



MISSISSIPPI POWER & LIGHT COMPANY

Helping Build Mississippi

P. O. BOX 1640, JACKSON, MISSISSIPPI 39205

PRODUCTION DEPARTMENT

May 6, 1980

Office of Inspection and Enforcement
U. S. Nuclear Regulatory Commission
Region II
101 Marietta Street, NW
Suite 3100
Atlanta, Georgia 30303

Attention: Mr. J. P. O'Reilly, Director

Dear Mr. O'Reilly:

SUBJECT: Grand Gulf Nuclear Station
File 0260/0490/15521
RII: MJG 50-416, 50-417/80-02
Response to NRC Site
Inspection 80/02
Reference: MAEC-80/80
AECM-80/93

Your Mr. M. J. Gouge performed an inspection at the Grand Gulf construction site on March 4-7, 1980. Mr. Gouge's report was issued by your letter of April 14, 1980. On May 2, 1980, MP&L management met with you and members of your staff to discuss the MP&L response to the Nuclear Regulatory Commission report and the enclosed Notice of Violation.

Attached you will find the MP&L response to your letter of April 14, 1980, and the Notice of Violation. It is hoped that this response, the management meeting held on May 2, 1980 and MP&L's past history of reporting will renew your confidence in the MP&L Quality Assurance Program.

Yours truly,

J. P. McGaughy, Jr.
for

J. P. McGaughy, Jr.
Director of Power Production

TER/WEE:mt

Attachments: (A) MP&L Response to MAEC-80/80
(B) MP&L Response to Notice of Violation

cc: Mr. N. L. Stannley
Mr. R. B. McGehee
Mr. T. B. Conner

Mr. Victor Stallo, Director ← THIS COPY FOR
Division of Inspection & Enforcement
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

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MP&L RESPONSE TO MAEC-80/80

- A. Nuclear Regulatory Commission (NRC) Letter of April 14, 1980 indicated to MP&L that the NRC was "concerned with the adequacy of your management systems for identification and reporting of 10CFR50.55(e) deficiencies." Further quoting from the report: "This concern was presented to your prior to this inspection by F. S. Cantrell on January 24, 1980...."

Within one week after Mr. Cantrell's visit we had established and now have in place a visual status board to ensure timely responses. Since that visit no interim 30 day reports have exceeded the time requirement. Consequently we feel appropriate actions were taken to correct timeliness as a result of Mr. Cantrell having brought this matter to our attention.

- B. The NRC letter of April 14, 1980 stated in part: "During the current inspection, three significant deficiencies were identified by our inspector which had been reviewed by MP&L but were not reported for the following reasons:
- a. Your analysis indicated that the item would have been discovered during functional testing, thus could not have remained undetected,
 - b. Your analysis determined that since an item was in a redundant system, its failure could not have been detrimental to the plant.
 - c. Your analysis determined that since an item could be repaired for less than \$50,000 it was not significant."

It appears that your conclusions are not supported by the regulation. Consequently, in your reply, you should describe in particular those actions taken or planned to insure that safety-related deficiencies identified during construction of the Grand Gulf facility are promptly reported to the NRC."

As stated in the May 2, 1980 meeting with the NRC: MP&L has always maintained that the corrective actions should be taken because of the identification of a problem and not because that the problem is reportable under a regulation. The NRC Inspector M. Gouge on Page 5 of the inspection report Details under Item 5 states: "Although these items were not properly reported to the NRC, no deficiencies were identified in the corrective action by the licensee."

10CFR50.55(e) defines reporting requirements. We feel that a "reportable deficiency" is a defined term in the regulation, i.e. :

"....deficiency found in design and construction, which, were it to have remained uncorrected, could have affected adversely the safety of operations of the nuclear power plant at any time throughout the expected lifetime of the plant, and which represents:" (10CFR50.55(e) (1), and (i), or (ii), or (iii) or (iv).)

MP&L has in the past strived and will do everything possible in the future to "within 24 hours notify the appropriate Nuclear Regulatory Commission Inspection and Enforcement Regional Office of each reportable deficiency."

There is, however, another type or class of deficiency which the NRC has requested that they be informed of (i.e. those which have a potential for becoming reportable). We have complied with this request within our understanding of what was needed. To address this requirement for prompt reporting of deficiencies which do not in the early stages meet all of the criteria of reportability, MP&L will formalize the following:

The Bechtel QA Manager will notify the MP&L Manager of QA within one working day of his becoming aware of each potentially reportable deficiency.

The MP&L Manager of QA will notify the NRC within one working day of his becoming aware of each potentially reportable deficiency.

