TIOGA

June 6, 2008

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

SUBJECT: REPLY TO A NOTICE OF VIOLATION
REPLIES TO NOTICES OF NONCONFORMANCE

REFERENCE: NRC INSPECTION REPORT 99900879/2008201

Pursuant to the provisions of 10 CFR 2.201, attached is our response to your Letter of May 8, 2008; based on an inspection conducted at the Tioga Pipe Supply Company, Inc. (Tioga) facilities in Philadelphia, PA and Easton, PA from March 3 – 7, 2008.

All the items identified during the inspection have been reported and processed in accordance with the Tioga Corrective Action Program. A Corrective Action Report was generated to document the probable cause, corrective action, action to prevent recurrence, and date for implementation for each item as follows:

Violation 99900879/2008-201-01 is addressed on our CAR 286
Nonconformance 9990001/2007-201-01 is addressed on our CAR 282
Nonconformance 9990001/2007-201-02 is addressed on our CAR 279
Nonconformance 9990001/2007-201-03 is addressed on our CAR 283
Nonconformance 9990001/2007-201-04 is addressed on our CAR 281
Nonconformance 9990001/2007-201-05 is addressed on our CAR 280

Some of these corrective actions have been taken and the balance is in process. Tioga recognizes the importance of these activities and is committed to the ongoing improvement of all of our operations. If additional information or documentation is needed, please contact Dennis Tauber in our Philadelphia office.

Sincerely,

Dennis J. Tauber, Director of Quality Assurance
Tioga Pipe Supply Company, Inc.

CC: Chief, Quality and Vendor Branch 1
Division of Construction Inspection and Operational Programs
Office of New Reactors

IE09
NRO

Vendor Name: Tioga Pipe Supply Co. CAR # 286

Location Easton, PA Date: 5/2/08

Requirement:
10 CFR Part 21, Section 21.51, "Maintenance of Records," requires, in part, that, "Each individual, corporation, or other entity subject to this part shall prepare and maintain records necessary to accomplish the purposes of this part."

10 CFR Part 21, Section 21.21, "Notification of failure to comply or existence of a defect and its evaluation," paragraph 21.21(a), requires, in part, each individual, corporation, partnership, or other entity subject to 10 CFR Part 21 shall adopt appropriate procedures to evaluate deviations and failures to comply associated with substantial safety hazards as soon as practicable.

Finding:
Contrary to the above, as of March 7, 2008:

Tioga has not established appropriate controls or procedures to assure that records are prepared and maintained as required by 21.51.

This issue had been identified as Violation 99900879/2008-201-01.

This is a Severity Level IV violation (Supplement VII).

Reported by NRC Inspection Issue Dept. NA Date 3/6/08

Corrective Action Responsibility Steve DiMauro Requested Reply Date 6/8/08

Probable Cause and Corrective Action:
The requirements for retaining copies of Part 21 evaluations, were inadvertently not included in QSP-16, Record Maintenance Procedure. This was an oversight on the part of Tioga Pipe Supply Co., Inc. Note that no Part 21 evaluations (and subsequent notifications) have been prepared by Tioga in the last ten years. **QSP-16 has been revised** to include the requisite record keeping requirements. No further action is required.

Date Corrective Action
To Be Completed Complete Signature Steven T. DiMauro

Verification of Corrective Action
Comments:

By _____ Dept. _____ Date _____

Form QSP #26.1
9/85

☐ Vendor
☒ Internal

TIOGA PIPE SUPPLY CO INC.
CORRECTIVE ACTION REPORT

Vendor Name: Tioga Pipe Supply Co CAR # 282

Location: Easton, PA Date: 3/7/08

Requirement:
Criterion VI, Document Control, of Appendix B to 10 CFR Part 50, requires, in part, that measures shall be established to: 1) control the issuance of documents that prescribe activities affecting quality; 2) assure that documents, including changes, are reviewed for adequacy and approved for release by authorized personnel; and 3) assure that documents are distributed to and used at the location where the prescribed activity is performed.

