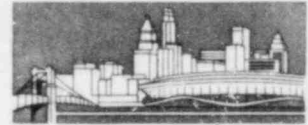


THE CINCINNATI GAS & ELECTRIC COMPANY



CINCINNATI, OHIO 45201

November 29, 1983
LOZ-83-0240

J. WILLIAMS, JR
SENIOR VICE PRESIDENT
NUCLEAR OPERATIONS

Docket No. 50-358

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

Attention: Mr. J.G. Keppler
Regional Administrator

Gentlemen:

RE: WM. H. ZIMMER NUCLEAR POWER STATION - UNIT 1
CG&E COURSE OF ACTION
W.O. 57300, JOB E-5590, FILE NO. 956C,

CG&E has reviewed the letter submitted to NRC Region III by Torrey Pines Technology dated November 16, 1983, which contains the TPT comments on the CG&E Course of Action. Attached is additional information which addresses the specific TPT comments.

Very truly yours,

THE CINCINNATI GAS & ELECTRIC COMPANY

By *J. Williams, Jr.*
J. WILLIAMS, JR.
SENIOR VICE PRESIDENT

GCF/sfr

cc: NRC Office of Inspection & Enforcement
Washington, D.C. 20555
NRC Resident Site Supervisor
ATTN: W.M. Hill
NRC Zimmer Project Inspector, Region III
ATTN: E. R. Schweibinz
NRC Office of Nuclear Reactor Regulation
ATTN: D.G. Eisenhut
L.L. Kintner

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Regional Administrator
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NRC Office of the Executive Legal Director
ATTN: Jim Lieberman

ATTACHMENT
(LOZ-83-0240)

TPT Comment:

"We have only one significant remaining concern. The proposed Assistant Vice President for Quality Assurance and the Manager of the Quality Assurance Department are only marginally qualified for these positions. This opinion is based on the qualifications presented in the Course of Action and the requirements of the ANSI/ANS 3.1. There is an apparent lack of a proven track record and experience in overall QA program management. We believe this experience will prove critical to successful continuation of Zimmer activities."

Response:

CG&E considers that Mr. Barry B. Scott, Assistant Vice President for Quality Assurance and Mr. James F. Shaffer, Manager Quality Assurance Department do meet the requirements of ANSI/ANS 3.1 and do possess impressive track records of the type CG&E management deems absolutely essential for the management of the resolution of the unusual Quality Assurance/Control activities at Zimmer.

Mr. Shaffer, who does meet the ANSI/ANS 3.1 requirements, was selected as Quality Assurance Manager because of his observed performance as the manager of the Quality Confirmation Program at Zimmer. He has excellent technical judgement and understanding of the regulations combined with the ability to select the right people, delegate detailed work activities, and provide supervision. He is a known quantity to the Senior Vice President for Nuclear Operations.

Mr. Scott, a known quantity to Mr. Frank Cole, Assistant Vice President, Nuclear Projects who came to CG&E from United

Engineers and Constructors, Inc. (UE&C), has precisely the credentials required. He is an outstanding engineer who since completing his formal education has been involved in nuclear engineering and design activities requiring a full appreciation of QA/QC implications. This outstanding performance and proven track record led UE&C to promote him to the position of Assistant Manager, Reliability and Quality Assurance responsible for the supervision of quality engineering relative to Welding, Materials Engineering, Corrosion Engineering, NDE, Codes and Standards, Vendor Surveillance and Operational QA. Major Nuclear Projects for which these activities were performed are Seabrook Station (Units 1 & 2) and Washington Public Power Supply System (WNP 1&4). He was responsible for and managed the activities of approximately 40 personnel in UE&C's large organization. In addition, he was deeply involved in the project quality problems, concerns and programs, including preparation of programs for acceptance by ASME Survey Teams.

At the time CG&E's Senior Vice President for Nuclear Operations started negotiating with Mr. Scott, he was under active consideration for the position of Manager Quality Assurance and it was with great difficulty that the President of UE&C was persuaded to assent to Mr. Scott's assignment to CG&E.

The Senior Vice President of Nuclear Projects, CG&E is satisfied that Mr. Scott, with his background in engineering, construction and quality assurance, will prove to be a much more effective head of the QA/QC organization than an individual with only a QA/QC background. This is demonstrated by his QA/QC performance at UE&C.

The QA/QC organizations have been staffed to provide truly in depth technical expertise and experience at the Director level. See the resumes of Messrs. Wald, Buck, Ranstrom, Smith, Spence, and Ibe. Three directors report to each of two Deputy Managers Mr. Loren O. Ramsett and Dr. L.D. Ibe, both of whom have impressive QA/QC technical and managerial track records. Thus we have an organization that is technically strong and experienced, headed by a Manager and an Assistant Vice President who have solid QA/QC and technical backgrounds and the management expertise required to get the most out of the organization.

NRC Region III in their review of the organization found the organization and staffing as described above to be acceptable.

TPT Comment:

1. TPT recommended formation of a central Administration Group. The major concern here was to integrate, standardize and centralize the functions of Program Planning and Scheduling, Management Information Systems and Document Control. CG&E

appears to have achieved this objective for two of these functions but has organizationally located them under the Nuclear Projects Group. However, the requirements for all records control are under the Manager of Administration and Training (Item 11-COA-Attachment 6) who reports to Mr. Crude;n. Construction Records Control will be centralized under the Nuclear Project Controls Department Manager who reports to Mr. Cole. This appears to be a division of responsibility in an area of extreme importance. There are advantages, as noted in the COA, to this arrangement. The disadvantages can be compensated for by having carefully assigned areas of responsibility, coordinated document listings and consistent procedures and formats.

