



UNITED STATES
ATOMIC ENERGY COMMISSION
DIRECTORATE OF REGULATORY OPERATIONS
REGION V
2111 BANCROFT WAY
BERKELEY, CALIFORNIA 94704

TELEPHONE: 841-5121
EXT. 661

MAY 8 1973

Pacific Gas and Electric Company
77 Beale Street
San Francisco, California 94106

Docket No. 050-0323

Attention: Mr. Frederick T. Searls, Vice President
and General Counsel

Gentlemen:

Thank you for your letter dated April 25, 1973 informing us of the steps you have taken to correct the items which we brought to your attention in our letter dated April 2, 1973. Your corrective actions will be verified during our next inspection.

Attached to this letter is our inspection report. In accordance with Section 2.790 of the AEC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the AEC's Public Document Room. If this report contains any information that you believe to be proprietary, it is necessary that you submit a written application to this office, within 20 days of the date of this letter, requesting that such information be withheld from public disclosure. The application must include a full statement of the reasons why it is claimed that the information is proprietary. The application should be prepared so that any proprietary information identified is contained in an enclosure to the application, since the application without the enclosure will also be placed in the Public Document Room. If we do not hear from you in this regard within the specified period, the report will be placed in the Public Document Room.

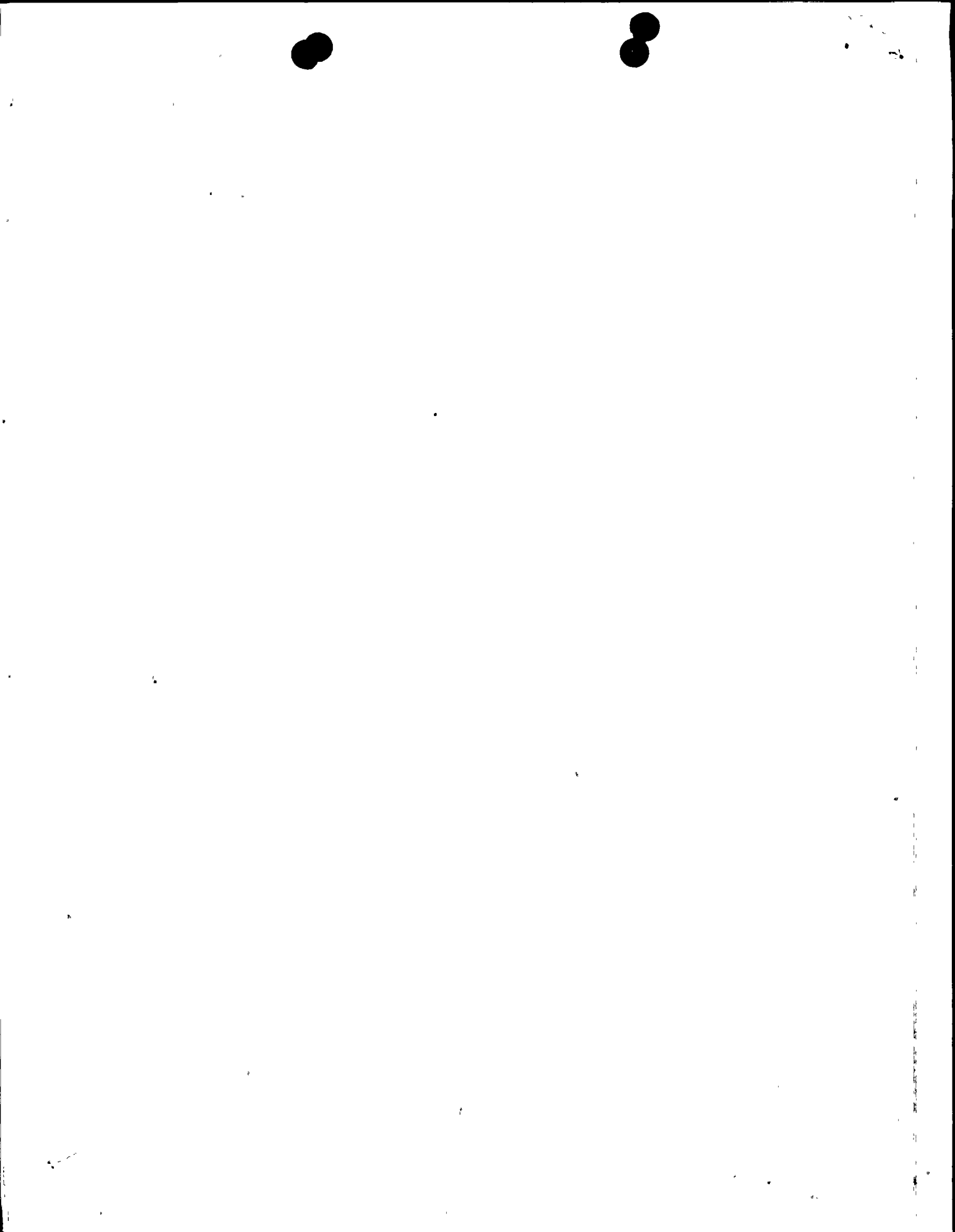
Your cooperation with us is appreciated.