Section 6.0, Document Control, of the Tioga QSM, Revision 9, dated November 27, 2006, states that it is the responsibility of the Quality Assurance (QA) Manager to prepare the QSM and any revisions thereto. Tioga QSP-14, "Quality System & Quality Inspection Manual Control Procedure," Revision 7, dated October 10, 2003, describes Tioga's QSM revision and distribution process. Processing measures include the use of sequential, registered control numbers to manage controlled copies of the QSM. These measures also require the return of voided manual sections, by the manual holders, after a QSM revision, and performance of corrective actions for the failure of a manual holder to return the revised pages.

Finding:
Contrary to the requirements:

1. On March 5, 2008, the NRC inspectors found instances where processes that Tioga had implemented for QSM distribution and revision control were not performed in accordance with QSP-14.

Reported by NRC Inspection Issue Dept. NA Date 3/6/08

Corrective Action Responsibility Steve DiMauro Requested Reply Date 6/8/08

Probable Cause and Corrective Action:

(see attached Supplemenatal Sheet)

Date Corrective Action
To Be Completed 9/30/08 Signature Steven T. DiMauro

Verification of Corrective Action
Comments:

By _____ Dept. _____ Date _____

Finding (cont'd):

2. On March 6, 2008, the NRC inspectors found an inconsistency between Tioga's QSM and an associated QSP. Although QSP-21, "Auditor Training and Qualification Procedure", Revison 4, stated that the QA Manager will annually review Lead Auditor qualifications, Tioga's QSM stated that Lead Auditor certificates of qualification will be assessed annually by the QA Manager, the Executive Vice President, or another qualified Lead Auditor. Tioga failed to implement formal document control measures to assure uniformity between guidance provided in the QSM and guidance presented in their QSPs.

3. On March 7, 2008, the NRC inspectors found that although two copies of the Testing Instructions (TIs) were verbally identified as "controlled copies" by Tioga's QA manager, the TI Distribution Log did not specify that any of these copies were controlled. Also, the inspectors noted that the physical copies carried no formal identifiers, such as a control number or controlled copy stamping. The NRC inspectors were unable to identify any formal procedural measures for; 1) the control and maintenance of controlled copies of the TIs, 2) revision of TIs, or 3) assurance that the TIs used at the various Tioga work and test sites were the latest revisions.

4. On March 7, 2008, the NRC inspectors reviewed TI-3, "Tension Testing," Revision 1, and noted that each tension test performed shall be documented on Form TI-3.1. Although "Form TI-3.1" was listed as an attachment to TI-3, the form was not attached to the controlled copy of the TI found in Tioga's Philadelphia office.

5. In accordance with Tioga's QSM and QSP-14, "Quality System & Quality Inspection Manual Control Procedure," Revision 7, when a revision is made to Tioga's QSM, "controlled QSM" manual holders are to receive a notification of the revision. The manual holders are then required to acknowledge receipt of the revision within a 15 work-day time period. On March 5, 2008, the NRC inspectors found that two receipt responses from employees at Tioga's Tennessee facility, in regard to a December 2006 QSM revision, were recorded after the 15 work-day time period allowed by the QSP. Tioga personnel failed to take the required corrective actions that were called for in the QSP.

6. On March 4, 2008, the NRC inspectors found that Tioga QA department personnel retained acknowedgements of the receipt of revised Tioga procedures instead of destroying them as required by QSP-15, "Quality System Procedure Control Instruction," Revision 9.

These issues have been identified as Nonconformance 99900061/2007-201-01.

Probable Cause and Corrective Action:

1. The date signed (approval date) in several cases is later than the revision date. The revision date is the date that the procedure was prepared. It is appropriate for the approval date to be later than the prepared date to allow time for reviews. Tioga Pipe Supply Co. does not consider this an issue and no corrective action is necessary although the process will be better described in a planned revision to QSP-14.

2. Often the QSPs are intentionally more restrictive than the QSM. Tioga Pipe Supply Co., Inc. considers this a prudent practice to enable us to consistently meet our commitments. However, QSP-21 **has been revised** to include a provision for approval of a Lead Auditor when it is the QA Manager and to correct conflicts between the QSM and QSP-21.

3. Previously test instructions had very limited distribution and did not change. Accordingly, Tioga Pipe Supply Co., Inc. did not realize the need for controlled copy numbers. In addition, test instructions were not within the scope of QSP-15 and as a result were never assigned controlled copy numbers.

