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U. S. Nuclear Regulatory Commission
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SUBJECT: Arkansas Nuclear One - Units 1 and 2
Docket Nos. 50-313/50-368
License Nos. DPR-51 and NPF-6
Response to Inspection Report
50-313/89-16 and 50-368/89-16

Gentlemen:

Pursuant to the provisions of 10CRF2.201, AP&L responded to the violation identified in the subject inspection report by our letter dated June 1, 1989 (ØCANØ689Ø2). The reply from NRC Region IV dated August 29, 1989 (ØCANØ88918), requested an additional response, which was scheduled to be filed September 28, 1989. AP&L requested and received a thirty-day extension to the filing schedule to review the ANO program used to procure commercial grade items. Attached is the requested response.

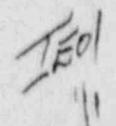
Very truly yours,

T. G. Campbell

TGC/sgw
enclosure

cc w/encl: J. L. Milhoan, Director
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Statement of Violation

Inadequate Procurement Requirements for Materials Used in Environmental Qualification Applications

Criterion IV of Appendix B to 10 CFR Part 50 states, in part, "Measures shall be established to assure that applicable regulatory requirements, design bases, and other requirements which are necessary to assure adequate quality are suitable included or referenced in the documents for procurement of material, equipment, and services"

Paragraph 4.2.2 of the licensee's approved quality assurance program description states, in part, "Procurement documents are to include or reference specific design specifications for the items or services to be procured which define specific codes, standards, tests, inspections, environmental qualifications, and records to be applied and/or furnished"

Contrary to the above:

1. The provisions of 10 CFR Part 21 were not imposed in three purchase orders issued since 1987 to the Okonite Company for the supply of a basic component; i.e., electrical tape with specified environmental qualification requirements.
2. Three purchase orders issued between 1984 and 1986 to the Okonite Company for commercial grade electrical tape failed to include appropriate quality requirements to provide assurance of suitability for planned environmental qualification applications.

This is a Severity Level IV violation. (Supplement I) (313/8916-01; 368/8916-01)

Response to Notice of Violation 313/8916-01; 368/8916-01

By our letter dated June 1, 1989 (OCAN068902), AP&L denied the violation. However, based on further review initiated by the NRC's request for an additional response, AP&L has decided to rescind the former denial and submits the following as our response.

(1) Reason for the Violation:

With regard to the first example in which the provisions of 10 CFR Part 21 were not imposed, the intent was to purchase the Okonite T-95 splicing tape as a commercial grade item and not as a basic component. Purchasing the tape as a commercial grade item is appropriate as the tape is 1) not subject to design or specification requirements unique to nuclear facilities; 2) used in applications other than for nuclear facilities; and 3) purchased on the basis of the Okonite catalog description.

The product description of the T-95 tape included the statement that the tape was "Nuclear qualified to IEEE 383." However, the purchase orders also referenced Okonite Report No. NQRN-3 and IEEE 323, a

specification unique to nuclear facilities, with the intent of assisting in the later dedication process regarding traceability to batches subjected to EQ type testing. The causal factor was determined to be the inadvertent inclusion of IEEE 323 in the subject purchase order. The additional language was never intended to impose nuclear-specific requirements; however, this was the unforeseen result.

The second example concerns the failure to include appropriate quality requirements to provide assurance of suitability for planned EQ applications. The Inspection Report elaborates that the "Guidelines for Evaluating Environmental Qualification of class 1E Electrical Equipment in Operating Reactors," November 1979 (DOR Guidelines) required 1) materials used be traceable to the type tested and 2) not imposing appropriate technical requirements to assure material characteristics were the same as batches subjected to EQ type testing did not provide a basis for establishing traceability.

