



Northern States Power Company

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March 8, 1985

Mr W S Little, Chief,
Operations Branch - Region III
U S Nuclear Regulatory Commission
799 Roosevelt Road
Glen Ellyn, IL 60137

MONTICELLO NUCLEAR GENERATING PLANT
Docket No. 50-263 License No. DPR-22

Dear Mr Little:

In response to your letter dated February 7, 1985, which transmitted Inspection Report No. 50-263/85-04(DRS), the following information is provided related to the nine examples cited where procurement activities were found to depart from directives, instructions, or procedures defined in the NSP Quality Assurance Program:

1. The Purchasing Department's Policies and Procedures Manual did not reflect current purchasing practices with regard to purchase orders.

Corrective Action Taken and The Results Achieved, Corrective Action to Avoid Further Noncompliance, and Date When Full Compliance Will be Achieved

A complete review of the Purchasing Department's Policies and Procedures Manual will be completed and necessary revisions made. Full compliance will be achieved by December 31, 1985.

2. Procedures 3AWI 6.1.1 and 3AWI 6.1.2 did not provide instructions or requirements for the use of certificates of conformance.

Corrective Action Taken and The Results Achieved, Corrective Action to Avoid Further Noncompliance, and Date When Full Compliance Will be Achieved

Northern States Power Company is in the process of reviewing and rewriting its procurement process. The shortcoming identified during the NRC inspection had been previously recognized and was planned for correction with the issuance of new procurement process directives and instructions. The new procurement process will be issued by May 31, 1985 when full compliance will be achieved.

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3. Purchase orders did not document the scope of work to be performed by the supplier as required by Procedure 3 ACD-6.1.

Corrective Action Taken and the Results Achieved

The standard heading on actual purchase order documents that are sent to vendors is "Material or Services to be furnished". This statement together with identification of parts and documentation to be furnished adequately provides the "scope of work" for parts orders. Accordingly, no corrective action is believed to be necessary.

Corrective Action to be Taken to Avoid Further Noncompliance
Date When Full Compliance Will Be Achieved

As addressed above, we do not believe further action on this item is required.

4. Purchase orders did not document the catalog number used when ordering items by part number as required by Procedures 3 AWI-6.1.1 and 3 AWI-6.1.2.

Corrective Action Taken and the Results Achieved

While the information provided was not precisely as identified in the referenced administrative controls documents, it is felt that the information provided adequately identified items to be supplied. If any items are questionable with respect to identification, this would be resolved with direct communication with the supplier, upon receipt inspection, or possibly when the item is to be installed. While this is not desirable, processing of revisions to closed and outstanding purchase orders to resolve these procedural inadequacies would not provide any substantial improvement in the quality of the items supplied. Accordingly, no corrective actions are necessary.

Corrective Action to be Taken to Avoid Further Noncompliance

Personnel will be directed to follow the prescribed administrative controls documents when preparing purchase requisitions. Further, QA reviews of the purchase requisitions will include reviews to assure required items are addressed. It should also be recognized that NSP is revising the procedures for procurement activities. These revised procedures are expected to provide improved preparation and processing instructions.

Date When Full Compliance Will Be Achieved

These actions have been completed.

5. Purchase orders were not consistent in documenting the original purchase specification as required by Section 6.0 of the Operational QA Plan and Procedure 3 ACD-6.1.

Corrective Action Taken and Results Achieved

The references cited for this require that original specification or approved revision requirements be met for replacement parts but they do not require that those specifications be identified in the Purchase Order. Implementing instructions for this provision (i.e., 3 AWI's-6.1.1 and 6.1.2) require the source for the technical requirements be identified in Section H of the QA Purchase Request Form (QAPRF) which is not to be entered on the Purchase Order. These instructions state that this source "may be the original design, original procurement documents, existing specifications, controlled documents or information from the part being replaced".

All of the QAPRF's for the purchase orders referenced with this item in IE Inspection Report 85-04 were reviewed and it is felt that acceptable sources for the technical requirements were identified.

Accordingly, with the information provided, we are complying with the implementing procedures of the Operational QA Plan in the area of this item.

