

degussa.

Construction Chemicals Americas

ChemRex Inc.

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Konrad Wernthaler
V.P. of Technology

May 7, 2001

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

Re: Final Disposition of Embeco 636 (CMTR) Grout Potential Nonconformance

To Whom It May Concern:

This letter is written to provide you with a summary of the final disposition of the Embeco 636 (CMTR) Grout nonconformance reported by SKW-MBT Management in January 2001.

Attached please find a letter of notification that was mailed to the affected nuclear utilities. It summarizes the nature of the reported nonconformance, suspected cause and actions to prevent reoccurrence. Because we can no longer purchase some of the raw materials used to make this product, we have not been able to determine exactly what caused the problem. We feel that the long-term solution is to reformulate this grout for better performance and shelf life characteristics.

The matter was discussed with representatives from FirstEnergy Nuclear Operating Company during a NUPIC audit last month. The discussions centered on our plans for introducing a new product. The auditors spent considerable time reviewing our methods of design and control of new products paying particular attention to the new Embeco 636 Plus (CMTR) Grout. A letter introducing the new product will be sent this month. At that time, samples of the new grouts will be available for testing by interested nuclear utilities.

We are issuing the attached letter to try to bring this issue to an end. It will be mailed to the same utilities that received the initial notification in January.

Also attached is a letter discussing our latest company name change. This letter will clarify why the initial notification came from SKW-MBT Management but this final letter comes from Degussa Construction Chemicals.

If you have any questions or need additional information, please contact Alice McFarland at 216-831-5500. If needed, I can be reached at 952-496-6369.

Respectfully,



Konrad Wernthaler
Vice President, R&D and Technology
Degussa Construction Chemicals
(Formerly SKW-MBT Management, Inc.)

IE19

April 30, 2001

Company Name
Address
City and State

Attention:

RE: Final Disposition of Embeco 636 (CMTR) Grout Potential Nonconformance

Dear Mr.

This letter summarizes the final disposition of the Embeco 636 (CMTR) Grout nonconformance reported by SKW-MBT Management in January, 2001.

Nature of the Initial Observations

To ensure the continued quality of products, last fall samples of our stock of Embeco 636 (CMTR) that were late in their shelf life were reanalyzed by our Quality Control Department. When mixed to a fluid consistency, the sample that was tested showed some frothing and segregation. These observations were confirmed by tests run by R&D of other, late in shelf-life lots of material.

Definition of Terms – Segregation

Segregation is defined as the separation of the ingredients of the grout after mixing with water; in an unhardened state, the grout will not remain homogeneous. Segregation does not occur after hardening of the grout. In the unhardened grout, segregation could lead to weak surfaces and loss of contact between the grout surface and the underside of whatever it is supposed to support.

Suspected Cause

We have been unable to determine exactly what caused the problem. Since we can no longer purchase some of the raw materials used to make this product, we were unable to reconstruct the problem. Based on general knowledge of the grout chemistries, we believe it possible that the cause may have been the aging of one of the components in this grout.

Actions to Prevent Reoccurrence

Our initial response to the identification of this issue was to halt immediately all shipments of Embeco 636 (CMTR) Grout. For our customers from the nuclear power industry who needed a metallic aggregate grout, we have recommended an alternate product, Embeco 885 (CMTR) Grout.

Our long-term solution is to reformulate this grout for better performance and shelf life characteristics. Embeco 636 Plus (CMTR) Grout has been tested by an independent laboratory. It met the performance requirements of ASTM C1107-99 and CRD-C 621-83, the Standard Specifications for Packaged, Dry Hydraulic-Cement Grout (Nonshrinkable). The new product will be available shortly. We will be sending all customers who purchase Embeco 636 CMTR Grout a letter introducing the new, improved product.

When the new product and the related product Masterflow 713 Plus (CMTR) Grout are introduced, we will make and test them at the Streetsboro, Ohio plant. After this change, all CMTR Grouts will be made and tested in Streetsboro, they will be shipped either from this plant or from the Aurora, Ohio warehouse.

