



VALVE DIVISION

DRESSER EQUIPMENT GROUP, INC.
A Halliburton Company

La Hwy. 3225 @ U.S. Hwy. 167 N. • P.O. Box 1430 Alexandria, Louisiana 71309-1430 • Ph. 318/640-2250 • Fx: 318/640-6222 • CABLE: DIVID. TELEX: 58-6423

April 14, 2000

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

Subject: Dresser Valve Division, Dresser Equipment Group, Inc.
10 CFR Part 21 Notification, Dresser Investigation File No. 2000-01
Reporting of a noncompliance involving Safety Relief Valves supplied to Duke Energy Corporation and Commonwealth Edison Company

Gentlemen:

The following noncompliance has been determined to be reportable within the requirements of 10 CFR Part 21. The noncompliance situation involves the delivery of two Safety Relief Valves to Nuclear Utilities for Nuclear Safety Related service that had Valve Bonnets produced from improperly upgraded castings. The valves affected by this situation are as follows:

- 1) Safety Relief Valve, SN TL-89763 -- 1" 1970-2 (1-1-1-2)-XNC3116 (Code Stamped as Section VIII, Safety Related Service)

This valve was supplied to Commonwealth Edison Company per their Purchase Order 42I091(Dresser SO 18-56188-0) for their Quad Cities Station #4 in October 1999.

- 2) Safety Relief Valve, SN TL-66815 - 1" 1970-2(3-1-3-2)-XFL9-NC3090 (Code Stamped as Section III, Class 2)

This valve was supplied to Duke Energy Corporation per their Purchase Order MN39136 (Dresser SO 18-45913-0) for their McGuire Nuclear Station in April 1999.

Noncompliance Situation and Brief History

On Monday afternoon, April 10, 2000, during the review of documentation for a Nuclear Safety Related valve in process at our facility, we discovered that our casting supplier did not properly upgrade the bonnet staged for assembly of this valve. The mechanical properties of the steel were not verified after the heat treatment phase of the upgrading process.

We began our investigation and found the following circumstances that contributed to this situation:

- 1) The supplier of these castings approved for producing and upgrading castings for Nuclear Safety Related Service quit producing castings by the shell molding process and the casting patterns were transferred to a commercial foundry.
- 2) Commercial castings were then sent by the Dresser Valve Division, Alexandria facility to the supplier approved for producing and upgrading Nuclear Safety Related Castings with instructions for the castings to be upgraded.

IE19

Subject: Dresser Valve Division, Dresser Equipment Group, Inc.
10 CFR Part 21 Notification, Dresser Investigation File No. 2000-01
Reporting of a noncompliance involving Safety Relief Valves supplied to Duke Energy Corporation and Commonwealth Edison Company

- 3) The purchase orders for these castings did not reflect instructions for upgrade, but rather read as if we were buying the Nuclear Class castings from this supplier. The castings used for this effort were not certifiable as being free of weld repairs nor were they supported by test bars for use in verifying the mechanical properties after final heat treatment.
- 4) The Alexandria Inspection department received and inspected the castings but failed to detect the discrepancy during the production operations prior to Monday, April 10, 2000.
- 5) On Tuesday, April 11, 2000, we determined that two valves referenced earlier in this report had been processed using these castings and were delivered to customers for use in Nuclear Safety Related Service. At this point, we opened an investigation per the requirements of US Code of Federal Regulations, Title 10 CFR, Part 21.

We have conducted a full review of our records and have determined that this situation is isolated to the two valves referenced earlier in this report and have contacted the customers and are initiating recall actions as of this writing. Both valves in question were still in the customer's warehouses and had not been installed in the Safety Related Service applications.

Corrective actions are being initiated to address the internal and external issues and the details will be provided in our closure report due upon completion of our investigation into the causes of this situation.