Sincerely,

R. W. Smith
Director

Enclosure:
As stated

bcc w/o enclosure (rpt.) but w/cy ltr dtd 4/25/73
RO Chief, FS&EB
RO:HQ (4)
Directorate of Licensing (4)
DR Central Files
GC



PACIFIC GAS AND ELECTRIC COMPANY

PG&E

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April 25, 1973

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Mr. R. W. Smith, Director
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2111 Bancroft Way
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Re: Docket No. 99900054
Docket No. 50-323

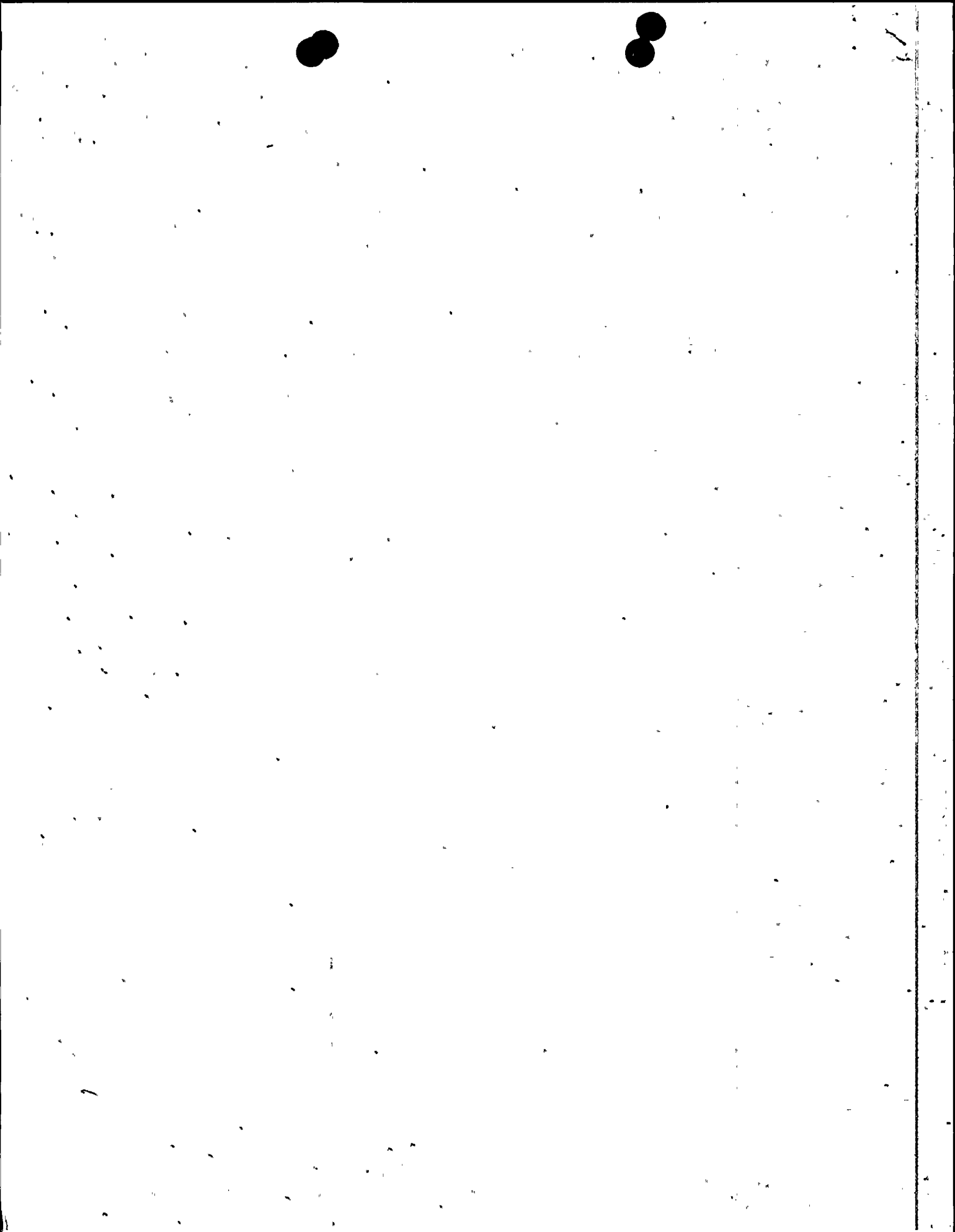
Dear Mr. Smith:

