



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

April 20, 1982

Docket No. 50-329
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Consumers Power Company
ATTN: Mr. James W. Cook
Vice President
Midland Project
1945 West Parnall Road
Jackson, MI 49201

Gentlemen:

This is to confirm the conversation between Mr. D. J. Vande Walle and Mr. D. C. Boyd of the Region III staff scheduling April 26, 1982 at 1:00 p.m. as the date and time to discuss the Systematic Assessment of Licensee Performance (SALP) for the Midland Nuclear Plant, Units 1 and 2. This meeting is to be held at the Sheraton Hotel, One Jackson Square, in Jackson, Michigan.

Mr. James G. Keppler, the Regional Administrator, and members of the NRC staff will present the observations and findings of the SALP Board. Since this meeting is intended to be a forum for the mutual understanding of the issues and findings, you are encouraged to have appropriate representation at the meeting. As a minimum we would suggest Mr. J. D. Selby, President, Mr. R. J. Reynolds, Executive Vice President, or Mr. J. W. Cook, Vice President Midland Project and managers for the various functional areas where problems have been identified.

The enclosed SALP Report which documents the findings of the SALP Board is for your review prior to the meeting. Subsequent to the meeting the SALP Report will be issued by the Regional Administrator.

Enclosure 1 to this letter summarizes the more significant findings identified in the SALP Board's evaluation of the Midland Nuclear Plant, Units 1 and 2 for the period of July 1, 1980 to June 30, 1981.

If you desire to make comments concerning our evaluation of your facility, they should be submitted to this office within twenty days of the meeting date; otherwise, it will be assumed that you have no comments.

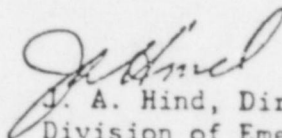
April 20, 1982

In accordance with Section 2.790 of the NRC's "Rules of Practice" Part 2, Title 10, Code of Federal Regulations, a copy of this letter, the SALP Report, and your comments, if any, will be placed in the NRC's Public Document Room when the SALP Report is issued.

Comments requested by this letter are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-5111.

If you have any questions concerning the SALP Report for the Consumers Power Company we will be happy to discuss them with you.

Sincerely,



J. A. Hind, Director
Division of Emergency Preparedness
and Operational Support

Enclosures:

1. Significant Findings
2. Midland SALP Report
(5 copies)

cc w/encls:

Resident Inspector, RIII

Enclosure 1

Significant SALP Report findings for the Midland Nuclear Generating Station.

General Observations

The Board notes improvements in the overall Quality Assurance program at the Midland site. An indepth team inspection, performed in May of 1981, indicates that Consumers Power Company has established an effective organization for the management of QA/QC activities at the site. The numbers and qualifications of personnel in the QA/QC organization and the overview and audit functions performed were found to be above that normally found at other construction sites.

During the July 1, 1980 to June 30, 1981, evaluation period the Licensee's performance in resolving technical and quality issues in the installation of piping and piping suspension systems (particularly small bore piping), in the pulling of electrical cables and in the handling of soils and foundation problems was less than desired. The licensee's QA/QC capabilities were not fully and effectively utilized as expected in these specific areas to insure adequate preplanning and timely review and control of quality activities.

The licensee's performance in most other area's has been satisfactory and a significant improvement has been achieved in the licensee's resolution of the heating, ventilating, and air conditioning problems identified in the previous evaluation period (SALP 1).

In the less technical, administrative areas, regarding corrective actions and reporting, the licensee has frequently demonstrated an argumentative attitude in their responses to NRC enforcement issues. This has resulted in management meetings with the licensee, subsequent to the SALP evaluation period, for further discussion and clarification of this area. Should the licensee offer strong responsible management conviction to resolving the reporting and corrective action issues, a turn-around in these areas can be expected.

Functional Area

Piping System and Supports

During the evaluation period, weaknesses were identified in the implementation of the quality assurance program. An Immediate Action Letter was issued May 22, 1981, pertaining to the design control and issuances of drawings for the installation of small bore piping and support systems. While in the process of reviewing and resolving these concerns, the licensee was found in noncompliance in another area. This resulted in issuance of a letter of understanding by the licensee for the control of modifications to small bore piping drawings which do not have committed Preliminary Design Calculations.

Electrical Power Supply and Distribution

The licensee had embarked on an ambitious "pulling schedule" commencing half way through the evaluation period. Prior to this, the NRC had verbally advised the licensee to have adequate number and quality of QA and QC personnel available when escalated electrical installation activities commenced. Seven items of noncompliance identified during the evaluation period indicated a lack of rigorous QC coverage. Subsequently, the licensee has increased the rigor and frequency of overview inspections, performed a detailed audit pertaining to material storage and brought upper management's attention to the findings, and is presently inquiring into the adequacy of electrical QC coverage. Both NRC and licensee attention should be increased.

Soils and Foundations

There had been considerable activity in the soils and foundations area during the past three years. The enforcement history indicates a lack of attention to detail by the licensee and a continuing inability on the part of the licensee to successfully implement proposed resolutions of the soils settlement issues. This performance has resulted in several management meetings both in the NRC Headquarters offices and in the regional offices to discuss these matters and to delineate the NRC enforcement posture to the licensee.

These regulatory concerns primarily focusing on the limited QA/QC coverage provided have been expressed in the past during the taking of soil borings and installation of dewatering wells and similar concerns have been expressed during the earlier stages of the remedial soils work. Both NRC and licensee attention should be increased.