   QSP-15 **will be revised by 9/30/08** to include the methodology for preparation, review, changes, approval, periodic review, on the spot changes, and distribution for the QSPs, test instructions, and supporting procedures.

4. Tioga Pipe Supply revised the procedure but the attachment was not revised. Inadvertently, the attachment was discarded without assuring its inclusion in the revised procedure.

   An audit of all controlled copies of TI-3 has been conducted and Form TI-3.1 has been attached to the procedures.

5. The date in the log was the actual entered date. In reality, notification of receipt was received within the 15 day time period as required but not entered into the log until approximately two weeks later due to other work priorities.

   The individual involved was counseled on the need to record the receipt date of the acknowledgement vs. the actual date the information is entered. No further action is required.

6. Although the practice is not in compliance with QSP-15, QA department personnel considered the information contained on the forms to have value and thus retained them. QSP-15 **will be revised by 09/30/08** to delete the requirement for destruction of the receipt acknowledgement forms.

Form QSP #26.1
9/85

☐ Vendor
☒ Internal

TIOGA PIPE SUPPLY CO INC.
CORRECTIVE ACTION REPORT

Vendor Name: Tioga Pipe Supply Co Inc CAR # 279

Location: Easton, PA Date: 3/7/08

Requirement:

Criterion XI, "Test Control," of Appendix B to 10 CFR Part 50 requires, in part, that test procedures shall include provisions for assuring that all prerequisites for the given test have been met, that adequate test instrumentation is available and used, and that the test is performed under suitable environmental conditions. Test results shall be documented and evaluated to assure that test requirements were satisfied.

Finding:

1. On March 6, 2008, the NRC inspectors found that Tioga personnel performing tension testing in accordance with Tioga Testing Instruction 3 (TI-3), "Tension Testing," Revision 1, did not perform step 6.6.2, performed steps 7.1 through 7.3 out of sequence, and performed step 7.4 incorrectly.

2. On March 5, 2008, the NRC inspectors found an unanalyzed, "dirty water" supply was used for conducting hydrostatic test activities at Tioga's Easton, PA facility. Exposing test piping to this environment could be detrimental to austenitic stainless steel piping material.

(See attached Supplemental Sheet)

Reported by NRC Inspection Issue Dept. NA Date 3/6/08

Corrective Action Responsibility Steve DiMauro Requested Reply Date 6/8/08

Probable Cause and Corrective Action:

(See attached supplemental sheet)

Date Corrective Action
To Be Completed 07/31/08 Signature Steven T. DiMauro

Verification of Corrective Action
Comments:

By _____ Dept. _____ Date _____

STP
5/30/08

Finding (cont'd):

3. On March 5, 2008, the NRC inspectors found the acceptance criteria of TI-1, "Hydrostatic Testing," Revision 1 required holding hydrostatic pressure between a minimum and maximum pressure for a specified minimum "hold time." However, TI-1 does not require testing personnel to document maximum allowable test pressure or use an appropriate time measuring device to record the start and stop times of the test.

4. On March 5, 2008, the NRC inspectors found that QSP-36, "Ultrasonic Thickness Gauging," Revision 2, does not require a post-test calibration check of the ultrasonic thickness instrument to verify that the instrument does not drift outside its calibration range during testing. This calibration check is specified in the test equipment manufacturer's operating instructions.

These issues have been identified as Nonconformance 99900061/2007-201-02.

Probable Cause and Corrective Action (cont'd):

1. The methods used, although deviating slightly from that specified in TI-3 would be considered to be within the judgement of the skill of the craft and were conducted by a qualified test engineer. TI-3 will be revised by **07/31/08** to allow test personnel more flexibility when applicable.

2. Tioga Pipe Supply personnel did not consider the use of recycled water to be deleterious. However, when the NRC addressed the concern, the use of unanalyzed water was immediately halted. Subsequently, a decision was made to resume testing of all but stainless steel pipe with the existing method but to use only potable water when testing stainless steel pipe (see attached e-mail).