I hope that this information is helpful to you. Please review this letter and let me know if any additional actions need to be taken. Unless we hear to the contrary, we will consider this matter closed.

If you have any questions or comments, I can be reached at 216-831-5500, extension 2343.

Sincerely,

Alice McFarland
Manager, Quality Assurance
Degussa Construction Chemicals
(Formerly SKW-MBT Management, Inc.)

April 30, 2001

Subject: Company Name Change

Dear Valued Customer:

Because you purchase nuclear safety-related products from ChemRex, Inc. and because you need to keep your approved vendor lists up to date, I wanted to let you know about the latest company merger and reorganization. SKW-MBT Management is part of a large European conglomerate that merged last year with Degussa-Hüls part of another large European conglomerate. The new company will be known as Degussa.

In the region of the Americas, that part of Degussa that is concerned with construction chemicals will be known as Degussa Construction Chemicals. Degussa Construction Chemicals is the largest construction chemical company in the Americas.

As a result of these changes, the following names have changed:

- Effective April 17, 2001 Degussa Construction Chemicals, Inc. replaced SKW-MBT Management, Inc.
- Effective April 17, 2001 Degussa Construction Chemicals Operations, Inc. replaced SKW-MBT Operations, Inc.

The following names have NOT changed.

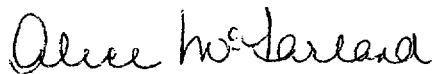
- ChemRex, Inc., a division of Degussa Construction Chemicals, continues to sell grouts and repair products including nuclear safety related products.
- Product names are unchanged. You can still purchase Embecco and Masterflow grouts from ChemRex as you have for the past year.

Nuclear safety related products will be made and tested at our Streetsboro, OH location. Although the company is now called Degussa Construction Chemicals Operations instead of SKW-MBT Operations, the location, people and quality programs have NOT changed.

Nuclear safety related products can be purchased from ChemRex. The order entry location will continue to be in Shakopee, MN. There is NO change in how you order products.

If you have any questions about this name change, please feel free to call me at 216-831-5500, extension 2343. You can also contact Steve Peterson of ChemRex at 800-243-6379, extension 6047.

Sincerely,



Alice McFarland
Manager, Quality Assurance
Degussa Construction Chemicals

Letter was distributed to the following list:

Toledo Edison Co.
Davis Besse Mail Stop 1056
5501 North State Route 2
Oak Harbor, OH 43449
Attn: Plant Engineering Manager

The Toledo Edison Co.
300 Madison Ave.
Toledo, OH 43652

Mail Stop 61990
Attn: Matt Lewczynski, Quality Assurance

PECO Energy Co.
Manager, Licensing Section
Correspondence Control Desk
P.O. Box 195
Wayne, PA 19087

PECO Energy Co.
Limerick Generating Station
Storeroom 348/90 179184
Evergreen & Sanatoga Rd.
Pottstown, PA 19464
Attn: Dennis Kelly

PECO Energy Co.
Limerick Generating Station
Mail Code SMB2-5
Evergreen & Sanatoga Road
Pottstown, PA 19464-0920
Attn: Bill Bradley,
Corporate Nuclear Quality Division

Carolina Power & Light Company
Manager – Performance Evaluation
& Regulatory Affairs
Box 1551
Raleigh, NC 27602

Carolina Power & Light Company
Department Manager
Robinson Nuclear Project
SC HWY 151 & 23, Box 790
Hartsville, SC 29550

Carolina Power & Light Co.
Harris Nuclear Plant
CRDF 17A
5413 Shearon-Harris Rd.
New Hill, NC 27562
Attn: Donald R. Elias

American Electric Power
Nuclear Generation Group
500 Circle Dr.
Buchanan, MI 49107
Attn: Manager, Nuclear Licensing

American Electric Power
Nuclear Generation Group
One Cook Place
Mail Zone 15, Complex 1
Bridgman, MI 49106
Attn: Joe Nowak