Response:

CG&E is taking the actions suggested by TPT to compensate for the disadvantages. The areas of responsibility have been carefully defined in The Zimmer Project Quality Assurance Manual which has been issued. The coordinated document listings and consistent procedures and formats are under preparation in accordance with the defined responsibilities.

TPT Comment:

2. TPT recommended Licensing be combined under the Engineering Group. CG&E has created a separate organization, at the department level, reporting to the Sr. Vice President. As stated at the meeting, both forms of organizational structure are commonly and effectively utilized in the nuclear industry. There are advantages and disadvantages to each. The form proposed by CG&E allows more direct contact and overview by the Sr. Vice President, as acknowledged by Mr. Williams at the November 1 meeting. The disadvantages can be compensated for by careful management attention to coordination and careful management attention to coordination and careful technical review of all licensing actions and issues.

Response:

Licensing reports directly to the Senior Vice President in order to allow the CG&E organization to respond promptly to the NRC on licensing issues, with the necessary resources and priority of work. The organization was structured in this manner due to the nature of the work to be completed on the project and the close coordination which will be required between CG&E and NRC. All licensing submittals are reviewed by the appropriate Assistant Vice President(s) for technical accuracy.

TPT Comment:

3. TPT recommended that the AE/C Project Manager (Bechtel) report directly to the CG&E Zimmer Project Manager (Williams). CG&E has elected to have the Bechtel Project Director report to the Assistant Vice President - Nuclear Projects with an "access" organizational line directly to Williams. We expect that, in practice, Mr. Williams, based on his statements, will take an active role in Bechtel's project management activities, especially in relation to the quality verification program and the completion of construction. As such, TPT has no disagreement with the organizational arrangement selected, and given Williams' additional attention/action believes it will be stronger than the relationship TPT recommended.

Response:

CG&E agrees with this comment.

TPT Comment:

4. TPT recommended that Start-up Testing be part of Operations. CG&E put this function under Engineering. There are valid arguments for either approach. The CG&E organization raises the question of how operations will get full benefit from the

experience gained during start-up testing. This concern can be alleviated by making sure that operations people are intimately involved in planning, managing and executing the start-up testing program.

Response:

CG&E agrees with this comment. Operations personnel will be intimately involved in planning, managing and executing the start-up testing program.

TPT Comments:

5. TPT expressed concern that CG&E had previously not adequately monitored the technical activities of S&L and GE. CG&E's proposed Course of Action substantially increased their engineering staff in order to audit and verify the design control meets project requirements with particular attention provided to the technical activities of S&L and GE (Item 44-COA-Att. 6). However, the organizational relationship indicates project direction from Bechtel (Fig. 1) with an "access" relationship between CG&E Engineering and Bechtel in this area requires clarification, assuring that CG&E Engineering will be technically prepared to handle engineering responsibility when the plant goes into operation.

Response:

CG&E believes that its project organization will accomplish improved monitoring of S&L and GE sought by TPT while providing additional benefits.

TPT acknowledges that CG&E is substantially increasing its engineering staff, particularly of the Nuclear Engineering Department. However, to effect the substantial increase in personnel, provide the accompanying methods and procedures to

properly guide and control their work, and to train its people will require considerable time. During that time the Project Director (Bechtel) will provide the bulk of the everyday management of S&L and GE. CG&E's Nuclear Engineering Department will maintain oversight of engineering activities performed by other companies and will monitor the interface between Bechtel, Sargent & Lundy and General Electric. NED responsibilities will include review and approval of specified design documents and major engineering decisions. During this period, the management control by the Project Director (Bechtel) of the S&L and GE engineering activities will be stronger than if it had been performed by a developing CG&E Engineering organization.

As CG&E's permanent engineering organization increases its staff and develops its organizational methods, CG&E will manage and perform engineering activities for work that is not part of the PVQC or CCP. This relationship is explicitly shown on Course of Action Figure 2, Project Organization Chart. This non-PVQC/CCP activity will facilitate the development of CG&E engineering capability by providing actual engineering work for it to manage and perform.

Performance of non-PVQC/CCP work will demonstrate the actual capability of CG&E engineering and enable a measured assumption

of direct responsibility for additional engineering and engineering management tasks. This progressive assumption of responsibility consistent with CG&E's capability should ensure that CG&E will have sufficient control over engineering and experience for later engineering support of plant operation.

A further measure being taken is to obtain assistance from Stone and Webster, an experienced engineering organization, in developing CG&E's capability to perform engineering work.

The proposed CG&E organization thus better suits the CG&E organizational capabilities that will exist during the PVQC and CCP and provides advantages not contained in the TPT recommendation.

TPT Comment:

6. In the QA area, CG&E has been responsive to TPT's organizational recommendation that all QA activities report to an overall QA manager at the same level and status as other functions (Assistant Vice President). The suborganizations, although named differently, cover essentially the same functions as recommended by TPT.

Response:

CG&E agrees with this comment.