NOTE: During the meeting of May 2, 1980 your Mr. C. E. Murphy agreed that this reporting time as stated was acceptable.

The three reasons indicated in your report as conclusions "not supported by regulation" are described below. MP&L requested at the May 2, 1980 meeting that the NRC provide the rationale or requirement in regulation or interpretation which states that later activities (including functional tests, QC and QA actions) and redundancy are not acceptable for this type evaluation. The rationale in the "time frame" used should be considered. While MP&L does not condone the use of the rationale in 1980, it does this because of verbal NRC direction not regulation. The extensive definition of \$50,000 was placed in MP&L procedures at an NRC inspector direction and has been "de facto" accepted since 1976. As your staff suggested during the May 2, 1980 Meeting we will address these interpretations to the "General Counsel."

- C. The NRC Inspection Report in Section 5 Licensee Compliance with 10CFR 50.55(e) (Units 1 and 2) outlined inadequacies in Policies/Procedures and improper evaluation rationale. These are addressed as follows:

1. Procedural Inadequacies

- a. (1) NRC Inspection Report Section 5.a states:

"Paragraphs 3.2 and 3.6 of Bechtel QA Manual Policy No.

1. Procedural Inadequacies - Continued

QGG-16.2 is unclear about how the licensee will meet the 24-hour reporting requirement of 10CFR50.55(e). This information required by 10CFR50.55(e) must be reported to Region II within 24 hours of detection of a reportable deficiency in design or construction. Bechtel Power Corporation is the Architect Engineer for Grand Gulf Nuclear Station and acts as MP&L's agent. Therefore, if a responsible employee of Bechtel is aware of a reportable deficiency, it must be reported within 24 hours to the NRC. This item is discussed further below."

a. (2) Response

Paragraph 3.2 of QGG-16.2, Rev. 3 indicates that

"....it is incumbent upon Bechtel to notify MP&L of such deficiencies for which Bechtel has responsibility in sufficient time to satisfy the 10CFR50.55(e) requirements. MP&L is responsible to notify the NRC within 24 hours after they decide that the condition is reportable..."

Furthermore, paragraph 5.1.5 required QA to make verbal notification to MP&L of such a condition.

This policy statement established the awareness and requirement for expeditious reporting of potential significant conditions adverse to quality.

The implementing Bechtel QA Procedure, QADP 16.1-1, paragraph 4.4.3 requires the PQAM to "verbally notify the Bechtel Project Manager, the Division QA Manager and the MP&L Manager of Quality Assurance of the problem."

These requirements were considered adequate on the part of Bechtel to notify MP&L as soon as a condition is determined potentially reportable. However, the policy will be revised to reflect commitments as described in Attachment B of this letter.

- b. (1) NRC Inspection Report Section 5.6 states:

"Paragraph 3.4 of Bechtel QA Manual Policy No. QGG-16.2 is unclear. Specifically the planned test sequence intended to verify design adequacy is never defined. If the test sequence is limited to only preliminary design activities and does not include construction testing this test may not be adequate to detect a discrepancy in final construction."

- b. (2) Response

The revision to QGG-16.2 will delete the contents of paragraph 3.4.

- c. (1) NRC Inspection Report Section 5.c states:

"Paragraph 3.5 of Bechtel QA Manual Policy No. QGG-16.2 provides guidance to be used in determining if a deficiency is reportable. The guidance in paragraph 3.5.1 appears less conservative than 10CFR50.55(e)."

- c. (2) Response

The criteria in the revision of QGG-16.2 are being quoted from 10CFR50.55(e) to assure no lessening of these requirements.

- d. (1) NRC Inspection Report Section 5.d states:

"MP&L Quality Assurance Procedure 16.20 defines extensive as any evaluation, redesign, repair or combination thereof which will require the expenditure of fifty thousand dollars or more. Evaluations, redesigns or repairs that cost less than fifty thousand dollars are not reportable. This threshold of reportability allows MP&L to not report failures of inexpensive items (springs, switches, etc.) that could be generic in nature and affect the safety of operations of Grand Gulf Nuclear Plant. A dollar limit on the definition of extensive could arbitrarily screen very significant deficiencies. Each deficiency must be evaluated on its own basis and for the effect it could have on the safety of operations of the plant."

d. (2) Response

This definition of "extensive" in MP&L Quality Assurance Procedure 16.20 is being deleted in the revision under preparation. This definition is not being used in current 10CFR50.55(e) evaluations.

e. (1) NRC Inspection Report Section 5.e states:

