



07 - 620-91

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

July 10, 1989

Docket No. 99900403/89-01

Dr. Bertram Wolfe, Vice President  
and General Manager

~~GE Nuclear Energy~~  
175 Curtner Avenue  
San Jose, California 95125

Dear Dr. Wolfe:

This letter addresses the inspection of your facility at San Jose, California conducted by Messrs. Richard P. McIntyre and Stephen D. Alexander of the Vendor Inspection Branch on March 13-23, 1989, and the discussion of our findings with Mr. James Fox and other members of your staff at the conclusion of the inspection.

The inspection was conducted to review GE Nuclear Energy's (GENE) process for dedicating commercial grade mechanical and electrical items for use in safety-related applications. Additionally a review of unresolved items 87-02-01, concerning the GE "White Paper" and the issue of associated circuits at Nine Mile Point 2 (NMP2) and 88-02-02, concerning the adequacy of GENE's dedication of commercially procured molded case circuit breakers for safety-related applications was also performed.

During the inspection, it was found that the implementation of your Quality Assurance program failed to meet certain NRC requirements, specifically in the area of the implementation of your dedication process used for commercial grade items procured for use in safety-related applications as described in GE Engineering Operation Procedure EOP 65-2.20, "Dedication of Commercial Grade Items." In addition, the GENE dedication of molded case circuit breakers in general, and the dedication of replacement parts from Dresser-Rand for the Limerick-2 reactor core isolation cooling (RCIC) Terry Turbine governor valve were considered to be inadequately accomplished.

In response to the enclosed Notice of Nonconformance, please provide us within 30 days from the date of this letter, a written statement containing: (1) a description of steps that have been or will be taken to correct these items; (2) a description of steps that have been or will be taken to prevent recurrence; and (3) the dates your corrective action and preventive measures were or will be completed. We will consider extending the response time if you can show good cause for us to do so.

The responses requested by this letter are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

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Dr. Bertram Wolfe

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In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

Original signed by E. William Brach

E. William Brach, Chief  
Vendor Inspection Branch  
Division of Reactor Inspection and Safeguards  
Office of Nuclear Reactor Regulation

Enclosures:

1. Appendix A-Notice of Nonconformance
2. Appendix B-Inspection Report 99900403/89-01

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[GE NUCLEAR ENERGY LETTER 2]

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