U. S. ATOMIC ENERGY COMMISSION DIRECTORATE OF REGULATORY OPERATIONS

REGION III

Vendor Inspection Report (Supplemental Report)*

RO Inspection Report No. 999-037/72-01

Subject: Hitachi/Babcock Hitachi KK

Kure City, Japan

Comporents Inspected for:

Public Service Electric and Gas Company Newbold Island No. 1 (Docket No. 50-354)

Type of Vendor:

Reactor Pressure Vessels

Type of Inspection:

Routine, Announced

Dates of Inspection:

July 7, 10 - 13, 1972

Dates of Previous Inspection: November 4 - 11, 1971

Principal Inspector: R. E. Oller

Metallurgical Engineer

License No.: N/A

Category: Vendor

Priority: N/A

Accompanying Inspectors: None

Licensee Representative: H. S. Swan (Getsco) for PSEG

Reviewed By: W. E. Vetter, Chief We Santon Other Accompanying Personnel: None

Proprietary Information: None

*Supplemental Report

of & Culer R. E. Oller, Principal Inspector

9/26/72 (Date)

W. E. Vetter, Chief

Reactor Construction Branch

9-26-72

SUPPLEMENT TO RO REPORT NO. 999-037/72-01

Paragraph B (under Unresolved Items) Paragraph I (under Management Interview) and Paragraph 19 of RO Report No. 999-037/72-01 all reference an apparent discrepancy with respect to a high manganese content in six carbon steel feedwater nozzle safe ends. Paragraph 19 of the referenced report identifies this problem as being unresolved, in view of the fact that the applicability of a related Code Case could not be determined during the inspection. Consequently, the aspect of possible noncompliance was not considered in the inspection report. However, Paragraph B (under Unresolved Items) of the subject report states that: "No documented rationale for the acceptance of this material was available for review." (Failure to provide such documentation is an area of apparent noncompliance with 10 CFR Part 50, Appendix B, Criterion XV.)

A copy of the subject inspection report and a recommended letter to the licensee was transmitted from RO:III, to RO:I, on August 21, 1972. Following review of this material, and subsequent to clarifying discussions between RO:I and the licensee, RO:I concluded that apparent noncompliance with 10 CFR Part 50, Appendix B, Criterion XV, was in evidence. As a result, on, or about, September 21, 1972, an RO:I letter with an enclosure identifying the subject area of apparent noncompliance was sent to the licensee.

This supplemental report should be attached to your copy of RO Report No. 999-037/72-01 to establish consistency between the report (which does not relate to apparent noncompliance) and the letter to the licensee (which does relate to apparent noncompliance).