MP&L Quality Assurance Procedure 16.20 provides for 24-hour notification to the NRC after a deficiency is determined reportable. MP&L requires an evaluation of the effect the deficiency could have on the safety of operations of Grand Gulf Nuclear Plant prior to informing the NRC. This evaluation could take days, weeks or months depending on the complexity of the deficiency. The 24-hour reporting requirement of 10CFR50.55(e) (2) was established for prompt notification. MP&L and its agents should conclude that a deficiency which meets one or more of the conditions of 50.55(e) (1) (i-iv) and has the potential to (could) affect the safety of operations of Grand Gulf Nuclear Station is reportable. The NRC should be notified within 24 hours to enable dissemination of generic deficiencies and immediate Regional review of significant deficiencies. If a subsequent evaluation completed within 30 days shows the deficiency to be not reportable, a 30-day written report would not be required if the NRC is informed of this finding.

e. (2) Response

Refer to Item III.2 under Attachment B.

2. Improper Evaluation Rationale

The MP&L response to the NRC Inspection Report Section 5.a through c (Pages 4 and 5 of the Report) is given under Item B above. Bechtel Project Engineering was informed by Bechtel Management Corrective Action Report (MCAR) Number 77 issued April 30, 1980, that improper rationale had been used for MCARs 26 and 41 and that reevaluation on these and other MCARs shall be performed.

MP&L RESPONSE TO NOTICE OF VIOLATION
APPENDIX A

I. The Notice of Violation stated as a deficiency the following:

"As required by 10CFR50.55(e), the holder of a construction permit shall notify the Commission within 24 hours of each deficiency found in design or construction which could adversely affect the safe operation of the nuclear power plant at any time during the life of the plant and submit a written report to the Commission within 30 days.

Contrary to the above, MCAR 49 dated April 13, 1979 identified nonconforming piping elbows delivered to the site for use in safety-related piping. The Project QA Manager for the architect engineer for the Grand Gulf facility had been notified of the deficiency by the vendor April 4, 1979. The NRC was notified of the deficiency approximately 13 days after a responsible licensee agent was informed of the deficiency and the written report was submitted an additional 33 days later."

II. Chronology

The following chronology is offered to describe the extenuating circumstances surrounding the reportable deficiency.

- Thursday April 4, 1979 - (1) Liberty Equipment and Supply Company notified the NRC that possible defective material had been supplied to them by Tube Turns. Quoting from Liberty's letter to the NRC "The possible defect consists of a carbon content beyond the range allowable by ASTM SA 234 WPB, possibly causing cracks to appear upon welding". See Attached Liberty letter of April 4, 1979. It should be noted that Liberty notified the NRC of possible defective material not of a "Defect" as defined by Part 21.
- (2) Liberty also notified Bechtel QA Manager; this is the first time "a responsible employee of Bechtel" became aware of the possible defect.

(2) Continued

The Bechtel Manager notified the MP&L QA Manager of the possible defect. Collectively the decision was made not to notify NRC Region II until confirmation of the possible defect. This decision was based upon the following:

- a. Both Bechtel's and MP&L's QA Manager were aware that the NRC had been notified by Liberty Equipment & Supply Company.
- b. It was known that approximately 27,000 fittings had been manufactured from Heat Number W6719, and of the total approximately 270 were formed from material having a suspected high carbon content. Reference Tube Turns Division letter to Liberty Equipment which states:

"We cannot determine which of the products nor the exact number of pieces that were produced from high carbon steel, but we do know the number of discrepant fittings in proportion to the total number of fittings produced is minimal."
"Our records indicate that certain of these fittings may have been shipped to you."

- c. Bechtel had received no evidence from their field forces of any fitting which had been found to be nonweldable or to have cracked during the welding process.

NOTE: Liberty confirmed by telephone 4/28/80 that only 46 high carbon fittings have been found as of that date.

Therefore, the potential of GGNS having received any of the defective fitting was low.

- (3) MP&L and Bechtel concluded that a determination should be made prior to notification of the NRC of:
 - a. Did GGNS have any fittings of the potentially defective material destined for safety related services.
 - b. Were any of these fittings installed for safety related services.
 - (4) Issued NCR No. 3507 on Liberty supplied items.
- Thursday April 5, 1979 - (1) Bechtel issued MCAR No. 49 requesting the extent of the problem be determined and safety impact be determined. As a minor note the April 13 date listed in the Notice of Violation must be a typographical mistake. MCAR No. 49 was initiated April 4, 1979.
- Friday April 13, 1979 - (1) Bechtel, QA Manager notified MP&L QA Manager by letter of potential reportability of this item. It had been determined during the time interval between April 4-13, 1979, that at least one of the suspected high carbon fittings was on site in storage at the Bechtel warehouse. At this time it was not known if any of the potentially defective heat was actually installed in a safety related system. While the record is not clear, in all probability the Bechtel QA Manager notified the MP&L QA Manager that the item was potentially reportable. Our normal response would have been to notify the NRC no later than within one working day. However, the City of Jackson

experienced the worst flood in its history the night of April 13, 1979. During the week of April 16, 1979 much of the downtown section of Jackson was inundated and the city closed downtown streets to all but essential services. During this week MP&L drew on the General Office Staff to assist in protecting the one remaining sub-station serving down town Jackson.

