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May 1, 1981

Mr. James G. Keppler
Director of Region III
Office of Inspection and Enforcement
U. S. Nuclear Regulatory Commission
799 Roosevelt Road
Glen Ellyn, Illinois 60137

RE: Perry Nuclear Power Plant
Docket Nos. 50-440; 50-441
Final Report on Breakdown
in Quality Program of
Protective Coatings
Contractor [RDC-25 (81)]

Dear Mr. Keppler:

This letter constitutes the Final Report as required by 10CFR50.55(e) concerning the breakdown in the quality program of our nuclear protective coatings contractor, Metalweld, Inc. This item was initially reported by Mr. W. J. Kacer of The Cleveland Electric Illuminating Company to Mr. R. C. Knop of your office on January 23, 1981, and an Interim Report was made to you by our letter of February 19, 1981.

Problem Description:

As a result of the findings identified during an NRC inspection on January 21-23, 1981, the PNPP Project Organization (PO) issued Stop Work Notification (SWN) No. 81-01 to our nuclear protective coatings contractor, Metalweld, Inc., on January 23, 1981. Attached to the SWN was Corrective Action Request (CAR) No. 0574 which delineated the actions necessary to correct deficiencies in the Metalweld quality program and its implementation.



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A listing of actions planned or taken by Metalweld, Inc., and the PNPP Project Organization to correct weaknesses in the Metalweld Quality Assurance Program and its implementation was attached to our Mr. M. R. Edelman's January 26, 1981, letter to your Mr. G. Fiorelli. The four primary areas requiring corrective action were:

1. Indoctrination and training of Metalweld site quality control personnel.
2. Qualification and certification of all Metalweld site quality control personnel in accordance with the requirements of ANSI N45.2.6.
3. Measuring and Test Equipment (M&TE) system utilized by Metalweld.
4. Procedures and checklists governing inspection of protective coating activities.

Analysis of Safety Implication

Based upon field verification by the PNPP Project Organization's Construction Quality Section and the nature of the individual items in program requiring correction, the nuclear protective coatings applied by the contractor prior to issue of SWN 81-01 have been determined to be within specification requirements. Thus, coatings applied to date could not adversely affect the safety of plant operations. However, due to the number of findings related to indoctrination and training of the contractor's quality control personnel, it is conceivable a deficiency could have developed in construction, which, were it to have remained uncorrected, could have adversely affected the safety of plant operations.

Corrective Action:

Intensive indoctrination and training of Metalweld quality control personnel commenced on January 24, 1981, and was completed on April 1, 1981. PO personnel have reviewed and concurred with the lesson plans for these training sessions; attended training sessions; and reviewed the results of written examinations administered for each session. An on-going, comprehensive indoctrination and training program has been established to assure continual updating of the contractor's quality control personnel upon issuance of procedure revisions and new procedures.

New "task specific" certifications have been issued for all Metalweld site quality control personnel. The PO has reviewed and accepted the new certifications and qualifications.

The contractor has reviewed, completely evaluated, and revised the Measuring and Test Equipment (M&TE) system to bring it in accord with current specification and quality program requirements. Revision of the M&TE system was completed on March 12, 1981, and subsequently accepted by the PO.

May 1, 1981

Procedures and checklists have been revised to include and clarify all requirements governing coating activities involved in the first scheduled partial Stop Work Release (SWR). Revisions to the contractor's program have been submitted to and accepted by the PO.

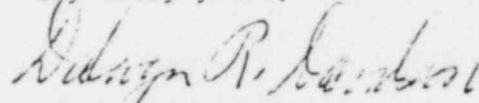
By our letter (M. R. Edelman, CEI, to G. Fiorelli, NRC Region III) of February 9, 1981, we formally notified your office of the completion of corrective actions taken to resolve your Immediate Action Letter of January 28, 1981. As required by Item No. 2 of your IAL, we requested NRC review and concurrence with our actions prior to issuance of a partial SWR. Upon completion of the review by the PNPP Resident NRC Inspector and concurrence of Region III, we issued a partial SWR on February 12, 1981, covering coating activities in the Reactor Building #1 Dome. Additional partial SWR's were issued on February 16 and 23, 1981. Upon completion of all required indoctrination and training by the contractor and the eighteen criteria program audit by the PO, a full SWR was issued to the contractor on April 28, 1981.

The complete eighteen criteria program review audit was performed on the contractor by the PO during the week of April 13, 1981. The auditors concluded that the contractor's quality program is generally being implemented in a satisfactory manner. The majority of the audit findings concerned activities being performed to supplement, strengthen and improve the program, but not required by procedure.

Summary

As a result of intensive indoctrination and training of the contractor's quality control personnel, "task-specific" recertification of QC personnel, clarification and improvement of the quality program by revision, and increased coverage of contractor's activities by PO personnel, full compliance has been achieved. Controls and systems implemented by the contractor and increased attention from the PO should prevent recurrence or assure early detection and correction.

Very truly yours,



Dalwyn R. Davidson
Vice President
System Engineering and Construction

ksz

cc: Mr. Jack Hughes, Resident Inspector
U. S. Nuclear Regulatory Commission
Perry Nuclear Power Plant

✓ Mr. Victor Stello, Director
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