Sincerely,



J. R. Fentem
Vice President, Operations

cc: R. D. Danzy – Vice President, Product Development
C. J. Hensley – Director, Manufacturing
J. W. Longmire – Manager, Quality & Field Service
R. H. Nichols – Manager, Inside Sales
D. K. Sharma – Supervisor, Applications Engineering
R. S. Huffman – Sr. Applications Engineer (Nuclear Products)
T. W. Barnes – Manager, Warranty Administration
J. P. Watz – Quality Engineer (10CFR21 Investigations)

General Information or Other (PAR)

Event # 36890

Rep Org: DRESSER EQUIPMENT GROUP, INC.		Notification Date / Time: 04/14/2000 15:48 (EDT)	
Supplier: DRESSER VALVE DIVISION		Event Date / Time: 04/11/2000 12:00 (CDT)	
Last Modification: 04/14/2000			
Region: 4		Docket #:	
City: Alexandria		Agreement State: Yes	
County:		License #:	
State: LA			
NRC Notified by: J. R. FENTERN		Notifications: CHARLES PAULK	R4
HQ Ops Officer: JOHN MacKINNON		CHRIS CHRISTENSEN	R2
Emergency Class: NON EMERGENCY		PATRICK HILAND	R3
10 CFR Section:		VERN HODGE	NRR
21.21	UNSPECIFIED PARAGRAPH		

VALVE BONNETS PRODUCED FROM IMPROPERLY UPGRADED CASTINGS.

The following noncompliance has been determined to be reportable within the requirements of 10 CFR Part 21. The noncompliance situation involves the delivery of two Safety Relief Valves to Nuclear Utilities for Nuclear Safety Related service that had Valve Bonnets produced from improperly upgraded castings. The valves affected by this situation are as follows:

1) Safety Relief Valve, SN TL-89763 - 1" 1970-2 (1-1-1-2)-XNC3116 (Code Stamped as Section VIII, Safety Related Service)

This valve was supplied to Commonwealth Edison Company per their Purchase Order 42I091(Dresser SO 18-56188-0) for their Quad Cities Station #4 in October 1999.

2) Safety Relief Valve, SN TL-66815-1" 1970-2(3-1-3-2)-XFL9-NC3090 (Code Stamped as Section III, Class 2)

This valve was supplied to Duke Energy Corporation per their Purchase Order MN39136 (Dresser SO 18-45913-0) for their McGuire Nuclear Station in April 1999.

Noncompliance Situation and Brief History

On Monday afternoon, April 10, 2000, during the review of documentation for a Nuclear Safety Related valve in process at our facility, we discovered that our casting supplier did not properly upgrade the bonnet staged for assembly of this valve. The mechanical properties of the steel were not verified after the heat treatment phase of the upgrading process.

We began our investigation and found the following circumstances that contributed to this situation:

1) The supplier of these castings approved for producing and upgrading castings for Nuclear Safety Related Service quit producing castings by the shell molding process and the casting patterns were transferred to a commercial foundry.

General Information or Other (PAR)

Event # 36890

2) Commercial castings were then sent by the Dresser Valve Division, Alexandria facility to the supplier approved for producing and upgrading Nuclear Safety Related Castings with instructions for the castings to be upgraded.

3) The purchase orders for these castings did not reflect instructions for upgrade, but rather read as if we were buying the Nuclear Class castings from this supplier. The castings used for this effort were not certifiable as being free of weld repairs nor were they supported by test bars for use in verifying the mechanical properties after final heat treatment.

4) The Alexandria Inspection department received and inspected the castings but failed to detect the discrepancy during the production operations prior to Monday, April 10, 2000.

5) On Tuesday, April 11, 2000, we determined that two valves referenced earlier in this report had been processed using these castings and were delivered to customers for use in Nuclear Safety Related Service. At this point, we opened an investigation per the requirements of US Code of Federal Regulations, Title 10 CFR, Part 21.

We have conducted a full review of our records and have determined that this situation is isolated to the two valves referenced earlier in this report and have contacted the customers and are initiating recall actions as of this writing. Both valves in question were still in the customer's warehouses and had not been installed in the Safety Related Service applications.

Corrective actions are being initiated to address the internal and external issues and the details will be provided in our closure report due upon completion of our investigation into the causes of this situation.
