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Document Control Desk
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Washington, D.C. 20555-0001

Reply to a Notice of Violation and Notice of Nonconformance

Ref. 1: Letter, Letter, T.R. Quay (NRC) to M.F. Kennedy (FANP), "NRC Inspection Report 99901355/2005-201, Notice of Violation and Notice of Nonconformance," June 2, 2005.

Framatome ANP's reply to a Notice of Violation and Notice of Nonconformance (Reference 1) is enclosed in Attachment A. As discussed in the attachment, certain corrective actions have already been taken while other actions are in the process of being taken. Framatome ANP is confident that these corrective actions will prevent further violations and nonconformances in this area.

Framatome ANP views this matter with the utmost seriousness and is fully committed to the courses of action set forth in this reply.

Sincerely,

A handwritten signature in cursive script that reads "Ronnie L. Gardner".

Ronnie L. Gardner, Manager
Site Operations and Regulatory Affairs

Enclosure

cc: Chief, Plant Support Branch
Division of Inspection Program Management
Office of Nuclear Regulation

Handwritten initials "JEO9" in a stylized, blocky font.

Attachment A

Reply to Notice of Violation and Notice of Noncompliance NRC Inspection Report 99901355/2005-201

1. NRC Notice of Violation 99901355/2005-201-01

Violation 99901355/2005-201-01 states that the AREVA Framatome ANP, Incorporated, Electrical Products Group (ELP) failed to adopt appropriate procedures to evaluate deviations and failures to comply to identify defect and failures to comply associated with substantial safety hazards as soon as practicable, in order to identify a reportable defect or failure to comply that could create a substantial safety hazard, were it to remain uncorrected.

Framatome ANP, Inc. Reply to NRC Notice of Violation 99901355/2005-201-01:

The Reason for the Violation:

Framatome ANP provides a broad range of products and services to the nuclear industry. We have in the past provided NSSSs and are currently in the process of applying for a design certification for a new reactor design. We supply fuel to about 25 percent of the U.S. nuclear industry and are the largest fuel supplier in the world. We supply nuclear instrumentation systems and a variety of hardware and engineering services to nuclear power plants world wide.

Since we supply a broad range of products and services to the nuclear industry, the procedures implementing 10 CFR Part 21 at Framatome ANP must apply to a broad range of situations. The vast majority of conditions identified in our corrective action reporting system are in areas where we have the knowledge, ability, and experience to evaluate whether a defect exists and to report this to the NRC. Since instances do arise wherein we do not have sufficient knowledge to make an evaluation to determine if a defect exists, the Framatome ANP procedure does have a requirement to inform the customer that he will be required to perform the evaluation (as required by the regulation).

The discovery assessment process is not a new concept. Prior to the creation of computer-based condition report systems, an assessment of an issue was performed to determine if a deviation existed. This evaluation was typically performed by the subject matter experts with support from the Quality Assurance and Regulatory Affairs organizations. If this assessment determined that a deviation existed (or was likely to exist) a condition report was issued to document this determination. This documentation started the 60-day time period for reporting per the requirements of 10 CFR 21. This assessment prior to creating any documentation that states that a deviation exists is what we have termed the discovery process in our procedure.

The current, computer-based condition report systems encourage—in fact, require—identification of issues in our WebCAP system before any significant discussion has taken place. The modern condition report systems are in place to capture improvement suggestions, near misses, non-conformances, and issues that may be deviations or defects. To encourage prompt reporting, the information requested of the person identifying the issue is minimal and often insufficient to determine at the identification stage that a deviation exists. To determine which identified issues may be deviations, the condition reports are screened to determine if a

discovery assessment should be performed to establish whether a deviation exists that must then be evaluated to determine if it is a defect. If the discovery assessment concludes that a deviation exists, the existence is documented by the issue owner with the concurrence of the Quality Assurance and Regulatory Affairs organizations.

