



THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

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Dalwyn R. Davidson
VICE PRESIDENT
SYSTEM ENGINEERING AND CONSTRUCTION

September 14, 1979

Mr. Gaston Fiorelli
Reactor Construction and
Engineering Support Branch
United States Nuclear Regulatory Commission
Region III 799 Roosevelt Road
Glen Ellyn, Illinois 60137

Dear Mr. Fiorelli:

This letter is to acknowledge receipt of your Inspection Report number 50-440/79-03; 50-441/79-03 attached to your letter dated August 1, 1979, which I received on August 3, 1979. This report identifies areas examined by Messrs. J. Hughes, H. H. Livermore, G. F. Maxwell and E. W. K. Lee during the inspection conducted at Perry Nuclear Power Plant from July 10 through 12, 1979. By agreement between J. E. Konklin and W. J. Kacer reached during a telephone call on September 4, 1979, this response has been delayed from the original due date of September 4, 1979.

Attached to this letter is our response to the two Items of Noncompliance described in Appendix A, Notice of Violation, of the above referenced I. E. Report. This response is in accordance with the provisions of Section 2.201 of the NRC's "Rules of Practice", Part 2, Title 10, Code of Federal Regulations.

Please do not hesitate to call if I may be of further assistance.

Very truly yours,

D. R. Davidson
Vice President
System Engineering and Construction

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RESPONSE TO ENFORCEMENT ITEMS

Listed below are the responses to the noncompliances identified in Appendix A, Notice of Violation, of the United States Nuclear Regulatory Commission I. E. Report No. 50-440/79-03; 50-441/79-03.

I. A. Infraction

10CFR50, Appendix B, Criterion X, requires that a program for inspection of activities affecting quality shall be established and executed by or for the organization performing the activity to verify conformance with the documented instructions, procedures, and drawings for accomplishing the activity.

The PNPP PSAR Chapter 17, Section 17.1.10 states in part that, "Quality will be controlled by inspection...Appropriate mandatory hold points...shall be identified...and activity may not proceed beyond...Records shall be maintained describing results...and verifying that inspections were performed..."

The Newport News Industrial ASME Nuclear QA Manual, Rev. C, dated October 10, 1978, Section 10.1500 states, in part, that "Each step of the Manufacturing Installation Instruction (MII) will receive a verification signature and date on completion, including all...QA hold points. The...Superintendent will sign off...in-stallation steps."

Contrary to the above, the NRC inspector observed numerous instances in which contractor personnel failed to execute the program for inspection by failing to verify conformance per documented instructions and procedures. The inspector reviewed four contractor MII's used for the installation of some ten pieces of safety-related components such as: Reactor Vessel (Unit 1), RHR and LPCI discharge heads and suction barrels, RCIC pump and turbine, Reactor Vessel anchor stud installation, and Control Complex Chiller baseplate modification. The inspector noted numerous and widespread examples of the following in 3 of 4 procedures:

- a. Both QC and Trade signatures were missing for work completed. (Some 12 steps of the Reactor Vessel Alignment procedure during Unit 1 Installation. One complete operation of the Vessel anchor stud installation - Step 600.)
- b. QC and Trade signatures out of sequence. (Some seven steps of Unit 1 LPCI grouting operation were signed by QC 15 days prior to trade signoff. One operation step of the Chiller baseplate modification was signed by QC three days prior to Trade signoff.)

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Infraction (Cont'd.)

- c. QC signatures by themselves for work completed. No trade signoffs. (Two extensive operational steps of Reactor Vessel preps for installation and alignment and lubrication. Seven-step steps for the location and alignment of LPCI discharge head and suction barrel.)
- d. Required QC Hold Points ignored. No QC signatures on completed work signed off by Trades. QC required.
 1. On the grouting operation of seven pieces of safety-related components, 37 steps completed with no QC signoff.
 2. On the alignment of safety-related suction head and barrel of (B) RHR, three steps with no QC signoff.
 3. One operational step for each of five safety-related suction head to barrel installations with no QC signoffs.

These examples indicate a breakdown in the inspection verification system. Completed work verification cannot be confirmed.

