

NOTICE OF NONCONFORMANCE

Sierra Nuclear Corporation
Docket No. 72-1007

Based on the results of an NRC inspection conducted on March 17-21, 1997, it appears that certain of your activities were not conducted in accordance with NRC requirements.

10 CFR 72.172, "Corrective Actions," requires that conditions adverse to quality be promptly identified and corrected, the cause of the condition determined, and corrective action taken to preclude repetition.

Sierra Nuclear Corporation (SNC) Procedure No. QAP 16.0, "Corrective Action," Revision 3, requires that conditions adverse to quality be documented, analyzed to determine the exact cause of the nonconformance, and corrected in a timely manner.

- A. Contrary to the above, corrective action to preclude repetition was not promptly taken in that SNC staff did not identify the root cause of confinement boundary seal weld failures that occurred in March 1995 and November 1996 at Palisades and Arkansas Nuclear One power plants, respectively.
- B. Contrary to the above, corrective action to preclude repetition was not promptly taken in that SNC staff did not submit a change request to revise Technical Specification (TS) 1.2.10, "Time Limit for Draining the MSB." SNC staff had determined that TS 1.2.10 was not conservative in April 1996.
- C. Contrary to the above, a condition adverse to quality was not promptly identified and corrective action to preclude repetition was not promptly taken in that a problem report was not written, and a Safety Analysis Report (SAR) change was not initiated, when SNC staff became aware that the American Society of Mechanical Engineers (ASME) Code Section III edition, referenced in the SAR, omitted the nondestructive examination of base metal after the removal of temporary attachments. SNC personnel were aware of the ASME Code omission in February 1995.
- D. 10 CFR 72.164, "Control of measuring and test equipment," requires that tools, gages, instruments, and other measuring and testing devices used in activities affecting quality be properly controlled, calibrated, and adjusted at specified periods to maintain accuracy within necessary limits.

March Metalfab Incorporated (MMI) Procedure Number NQP-12A, "Calibration and Control of Measuring and Test Equipment," Revision 0, describes the controls for measuring and test equipment.

Contrary to the above, during the March 1997 NRC inspection at MMI, measuring and test equipment was not properly controlled in that: (1) the calibrated storage sleeve go/no go gage was not identified with a serial number or other unique identifier, (2) the gage did not have a calibration label, and (3) there was no procedure describing the use of, or the applicable acceptance and rejection criteria for, the gage.

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ENCLOSURE 2

Please provide a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Chief, Transportation and Storage Inspection Branch, Spent Fuel Project Office, Office of Nuclear Material Safety and Safeguards, within 30 days of the date of the letter transmitting this Notice of Nonconformance. This reply should be clearly marked as a "Reply to a Notice of Nonconformance" and should include for each nonconformance: (1) the reason for the nonconformance, or if contested, the basis for disputing the nonconformance, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further noncompliances, and (4) the date when your corrective action will be completed. Where good cause is shown, consideration will be given to extending the response time.

Because your response will be placed in the NRC Public Document Room (PDR), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection, described in 10 CFR 73.21.

Dated at Rockville, MD
this 15th day of April 1997