- Wednesday April 18, 1979 - (1) MP&L reported the high carbon content fittings to Mr. J. K. Rausch as a potentially reportable deficiency.
- Monday May 21, 1979 - (1) Interim Report was submitted to NRC Region II. It is acknowledged that the report was due Friday 18, 1979, and was not mailed until after the weekend. Final Report was stated for August 25, 1979.
- Tuesday June 25, 1979 - (1) NRC released IE Circular No. 79-10 concerning unacceptable material supplied by Tube Turns.
- Wednesday Aug. 25, 1979 - (1) Second Interim Report submitted to NRC Region II, final report stated for November 30, 1979.
- Tuesday Sept. 18, 1979 - (1) Final Report submitted to NRC stating that the deficiency was reportable.

III. Response

1. Corrective Steps Taken and Results Achieved

As described during the May 2, 1980, meeting in your offices we have completed a review of all Reportable Deficiencies from January 1, 1979 to date. Our records reveal that for the year 1979, MP&L notified the NRC, Region II, of nineteen Potentially Reportable Deficiencies. With the exception of the one referenced in the Notice of Violation, all were reported within one working day; twelve were reported the same day as MP&L's receipt of notification, and an additional six were reported within twenty four hours.

III. Response - Continued

For the year 1980, MP&L notified the NRC Region II of 23 reportable deficiencies; 17 were reported the same day MP&L received notification and one (1) was reported within 24 hours; 4 were considered to be not reportable but the NRC rejected MP&L's conclusions; and one (1) was reported receiving NRC permission to investigate the condition.

2. Corrective Steps Which Will be Taken to Avoid Further Noncompliance

Appropriate changes have been drafted for both the Bechtel and MP&L QA Policy/Procedures. We anticipate issue of final drafts no later than June 1, 1980. The policies/procedures will inact the following:

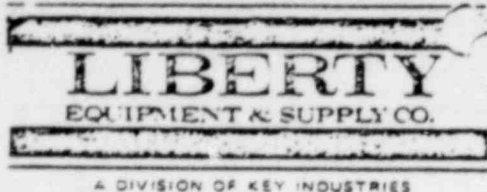
- a. The Bechtel QA Manager has been designated as the responsible Bechtel employee
- b. The Bechtel QA Manager will notify the MP&L QA Manager in sufficient time that the 24 hour reporting time per 10CFR50.55(e) for all Reportable Deficiencies can be met.
- c. For all deficiencies determied to be potentially reportable the Bechtel QA Manager will notify the MP&L Manager of QA within one working day of his becoming aware of the item.
- d. For all potentially reportable deficiencies the MP&L Manager of QA will notify the NRC within one working day of his becoming aware of the item.
- e. For all Items reported under Part 21 by a GGNS supplier MP&L will notify the NRC within one working day of the Manager of QA being made aware.

These commitments have already been implemented at the direction of the MP&L Manager of Quality Assurance until revision to appropriate Policies/Procedures.

3. The Date When Full Compliance Will Be Achieved

Full compliance has been achieved. Appropriate Bechtel and MP&L Quality Assurance Policies/Procedures will be revised by June 16, 1980.

We request your reconsideration of this Notice of Violation in light of the above extenuating circumstances.



620 E. BRUNEAU • P.O. DRAWER "S"

KENNEWICK, WA 99336

(509) 586-1166

NUCLEAR
DIVISION

4 April 1979

Director
Office of Inspection and Enforcement
U. S. Nuclear Regulatory Commission
1717 "H" Street N. W.
Washington, D. C. 20555

Gentlemen:

In compliance with 10 CFR, Part 21 (Paragraph 21.1), we are reporting an instance of possible defective material shipment to Grand Gulf Nuclear Power Station. Notification was received by Liberty Equipment on 2 April, 1979 (copy enclosed).

The material, possibly defective, consists of:

12 pcs. 4" Sch. 40 LR-90 Degree Elbows,
SA234 WPB, Section III, Class 2,
1974 Edition, Summer 1975 Addenda,
Manufactured by Tube Turns, Louis-
ville, Kentucky 40232
Heat Code - W6719

The possible defect consists of a carbon content, beyond the range allowed by ASME SA234 WPB, possibly causing cracks to appear upon welding.