B. Response

1. A detailed review of all completed and in process MII's will be conducted to identify and correct discrepancies. Verification will be accomplished by review of associated records such as inspection reports, production reports, or weld history records. Operations that cannot be verified by reference to associated records will be reworked. Operations which cannot be verified or reworked will be identified as nonconforming for Engineering resolution.
2. A Stop Work has been placed on all NNIC operations associated with the installation of safety-related NSSS equipment. A specific NNIC instruction will be prepared for the preparation, review, approval, implementation and completion of MII's. Training sessions will be given to all NNIC personnel responsible for the preparation or use of MII's prior to permitting any further installation of safety-related NSSS equipment.
3. Full compliance will be achieved by November 1, 1979.

II. A. Infraction

10CFR50, Appendix B, Criterion XIII, states, in part, that "Measures shall be established to control the handling, storage, shipping, cleaning and preservation of material and equipment in accordance with work and inspection instructions to prevent damage or deterioration."

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Infraction (Cont'd.)

The Cleveland Electric Illuminating Company (CEI) Corporate QA Manual - Introduction Section and Section 1300 states, in part, "This manual...provides a QA program which complies with the regulatory requirements of 10CFR50, Appendix B, ANSI N45.2.2 and those regulatory guides..." CEI Contract Specification SP-38-4549-00, dated July 16, 1976, Paragraph 5:06.2.c commits the Installation Contractor, Newport News Industrial (NNI), to the requirements of ANSI N45.2.2, Handling and Storage of Items of a Nuclear Plant.

ANSI N45.2.2, Section 3.5.1, states, in part, "Caps and plugs shall be used...to protect threads and weld end preparations." Section 6.4.2 of ANSI N45.2.2 states, in part, "Covers removed for internal access at any time for any reason shall be immediately replaced and resealed after completion of the purpose for removal." Section 6.2.2 of ANSI N45.2.2 states, in part, "Cleanliness and good housekeeping practices shall be enforced at all times..." Section 6.5 of ANSI N45.2.2 states, in part, "Items released from storage and placed in their final locations within the power plant shall be inspected and cared for in accordance with the requirements of Section 6 of this standard..." ANSI N45.2.2, Section 3.2.3(1), Criteria 7 states, in part, that all openings into items shall be capped, plugged, or sealed.

Newport News Industrial Equipment Maintenance Instruction 1240-F-S002, Section 7, commits NNI to the administration and control of a program of field storage and protection of safety-related equipment. The reporting system lists items such as:

Corrosion or Rust Visible
Equipment Openings Sealed
Connecting Flanges Protected
Heater in Operation

Contrary to the above, on July 10 - 12, the NRC Inspector observed the following:

- a. Unit 1 Safety-Related RHR and LPCI pump discharge heads and suction barrels presented connecting machined surface flanges that were unprotected from possible physical damage. Visible rust was present on the connecting flange machined surfaces. Widespread rust was present on the internal surfaces of the discharge heads. Equipment openings were not sealed to the environment. Installation threaded studs were exposed to rusting and unprotected from possible physical damage from construction activities.

Infractions (Cont'd)

- b. Unit 1 RCIC pump and turbine space heater was not operating as required by NNI Instruction 1240-F-S002. The environmental storage enclosure was open to atmosphere.
- c. The NNI Field Maintenance Records of the subject equipment did not report or record the conditions listed on Items 1 and 2. NNI Surveillance Records were updated one half day prior to the NRC Inspection and did not reflect the conditions. The reporting requirements in regard to corrosion, protective covers, sealed openings, and heaters are listed in NNI Equipment Maintenance Instruction 1240-F-S002, Rev. G, dated May 1, 1979.

B. Response

1. The storage and maintenance of the equipment installed under Specifications 38 and 39 is being conducted by the Perry Project Organization. Transfer of long-term responsibility for the storage and maintenance of the subject equipment to the Perry Project Organization is being evaluated.
2. The Perry Project Organization will schedule, supervise and complete the required storage and maintenance operations in accordance with the SAR and CEI quality assurance program. Additionally, an inspection and documentation review will be conducted to establish the exact status of all equipment or material and appropriate actions to be taken to reach full compliance by November 1, 1979.
3. Full compliance will be achieved by November 1, 1979. During the interim period, the Project Organization will schedule and complete the required storage and maintenance actions.

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