

April 24, 2006

Mr. Rafiq Bandukwala, Manager
Quality Assurance
Flowserve, Flow Control Division
1900 S. Saunders Street
Raleigh, North Carolina 27603

SUBJECT: FLOWSERVE, FLOW CONTROL DIVISION RESPONSE TO U.S. NUCLEAR
REGULATORY COMMISSION (NRC) INSPECTION REPORT
99901356/2006-201 AND NOTICE OF NONCONFORMANCE (NON)

Dear Mr. Bandukwala:

Thank you for your March 3, 2006 letter in response to the NON that was discussed in the subject NRC Inspection Report.

We have reviewed your letter and found that your replies to the NON are responsive to our concern, except for two aspects. The response to NON 99901356/2006-201-02, was inadequate regarding the failure to document the review of dedication packages. The NON was associated with a previous licensee audit finding that involved dedication plans being signed off prior to completion of all testing. Your response to the NON stated that personnel involved in the review of dedication packages did not recognize or understand the importance or necessity of documenting objective evidence related to their work. The staff is concerned that Flowserve's root cause fails to identify that proper documentation is required by your quality assurance program and procedures. This failure to recognize the importance of program requirements is consistent throughout the NON responses. Flowserve personnel have been shown on multiple occasions to be inattentive to the quality program requirements in this respect. This aspect needs more attention by Flowserve.

NON 99901356/2006-201-04 was related to the failure to implement appropriate procedural guidance for the conduct of commercial grade surveys. Flowserve's response stated that personnel did not recognize the importance of clearly defining these processes by procedure, but also stated that these activities were performed in a manner consistent with the Flowserve manual and regulatory requirements. NON 99901356/2006-201-04 identified the failure to meet specific Appendix B requirements for procedures documenting quality activities. Flowserve's procedure lacked a description or guidance on commercial grade surveys. It is not clear how Flowserve could state in the response that commercial grade surveys were performed in a manner consistent with regulatory requirements, when the audit procedure did not address the performance of commercial grade surveys. Therefore, the staff is concerned that Flowserve believes that they are consistent with their program and regulatory requirements when in fact, quality activities were performed that were not described by documented procedural guidance.

The lack of procedural guidance is clearly not consistent with 10 CFR 50 Appendix B quality requirements. This aspect needs to be addressed by Flowserve.

We are reviewing a recent Part 21 notification related to a defective tilting disk check valve manufactured by Flowserve. The defect involves incorrect disk dimensions that may impact the ability to shut down the reactor and maintain it in a safe shutdown condition. We are concerned that the type of design and test deficiencies related to the valve are similar to the nonconformances which we observed during our inspection. The condition is currently under review and we may have further questions regarding this issue.

The staff may review the implementation of your corrective action during a future NRC staff inspection to determine that full compliance has been achieved and will be maintained.

If you or your staff have any questions regarding this matter, we will be pleased to discuss them with you.

Sincerely,

/RA/

Michael E. Mayfield, Director
Division of Engineering
Office of Nuclear Reactor Regulation

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Michael E. Mayfield, Director
Division of Engineering
Office of Nuclear Reactor Regulation

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