December 24, 2013

Mr. Kirt Richardson, Quality Assurance Manager
Babcock & Wilcox Canada Ltd.
581 Coronation Boulevard
Cambridge, Ontario, Canada, N1RV3

SUBJECT: BABCOCK & WILCOX CANADA'S RESPONSE TO THE U.S. NUCLEAR REGULATORY COMMISSION INSPECTION REPORT NO. 99900067/2013-201, NOTICE OF VIOLATION AND NOTICE OF NONCONFORMANCE

Dear Mr. Richardson:

Thank you for your August 29, 2013 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 found that it is not fully responsive to the NOV and NONs discussed in IR 99900067/2013-201. Specifically, your response to NOV 999000067/2013-201-01 stated that Babcock & Wilcox Canada (BWC) has performed a Method 1 dedication (Special Tests and Inspection) of the material received from Bruck GmbH for the base support ring and the shroud ring forging and that this testing was performed on the archive material that BWC had requested as part of the order. In addition, BWC stated they have performed a Method 2 (Commercial-Grade Survey) dedication of the tube sheet supplied by Sheffield Forgemasters Engineering Ltd. after delivery of the component. Sheffield Forgemasters Engineering Ltd. is an American Society of Mechanical Engineers (ASME) Quality Systems Certificate (QSC) holder; as such their program has remained consistent over the years since this purchase. Furthermore, BWC stated that they have performed an extent of condition analysis looking back five years at purchase orders for the three current contracts in place for US nuclear power plants.

Currently, the ASME Section III Code does not include or allow a process for commercial-grade dedication of ASME Code pressure boundary material. The ASME Code includes a process for the utilization of unqualified source material in NCA 3855.5, but not for performing commercial-grade dedication of material as defined in Title 10 of the Code of Federal Regulations (10 CFR) Part 21. Please clarify your response to indicate what type of actions BWC would be performing to evaluate the material procured from suppliers that did not have a 10 CFR Part 21 program. Your response should clearly document the results of an extent of condition review to determine whether any previously delivered safety-related components or material are affected. This extent of condition review should not be limited to five years.

In accordance with 10 CFR 2.390 "Public, Inspections, Exemptions, Requests for Withholding," of the NRC's "Rules of Practice, "a copy of this letter, its enclosure(s), and 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, accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html. To the extent possible, your response

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 is withheld from public disclosure, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim (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 Mr. Yamir Diaz-Castillo at (301) 415-2228 or via electronic mail at Yamir.Diaz-Castillo@nrc.gov, if you have any questions or need assistance regarding this matter.

Sincerely,

/RA/

Edward H. Roach, Chief
Mechanical Vendor Inspection Branch
Division of Construction Inspection
and Operational Programs
Office of New Reactors

Docket No.: 99900067

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Edward H. Roach, Chief
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