

June 23, 2010

Mr. David Barry, President  
Shaw Nuclear Services  
128 South Tryon Street, Suite 400  
Charlotte, NC 28202

SUBJECT: SHAW NUCLEAR SERVICES RESPONSE TO NRC INSPECTION REPORT  
NO. 99901387/2010-201, NOTICE OF VIOLATION, NOTICE OF  
NONCONFORMANCE, AND UNRESOLVED ITEM

Dear Mr. Barry:

Thank you for your May 13, 2010, letter in response to the Notice of Violation (NOV) and Notice of Nonconformance (NON) that were discussed in the subject U.S. Nuclear Regulatory Commission (NRC) inspection report (IR).

We have reviewed your letter and find that it is responsive to the NOV and unresolved item (URI) documented in IR 99901387/2010-201. Based on discussions with your staff, we understand that Regulatory Guides (RG) 1.132, "Site Investigations for Foundations of Nuclear Power Plants," Revision 2, and RG 1.138, "Laboratory Investigations of Soils and Rocks for Engineering Analysis and Design of Nuclear Power Plants," Revision 2, discussed in URI 99901387/2010-201-03, were not imposed in the contract with the combined license applicant. We have no further questions or comments on the NOV or URI at this time and may review the implementation of your corrective action(s) during a future NRC staff inspection to verify that full compliance has been achieved and maintained.

However, the staff requires further clarifying information on the following NON responses:

1. NON 99901387/2010-201-02 states that "Shaw did not utilize the design change process to obtain prior Westinghouse approval for the use of different revisions of the industry standards and the regulatory guide in Design Specification APP-CC01-Z0-026, "Safety-Related Mixing and Delivering Concrete," Revision 2, Design Specification APP-CC01-Z0-027, "Safety-Related Concrete Testing Services," Revision 1, and Calculation APP-G1-EWC-002, "Calculation, Development of Power Cable Ampacities," Revision 1. In addition, Shaw did not specify the correct revisions or editions of industry standards and a regulatory guide in the design documents above."

Your response did not provide sufficient information in the following areas: a) Shaw did not provide a reason for the noncompliance; b) Shaw indicated that a design change proposal was initiated for CAR 2010-03-04-464 but was silent on a design change proposal for CAR 2010-03-05-471; c) Shaw issued an immediate notification to the engineering staff to reinforce adherence to the procedural requirements, but did not indicate how recurrence would be prevented or how new employees would be notified; d) Shaw did not indicate whether it assessed the impact of using the incorrect revisions of industry standards and regulatory guide in the above design

specifications on safety-related activities; and e) Shaw did not address any corrective actions associated with calculation APP-G1-EWC-002.

2. NON 99901387/2010-201-05 states that “the Shaw audit process for external and internal audits does not have implementing procedures governing the scheduling and processing of internal and external audits, including the tracking of audit open items to closure.”

IR 99901387/2010-201, Section 5, states that “[a]lthough SWSQAP 1-74A and the Qs and QADs effectively address some of the audit program requirements, the NRC inspection team was unable to find internal and external audit implementing procedures that addressed overall audit controls for the scheduling, processing, tracking and closing of audit findings for items and activities affecting quality.” In addition, IR 99901387/2010-201 states that “[i]n preparing for its 2009 internal QA audit, Shaw determined that the 2008 internal QA audit of its Charlotte office nuclear project activities was not performed. Additionally, the 2008 annual “Audit Finding Report” did not identify that the 2008 Internal QA audit of its Charlotte office nuclear project activities was not performed.”

Your response did not address this missed internal audit, how scheduling of audits is controlled in existing Shaw procedures, and how the existing Shaw procedures will prevent recurrence of internal audits being missed.

3. NON 99901387/2010-201-06 states that “Shaw’s corrective action program lacks measures to ensure that 1) CAQs and SCAQs identified through the internal audit process are classified, and evaluated, consistent with QS 16.5, and 2) corrective actions for internal audit findings are received and promptly corrected. In addition, Shaw failed to implement effective corrective actions related to engineering good practices and attention to detail as identified in two different internal audits and failed to address and correct the identified CAQ in CAR 2009-03-19-85.”

Your response stated that Quality Assurance Directive (QAD) 18.1 has been revised to address CAQs and SCAQs consistent with Criterion XVI, “Corrective Action,” of Appendix B to 10 CFR Part 50. However, your response did not provide sufficient information on the revisions to QAD 18.1 to address this nonconformance.

Please provide a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Chief, Quality and Vendor Branch 1, Division of Construction Inspection and Operational Programs, Office of New Reactors, within 30 days of the date of this letter. This reply should be clearly marked as a “Reply to a Notice of Nonconformance” and should address the information requested above. Where good cause is shown, the NRC will consider extending the response time.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC’S Agencywide Documents Access and Management System, which is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>, to the extent possible, it should not include any personal privacy, proprietary, or Safeguards Information so that it can be made available to the public 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 that such material be withheld, 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 2.390(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, "Protection of Safeguards Information: Performance Requirements."

Please contact Ms. Kerri Kavanagh at (301) 415-3743 or via electronic mail at [Kerri.Kavanagh@nrc.gov](mailto:Kerri.Kavanagh@nrc.gov), if you have any questions or need assistance regarding this matter.

Sincerely,

*/RA/*

Juan Peralta, Chief  
Quality and Vendor Branch A  
Division of Construction Inspection  
& Operational Programs  
Office of New Reactors

Docket No. 99901387

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Sincerely,

*/RA/*

Juan Peralta, Chief  
Quality and Vendor Branch A  
Division of Construction Inspection  
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Office of New Reactors

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