Your letter dated April 2, 1973, concerning the inspection at the Dresser Industrial Valve and Instrument Division, Alexandria, Louisiana, conducted by Mr. A. R. Herdt of Region II, Regulatory Operations Office, listed certain apparent areas of noncompliance resulting from the inspection.

In compliance with 10 CFR 2.201, we wish to advise you that the specific items of noncompliance have been corrected and that measures have been taken to prevent their recurrence.

It should be pointed out that the specification for the contract with Dresser was written in 1968 with the order being confirmed in October, 1969. The Quality Assurance Department was staffed in early 1970 and procedures issued in mid-1970. Since then, implementation of our quality control procedures has markedly improved. Had Dresser been subjected from the outset to the controls our quality assurance program now maintains on suppliers, the deficiencies noted in your letter would not have occurred.

All suppliers of Design Class I materials and components are and have been subject to surveillance by PG&E. The Inspection Section of Engineering Services performs initial audits of suppliers' quality assurance capabilities, makes periodic plant inspections, witnesses tests, and performs verification inspections on PG&E orders. In addition the Quality Assurance Department performs audits of our suppliers' quality assurance and quality control programs. Steps are currently being taken to schedule more frequent audits in suppliers' plants, there-



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by giving increased attention to evaluating the effectiveness of suppliers quality assurance systems.

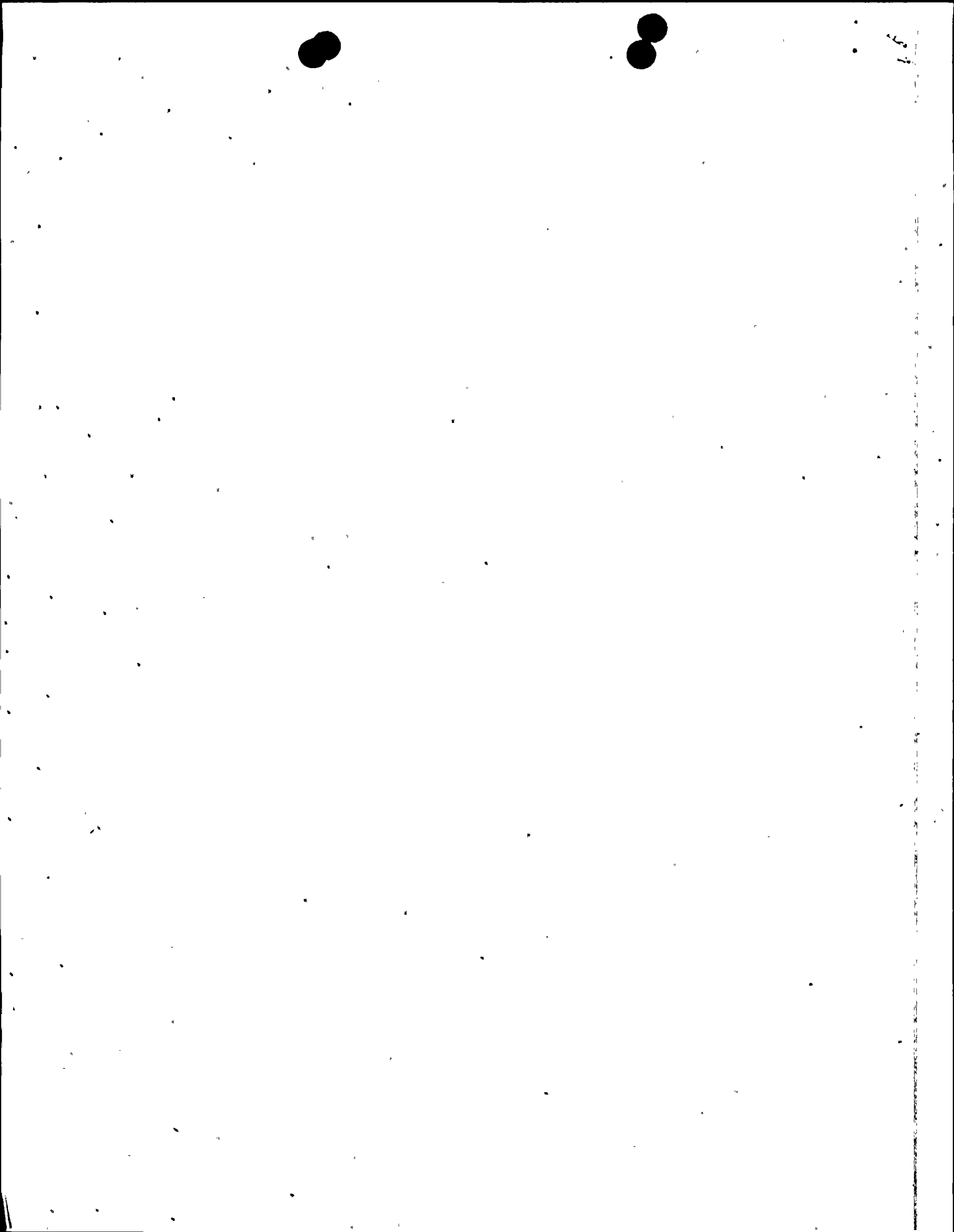
Items are discussed in the order listed in the enclosure to your letter dated April 2, 1973.