Duquesne Light Company
Beaver Valley Power Station
P.O. Box 4
Shippingport, PA 15077
Attn: Director of Safety & Licensing

FENOC
Duquesne Light Co.
P.O. Box 4, 8V-ISI
Shippingport, PA 15077
Attn: Cal Shannon, Quality Assurance

Bechtel Power Co.
5325 Spectrum Drive
Frederick, MD 21703-7339
Attn: Dan Williams

Bechtel Power Corp.
7430 New Technology Way
Frederick, MD 21703
Attn: John Salasky F21A10

Quality Assurance Manual – Distribution List



Order No.	Order Date	Customer Order No.	Ship To:	Notification To:	QA Manual Distribution
162682	07/13/99	7012308	First Energy The Toledo Edison Co. Davis-Besse Power Station 5501 North State Route 2 Oak Harbor, OH 43449	Toledo Edison Co. Davis Besse Mail Stop 1056 5501 North State Route 2 Oak Harbor, OH 43449 Attn: Plant Engineering Manager	The Toledo Edison Co. 300 Madison Ave. Toledo, OH 43652 Mail Stop 6190 Matt Lewczynski Quality Assurance
166805 179177 50266715	07/27/99 09/03/99	ET14245 ET14245 90-181002	PECO – Peach Bottom Power Plant Storeroom 387 1848 Lay Road Delta, PA 17314	PECO Energy Co. Manager, Licensing Section Correspondence Control Desk PO Box 195 Wayne, PA 19087	PECO Energy Co. Limerick Generating Station Mail Code SMB2-5 Evergreen & Sanatoga Roads Pottstown, PA 19464-0920
173391 173399 50228421	08/17/99 08/17/99	90 175084 90 175084 90-179184	Limerick Generating Station Storeroom #348 Evergreen & Sanatoga RD Pottstown, PA 19464	PECO Energy Co. Limerick Generating Station Storeroom 348/90 179184 Evergreen & Sanatoga RD Pottstown, PA 19464 Attn: Dennis Kelly	Bill Bradley Corporate Nuclear Quality Division
171887	08/11/99	1010083	Carolina Power and Light Robinson Plant 3581 W. Entrance/Hwy 151 Hartsville, SC 29550	Carolina Power & Light Company Manager – Performance Evaluation & Regulatory Affairs Box 1551 Raleigh, North Carolina 27602 Carolina Power & Light Company Department Manager Robinson Nuclear Project SC HWY 151 & 23, Box 790 Hartsville, SC 29550	Carolina Power & Light Co. Harris Nuclear Plant CRDF17A 5413 Shearon-Harris Rd. New Hill, NC 27562 Donald R. Elias
185926 50207340	09/28/99	NU04- 000000301 0 NU04- 000000599 6	American Electric Power Cook Nuclear Plant Storeroom One Cook Place Bridgman, MI 49106	American Electric Power Nuclear Generation Group 500 Circle Dr. Buchanan, MI 49107 Attn: Manager, Nuclear Licensing	American Electric Power Nuclear Generation Group One Cook Place Mail Zone 15, Complex 1 Bridgman, MI 49106 Joe Nowak

Order No.	Order Date	Customer Order No.	Ship To:	Notification To:	QA Manual Distribution
189049	10/07/99	100823	Duquesne Light Company Beaver Valley Power Station 200 State Route 3018 Shippingport, PA 15077	Duquesne Light Company Beaver Valley Power Station PO Box 4 Shippingport, PA 15077 Attn: Director of Safety & Licensing	FENOC Duquesne Light Co. PO Box 4, BV-ISI Shippingport, PA 15077 Jeffrey Reed CAL SHANNON Quality Assurance
198277	11/05/99	27468	Bechtel Power Corporation C/O Cook Nuclear Station One Cook Place Bridgman, MI 49106	Bechtel Power Co. 5325 Spectrum Drive Frederick, MD 21703-7339 Attn: Dan Williams	Bechtel Power Corp. 7430 New Technology Way Frederick, MD 21703 John Salasky F21A10