

December 7, 2016

Ms. Anne Sullivan
General Electric Company
300 Garlington Road
GTTL, 2nd Floor South
Greenville, SC 29615-4614

SUBJECT: GE OIL & GAS'S RESPONSE TO THE U.S. NUCLEAR REGULATORY
COMMISSION INSPECTION REPORT NO. 99901468/2016-201, AND NOTICE
OF NONCONFORMANCE

Dear Ms. Sullivan:

Thank you for your November 3, 2016, letter in response to the Notice of Nonconformance (NON) that was discussed in the subject U.S. Nuclear Regulatory Commission (NRC) inspection report.

We have reviewed your November 3, 2016, response letter and found that it is still not fully responsive in addressing the concerns documented in our September 9, 2016, reply letter to your August 15, 2016 letter in response to NON 99901468/2016-201-01. Specifically, as described in our September 9, 2016, letter your response to NON 99901468/2016-201-01 does not address the GE Oil & Gas inadequacies related to verification/acceptance of the critical characteristic, tensile strength, for the spindle material ASTM B637 Type 2 (Inconel) cited as a specific example in the NON, as well as other non-stainless steel products previously manufactured and shipped without adequate verification/acceptance of all critical characteristics.

As discussed in a teleconference with you and your staff on December 1, 2016, all identified critical characteristics must be verified. However, your staff stated that there is additional information showing that tensile strength was not in fact an identified critical characteristic, as the NRC had previously understood. The NRC staff would like to review this clarifying information.

Please provide a written explanation or statement within 30 days of this letter in accordance with the instructions specified in the subject inspection report NON. The agency will consider extending the response time if you show good cause for us to do so.

In accordance with Title 10 of the *Code of Federal Regulations* (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

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 Ms. Laura Micewski at 301-415-5763, or via electronic mail at Laura.Micewski@nrc.gov, if you have any questions or need assistance regarding this matter.

Sincerely,

/RA/

John Burke, Chief
Quality Assurance Vendor Inspection Branch-2
Division of Construction Inspection
and Operational Programs
Office of New Reactors

Docket No.: 99901468

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."

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Sincerely,

/RA/

John Burke, Chief
Quality Assurance Vendor Inspection Branch-2
Division of Construction Inspection
and Operational Programs
Office of New Reactors

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DATE	12/06/16	12/07/16

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