1. The inspection found that Dresser has not submitted the inspection plan or quality assurance program to PGandE for approval, as required by the purchase order, although fabrication had been in progress for some time.

PGandE Specification 8730, "Steam Generator Safety Valves," requires the supplier to furnish an inspection plan and a test program. The words "quality assurance program" were introduced into the confirming purchase order dated October 9, 1969. There was no rigid definition of what was explicitly required for a Quality Assurance Program at the time this term was included in the Purchase Order. PGandE has accepted OS-166, Dresser Order Control Instructions, along with procedures and tests referenced in OS-166, which have been approved by PGandE, as satisfaction of the specification requirements for quality assurance for Unit 2 valves. At least 19 plant inspections have been made at the Dresser Plant as of April 15, 1973, by PGandE field inspection personnel who have followed the progress of the order through the Dresser shops. Close liaison with PGandE Engineering Department personnel is maintained in the review and resolution of any problems on the order disclosed by field inspectors.

2. The inspection found that PGandE has approved only Revision 0 to Fabrication Drawing CP-1802, while Dresser was fabricating to Revision 4.

Revision 0 of Fabrication Drawing CP-1802 was approved January 14, 1972. Dresser believed Revisions 1 through 4 to be essentially editorial in nature or approved in correspondence with PGandE. This was confirmed by PGandE upon review of the details of the revisions. The revisions included clarification of non-critical dimensions and additions to existing nondestructive testing requirements. No reduction of approved design requirements was made by the revisions to the drawing as originally approved. Revision 5 to Fabrication Drawing CP-1802 has now been approved by PGandE, and Dresser has been instructed to submit all future changes to approved documents to PGandE for approval prior to implementation of the change.



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3. The inspection found that Dresser was using valve body and nozzle materials different from those called for in the purchase order without an approved change to the purchase order.