For the procurement of commercial grade items in the 1984-1986 time period, AP&L utilized the guidance given in ANSI N18.7-1976, "Administrative Controls and Quality Assurance of the Operational Phase of Nuclear Power Plants." The standard states that in those cases where the original item or part is found to be commercially "off-the-shelf", spare or replacement parts may be similarly procured but care shall be exercised to ensure at least equivalent performance. The purchase of T-95 tape was determined to be a "like-for-like" replacement, and the procurement documents accordingly requested, by part number, the tape described in the catalog. Traceability to the type tested was considered to be 1) assured by verification of the part number, 2) the knowledge that the catalog description had not changed, and 3) that the Okonite Company was included on the Qualified Vendors List and had been found to be a reputable company based on quality assurance (QA) programmatic audits. These considerations were included in the dedication process, which also included verification that shipping damage had not occurred and the shelf life was not expired.

This procurement and dedication process was considered at that time to be adequate to ensure the quality and suitability of the product. However, the assurance of the reliability of the Okonite Company was partially based on vendor audits performed by different entities prior to and during this time. These programmatic audits are now not considered to meet the current guidelines for a commercial grade survey as delineated in EPRI NP-5652, "Guideline for the Utilization of Commercial Grade Items in Nuclear Safety Related Application (NCIG-07)." This document (conditionally endorsed by the NRC in Generic Letter 89-02) outlines four acceptance methods which can be used to assure "at least equivalent performance" as required by ANSI N18.7-1976, and the appropriate method should be used for a "like-for-like" replacement (reference NCIG-07 Appendix A). Although the audits credited for procurement of T-95 tape did assure that the Okonite Company had an acceptable quality control program for producing critical components, the audits prior to 1986 were not specific to the scope of the particular commercial grade item being purchased, as currently recommended by the NCIG-07 description of a commercial grade survey. AP&L concludes the causal factor to be a result of our commercial grade procurement and dedication process not being in agreement with the current interpretation of the regulation.

2) Corrective steps which have been taken and the results achieved:

In November 1988, AP&L performed an audit of the quality control system used by the Okonite Company specifically for T-95 tape. Although the audit did not specifically state its conclusions with regard to traceability to the type of T-95 tape tested, the review of the Technical Requirement sheets and the engineering documentation which justified changes to the Technical Requirement sheets was performed for that purpose. The audit did confirm that the product could be traced to the product tested in NQRN-3. In July 1988, Gulf States Utilities Company also performed a source vendor surveillance audit of Okonite splicing materials (including tape) and verified that the vendor's controls were adequate to assure "like-for-like" replacement. Louisiana Power and Light performed a Quality Assurance Surveillance at Okonite in April 1989 and confirmed that the tapes "have not changed since 1979." Based on the results of these three audits, AP&L is assured that its previously referenced programmatic-based audits were validated and the procured Okonite tape is traceable to the type tested and is suitable for use in EQ applications. Therefore, no safety concern exists regarding the use of the tape.

AP&L believes that the past procurement practices have not resulted in a safety concern at ANO. In addition to the review of Okonite tape, reviews have been conducted regarding the use of selected fuses, relays, and butt splices which were purchased as commercial grade items. These reviews determined that no generic operability (i.e., safety) concerns existed regarding their required function.

3) Corrective steps that will be taken to avoid further violations:

AP&L will continue to purchase T-95 tape from Okonite as commercial grade and dedicate it for use in safety related applications until Okonite agrees to accept the imposition of 10CFR Part 21 on orders for T-95 tape. The Baseline Quality Requirements, from which the purchase orders are developed, now specify that the tape supplied is to be the same as that manufactured in 1976, the date which corresponds to the irradiation testing. The Okonite Company has agreed to provide a Certificate of Conformance for purchases of the tape. Therefore, our current method of procuring Okonite tape is in compliance with the regulation.

AP&L is currently in the process of enhancing the existing materials management program to meet the guidelines of NCIG-07 with the goal of achieving this objective by January 1990.

4) The date when full compliance will be achieved:

AP&L is currently in full compliance regarding the purchase of T-95 tape and expects its procedures to be in compliance with NCIG-07 by January 1990.