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June 21, 2004
DPD-04-08

US Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555

Copy to:
Chief IQMB
Office of Nuclear Reactor Regulation

SUBJECT: NRC Inspection Report 99900871 / 2000201 (NON) dated 4-5-00

FORMAL CLOSING RESPONSE

Dear Sir,

The issues cited in the above NRC audit in April of 2000 were recently reviewed during the NUPIC audit which was completed on June 4, 2004. Page 9 of 16 from that NUPIC Audit Report states the following:

"The last NRC inspection was performed in March 2000. As was discussed in the 2002 NUPIC audit checklist, there was one finding in the area of design control and technical / seismic adequacy determination for commercial grade dedication of new or replacement components. This finding was still open pending the issuance of a procedure for addressing seismic consideration during the technical evaluations for dedication activities. IP Manual document # 0460602-01, revision J, Nuclear Commercial Grade Item Dedication, has since been issued and section 4.10, Justification Report now covers seismic review. A formal Elgar response is in the process of being generated to officially close the finding with the NRC."

We are submitting the findings of the 2004 NUPIC audit report as conclusive evidence that the issues raised during the 2000 NRC Audit have been corrected and closed. If you have any questions, please feel free to contact either Dan Donati, Responsible Nuclear Officer at (858) 458-0203 or Don Dattilo, Manager of the Nuclear Products Group at (858) 458-0245. Thank you for your assistance, it is greatly appreciated.

Sincerely,

Dan Donati
Responsible Nuclear Officer

Don Dattilo
Manager, Nuclear Products Group

Encl: Page 9 of 16, NUPIC Audit Report # 18900

IEO9

NUPIC AUDIT 18900

APS Audit Report Number A-EAD1-04-06

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UNIQUE ORDER ENTRY REQUIREMENTS

NONE

NRC INSPECTIONS/NRC IE BULLETINS/INFORMATION NOTICES

- No NRC IE Bulletins and/or Information Notices identified.
- No NRC inspections have been performed at this Elgar facility during this audit cycle, the last NRC visit was in 2000. The NRC website search had no recent hits under search phrase Elgar Corporation. Most documents were from 1995-1997 time frame. The last NRC inspection was performed in March 2000. As was discussed in the 2002 NUPIC audit checklist, there was one finding in the area of design control and technical/seismic adequacy determination for commercial grade dedication of new or replacement components. This finding was still open pending the issuance of a procedure for addressing seismic consideration during the technical evaluations for dedication activities. IP Manual document # 0460602-01, revision J, Nuclear Commercial Grade Item Dedication, has since been issued and section 4.10, Justification Report now covers seismic review. A formal Elgar response is in the process of being generated to officially close the finding with the NRC.

PBSA WORKSHEETS

Three utilities provided input APS, Duke Power and Constellation Energy:

1. APS was interested in a verification on how Elgar completes "Use-as-Is" and "Repair" evaluations for any materials that may be supplied, and if/how these are passed on to the customers. The audit team reviewed a sample of five (5) Discrepant Material Request (DMR) based on their direct relevance to nuclear related parts and items. The five DMR selected are listed on figure 10. Three of the five DMRs were dispositioned use-as-is. Two of the three use-as-is disposition related directly to a utility order and were appropriately evaluated and customer notification and approval was obtained. However, The current revision G of the Discrepant Material Report (DMR) procedure document # 0460001-01 did not meet the requirement in 10CFR50 Appendix B, Criterion V: instructions, procedures, and drawings, which requires that activities affecting quality shall be prescribed by documented instructions, procedures, or drawings, of a type appropriate to the circumstances and shall be accomplished in accordance with these instructions, procedures, or drawings. Instructions, procedures, or drawings shall include appropriate quantitative or qualitative acceptance criteria for determining that important activities have been satisfactorily accomplished. This issue was combined with Finding VCAR # VC-EAD1-04-032 dealing with document control discrepancies.
2. Duke Power was interested in a verification on how repair/refurbishment of boards, burn-in testing, soldering procedure and techniques, design/manufacturing documents for correct position of aluminum electrolytic capacitors are being performed and/or controlled. See technical Specialist Summary for response and more details in this area.