   To ascertain the significance of the unknown water quality, samples of the hydro water from the reservoirs for both hydro machines were sent to our approved vendor for analysis. The analysis indicated halogen levels < 7 ppm and sulphur levels < 33 ppm, both well below limits spcified in customer purchase orders. All other elements analyzed were < 1 ppm. However, to be prudent, Tioga Pipe Supply's method of hydro testing stainless steel pipe will continue to be with the use of potable water only. Test Instruction TI-1, Hydrostatic Pressure Testing **will be revised by 07/31/08** to reflect this method of testing.

3. ASTM A450, Standard Specification for General Requirements for Carbon, Ferritic Allow, and Austenitic Alloy Steel Tubes and ASTM A530, Standard Specification for General Requirements for Specialized Carbon and Alloy Steel Pipe both require that the test pressure be held for a minimum of only 5 seconds. For conservatism, Tioga Pipe elected to specify a 15 second hold time and determined that a duration of 15 seconds, well in excess of the required hold time could be easily determined by an estimate of the operator without the need for a timepiece.

STD 5/30/08

TI-1 will be revised **by 07/31/08** to require documentation of maximum allowable test pressure as well as the use of an uncalibrated timepiece still using the conservative hold time of 15 seconds. Tioga has purchased an uncalibrated timepiece with a digital display for use when conducting hydro tests. TI-1 will also be revised to require recording the test pressure hold time duration.

4. Failure to include the conduct of a post-test calibration check in QSP-36 was an oversight during procedure development. QSP-36 has been revised to require a post-test calibration check of the ultrasonic thickness instrument ("D" meter) in accordance with manufacturer's instructions.

CAR# 279 Page 4 of 4 STD 5/30/08

DiMauro, Steve

From: DiMauro, Steve
Sent: Thursday, March 13, 2008 9:25 AM
To: Tambakis, Nick; Trapp, Chance; Gruver, Gerry; Mullen, Michael
Cc: Tauber, Dennis; Crowley, Richard
Subject: Hydro

Last week, due to NRC concerns with water quality, we suspended operation of the hydro machines. We have resumed the use of the machines with no restrictions when testing carbon pipe.

For stainless steel pipe however, the process will be to use potable water only for testing with no recycling of the water. For specific questions about the methods to be used (valve lineup, supply connections, etc.) please contact Mike Mullen or Gerald Gruver.

Please ensure that appropriate members of your staff are made aware of this change.

Steve DiMauro
QA Manager
Tioga Pipe Supply Company
100 Mort Drive
Easton, PA 18040
215-837-7220 (cell)
sdimauro@tiogapipe.com

Form QSP #26.1
9/85

☐ Vendor
☒ Internal

TIOGA PIPE SUPPLY CO INC.
CORRECTIVE ACTION REPORT

Vendor Name: Tioga Pipe Supply Co., Inc. CAR # 283

Location: Easton, PA Date:

Requirement:
Criterion XIII, "Handling, Storage and Shipping, " of Appendix B to 10 CFR Part 50, requires that measures are established to control the handling, storage, shipping, cleaning, and preservation of material and equipment in accordance with work and inspection instructions in order to prevent damage or deterioration.

Tioga QSM, Section 13, "Control of Handling, Storage, Preservation and Shipping," Revision 6, dated November 27, 2006, states, "Austenitic stainless steel and nickel alloy steel materials are to be stored in a manner which prevents them from contacting carbon or low alloy material and any other material that could cause contamination of the austenitic stainless steel or nickel alloy steel material."

Finding:
Contrary to the requirements:

1. On March 5, 2006, the NRC inspectors identified four examples of austenitic stainless steel coming in direct contact with non-stainless steel metal pins and unapproved and "unqualified" taping material at Tioga's Easton, PA facility.

   (See Supplemental Sheet)

Reported by NRC Inspection Issue Dept. NA Date 3/6/08

Corrective Action Responsibility Steve DiMauro Requested Reply Date 6/8/08

Probable Cause and Corrective Action:

(See Supplemental Sheet)

Date Corrective Action
To Be Completed Complete Signature Steven T. DiMauro

Verification of Corrective Action
Comments:

By _____ Dept. _____ Date _____

Finding (cont'd):

2. QSP-10, "Final Material Inspection Procedure," Revision 10, describes Tioga's process for the shipping of material. On March 6, 2008, the NRC inspectors found that Tioga staff did not follow QSP-10 when a purchase order item was shipped to a customer with the wrong document package during the shipping of this item.

