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Cascade IROFS 41
Conformance
July 11, 2011
NRC Region II , Atlanta

Agenda



- Opening Remarks – Perry Robinson
- Overview – Dave Sexton
- Response Summary - IR 2011-008 – Jerome Reed
- Actions to Demonstrate Cascade Conformance – Jerome Reed
- Senior Management Response – Dave Sexton
- Path Forward – Cascades 5 and Beyond – Dave Sexton
- Closing Remarks – Gregory Smith

Response Summary to Inspection Report 2011-008



- The NRC cited two quality assurance violations
 - Criterion 10 Violation – Inspections
 - Criterion 15 Violation – Nonconforming Items

Violation Criterion10



Violation Criterion10 – Issues

- Documentation
- Field inspection

Causes

- Failure of questioning attitude
- Failure to use error prevention tools

Contributors

- Unclear expectations
- Ineffective management oversight

Violation Criterion 10 Actions



Actions

- Suspended weld qualification for inspectors qualified after January 2011
- Re-inspected suspect welds on Cascades 3 & 4
- Performed self-assessments on training program
- Conducted training
- Implemented Management Observation Program
- Performed additional review of quality records
- Conducted Human Performance training

Violation Criterion 15

Violation Criterion 15 – Issues

- Quality of technical justification for nonconforming items

Cause

- Inadequate management review

Action

- Procedure change (final approval performed by Design Engineering management)
- Training by Director of Engineering discussing quality of NCR's

Actions to Demonstrate Cascade Conformance



- Actions completed to address conformance, NOVs extent of condition, and beyond:
 - Cascade 3
 - Re-inspection of all H-Frames
 - Identified non-conformances resolved
 - No physical repairs required
 - NCR's use as is
 - Paperwork Reviews
 - Work Plans, NCRs, CR closures, Form 3s
 - Cascade 4
 - Re-inspection of all H-Frames
 - Re-inspection for recently qualified inspectors
 - Identified non-conformances resolved
 - No physical repairs required
 - NCR's use as is
 - Paperwork Reviews
 - Work Plans, NCRs, CR closures, Form 3s

Additional Actions

Additional Actions

- Increased management oversight
- Feedback loop to originators of errors
- Accountability sessions
- Enhanced Quality Record verification training
- Flow-charted process
- Commercial Grade Dedication personnel in Engineering
- Verification activities performed by Projects
- Purchasing more equipment as QA-1

Senior Management Response



- UUSA Senior Management convened a series of meetings in response to Cascade 4 NRC inspection results
 - Site performance was evaluated
 - Programmatic actions were established, communicated site-wide, and begun
- The CNO established root cause team to investigate weld inspection issues
 - The team included an AWS D1.1 expert
- The NRC issued Inspection Report 2011-008
 - UUSA prepared two Detailed Apparent Cause Evaluations and a Root Cause Evaluation in response to the cited NOVs
- A Condition Report was issued to further evaluate programmatic concerns as noted in the NRC Inspection Report cover letter

Senior Management Response (continued)



- The CNO established a team with outside experts to perform a management assessment
- Assessment objectives:
 - Determine the effectiveness of the Corrective Action Program at identifying and resolving CGD issues,
 - Identify and/or confirm underlying programmatic causes, and
 - Identify and/or confirm established corrective actions are sufficient to address cause(s)
- Approach:
 - Evaluate practices for initiating and processing Condition Reports
 - Evaluate a set of root cause and detailed apparent cause evaluations for adequacy
 - Review UUSA's top level causes and actions presented in Dec. 2010
 - Evaluate UUSA's response to precursors for NOV events, including use of the trending program and other forms of internal self-assessments and audits

Senior Management Response (continued)



- Preliminary Results:
 - Condition Reports are initiated and tracked to closure
 - Event causes are, in general, appropriately identified
 - Corrective actions, if appropriately implemented, address causes

However, as related to Commercial Grade Dedication:

