

Part 21 (PAR)

Event # 48321

|                                       |   |
|---------------------------------------|---|
| <b>Rep Org:</b> THE SHAW GROUP INC.   | <b>Notification Date / Time:</b> 09/19/2012 15:15 (EDT) |
| <b>Supplier:</b> CIVES STEEL COMPANY  | <b>Event Date / Time:</b> 09/19/2012 (EDT)              |
|                                       | <b>Last Modification:</b> 09/19/2012                    |
| <b>Region:</b> 1                      | <b>Docket #:</b>  |
| <b>City:</b> CHARLOTTE                | <b>Agreement State:</b> Yes                             |
| <b>County:</b>                        | <b>License #:</b>                                       |
| <b>State:</b> NC                      |   |
| <b>NRC Notified by:</b> EDWARD HUBNER | <b>Notifications:</b> GERALD MCCOY R2DO                 |
| <b>HQ Ops Officer:</b> PETE SNYDER    |   |
| <b>Emergency Class:</b> NON EMERGENCY |   |
| <b>10 CFR Section:</b>                |   |
| 21.21(a)(2) INTERIM EVAL OF DEVIATION |   |

INTERIM 10 CFR PART 21 REPORT REGARDING EMBEDMENTS FOR AP1000 PROJECT VOGTLE UNITS 3 AND 4

"The attachment to this letter provides an interim report in accordance with 10 CFR 21.21 pertaining to the identification of noncompliances and deviations associated with embedments being supplied as basic components for the Vogtle Units 3 and 4, nuclear project.

"The evaluation of reportability in accordance with 10 CFR Part 21 could not be completed within the 60 day evaluation period due to the number of components found with noncompliances and deviations. It is currently expected that the evaluation of these conditions will be completed by November 6, 2012.

"If you have any questions, please contact Mr. Geoffrey Grant, Vice President of Licensing, Regulatory Affairs and Compliance."

"Component Supplier:  
"Cives Steel Company: 102 Airport Road; Thomasville, GA 31757

"During receipt inspection, QC inspectors found that some of the embedments received from Cives Steel Company had noncompliances and deviations, some of which warranted evaluation under 10 CFR Part 21. Examples of the types of deviations identified include unacceptable welds and weld repairs, missing Nelson studs, damaged Nelson studs, improper painting, incorrect dimensions, and illegible markings for identification. Approximately 211 embedments have been identified as having a noncompliance or deviation.

"It is currently expected that the reportability evaluation for 10 CFR Part 21 will be completed by November 6, 2012, due to the quantity of embedments identified and the time required to evaluate the effects from these

TE19  
LRR

Part 21 (PAR)  
noncompliances and deviations."

Event # 48321

\*\*\*\*\*

10 CFR 21.21

**The Shaw Group Inc.**  
128 South Tryon Street, Suite 400  
Charlotte, NC 28202  
704-331-5856  
FAX: 225-987-3970



Edward Hubner  
Vice President of New Plant Programs

---

September 7, 2012

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

**SUBJECT: INTERIM 10 CFR PART 21 REPORT REGARDING EMBEDMENTS FOR  
AP1000 PROJECT VOGTLE UNITS 3 AND 4**

The attachment to this letter provides an interim report in accordance with 10 CFR 21.21 pertaining to the identification of noncompliances and deviations associated with embedments being supplied as basic components for the Vogtle Units 3 and 4, nuclear project.

The evaluation of reportability in accordance with 10 CFR Part 21 could not be completed within the 60 day evaluation period due to the number of components found with noncompliances and deviations. It is currently expected that the evaluation of these conditions will be completed by November 6, 2012.

If you have any questions, please contact Mr. Geoffrey Grant, Vice President of Licensing, Regulatory Affairs and Compliance.

Sincerely,



Edward Hubner  
Vice President - New Plant Programs  
Shaw Power Group

cc: Regional Administrator, USNRC, Region II

Attachment

**INTERIM 10 CFR PART 21 REPORT REGARDING  
EMBEDMENTS SUPPLIED TO CONSTRUCTION PROJECT**

This report is being provided as an interim report in accordance with 10 CFR 21.21. The evaluation of reportability in accordance with 10 CFR Part 21 could not be completed within the 60 day evaluation period due to the number of components found with noncompliances and deviations. Therefore, it has not yet been determined if any of the identified conditions are reportable under 10 CFR Part 21 or 10 CFR 50.55(e). It is currently expected that the evaluation of these conditions will be completed by November 6, 2012.

(i) Name and address of the individual or individuals informing the Commission.

Edward Hubner, Vice President of New Plant Programs  
228 Strawbridge Drive  
Moorestown, NJ 08057

(ii) Identification of the facility, the activity, or the basic component supplied for such facility or such activity within the United States which fails to comply or contains a defect.

Vogtle, Units 3 and 4, Safety Class C embedments planned to be located in the Auxiliary Building for these Westinghouse AP1000 units.

(iii) Identification of the firm constructing the facility or supplying the basic component which fails to comply or contains a defect.

Component Supplier:  
Cives Steel Company  
102 Airport Road  
Thomasville, GA 31757

(iv) Nature of the defect or failure to comply and the safety hazard which is created or could be created by such defect or failure to comply.

During receipt inspection, QC inspectors found that some of the embedments received from Cives Steel Company had noncompliances and deviations, some of which warranted evaluation under 10 CFR Part 21. Examples of the types of deviations identified include unacceptable welds and weld repairs, missing Nelson studs, damaged Nelson studs, improper painting, incorrect dimensions, and illegible markings for identification. Approximately 211 embedments have been identified as having a noncompliance or deviation.

It is currently expected that the reportability evaluation for 10 CFR Part 21 will be completed by November 6, 2012, due to the quantity of embedments identified and the time required to evaluate the effects from these noncompliances and deviations.

(v) The date on which the information of such defect or failure to comply was obtained.

July 9, 2012

(vi) In the case of a basic component which contains a defect or fails to comply, the number and location of these components in use at, supplied for, being supplied for, or may be supplied for, manufactured, or being manufactured for one or more facilities or activities subject to the regulations in this part.

These embedments are identified as Safety Class C and were being purchased for use in the Auxiliary Building of two Westinghouse AP1000 units.

None of the nonconforming embedments have been used in the construction of Vogtle Units 3 and 4.

(vii) The corrective action which has been, is being, or will be taken; the name of the individual or organization responsible for the action; and the length of time that has been or will be taken to complete the action.

Due to the quantity of embedments, the embedments were inspected in several groups resulting in several quality assurance inspection reports listing noncompliances and deviations associated with some of the embedments. The nonconforming embedments were identified with "hold" tags during their inspections. The quality assurance inspection reports resulted in the following actions:

- One hundred and thirty-six (136) embedments were restored to compliance by rework at the site.
- Fifty (50) embedments were returned to the vendor.
- A Nonconformance and Disposition Report (V-ND-12-0411) was initiated for nineteen (19) embedments.
- A Nonconformance and Disposition Report (V-ND-12-0474) was initiated for six (6) embedments.

The nonconforming embedments are being dispositioned to assure that any embedments used will meet the design requirements. The embedments are being evaluated, reworked, or replaced to ensure compliance for intended use, prior to their installation.

(viii) Any advice related to the defect or failure to comply about the facility, activity, or basic component that has been, is being, or will be given to purchasers or licensees.

Verify that embedment dimensioning, stud installation, coating requirements, marking and weld requirements for studs, including testing for weld repairs are met during manufacture of embedments.

(ix) In the case of an early site permit, the entities to whom an early site permit was transferred.

Not applicable.