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Feb 12, 2016

U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Attn: NRC's Document Control Desk,

Subject: Closure on Notification of reported event NO. ML14034A188, PART 21 - NONCONFORMANCE OF AN ELECTRICAL TUBULAR WATER HEATER.

In review of the NRC website this week, we have not found copies on the closure of the investigation and the report on the results transmitted to the NRC by our Quality Assurance Manager (F. Sansano), on Jan 30th -2014.

The Internal Nuclear Non-Conformance Investigation report, pertaining to this matter, is attached again in addition to the closure of the internal actions, following the disposition of the nuclear non-conformance report.

Please advise if any further action is required on this item.

Regards,

Alejandro Maldonado, P.Eng.
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CCI Thermal Technologies, Inc.

TE19
NRR

Nuclear Nonconformance Report

Exhibit AB Rev. 0

NCR #	NN14-005	Job No.	NW00000038 (Ser. No.: -01, -02, -03, -04)
Drawing No. & Rev.	B18346, Rev. 3	Material Supplier	CCI Thermal Technologies, Inc. - Oakville
Customer	Bechtel Power Corporation	Customer PO #	244232-1MRA-MEEW-00001 Element
Initiated By	F. R. Sansano, Jr.	Date	20-Jan-14

Part A	Description of Nonconformance	10 CFR Part 21 Scope? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> If Yes, refer to Appendix B; Sections 15 & 16 of NQAM NQPP 15.2 and complete Part E below.
	<p>1. Supplier audit report provided by external auditing service did not define the type of program the audit was done to other than to show, NCA 3800, hence, status and scope of supply of flange supplier was not adequately established (i.e. Qualified Material Organization, Approved Supplier of Subcontracted Services, Approved Supplier of Qualified Source Material); audit reference of this audit is Rev. 4 of the quality program manual whereas, the flanges were made in accordance to Rev. 3 of the quality program manual.</p> <p>2. Deviation from the CDS on the cooling rate (after annealing) and, thickness examination of the heating element tubes.</p>	

Part B	Disposition: <input type="checkbox"/> Rework <input type="checkbox"/> Repair <input type="checkbox"/> Scrap <input checked="" type="checkbox"/> Return <input type="checkbox"/> Use As Is																			
	Upon review of the technical requirements that were not verified and documented, the uncertainty of being able to perform and verify all the required technical requirements on the completed heaters per the CDS, and, the uncertainty on the flange status of supply, it is proposed that the four (4) subject heaters that were shipped to the above-mentioned customer under their above-mentioned purchase order be returned for replacement.																			
	<table border="1"> <thead> <tr> <th>Eng Mgr</th> <th>QA Mgr</th> <th>Prod Mgr</th> <th>ANI / AI</th> <th>Customer Rep</th> </tr> </thead> <tbody> <tr> <td><i>[Signature]</i></td> <td><i>[Signature]</i></td> <td><i>[Signature]</i></td> <td><i>[Signature]</i></td> <td></td> </tr> <tr> <td>Initial</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Date</td> <td>Jan 29, 2014</td> <td>Jan 29, 2014</td> <td>Jan 29, 2014</td> <td></td> </tr> </tbody> </table>	Eng Mgr	QA Mgr	Prod Mgr	ANI / AI	Customer Rep	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>		Initial					Date	Jan 29, 2014	Jan 29, 2014	Jan 29, 2014
Eng Mgr	QA Mgr	Prod Mgr	ANI / AI	Customer Rep																
<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>																	
Initial																				
Date	Jan 29, 2014	Jan 29, 2014	Jan 29, 2014																	

Part C	Resolution	
	QA Mgr	
	ANI / AI	
	PRINT NAME	SIGNATURE

Part D	Nuclear Corrective Action	NCAR No. _____

Part E	Notification Under 10 CFR Part 21	By: <u>A.M. Maldonado</u>	Date: <u>20-Jan-14</u>
	US Nuclear Regulatory Commission (USNRC)		
	Date notified: <u>Jan. 20, 2014</u>	by Tel.: <u>NO</u>	Document Transmittal No. <u>By FAX</u>
	Acknowledgement by USNRC: Date received: <u>January 20, 2014</u>		
	Affected Utilities (attach extra sheet listing utilities name, if required): <u>Bechtel</u>		

Nuclear Nonconformance Report

Exhibit AB Rev. 0

NCR #	NN14-005	Job No.	NW00000038 (Ser. No.: -01, -02, -03, -04)
Drawing No. & Rev.	B18846, Rev. 3	Material Supplier	CCI Thermal Technologies, Inc. - Oakville
Customer	Bechtel Power Corporation	Customer PO #	244232-1MRA-MEEW-00001 Element
Initiated By	F. R. Saneano, Jr.	Date	20-Jan-14

Part A Description of Nonconformance 10 CFR Part 21 Scope? YES NO If Yes, refer to Appendix B; Sections 15 & 16 of NQAM NQPP 15.2 and complete Part E below.

1. Supplier audit report provided by external auditing service did not define the type of program the audit was done to other than to show, NCA 3800, hence, status and scope of supply of flange supplier was not adequately established (i.e. Qualified Material Organization, Approved Supplier of Subcontracted Services, Approved Supplier of Qualified Source Material); audit reference of this audit is Rev. 4 of the quality program manual whereas, the flanges were made in accordance to Rev. 3 of the quality program manual.

2. Deviation from the CDS on the cooling rate (after annealing) and, thickness examination of the heating element tubes.

Part B Disposition: Rework Repair Scrap Return Use As Is

Upon review of the technical requirements that were not verified and documented, the uncertainty of being able to perform and verify all the required technical requirements on the completed heaters per the CDS, and, the uncertainty on the flange status of supply, it is proposed that the four (4) subject heaters that were shipped to the above-mentioned customer under their above-mentioned purchase order be returned for replacement.

	Eng Mgr	QA Mgr	Prod Mgr	ANI / AI	Customer Rep
Initial	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	
Date	29 Jan 2014	Jan 29, 2014	Jan 29 / 2014	Jan 29, 2014	

Part C Resolution

New replacement heaters will be manufactured at no cost to the customer (per RFR ref #: JM-14-121 attached).
 (Defective heaters have been returned to CCI - Oakville)

QA Mgr: F. R. Saneano, Jr. *[Signature]* DATE: Jan 29, 2014

ANI / AI: Ray Chen *[Signature]* DATE: Sept. 2, 2014

Part D Nuclear Corrective Action NCAR No. NC14-006

New NQPP 18.2 & NQPP 7.6 and a new ITP form were created to address the requirements for supplier status and verification & control of Code activities in processing nuclear elements

Part E Notification Under 10 CFR Part 21 By: A.M. Maldonado Date: 20-Jan-14

US Nuclear Regulatory Commission (USNRC)

Date notified: Jan. 20, 2014 by Tel.: NO Document Transmittal No. By FAX
YES or NO

Acknowledgement by USNRC: Date received: January 20, 2014

Affected Utilities (attach extra sheet listing utilities name, if required): Bechtel

Date notified: January 20, 2014 by Tel.: NO Document Transmittal No. by Letter
YES or NO

Acknowledgement by Utilities: Date received January 23, 2014