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NND-13-0502
10CFR 50.55(e)

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

Virgil C. Summer Nuclear Station (VCSNS) Units 2 and 3
Docket Numbers 52-027 and 52-028
Combined License Numbers NPF-93 and NPF-94

Subject: 10 CFR 50.55(e) Interim Report Regarding a Significant Breakdown in a Quality Assurance Program Involving SPX Corporation, Copes-Vulcan Operations Sub-Vendor's Use of Non-Qualified Sub-Tier Suppliers

This letter provides a written notification in accordance with 10 CFR 50.55(e)(3)(ii) pertaining to a significant breakdown in a quality assurance program involving SPX Corporation, Copes-Vulcan Operations sub-vendor's use of non-qualified sub-tier suppliers for machining of squib valve parts. The breakdown is being evaluated pursuant to 10CFR 50.55(e)(3)(iii)(C) to determine whether the condition could produce a defect in a basic component.

It is currently expected that the evaluation will be completed by November 15, 2013. Please see the Enclosure for the detailed content of the notification.

If you have any questions please call Al Paglia, Manager – Nuclear Licensing, at 803-941-9876.

Sincerely,

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ENCLOSURE

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NND-13-0502

Enclosure

Virgil C. Summer Nuclear Station (VCSNS) Units 2 and 3

Interim 10 CFR 50.55(e) Report

Interim Report Pursuant to 10 CFR 50.55(e)(3)(ii)

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Subject: Use of Nonqualified Sub-tier Supplier and Potential Loss of Material Traceability

SPX Corporation, Copes-Vulcan Operations, supplier of squib valves to A.W. Vogtle Units 3 and 4 and V.C. Summer Units 2 and 3, has identified to Westinghouse that two of its sub-vendors had used nonqualified sub-tier suppliers to perform machining of certain squib valve parts. Use of the sub-tier suppliers was done without the direct sub-vendors to SPX informing SPX of the further sub-tier activity. No valves which have been assembled with the affected parts have been delivered to either the A.W. Vogtle Units 3 and 4 or V.C. Summer Units 2 and 3 sites. All affected machined parts have been accounted for and are under the control of SPX. Westinghouse has placed a limited scope stop work order on SPX and set criteria for restart which SPX must satisfy.

This use of non-qualified sub-tier suppliers by direct SPX sub-vendors is considered by Westinghouse to be a significant breakdown in a portion of the SPX quality assurance program conducted under the requirements of 10CFR50 Appendix B. The breakdown is being evaluated pursuant to 10CFR50.55(e)(3)(iii)(C) to determine whether the condition could produce a defect in a basic component. Westinghouse is also reviewing the extent of the condition across SPX service providers to identify safety-related components/parts and purchase orders at issue. To date, SPX has completed a root cause analysis which looks at the SPX service relationship with its two sub-vendors. The breakdown has been identified to be in the SPX QA Manual in the process that supports vendor oversight. The SPX oversight process was found deficient in providing a formal surveillance of purchase order terms and conditions other than the oversight required by tri-annual code inspections. The potential effect of the oversight deficiency was found to be loss of material traceability. SPX has modified its vendor oversight process and its traceability procedure to be followed by vendors for ASME Section III and safety-related items.

Westinghouse has received SPX's initial response to the Westinghouse limited scope stop work order restart criteria. Westinghouse's review of the response has concluded that the initial response does not provide the objective evidence that was requested. Two of the criteria are pertinent to establishing whether the identified breakdown could produce a defect in a basic component due to loss of material traceability. Additional effort is required by Westinghouse and SPX. Therefore, additional time beyond the 60 day evaluation requirement of 10CFR50.55(e)(3)(i) to complete the evaluation is needed. It is currently expected that the evaluation will be completed by November 15, 2013.