This issue has been identified as Nonconformance 99900061/2007-201-03.

Probable Cause and Corrective Action (cont'd):

1. Although segregation of stainless steel and carbon steel pipe is controlled, the use of carbon spring clips was not considered. Once the issue was identified, stainless steel clips were ordered and are now being used exclusively for stainless steel pipe. An analysis of the clips was conducted which concluded that the clips are series 300 stainless. In addition, QSP-6, Handling and Storage Procedure has been revised to stipulate the use of stainless steel clips only on stainless steel pipe. **No further action is necessary.**

   The unapproved tape was inadvertently used for stock transfer from the Philadelphia to the Forks facility. Personnel were immediately trained in the need to use only approved materials on stainless steel. Removal of unapproved tape (and subsequent cleaning) from the material has been completed. Controls on the use of approved tapes and other potential sources of contamination have been included in a recent revision to QSP-6. **No further action is necessary.**

2. On the order in question, a partial shipment was made and the documents sent for the remaining items in error. When the remaining items were ready, it was determined that the document package had been included with the first partial order. The missing documents were subsequently sent to the customer.

   A process change has recently been implemented to enhance the guidance in QSP-10. This requires a sign-off by Nuclear Production personnel after ensuring inclusion of the appropriate documentation with the order. Personnel have been trained on the process change as well as the importance of ensuring that documentation is enclosed for all line items. After the effectiveness of these changes has been demonstrated, Tioga Pipe will incorporate the practice into an appropriate procedure.

Form QSP #26.1
9/85

☐ Vendor
☒ Internal

TIOGA PIPE SUPPLY CO INC.
CORRECTIVE ACTION REPORT

Vendor Name: Tioga Pipe Supply Co Inc CAR # 281

Location: Easton, PA Date: 3/7/08

Requirement:
Criterion XV, Nonconforming Materials, Parts, or Components, of Appendix B to 10 CFR Part 50, states that measures shall be established to control materials, parts, or components which do not conform to requirements in order to prevent their inadvertent use or installation. Criterion XVI, Corrective Actions, of Appendix B to 10 CFR Part 50, states that measures shall be established to assure that conditions adverse to quality, such as non-conformances, are promptly identified and corrected.
(see Supplemental Sheet)

Finding:
Contrary to the stated requirements:

1. Tioga did not adhere to the requirements of Step 4.5 of QSP-17, "Nonconformance Procedure," Revision 7; on March 5, 2008, in that, when notified of a nonconforming condition by a customer, Tioga's QA department failed to initiate a notice of nonconformance report and an associated corrective action report.

Reported by: NRC Inspection Issue Dept. NA Date 3/6/08

Corrective Action Responsibility Steve DiMauro Requested Reply Date 6/8/08

Probable Cause and Corrective Action:
1., 3. The QA Manager determined that the non-conforming item was already being controlled to prevent its inadvertent use under the utility's corrective action program. Tioga Pipe understands the identified concerns and will take the action specified below.
(see Supplemental Sheet)

Date Corrective Action
To Be Completed 9/30/08 Signature Steven T. DiMauro

Verification of Corrective Action
Comments:

By _____ Dept. _____ Date _____

Requirement (cont'd):

Tioga QSM, Section 15, "Control of Non-conformances," Revision 15, dated October 10, 2003, states that "non-conformances are processed in accordance with an established written procedure covering the identification, documentation, segregation, and disposition."

Tioga QSM Section 16, "Corrective Action," Revision 16, dated October 10, 2003, requires that a request for corrective action be generated when conditions adverse to quality exist that reflect a possible programmatic failure, such as repetitive non-conformances, deviation from Tioga Pipe's Quality program, or a significant nonconforming condition.

