

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR REACTOR REGULATION
WASHINGTON, D. C. 20555

August 9, 1991

NRC INFORMATION NOTICE NO. 91-48: FALSE CERTIFICATES OF CONFORMANCE PROVIDED BY WESTINGHOUSE ELECTRIC SUPPLY COMPANY FOR REFURBISHED COMMERCIAL-GRADE CIRCUIT BREAKERS

Addressees:

All holders of operating licenses or construction permits for nuclear power reactors.

Purpose:

This information notice is intended to alert licensees to problems in the dedication for safety-related use of Westinghouse molded-case circuit breakers (MCCBs) obtained from the Westinghouse Electric Supply Company (WESCO) and supplied to the Peach Bottom Atomic Power Station (Peach Bottom) by Spectrum Technologies USA, Incorporated (Spectrum). This information notice is intended to alert licensees to the possibility that MCCBs previously obtained from WESCO or Spectrum may have been unqualified and subsequently dedicated for safety-related service without an adequate basis.

It is expected that recipients will review this information for applicability to their facilities and consider actions, as appropriate, to avoid similar problems. However, suggestions contained in this information notice do not constitute NRC requirements; therefore, no specific action or written response is required.

Description of Circumstances:

In April 1988, WESCO of Albany, New York, supplied 250 MCCBs to Spectrum of Schenectady, New York. Spectrum dedicated these commercial-grade items on the basis of independent testing and the certificates of conformance (CoCs) it received from WESCO. During receipt inspection testing, Peach Bottom determined that the MCCBs were not new and had been refurbished. The NRC conducted an inspection and investigation of Spectrum and WESCO in 1988 and 1989. During these efforts, the NRC identified that the MCCBs provided to Peach Bottom were reconditioned and not new equipment as specified in the purchase order. Although the purchase order from Spectrum to WESCO specifically required new equipment and CoCs, WESCO purchased the MCCBs from a subvendor which dealt mainly in reconditioned equipment and provided these reconditioned MCCBs to Spectrum with falsified CoCs that certified that they were new equipment. In addition, the investigation identified that WESCO ordered Westinghouse labels from the subvendor in order to label the shipping boxes that lacked labels.

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Spectrum performed the dedication inspection and testing to demonstrate the adequacy of the MCCBs from WESCO. However, the validity of this testing depended on the MCCBs being new equipment. Spectrum's failure to verify the accuracy or the validity of the CoCs resulted in Spectrum accepting fraudulent CoCs and providing reconditioned (as opposed to new) MCCBs to Peach Bottom. The NRC concluded that the information that Spectrum provided during discussions with NRC staff was not accurate or complete. Spectrum has stated it misunderstood the NRC questions and did not intend to mislead the NRC. However, the NRC concluded that the questions were simple and clearly stated. Spectrum has, as part of their corrective actions, now stated, under oath, that it will continue to provide accurate and complete information to licensees and the Commission concerning the procurement and dedication of components for use in nuclear power plants.

As part of Westinghouse's corrective action, Westinghouse has strengthened its corporate policy to require that dedication services be performed under the direction and supervision of the Energy Systems Business Unit and to require notices on commercial-grade products to ensure that customers are not misled in any way by the documentation for commercial-grade products. In addition, WESCO will include notices in future proposals and product literature stating that these products may not be suitable for use in nuclear plants and that published information should not be relied upon as the basis for dedicating commercial-grade products for use in nuclear safety-related applications.

Discussion:

In Bulletin 88-10, "Nonconforming Molded-Case Circuit Breakers," the NRC discussed its concern that the reliability and capability of refurbished MCCBs purchased as commercial-grade items for later upgrading to safety-related applications may not meet the minimum commercial-grade standards. In Bulletin 88-10, the NRC concluded that MCCBs that were purchased from the circuit breaker manufacturer (CBM), or that can be traced to the CBM, are of lesser concern than other MCCBs because circuit breakers from the CBM, whether safety-related or commercial-grade, are manufactured under controlled conditions to conform to a proven design. These controls provide reasonable assurance that improperly refurbished components have not been introduced and passed through the upgrading process.