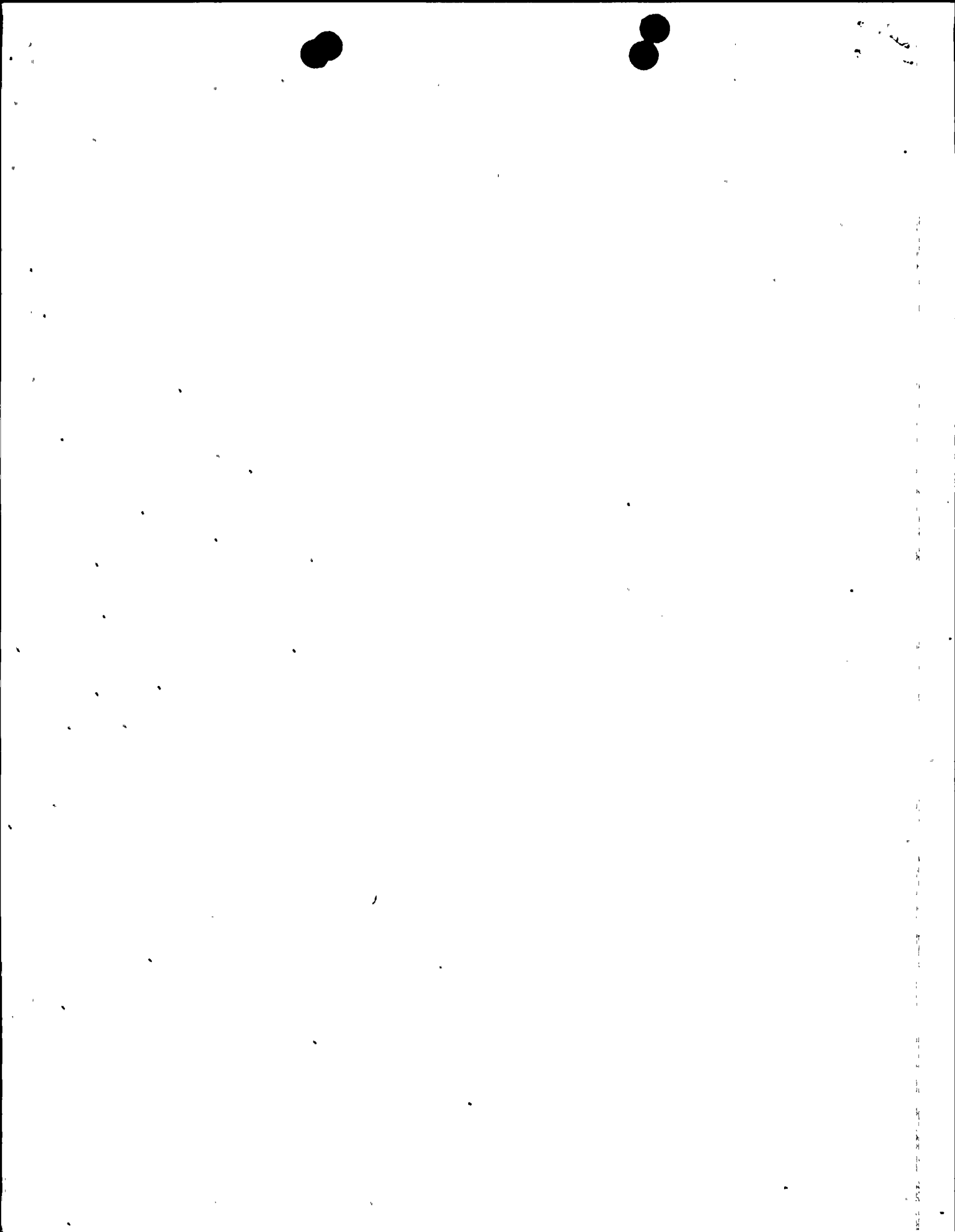
Changes of valve body and nozzle material from those stated in the purchase order were proposed by Dresser in the submittal of Dresser's Fabrication Drawing CP-1802 for Unit 2. This drawing was approved by PGandE prior to start of fabrication. The purchase order now has been corrected by PGandE Change MC-5 dated March 27, 1973, to reflect the approved material. PGandE was cognizant of the material change as evidenced by the original review and approval of the drawing submitted for fabrication. PGandE is reviewing Company quality assurance procedures to determine if additional instructions are required for control of purchase orders which are affected by approval of documents submitted by suppliers.

4. The inspection found that two weld procedures were being used on material not falling within the thickness ranges specified in the procedures.

The ASME Boiler and Pressure Vessel Code, 1971, Section IX, "Welding Qualifications," Table Q-13.3, pg. 22, lists the pipe wall thickness range for which a procedure is qualified, based on the wall thickness of the sample weld. Both WS-300-166 and WS-349-166 were qualified using 6 1/2" diameter, 1" wall thickness pipe. According to Table Q-13.3, this qualified the procedure for welds from 3/16" minimum to 2" maximum wall thickness. Procedure WS-349-166, dated December 1, 1971, was approved by PGandE. As issued by Dresser, the weld procedure was qualified for the range of 1/16" to 9/16". This has been corrected and revised on the weld qualification sheet in WS-349-166 dated February 13, 1973, to read 3/16" to 2" to be in agreement with the 1971 Code, and has been approved by PGandE.

Dresser has issued internal instructions to those responsible for reviewing and approving procedures for welding, to verify conformance with all applicable requirements of Section IX of the ASME Code.

By the action taken above, all items listed in your letter dated April 2, 1973, will have been corrected as of April 27, 1973.

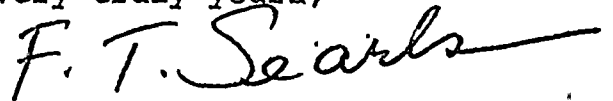


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Surveillance and inspection scheduled by PGandE for the second quarter of 1973 will verify compliance and effectiveness of these actions.

We will be glad to furnish any additional information or answer any further questions you may have in this matter.

Very truly yours,

A handwritten signature in cursive script that reads "F. T. Searls". The signature is written in dark ink and has a long, sweeping horizontal line extending to the right.

F. T. Searls

BGG:PAC:sp

