

**ALLEGATION BRIEFING SHEET**  
Prepared by: Paul P. Narbut 4/3/02

**FACILITIES/ORGANIZATIONS:** Holtec International, Marlton NJ  
US Tool and Die, Pittsburgh PA  
Exelon (ComEd) Corp.,

**STATEMENT OF ALLEGATION(S)/CONCERN(S):**

Region III letter to NMSS characterized **Allegation 1** as: "You stated that a vendor" ....(US Tool and Die)... "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"... (Holtec)... "You were concerned that this was contrary to Exelon's (ComEd) procedures".

The allegeder's description of the allegation included: ....ComEd should have documentation of their review of the dry cask storage dispositions of Use-as-is and Repair that Holtec was sending to them.

Region III letter to NMSS characterized **Allegation 8** as: "You are concerned about the inadequate QA/QC oversight by the spent fuel storage cask design organization" (Holtec)... "and that this inadequate oversight has resulted in indeterminate quality and 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 use-as-is and repair dispositions are design changes and should be evaluated and documented by engineering analysis. In addition, the fabricator dispositioned nonconformance conditions under its QA program without the design organizations consent".

The allegeder's description of the allegation included: " I suspect whether Mr. Soler of Holtec performed any design reconciliation and documentation for all the drycask storage containers and associated parts impacted by disposition of use-as-is, repair, and rework at UST&D that were already built and delivered to nuclear plants.

**BACKGROUND:**

The allegeder made contact with Region III. Region III initiated Allegation File RIII-2002-A-005 which consisted of 10 allegations. Allegations 1 and 8, described above were assigned to SFPO.

SFPO performed a routine inspection of US Tool and Die in February 2002. During that inspection the team examined the question of repair, rework, and use-as-is dispositions for CY 2001 and found the area adequate. SFPO did not look at the NCR dispositions or procedures in place at the times cited in the allegation, i.e. 1999-2000.

**POTENTIAL SAFETY SIGNIFICANCE:** Medium

**Basis:** If technically inadequate changes were made to the casks fabricated and delivered to licensees for spent fuel storage, then inadequate casks may be loaded with spent fuel and there may be a potential for release or accelerated fuel degradation. Also the internal spent fuel canisters may be used later in transportation containers for shipment to other repositories, posing a potential transportation risk.

**GENERIC ISSUES:** None

**NEED FOR OI INVESTIGATION AND PRIORITY (High/Medium/Low):** N/A for SFPO, done by RIII

428

**PROPOSED TECHNICAL REVIEW PRIORITY:**

- (1) High Priority (immediate action required)
- (2) High Priority Near Term (short term action required)
- (3) Low Priority (longer-term action required)

**NON-NMSS ISSUES (REGION, OGC, OE, ETC.)**

Interface with Region III required since some actions will involve Excelon (ComEd), Dresden site.

**PROPOSED RESOLUTION PLAN:**

1. SFPO perform an inspection at Holtec International. Determine the nature of the Dry Storage Quality Group (DSQG) Audit findings at UST&D from CY 2000 related to the allegations. Review the Holtec and UST&D corrective actions for adequacy of defining the extent of the condition, immediate corrective action, and action to prevent recurrence.
2. Region III perform an inspection at ComEd, Dresden and determine the code and procedure requirements for reviewing and approving Supplier Deviation Requests (SDRs), and Nonconformance reports (NCRs) in regards to the obligations of the cask owner to review and approve use-as-is, and repair dispositions. Determine if ComEd is and was complying with the requirements during the period of the allegations.

ALLEGATION REVIEW BOARD

SUMMARY

Allegation: NMSS-2002-A-0002

U. S. Tool & Die  
Holtec  
Commonwealth Edison/Dresden

1. The NMSS Allegation Review Board met on April 4, 2002, at 9:00 a.m. in O-13D22

2. Present at the meeting were:

E. W. Brach, Dir. SFPO, Chairman  
R. L. O'Connell, OAC

P. P. Narbut, SFPO  
E. P. Wilson, OI

3. Facilities involved: U. S. Tool & Die, Holtec, Excelon (ComEd), Dresden site

4. Concerns:

1. The Concerned Individual (CI) stated that a vendor [U.S. Tool & Die] 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 [Holtec]. CI is concerned that this was contrary to Excelon's (ComEd) procedures.

2. CI is concerned about the inadequate QA/QC oversight by the spent fuel storage cask design organization [Holtec] over the spent fuel storage cask fabricator [U.S. Tool & Die] and that this inadequate oversight has resulted in indeterminate quality and the structural integrity of the casks is suspect. CI 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. CI 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 organization's consent.

5. Safety significance: Medium

Basis: If technically inadequate changes were made to the casks fabricated and delivered to licensees for spent fuel storage, then inadequate casks may be loaded with spent fuel and there may be a potential for release or accelerated fuel degradation. Also the internal spent fuel canisters may be used later in transportation containers for shipment to other repositories, posing a potential transportation risk.

Generic Issues: N/A

6. Priority: N/A

Basis:

7. OI/OIG: N/A

8. The following resolution plan & schedule was approved by the ARB:

Transfer of two concerns from RIII-2002-A-0005. ARB was briefed on the background of the concerns by Paul Narbut. His review of the file indicated that the allegor's description of the allegation also included: "...ComEd should have documentation of their review of the dry cask storage dispositions of Use-as-is and Repair that Holtec was sending to them," and "I suspect whether [an individual] of Holtec performed any design reconciliation and documentation for all the drycask storage containers and associated parts impacted by disposition of use-as-is, repair, and rework at UST&D that were already built and delivered to nuclear plants."

ARB noted that allegor had, in the course of a contact with SFPO management, indicated that he would be providing additional written materials. To date such information has not been received. OAC will send a letter to allegor asking that any such additional information be provided promptly.

ARB was advised that SFPO had conducted recent inspection at U. S. Tool & Die and found activities in this area satisfactory, but that the inspection looked at current activities and did not look back at the period discussed by allegor.

ARB determined that allegation should be assigned to SFPO/SLID for review and inspection. Staff will determine location of appropriate records, then will inspect at Holtec and/or U.S. Tool & Die as appropriate. Staff will determine the nature of the Dry Storage Quality Group (DSQG) Audit findings at UST&D from CY 2000 related to the allegations, and will review the Holtec and UST&D corrective actions for adequacy of defining the extent of the condition, immediate corrective action, and action to prevent recurrence. SFPO will conduct inspection within 60 days.

ARB also determined that NMSS should request RIII inspection assistance to perform an inspection at ComEd/Dresden and determine the code and procedure requirements for reviewing and approving Supplier Deviation Requests (SDRs), and Nonconformance reports (NCRs) in regards to the obligations of the cask owner to review and approve use-as-is, and repair dispositions. Determine if ComEd is and was complying with the requirements during the period of the allegations.

RIII will be asked to coordinate with Paul Narbut re scheduling and scope of inspection efforts, and coordination of RIII inspection with findings from SFPO's inspection activity.

<u>Activity</u>	<u>Due Date</u>
a. OAC letter to allegor re additional information	04/19/02
b. OAC Memo to RIII requesting inspection assistance	04/19/02
c. SFPO conduct inspection of Holtec and/or U.S. Tool & Die	06/03/02
d. RIII provide inspection assistance re Commonwealth/Dresden	TBD

9. Prepared by: R. L. O'Connell, NMSS OAC Date: 04/04/02

10. Approved by:  E. W. Brach, Chairman, ARB Date: 04/04/02