Tioga QSP-17, "Non-Conformance Procedure," Revision 7, dated December 12, 2006, Step 4.5 requires that "if material has shipped to a customer and later found to be or suspected to be non-conforming, the QA Department shall notify the customer by issuing and sending a Nonconformance Report for their review and disposition." QSP-17 Step 4.6 requires that "during the evaluation for required corrective action, the QA manager will evaluate and document on the Nonconformance Report whether a determination for reportability under 10CFR21 must be performed."

Tioga QSP-26, "Corrective Action Procedure," Revision 8, dated October 10, 2008, references a corrective action report form used to track corrective actions for identified non-conformances.

Finding (cont'd):

2. Even though Tioga had identified numerous, repetitive non-conformances over a three-year period by two different sub-suppliers, a corrective action report form was not initiated as required by Tioga QSP-26, "Corrective Action Procedure," Revision 8.

3. On March 6, 2008, the NRC inspectors found that upon receiving a rejected "butt-welded elbow fitting" from a customer, Tioga personnel failed to follow steps 4.5 and 4.6 of QSP-17, "Nonconformance Procedure," Revision 7. Steps 4.5 and 4.6 required an issuance of a nonconformance report and initiation of a corrective action report.

These issues have been identified as Nonconformance 99900061/2007-201-04.

Probable Cause and Corrective Action (cont'd):

2. The QA Manager determined that the issues in question were unrelated isolated incidents which occurred over a three year period and did not meet the threshold for generating corrective action reports.

Corrective Action – Items 1, 2, 3

Although the Corrective Action System at Tioga Pipe Supply Co. is in compliance with applicable regulations, Tioga will enhance the program to encourage the identification of issues by all employees at a low threshold in the spirit of continuous improvement.

The current program had no entry except through the QA Manager. QSP-26, Corrective Action Procedure will be revised or supplemented with a separate procedure (e.g. a condition reporting system) **by 9/30/08** to encourage the identification of issues or concerns at any employee level.

Form QSP #26.1
9/85

☐ Vendor
☒ Internal

TIOGA PIPE SUPPLY CO INC.
CORRECTIVE ACTION REPORT

Vendor Name: Tioga Pipe Supply Co Inc. Car # 280

Location: Easton, PA Date: 3/7/08

Requirement:
Criterion XVII, "Quality Assurance Records," of Appendix B to 10 CFR Part 50 requires records to be identifiable and retrievable and states, "requirements shall be established concerning record retention, such as duration and location." Basic Requirement 17 of NQA-1-1989 requires records to be protected against damage, deterioration, or loss.

Further, Section 4 of NQA-1-1989 supplement 17S-1 states that records "shall be stored in facilities constructed and maintained in a manner which minimizes the risk of damage or destruction from the following: natural disasters such as winds, floods, or fires."

Finding:
Contrary to the above, Tioga's QSM Section 17.0, "Quality Assurance Records," and QSP-16, Records Maintenance Procedure, Revision 10 dated October 10, 2003, did not specify requirements for the storage and preservation of QA records. Additionally, some single copy QA records were stored in one-hour fire-rated cabinets while others were only stored in standard, non-fire rated metal file cabinets at Tioga's facilities in Easton, PA and Philadelphia, PA.

This issue has been identified as Nonconformance 99900061/2007-201-05.

Reported by NRC Inspection Issue Dept. NA Date 3/6/08

Corrective Action Responsibility Steve DiMauro Requested Reply Date 6/8/08

Probable Cause and Corrective Action:
Tioga Pipe Supply Co Inc is not committed to NQA-1 supplement 17S-1 and consequently controls quality records in accordance with our ASME/NUPIC audited Quality Program. Tioga will reevaluate the records needed to be stored and either purchase 2-hour fire cabinets for storage of applicable records or determine a method for duplicate or electronic storage or some combination of the aforementioned actions. The actions will be **completed by 9/30/08.**

Date Corrective Action
To Be Completed 9/30/08 Signature Steven T. DiMauro

Verification of Corrective Action
Comments:

By _____ Dept. _____ Date _____

TIOGA PIPE SUPPLY COMPANY INC.
2450 WHEATSHEAF LANE, PHILADELPHIA, PA 19137

ATTN:

Chief, Quality and Vendor Branch 1
Division of Construction Inspection & Operational Pr
Office of New Reactors
US Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Reply to a Notice of Violation

FIRST CLASS MAIL