Corrective Action to be Taken to Avoid Further Noncompliance

Date When Full Compliance Will Be Achieved

As addressed above, we do not believe further action on this item is required.

6. Purchase orders did not specify the current revision when referencing drawing numbers as required by Procedure 3 ACD-6.1.

Corrective Action Taken and Results Achieved

This item assumes that drawing numbers were specified on the purchase orders referenced in the inspection report text addressing this item. That is not so. GE part numbers were referenced.

It is recognized that GE does have drawings for individual parts and that revisions are made to those documents. Many of these drawings contain proprietary information and would not be provided to purchasers. GE has

addressed this concern by establishing control of revisions to their drawings, and consequently to the parts provided. This in general only allows changes that do not affect the form, fit or function of the item with that part number. When form, fit or function are affected, new part numbers are established. These controls are addressed in GE's QA Program which has been reviewed by both NSP and the NRC.

Corrective Actions to be Taken to Avoid Further Noncompliance

While it is felt that our activities with respect to this item as reported are in compliance with our procedures, it is appropriate to take some action to avoid possible future noncompliance. Accordingly, personnel processing purchase requisition have been instructed to assure revisions of drawings are specified. In addition, QA reviews of purchase documents will verify this item.

Date When Full Compliance Will Be Achieved

These actions have been initiated.

7. Documentation required by Procedure 4 AWI-9.1.3 was not found in the purchase order packages.

Corrective Action Taken and Results Achieved

The referenced procedure addresses specific considerations for procurement activities with General Electric Company. NSP Purchasing Department records since 1980 have been reviewed to obtain the documentation required. That timing substantially predates the establishing of these documentation requirements. Where appropriate, documentation obtained from this effort will be compared with GE records to assure it is complete and we will attempt to obtain any missing items. These of course, will be placed in the plant purchase order files. This effort is still in process and is expected to be completed by September 30, 1985.

Corrective Action to be Taken to Avoid Further Noncompliance

Measures have been implemented to assure the specified documentation is provided to the plant. In a past meeting with General Electrical personnel, dual distribution of the specified documentation to NSP was established. One copy is sent to the NSP Purchasing Department. Another copy is provided to the Monticello Plant Office Manager for further plant distribution. This latter distribution has been verified with recent purchase orders.

Date When Full Compliance Will Be Achieved

Measures for in-process and future purchases have been established.

8. Purchase orders to General Electric did not document the additional information required by Procedure 4 AWI-9.1.3.

Corrective Action Taken and Results Achieved

The referenced procedure, 4 AWI-9.1.3, is clearly issued to provide GUIDANCE on procurement activities with General Electric. The information identified that "did not meet this requirement" is not required by 4 AWI-9.1.3, but rather, is recommended. Accordingly, this item is not considered to be a citable violation of our procedures.

A review of the referenced purchase orders indicates that most of the information was provided, but not in the specific manner recommended. This type of information was requested by and is intended to be provided to GE as a convenience in purchase order processing. Specific technical information, i.e., the GE piece part number, was provided and is sufficient to assure proper identification.

Corrective Action to be Taken To Avoid Further Noncompliance

While we do not consider this an item of noncompliance, we do want to establish better adherence with the recommendation. Accordingly requestors will be directed to prepare purchase requisitions to GE in accordance with 4 AWI-9.1.3. Further, adherence to the recommendations of 4 AWI-9.1.3 will be addressed in QA reviews of those purchase requisitions.

Date When Full Compliance Will Be Achieved

Compliance with the provisions as stated above has been achieved.

9. Purchase requisitions did not specify adequate receipt inspection requirements as required by Procedure 3 AWI-6.1.2, Table 6.1.1-1, Paragraph C.

Corrective Action Taken and the Results Achieved

Certificates of compliance with purchase order requirements were provided for all of the purchase orders referenced with this item in the report text. These certificates satisfy the documentation addressed in the listed reference.

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Corrective Action To Be Taken To Avoid Further Noncompliance
Date When Full Compliance Will Be Achieved

No additional actions are believed necessary.

Please contact us if you have any questions related to our reply to Inspection Report 85-04(DRS).



C E Larson
Vice President - Nuclear Generation

CEL/DMM/le

c: G Charnoff
NRC Resident Inspector