This material was purchased from Tube Turns by Liberty, on our Purchase Order 70005TR, and purchased from Liberty by Bechtel Power, Grand Gulf, on their Purchase Order 9645-F-4148, and shipped direct from Louisville to the jobsite, at Port Gibson, Mississippi.

dupes of
7905250373

4 April 1979

LIBERTY

NUCLEAR
DIVISION

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Bechtel Power has been notified of the possible defect:

Ron Barnett, Purchasing, Telecon 4-2-79
Jerry Calvey, Expediting, Telecon 4-2-79
R. L. Scott, Q/A, Telecon 4-4-79

It is our understanding that Bechtel has instituted appropriate action, and that an evaluation of the possible defect will be made in the very near future.

Yours Very Truly,

Michael K. Reilly

Michael K. Reilly
General Manager
Nuclear Division

MKR/pim

Enclosures: Tube Turns Recall Notice (3-30-79)

cc: Bechtel Power Corporation
P. O. Box 41
Port Gibson, Mississippi 39150
Attn: Ron Barnett
J. Calvey
R. Scott

Liberty Equipment
Attn: H. Lipsett, President
R. Bainbridge, G/M Corp.
B. Roy, Critical Products Manager
D. Grazzini, Q/C Manager

Tube Turns
Box 32160
Louisville, Kentucky 40232
Attn: H. George, P. Engineering
S. Wood

APR 2 1979

(8)

Tube Turns Division

CHEMETRON CORPORATION
Box 32160, Louisville, Kentucky 40232
Telephone 502 774-6011

RECALL NOTICE

March 30, 1979

Liberty Equipment & Supply Co.
P.O. Drawer S
Kennewick, WA 99336

Attn: Mr. Mike Reilly

It has just come to our attention that some Tube Turns Welding Fittings shipped to you during the period of February 1, 1978 through March 21, 1979 may have been produced from a very high carbon steel. It has been determined that our steel supplier erroneously identified high carbon steel with the same marking as our regular material and mixed it with our regular material for these products prior to delivery to us. All products in question bear our Lot Number W6719.

We cannot determine which of the products nor the exact number of pieces that were produced from the high carbon steel but we do know the number of discrepant fittings in proportion to the total number of fittings produced is minimal. The high carbon material is classified as nonweldable and cracks should occur when welding is attempted. However, it is conceivable that cracks could go undetected.

Our records indicate that certain of these fittings may have been shipped to you. These shipments are listed on the attached. Those shipments referencing ASME Section III Nuclear Power Plant Components and those that involve Title 10CFR Part 21 are identified.

In view of the circumstances you (and each of your customers, if the products have been resold) are advised to promptly return to us any loose fittings bearing our identification number W6719. You are urged to promptly notify your customers of this communication. Credit for material returned by you or your customer will be issued for the invoice value of the fittings or the fittings will be replaced as provided for in our General Terms and Conditions of Sale, at your discretion. Return shipments should be directed to:

Tube Turns Division
718 South 28th Street
Louisville, Kentucky 40211

Attention: Receiving Inspection
Tag: C-4042

RECALL NOTICE

-2-

Should the material be returned by a third party, please have them identify the shipment with your order number.

Regarding products that have been installed, please advise the quantity, product, geographical location, accessibility, phone number and individual's name acquainted with location of the material and action will be taken to determine disposition of this material.

We request all information and/or inquiries pertaining to this Lot Number be referred, preferably in writing, to:

Mr. Sam Wood
Tube Turns Division
P.O. Box 32160
Louisville, Ky. 40232
Phone (502) 774-6457 (After 4/4/79)
Prior to 4/4/79 phone (502) 774-6252

Tube Turns regrets this unfortunate occurrence. However, there was no practical way to detect the mixed steel. We appreciate your assistance in helping us resolve this problem.

*As per 4-28-80 Lucy CMV
Sam Wood's Assistant stated
that Tube Turns had found
a total of 46 Non Conforming
items from Heat NO. W6719.*

*JK
4-28-80*

Very truly yours,

T U B E T U R N S

H. H. George

H.H. George
Vice President, Engineering

js

P.S. Those products identified as ASME Section III Nuclear Power Plant Components and those involving Title 10CFR Part 21 are to be tagged C-4042-N. All others are to be tagged C-4042 as indicated on page 1 of this letter.

cc:

Mr. Harry Lipsett, Pres.
Liberty Equipment & Supply Co.
P.O. Box 24848
Seattle, WA 98134

POOR ORIGINAL