Framatome ANP concurs with the audit report statement that the first documentation by the Quality Assurance organization (including subject matter experts and the Regulatory Affairs organization) is what initiates the evaluation of the deviation to determine if a defect exists, and it is this documentation to which the 60-day time period refers.

Framatome ANP also agrees with the audit report that the requirements in the procedure for the discovery process could be improved. In particular the procedure requirements for prompt execution of the discovery assessment could be improved.

Corrective Action(s) Taken:

Changes to the procedures to correct this situation will be made as described below under corrective actions to prevent reoccurrence.

Corrective Action(s) To Prevent Recurrence:

Framatome ANP Policy 0401 and procedure 1707-01 will be revised by August 31, 2005 to clarify definitions and required actions to reduce any potential confusion with implementation of the provisions of 10CFR21. The procedure will clearly state that the 60 day evaluation of deviations and failure to comply to identify defects and failures to comply associated with substantial safety hazards begins at discovery. Additionally, our computer-based condition report system, WebCAP, will be enhanced to include the start date of the 60 day evaluation for tracking and reporting purposes. Employee training on the revised policy and procedure will be performed and documented by September 30, 2005.

2. NRC Notice of Violation 99901355/2005-201-02

Violation 99901355/2005-201-02 states that the AREVA Framatome ANP, Incorporated, Electrical Products Group (ELP) failed to perform the required evaluation, as defined in §21.3, of a deviation that was identified in ELP's nonconformance report (NCR) 2004/19, regarding a circuit breaker handle returning unaided to the indicated trip position following a test of the instantaneous trip function. ELP noted that it was required to perform an evaluation of the deviation on the nonconformance report (NCR), but failed to perform the required evaluation.

Framatome ANP, Inc. Reply to NRC Notice Of Violation 99901355/2005-201-02:

The Reason For The Violation:

NCR 2004/19 was issued on 7/19/04 and Block 12 (10CFR Part 21 Evaluation Required) of the NCR was identified as TBD (To Be Determined). On 9/17/04 Block 12 was checked "No," however, the link that supports the performance of the 10CFR Part 21 evaluation was not clearly identified on the NCR. The reason for the Notice of Violation is due to an oversight.

Corrective Action(s) Taken:

A review of all NCR's issued during 2004 by Framatome ANP, Inc. ELP found this condition to be an isolated incident. An additional entry in Block 12 of NCR 2004/19 has been provided to link the performance of the evaluation and the results.

Corrective Action(s) To Prevent Recurrence:

As stated above, this condition was found to be an isolated incident, however, as a result of the NOV, and to heighten awareness, the requirements of 10CFR Part 21 §21.3 (Definitions) will be reviewed by all Framatome ANP, Inc. ELP management. The review shall be documented and is scheduled to be complete by August 31, 2005.

3. NRC Notice of Violation 99901355/2005-201-03

Violation 99901355/2005-201-03 states that the AREVA Framatome ANP, Incorporated, Electrical Products Group (ELP) failed to provide an interim Part 21 report, within 60 days of discovery, to the NRC of a deviation that it identified on ELP's NCR 2004/09.

Framatome ANP, Inc. Reply to NRC Notice Of Violation 99901355/2005-201-03:

The Reason For the Violation:

Even though notification to the customer was provided by Framatome ANP, Inc. ELP informing the licensee that the licensee would be responsible for performing the Part 21 evaluation, (as a result of an Framatome ANP internal audit conducted at the facility during 12/2004), the failure to provide an interim Part 21 report to the NRC within 60 days of discovery was due to a procedural oversight to implement the notification requirements of Quality Operating Instruction No. QOI 16-2, Reporting of Deficiencies (which was in effect during this time period).

Corrective Action(s) Taken:

Notification was provided by Framatome ANP, Inc. ELP to the customer informing the licensee that they would be responsible for performing the Part 21 evaluation. A review of all NCR's issued during 2004 by Framatome ANP, Inc. ELP found this condition to be an isolated incident.

