



SACRAMENTO MUNICIPAL UTILITY DISTRICT □ 6201 S Street, Box 15830, Sacramento, California 95813; (916) 452-3211

September 17, 1970

United States Atomic Energy Commission
Division of Compliance, Region V
2111 Bancroft Way
Berkeley, CA 94704



Attention: Mr. R. W. Smith, Director

Dear Mr. Smith:

This letter is in response to your July audit findings as set forth in your letter of September 15, 1970, to the District. We have reviewed your findings and have taken corrective action as follows:

1. Audit Finding: Several instances were noted whereby the sampling program for testing 3 splices out of each 100 splices was violated to the extent that in one instance 150 production splices were made with only one sample being tested.

Corrective Action: The problem as defined in the audit was due primarily to the fact that administration of the sampling program was being attempted from the field office rather than by the inspector observing the cadweld operations. To remedy this, a convenient chart for recording various sizes and orientations of cadwelds along with a running record of the sampling frequencies has been prepared by Bechtel Quality Engineering and has been placed under the control of the cadweld inspector. The inspector involved along with two backup inspectors was thoroughly trained in the use of the chart as well as in the importance of strictly adhering to the overall cadweld inspection and sampling program.

Recent audits by SMUD and Bechtel have revealed that the system is now under control.

2. Audit Finding: Chicago Bridge and Iron was observed to have had weld rod out of control.

Corrective Action: In previous audits weld rod control was observed to be a problem which resulted in a formal notice of a quality deficiency by Bechtel to Chicago Bridge and Iron. As a result of this notice, Chicago Bridge and Iron initiated corrective action as follows:

- a. Formal training of all welders and inspectors as to the significance and importance of weld rod control.
- b. A warning to all welders that violations would result in severe disciplinary action.

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September 17, 1970

- c. A daily after hours review by Chicago Bridge and Iron quality assurance personnel to observe the effectiveness of control procedures.

Reviews by Bechtel personnel indicated a dramatic improvement in the weld rod control.

The recently observed violation by the AEC was an isolated case which was followed up by Chicago Bridge and Iron locating the worker responsible and effecting his immediate termination.

3. Audit Finding: Rebar spacing was found to be in excess of specified requirements and although approved verbally by engineering was undocumented.

Corrective Action: Intensified inspection was instituted immediately upon detection of the above discrepancy with inspectors under strict rules to document any deviations from drawings or specifications regardless of the magnitude of the deviation. This has been done for all reactor building rebar placed to date and is presently documented on existing nonconforming reports. The reports have been thoroughly reviewed by engineering along with appropriate stress analysis and have been dispositioned accordingly. They are on file at Rancho Seco and available for AEC review.

It is SMUD's plan to pursue this matter during the licensing phase to determine what technical evidence is desired by the AEC to demonstrate to their satisfaction the structural adequacy of the containment building.

In summary, you indicated in your letter a general concern over the "adequacy" of the Rancho Seco quality assurance program as a result of the above findings. You will note that the above findings are of a nature that relate primarily to the inspection element of our quality assurance program. It is in this area that both SMUD and Bechtel had an equal concern prior to your audit and had made plans for a reorganization to centralize inspection activity under a chief inspector. This was to be done with the initiation of the mechanical-electrical phase of construction. It is to be noted that as a result of the above audit findings, the reorganization was accelerated and implemented prior to the departure of the AEC auditor. This is reflected in the current issue of the SMUD Quality Assurance Manual. //

We are convinced that this action, coupled with the future audits by your office, will erase the concern you have indicated in your letter.

Yours truly,



John J. Mattimoe
Assistant Chief Engineer