9.5.I and 10 CFR 50 Appendix R, Sections III G., III J. and III Q., General

Exception/Interpretation

Fire protection measures, equipment and the individual plant Fire Protection Plans are in compliance with the NRC Safety Evaluation Reports and the required sections of 10 CFR 50 Appendix R except for the specific exemptions approved by the NRC.

- 20a. RG 1.29, Sec C, Regulatory Position

Requirement

The Regulatory Position states that the identified structures, systems, and components are to be designated Seismic Category I and should be designed to withstand the SSE.

Exception/Interpretation

Both CPCo nuclear plants (Big Rock Point and Palisades) were designed, constructed and licensed based on criteria available prior to Revision 3 of this Regulatory Guide being issued. The specific design criteria and seismic designations are reflected in the FHSR and FSAR, respectively, and in other docketed analysis. Thus, the design bases and seismic designations do not correspond to those of Regulatory Guide 1.29.

The criteria of this Regulatory Guide are used at CPCo primarily in the identification of systems, structures, and components to which the Quality Program is applied (see 20b, below).

- 20b. RG 1.29, General

Requirement

Apply pertinent Quality Assurance requirements of 10 CFR 50, Appendix B.

Exception/Interpretation

The pertinent quality requirements for these systems, structures and components will be determined in a graded manner using tools such as the plant specific Probabilistic Risk Assessment and the Technical Specifications, and other docketed analyses to determine the degree which Appendix B of 10 CFR 50 applies.

QPD MANUAL
APPENDIX E
RECORD RETENTION

- E1. In addition to the applicable record retention requirements of Title 10, Code of Federal Regulations, the following records shall be retained for at least the minimum period indicated:
- E2. The following records shall be retained for at least five years:
- a. Records and logs of facility operation covering time interval at each power level.
 - b. Records and logs of principal maintenance activities, inspections, repair and replacement of principal items of equipment related to nuclear safety.
 - c. All reportable events as defined in 10 CFR 50.72 and 50.73.
 - d. Records of surveillance activities, inspections and calibrations required by Plant Technical Specifications.
 - e. Records of changes made to the procedures required by Plant Technical Specifications.
 - f. Records of radioactive shipments.
 - g. Records of sealed source leak tests and results.
 - h. Records of annual physical inventory of all source material of record.
- E3. The following records shall be retained for the duration of the Facility Operating License:
- a. Record and drawing changes reflecting facility design modifications made to systems and equipment described in the Palisades Final Safety Analysis Report or Big Rock Point Final Hazards Summary Report.
 - b. Records of new and irradiated fuel inventory, fuel transfers and assembly burnup histories.
 - c. Records of monthly radiation exposure for all individuals entering radiation control areas.
 - d. Records of gaseous and liquid radioactive material released to the environs.