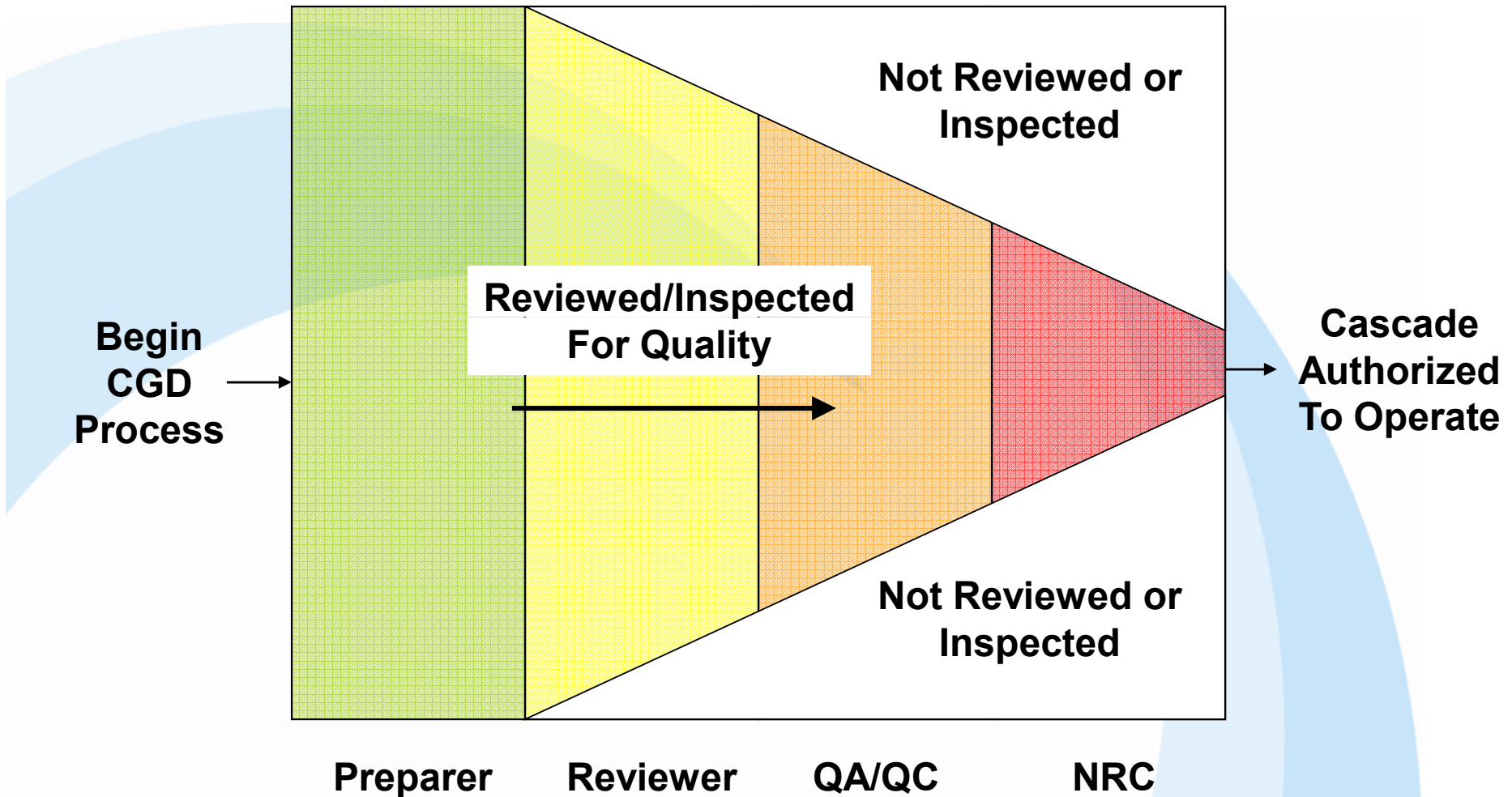
- High ratio of cause evaluations for NOVs as compared to self-identified
 - Extent of condition not always comprehensive
 - Precursors and trends are not always used for actionable preventive measures
 - The risk of new undertakings not always fully assessed to ensure adequate compensatory measures prior to proceeding
 - Programmatic actions are responsive, but additional focus in the above areas is needed
- An Action Plan will be prepared to address these insights and integrates other programmatic actions.

Senior Management Response (continued)



- Progress Since December 2010
 - A detailed understanding of the CGD process and technical requirements was established
 - Training and increased inspections proceed at the manufacturing facilities in Europe
 - A number of training courses were established and implemented, including communication of expectations regarding quality documentation
 - We have taken the actions to drive quality to the source and improve the performance of the Quality Assurance organization

Senior Management Response (continued)



Senior Management Response (continued)



- Actions to Drive Quality to the Source
 - Emphasize the responsibilities of the preparer
 - Rework by the responsible party if not right
 - Improvement in the Quality Assurance Department
- Learn from our success
 - Build in quality as you go

Path Forward – Cascades 5 and Beyond



- Finalize the Management Assessment and develop an Action Plan
- Continue efforts to build quality in from Europe – Successful since 12/2010
- Until lasting improvements are achieved through ongoing programmatic actions and Action Plan implementation, continue over-checks to demonstrate cascade IROFS 41 conformance

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**We understand
this is a management issue.**