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10 CFR 21.21

October 15, 2013

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555-0001

SUBJECT: INTERIM 10 CFR PART 21 REPORT REGARDING DEVIATIONS OF SUPPLIED MATERIALS FOR MODULE ASSEMBLY

The attachment to this letter provides an interim report in accordance with 10 CFR 21.21 pertaining to the identification of deviations associated with supplied materials for module assembly being supplied as basic components. The material was transferred from CB&I Lake Charles module fabrication facility to Pegasus Steel for use in the fabrication of the wall module (CA-03) for the In-containment Refueling Water Storage Tank (IRWST) for V. C. Summer Units 2 and 3, nuclear project.

Evaluation of reportability in accordance with 10 CFR Part 21 was not completed within the 60-day evaluation period due to misinterpretation of what constitutes "delivery" of a basic component for material being transferred from one supplier to another. It has been concluded that a conservative interpretation of 10 CFR Part 21 requirements would consider the components transferred from CB&I Lake Charles module fabrication facility to Pegasus Steel as deemed to be "delivered" and hence deviations identified in that material would need to be evaluated in accordance with 10 CFR Part 21. It is currently expected that the evaluation of these conditions will be completed by December 9, 2013, which is 60 days from discovery of the failure to evaluate these conditions. The discovery date of the deviations ranges from July 18 to August 15, 2013.

If you have any questions pertaining to this information, please contact Curtis Castell, Licensing Manager, at 980-321-8314.

Sincerely,

Don DePierro
President, Nuclear Division
CB&I

cc: Regional Administrator, USNRC, Region II
Attachment

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NRO

INTERIM 10 CFR PART 21 REPORT REGARDING DEVIATIONS OF SUPPLIED
MATERIALS FOR MODULE ASSEMBLY

This report is being provided as an interim report in accordance with 10 CFR 21.21. The evaluation of reportability in accordance with 10 CFR Part 21 was not be completed within the 60 day evaluation period due to misinterpretation of what constitutes "delivery" of a basic component for material being transferred from one supplier to another.

(i) Name and address of the individual or individuals informing the Commission.

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(ii) Identification of the facility, the activity, or the basic component supplied for such facility or such activity within the United States which fails to comply or contains a defect.

No basic components have been determined to fail to comply or contain a defect. This is an interim report. The deviations that are being evaluated are associated with supplied material for the wall module (CA-03) for the In-containment Refueling Water Storage Tank (IRWST) for V. C. Summer Units 2 and 3, nuclear project. These deviations were identified on material that is still in process of fabrication.

(iii) Identification of the firm constructing the facility or supplying the basic component which fails to comply or contains a defect.

No basic components have been determined to fail to comply or contain a defect. This is an interim report. The deviations that are being evaluated are associated with supplied material for the wall module (CA-03) for the IRWST for V. C. Summer Units 2 and 3, nuclear project and that material was supplied by CBI Lake Charles, 3191 West Lincoln Rd., Lake Charles, LA 70605.

(iv) Nature of the defect or failure to comply and the safety hazard which is created or could be created by such defect or failure to comply.

No basic components have been determined to fail to comply or contain a defect. This is an interim report. The deviations that are being evaluated are associated with supplied material for the wall module (CA-03) for the IRWST for V. C. Summer Units 2 and 3, nuclear project. The nonconformance reports identify the following conditions: Corrosion, three painted items that were not required to be painted, some instances of unremoved heat affected zones of thermally cut material, one piece of plate steel that did not conform to flatness tolerance, and some gouges in base metal for two plates in excess of allowed values. These deviations are currently judged to be sufficiently minor that it is not expected they would result in the creation of a defect; however evaluation of these conditions has not been completed.

(v) The date on which the information of such defect or failure to comply was obtained.

The discovery date of the deviations ranges from July 18 to August 15, 2013, based on the initiation dates of CB&I AP1000 Project Nonconformance & Disposition reports.

(vi) In the case of a basic component which contains a defect or fails to comply, the number and location of these components in use at, supplied for, being supplied for, or may be supplied for, manufactured, or being manufactured for one or more facilities or activities subject to the regulations in this part.

No basic components have been determined to fail to comply or contain a defect. This is an interim report. The deviations that are being evaluated are associated with supplied material for the wall module (CA-03) for the IRWST for V. C. Summer Units 2 and 3, nuclear project.

(vii) The corrective action which has been, is being, or will be taken; the name of the individual or organization responsible for the action; and the length of time that has been or will be taken to complete the action.

The material that has been (and is continuing to be) transferred from CB&I Lake Charles module fabrication facility to Pegasus Steel is being thoroughly inspected to ensure conformance with specified requirements for this material. Discovered deviations are being documented and resolved, as required, in accordance with the applicable procedures for identification of nonconforming conditions.

Evaluation of reportability in accordance with 10 CFR Part 21 was not completed within the 60 day evaluation period due to misinterpretation of what constitutes "delivery" of a basic component for material being transferred from one supplier to another. It has been concluded that a conservative interpretation of 10 CFR Part 21 requirements would consider the components transferred from CB&I Lake Charles module fabrication facility to Pegasus Steel as deemed to be "delivered" and hence deviations identified in that material would need to be evaluated in accordance with 10 CFR Part 21. It is currently expected that the evaluation of these conditions will be completed by December 9, 2013, which is 60 days from discovery of the failure to evaluate these conditions. The circumstances pertaining to the misinterpretation of what constitutes "delivery" have been entered into the CB&I corrective action program for determination of any needed corrective actions.

(viii) Any advice related to the defect or failure to comply about the facility, activity, or basic component that has been, is being, or will be given to purchasers or licensees.

None.

(ix) In the case of an early site permit, the entities to whom an early site permit was transferred.

Not applicable.