

~~SENSITIVE ALLEGATION MATERIAL~~

MEMORANDUM TO: Robert O'Connell
Senior Allegation Coordinator, NMSS

FROM: J. Heller
Senior Allegation Coordinator, RIII *JH* 2/20/02

SUBJECT: TRANSFER OF CONCERNS 1 AND 8 OF ALLEGATION FILE RIII-2002-A-0005 TO NMSS (SPENT FUEL OFFICE)

The purpose of this letter is to transfer concerns 1 and 8 of Allegation File RIII-2002-A-0005 from Region III to NMSS.

Attached is a listing of concerns discussed at a Region III ARB on 2/4/02. The ARB chairman (Cindy Pederson) stated that

1. concerns 7 and 10 should be closed in the next status letter;
2. concerns 2, 3, 4, 5, 6, and 9 should be evaluated by RIII-DRS; and
3. concerns 1 and 8 should be referred to the spent fuel office because the concerns were not unique to a Region III facility.

I have closed concerns 7 and 10 and transferred concerns 2, 3, 4, 5, 6, and 9 to RIII-DRS.

I have attached a copy of the initial ARB, acknowledgment letter, and the background information. As we agreed during our February 20, 2002 phone call, when you accept concerns 1 and 8 I will inform the concerned individual of the transfer and provide your name as his new point of contact.

Attachments: As stated

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Information in this record was deleted
in accordance with the Freedom of Information
Act, exemptions outside scope
FOIA- 2003-395

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Concern 1:

You stated that a vendor modified spent fuel storage casks during the fabrication process by making repairs and/or accepted discrepancies "as is" without obtaining the required review and approval of the cask designer. You are concerned that this was contrary to Exelon's (ComEd) procedures.

Concern 2:

You were concerned that a stop work issued by the Exelon's Quality Assurance (QA) program to a vendor (G-E) was lifted in November 1997 based on a vendor's promises rather than a verification that the underlying problems had been corrected.

Concern 3:

You were concerned that Exelon violated its QA program, when it continued to obtain services from a vendor (G-E) while a stop work (issued by the Exelon QA program to the vendor) was in effect from August 1997 to November 1997.

Concern 4:

You are concerned that Oliver Kingsley, an Exelon senior executive, was not competent and not qualified. This is based on the fact that Mr. Kingsley is responsible for production as well as QA, which is a conflict of interest.

Concern 5:

You are concerned that the head of the Supplier Evaluation Section was not qualified (based on education or experience) for this supervisory position.

Concern 6:

You stated that the Exelon QA program requires monthly updates from a vendor while a stop work was in effect. You are concerned that the monthly updates were not provided by a vendor (G-E) when the stop work order was in effect from August 1997 to November 1997.

Concern 7:

You were concerned that four employees were the subject of discrimination for supporting the "stop work" issued in 1997 by the Exelon QA organization to a vendor (G-E).

Concern 8:

You are concerned about the inadequate QA/QC oversight by the spent fuel storage cask design organization over the spent fuel storage cask fabricator and that this inadequate oversight has resulted in indeterminate quality and the structural integrity of the casks. You stated that the fabricator's disposition of nonconformance condition as "use-as-is," "rework," and "repair" was a violation of the QA program for design control as specified in 10 CFR 71 and 10 CFR 72. You stated that "use-as-is" and "repair" dispositions are design changes and should be evaluated and documented by engineering analysis. In addition, the fabricator dispositioned many nonconformance conditions under its QA Program without the design