Corrective Action(s) To Prevent Recurrence:

This condition was found to be an isolated incident. Nonetheless, as a result of the NOV, the requirements of 10CFR Part 21 §21.21 (Notification of failure to comply or existence of a defect and its evaluation) will be reviewed by all Framatome ANP, Inc. ELP management. The review shall be documented and is scheduled to be complete by August 31, 2005.

4. NRC Notice of Nonconformance 99901355/2005-201-04

Nonconformance 99901355/205-201-04 states that contrary to 10CFR Part 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings" and the requirements of AREVA Electrical Products Quality Plan, Section 5.0, "Instructions, Procedures, and Drawings", Framatome ANP did not prescribe adequate instructions, procedures, or drawings to ensure that appropriate

quantitative or qualitative acceptance criteria were specified for determining that important activities had been satisfactorily accomplished regarding dedication of control wire associated with dedication package DP 04-17. Specifically, Framatome ANP's evolving critical characteristics and acceptance criteria for crimped AMP Faston flag terminals did not ensure that important safety-related activities had been satisfactorily accomplished.

Framatome ANP, Inc. Reply to NRC Notice Of Nonconformance No. 99901355/2005-201-04:

The Reason For the Violation:

The acceptance criteria for the critical characteristics associated with AMP Faston Flag Terminal on the DS Breaker Control Wire (a technique referred to then by Framatome ANP, Inc. ELP as a "pull test") was inadvertently omitted from the Generic Section H for Dedication Package DP 04-17 for the South Texas Project.

Corrective Action(s) Taken:

Although the pull test was not specifically identified on the Section H, consideration must be given to the history of the quality issue associated with improper crimps on AMP Faston Flag Terminals and to when the issue first surfaced in October 2004 during Framatome ANP, Inc. ELP dedication activities associated with DS206 breakers for another customer. Because of the quality issue associated with the AMP Faston Flag Terminal, dedication activities for the DS206 breakers (i.e. DP 04-16) were enhanced to include AMP Faston Flag Terminals as a critical characteristic with defined acceptance criteria. As a result of this DS breaker project, Framatome ANP, Inc. ELP project management, engineering and quality personnel became abundantly aware of the acceptance criteria established for AMP Faston Flag Terminals and are confident that the acceptance criteria, as defined for the DS breaker project, were also applied to the South Texas Project during 2004.

As a matter of clarification, in the past, the use of the term "pull test" versus "tug test" was discussed by Framatome ANP, Inc. ELP, and it was determined that the actual test method utilized for acceptance was not a "pull test" of precise measurement but rather a "tug test". A manual "tug test" consists of firmly grasping the terminal with one hand and the wire/conductor with the other hand and applying a firm steady, force (tug) in opposing directions. Although the force applied is strictly based on the judgment of the inspector(s), it was concluded that the integrity of the termination (i.e. crimp) was deemed acceptable based on the fact that the wire termination maintained its as-found configuration and thus could perform its intended design function. This statement was captured in NCR 2004/34 and 2004/38.

Corrective Action(s) To Prevent Recurrence:

Subsequent to the shipment of DS Breaker Control Wire to STP during 2004, in March 2005 the Generic Section H was revised for DP 04-16 and no longer utilizes the pull/tug test technique. The Generic Section H for DP 04-17 was also revised. Both documents clearly prescribe adequate instructions/specifications and include appropriate quantitative/qualitative acceptance criteria.

Nonetheless, as corrective action to prevent recurrence a Framatome ANP, Inc. ELP Team Event/Meeting will be held to discuss the NOV and heighten awareness to the 10CFR Part 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings" requirements. This event/meeting shall be documented and is scheduled to be complete by August 31, 2005.

It should also be noted that EOI 17C , "Wire Stripping and Crimping Procedures" which is not used for the dedication of DS Breaker Control Wire, will be reviewed and revised accordingly by Framatome ANP, Inc. ELP. This action is scheduled to be complete by August 31, 2005.