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Our reference: QEHS-17-16

Date: July 6, 2017

Your Reference: NRC Vendor Inspection Report Number 99901416/2016-201

Subject: Reply to Notice of Nonconformance Cited in NRC Inspection Report No. 99901416/2016-201
Dated June 8, 2017

Westinghouse acknowledges receipt of NRC Inspection Report Number 99901416/2016-201 dated June 8, 2017, including Notice of Nonconformance: 99901416/2016-201-01. Westinghouse understands the reasons for the Notice of Nonconformance, is taking appropriate actions to resolve this issues, and is committed to comply with the provisions of Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocess Plants," to Title 10 of the Code of Federal Regulations (10 CFR) Part 50, "Domestic Licensing of Production and Utilization Facilities."

Westinghouse is also addressing the statement made in the report cover letter (NRC Inspection Report 99901416) which brought to our attention your thoughts on the potential programmatic weakness in our Quality Assurance Program in Criteria XVI, "Corrective Actions;" of Appendix B to 10 CFR Part 50. CAPAL 100477037 has been initiated to assess this issue for the purpose of verifying Westinghouse's compliance to the stated regulatory requirement. This issue will be addressed separately from our Notice of Nonconformance response provided in this letter.

As requested, details of the corrective actions taken to address this nonconformance are described in the attachment to this letter.

Very truly yours,

A handwritten signature in cursive script that reads "Russell A. Bastyr".

Russell A. Bastyr
NF and GCM Quality & Performance Improvement
Vice President

cc:	Kerri Kavanagh	US NRC
	Paul Prescott	US NRC
	Aaron Armstrong	US NRC
	Michele DeWitt	Westinghouse
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Nonconformance 99901416/2016-201-01

Criterion XVI, "Corrective Action," of Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants," to Title 10 of the Code of Federal Regulations (10 CFR) Part 50, "Domestic Licensing of Production and Utilization Facilities," states that "Measures shall be established to assure that conditions adverse to quality, such as failures, malfunctions, deficiencies, deviations, defective material and equipment, and nonconformances are promptly identified and corrected. In the case of significant conditions adverse to quality, the measures shall assure that the cause of the condition is determined and corrective action taken to preclude repetition. The identification of the significant condition adverse to quality, the cause of the condition, and the corrective action taken shall be documented and reported to appropriate levels of management."

W2-5.1-101, "Westinghouse Corrective Action Program Procedure," Revision 3.0, dated March 1, 2017, states in part, that, "The Issue owner shall ensure that the appropriate level of causal analysis or extent of condition evaluation is completed as a root cause analysis (RCA). For Significance Level 1 issues, the issue closure review requires all actions are complete (but the effectiveness reviews are pending) and the completion is within 180 days from the issue submittal."

Contrary to the above, as of April 27, 2017, WEC failed to promptly correct a significant condition adverse to quality, determine the cause of the condition, and ensure the corrective action taken will preclude repetition. Specifically, WEC opened CAPAL 100391094, "Material Identification and Traceability," dated June 10, 2016, for Mangiarotti's incorrect use of material in the manufacturing of the Lower Support Stiffener Passive Residual Heat Removal Heat Exchanger (PRHR HXH). Testing identified the material used was SA 240 Type 321, instead of the required Type 304/304L stainless steel. CAPAL 100391094 was upgraded from a Significance Level 2 to a Significance Level 1 on July 28, 2016. As of April 27, 2017, WEC's CAPAL 100391094 was still open, which is 90 days over the 180-day time period allowed for closure of a Significance Level 1 CAPAL. Additionally, WEC had not yet completed the RCA to determine the cause of the condition, nor identified the corrective actions required to preclude its repetition.

Response:

(1) The reason for the noncompliance or, if contested, the basis for disputing the noncompliance;

Westinghouse acknowledges the Notice of Nonconformance (NON) as issued. On June 13, 2017, Westinghouse initiated CAPAL 100477030 as a significance Level 2 issue in its corrective action system to document the identified nonconformance. Prior to the issuance of the NON, Westinghouse originated CAPAL 100465107, on April 18, 2017 to address the untimely completion of the CAPAL 100391094 RCA. Following the issuance of the NON, Westinghouse initiated CAPAL 100477030 because CAPAL 100465107 did not fully document the nonconformance as stated in the NON.

Under CAPAL 100477030, Westinghouse developed an Apparent Cause Analysis (ACA) to identify the human performance failures and other causes that lead to the untimely completion of the RCA for CAPAL 100391094. The focus of this ACA was to identify causal factors that, if corrected, would improve the timely overall performance of the RCA process rather than on those factors that contribute to each individual delay encountered during the execution of 100391094.

The ACA describes the following causes:

- Delayed engagement by the issue owner, due to the assignment of multiple issue owners, contributed to the bypassing early RCA process deliverables.
- Management oversight failed to ensure appropriate technical resources were either assigned as project participants or made available to aid the RCA Team.
- The issue owner was assigned multiple Level 1 CAPALs which resulted in a loss of focus in the completion of CAPAL 100391094.
- Management did not adequately hold the RCA team accountable for the timeliness of its work, and did not assign adequate resources to complete the RCA in a timely manner.
- Management processes did not include an adequate escalation path that could overcome the challenges of completing an RCA requiring work at widely-dispersed resources from multiple geographical locations.

(2) The corrective steps that have been completed and the results achieved;

- The RCA for CAPAL 100391094 was completed and approved on June 19, 2017, by the Westinghouse Nuclear Fuels and Global Component Manufacturing (NF and GCM) Corrective Action Review Board (CARB) as required by W2-5.1-101, "Westinghouse Corrective Action Program Procedure."
- On June 13, 2017, Westinghouse initiated CAPAL 100477030 as a significance Level 2 issue in its corrective action system to document the identified nonconformance as reflected in response (1) [above]. The ACA was completed on July 5, 2017.

(3) The corrective steps that will be to taken avoid further noncompliance; and

- Develop expedited corrective action maintenance plan and metric for corrective actions defined as part of RCA 100391094; distributed once per week to NF and GCM executive staff
- Perform training workshop for individuals qualified as Issue Owners (IOs), CARB members, and Issue Review Committee (IRC) members at the Mangiarotti facility on expected completion milestones during an RCA.
- Invoke mandatory independent review path to NF and GCM, Quality & Performance Improvement (Q&PI) staff. Future NF and GCM causal analyses will be monitored for procedural adherence to facilitate improvement. A weekly update on performance indicators will be presented to the NF and GCM Staff for the purpose of monitoring performance.
- Develop a program improvement bulletin to describe the changes to causal analysis practices at the Mangiarotti plant, and distribute this bulletin to Mangiarotti issue owners.
- Create individualized metric plan for Mangiarotti CAPAL health; displayed weekly to the QEHS and NF and GCM executive staff.
- Monthly, review the status of scheduled causal analysis with the NF and GCM SVP-level CARB to drive timely closure and ensure contingencies for rescheduling analyses are appropriate and justified.
- Identify and train a subset group (Director Level of above) located within the Mangiarotti facility to serve as ongoing issue owners to Level 1 issues.
- Designate and train Mangiarotti-specific Root Cause Team Leads.

(4) The date when the corrective action will be completed.

The committed completion date for these actions is October 25, 2017; these actions are being implemented, tracked, and documented in CAPAL 100477030.