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**From:**

Sherry Grier

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**To:**

Michael Mayfield

\*\*\* YELLOW \*\*\*

**For Signature of:**

**Routing:**

Dyer  
Weber  
NRR Mailroom

**Description:**

Palo Verde Nuclear Generating Station, Units 1, 2 & 3 Approval Change to Quality Assurance Program

**Assigned To:**

DE

**Contact:**

MAYFIELD, MICHAEL E

**Special Instructions:**

# **NUPIC**

## ***Nuclear Procurement Issues Committee***

March 15, 2006

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

**SUBJECT:** Palo Verde Nuclear Generating Station, Units 1, 2 & 3 Approval of  
Change to Quality Assurance Program (Commercial-Grade Calibration  
Services)

**REFERENCE:** Docket Numbers STN 50-528, STN 50-529 and STN 50-530

Dear Mr. Mayfield:

The Office of Nuclear Reactor Regulation (NRR) performed a Safety Evaluation (reported September 28, 2005) based on a proposed Quality Assurance program change submitted by Arizona Public Service Company that would provide for acceptance of accreditation of commercial-grade calibration services by a nationally-recognized accrediting body, using procedures consistent with international standards and guidelines, specifically those found in ANSI/ISO/IEC 17025, "General Requirements for the Competence of Testing and Calibration Laboratories." The accreditation process would be credited in lieu of a supplier audit, commercial grade survey or in-process surveillance. This method for qualifying the calibration supplier and accepting its calibration services would be applied only to commercial-grade calibration services as defined by 10 CFR Part 21.

The evaluation performed and reported by NRR focused on the proposed changes to the licensee's QA Program and concluded that proposed changes were acceptable with clarifications noted in the Safety Evaluation. Since the Safety Evaluation was in response to a specific licensee's request, other licensees would therefore be allowed to adopt those provisions within their QA Program through implementing a 50.54 a review process. However, it is unclear if the provisions of this Safety Evaluation may be adopted by suppliers that maintain a 10CFR50 Appendix B QA Program or suppliers that provide commercial grade items/services being dedicated by the licensees. The use of the Safety Evaluation by suppliers for qualifying/approving sub-suppliers who provide commercial-grade calibration services is important to the support of the nuclear industry. Suppliers, specifically maintaining a 10CFR50 Appendix B QA Program, are inquiring about the process for adopting the provisions of this Safety Evaluation. NUPIC is willing to facilitate communication of this guidance to suppliers but some additional clarification is needed. A response is requested to the following questions to properly address the use of the Safety Evaluation by suppliers.

Question #1

Can suppliers maintaining a 10CFR50 Appendix B QA Program utilize the Safety Evaluation for the qualification of sub-suppliers, who provide commercial-grade calibration services, if the provisions of the Safety Evaluation are incorporated into the supplier's QA Program?

Question #2

With respect to Question #1, are licensees required to impose the provisions of the Safety Evaluation in procurement documents to the supplier before the supplier can implement those provisions? If yes, what is the basis for such a requirement?

Your prompt response to the above questions would be greatly appreciated. If you need additional information, please contact me at 704-875-5887; e-mail address [sgrier@duke-energy.com](mailto:sgrier@duke-energy.com).

Sincerely,



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Procurement Quality Manager  
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cc: NUPIC Representatives