In Bulletin 88-10, the NRC also requested that licensees provide reasonable assurance that MCCBs purchased for use in safety-related applications without verifiable traceability to the CBM will perform their safety function. The bulletin defined verifiable traceability as required documented evidence such as a CoC that established the traceability of purchased equipment to the CBM. If the CoC was provided by any party other than the CBM, the validity of the certificate was required to be verified by the licensee or permit holder through an audit or other appropriate means. This example of WESCO's past practice of repurchasing Westinghouse components, some of which were used and refurbished, from outside sources for resale in the commercial market underscores the importance of verifying the traceability of equipment to the CBM. In addition, this example demonstrates the importance of taking adequate measures to ensure the validity of certifications that licensees and their vendors depend upon from commercial-grade subvendors as a basis for dedicating equipment for safety-related use.

The past actions of Westinghouse and Spectrum in this case indicate that the previous licensee actions in response to Bulletin 88-10 may have been inadequate if the licensee depended upon unverified certifications to demonstrate the traceability of its MCCBs to the CBM. Although both Westinghouse and Spectrum have implemented corrective actions to preclude the recurrence of these events, licensees may wish to review their previous procurements of MCCBs or other components, particularly those involving WESCO or Spectrum, to confirm that the equipment is acceptable and that they have verifiable traceability of the MCCBs to the CBM. In addition, licensees may wish to examine the adequacy of any applicable audits and their specific audit procedures to ensure that their vendors are adequately verifying the validity of subvendor certifications. The NRC requires high standards of quality for items supplied to licensees. To achieve this high standard, the licensees and ultimately the NRC must depend to a large degree upon the accuracy of the information provided to them by vendors and indirectly by subvendors. Therefore, the NRC expects complete candor and cooperation from the vendors that procure or supply safety-related equipment for nuclear power plants.

This information notice requires no specific action or written response. If you have any questions about this matter, please contact the technical contact listed below or the appropriate Office of Nuclear Reactor Regulation (NRR) project manager.

Charles E. Rossi

Charles E. Rossi, Director
Division of Operational Events Assessment
Office of Nuclear Reactor Regulation

Technical Contact: Randolph N. Moist
(301) 492-0981

Attachment: List of Recently Issued NRC Information Notices

LIST OF RECENTLY ISSUED
NRC INFORMATION NOTICES

Information Notice No.	Subject	Date of Issuance	Issued to
91-47	Failure of Therm-Lag Fire Barrier Material to Pass Fire Endurance Test	08/06/91	All holders of OLs or CPs for nuclear power reactors.
89-56, Supp. 2	Questionable Certification of Material Supplied to the Defense Department by Nuclear Suppliers	07/19/91	All holders of OLs or CPs for nuclear power reactors.
91-46	Degradation of Emergency Diesel Generator Fuel Oil Delivery Systems	07/18/91	All holders of OLs or CPs for nuclear power reactors.
91-45	Possible Malfunction of Westinghouse ARD, BFD, and RBFD Relays, and A200 DC and OPC 250 Magnetic Contactors	07/05/91	All holders of OLs or CPs for nuclear power reactors.
91-44	Improper Control of Chemicals in Nuclear Fuel Fabrication	07/08/91	All nuclear fuel facilities.
91-43	Recent Incidents Involving Rapid Increases in Primary-to-Secondary Leak Rate	07/05/91	All holders of OLs or CPs for pressurized-water reactors (PWRs).
91-42	Plant Outage Events Involving Poor Coordination Between Operations and Maintenance Personnel During Valve Testing and Manipulations	06/27/91	All holders of OLs or CPs for nuclear power reactors.
91-41	Potential Problems with The Use of Freeze Seals	06/27/91	All holders of OLs or CPs for nuclear power reactors.
88-53, Supp. 2	High Radiation Hazards from Irradiated Incore Detectors and Cables	06/25/91	All holders of OLs or CPs for nuclear power reactors, research reactors, and test reactors.

OL = Operating License
CP = Construction Permit

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