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Docket No. 99900224/81-01

Bailey Controls Company
Subsidiary of The Babcock and Wilcox Company
ATTN: Mr. M. A. Keyes
President
29801 Euclid Avenue
Wickliffe, Ohio 44092



Gentlemen:

This refers to the inspection conducted by Mr. W. E. Foster of this office on May 4-8, 1981, of your facility at Wickliffe, Ohio, associated with the fabrication of sensors and control systems and to the discussions of our findings with Mr. G. M. Kohl and members of your staff at the conclusion of the inspection.

This inspection was made as a result of: (1) the identification by Tennessee Valley Authority (Bellefonte Units 1 and 2) and Virginia Electric Power and Gas Company (North Anna Units 3 and 4) of a potential channel X or Y loss of power resulting from improper insertion of buffer cards in the essential control instrumentation system; (2) the failure of electrolitic capacitors in Lambda power supplies during testing at Bailey Controls of essential control instrumentation for Bellefonte Units 1 and 2; and (3) the identification that non-seismically qualified instruments had been furnished to Susquehanna Units 1 and 2.

Areas examined and our findings are discussed in the enclosed report. Within these areas, the inspection consisted of an examination of procedures and representative records, interviews with personnel, and observations by the inspector.

During the inspection it was found that the implementation of your QA program failed to meet certain NRC requirements. The specific findings and references to the pertinent requirements are identified in the enclosures to this letter.

The Notice of Violation is sent to you pursuant to the provisions of 10 CFR Part 2.201. You are required to submit to this office within 30 days from the date of this letter, a written statement containing, (1) a description of steps that have been or will be taken to correct the items, (2) a description of steps that have been or will be taken to prevent recurrence, and (3) the dates your corrective actions and preventive measures were or will be completed. Consideration may be given to extending your response time for good cause shown.

You are also requested to submit a similar written statement for each item which appears in the enclosed Notice of Nonconformance.

SURNAME	WFoster:bb	LParker	IBarnes	UPotapovs	JEGagliardo	DVCollins	
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In accordance with 10 CFR Part 2.790 of the Commission's regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you believe to be exempt from disclosure under 10 CFR Part 9.5(a)(4), it is neces sary that you (a) notify this office by telephone within 10 days from the date of this letter of your intention to file a request for withholding; and (b) submit within 25 days from the date of this letter a written application to this office to withhold such information. If your receipt of this letter has been delayed such that less than seven days are available for your review, please notify this office promptly so that a new due date may be established. Consistent with Section 2.790(b)(1), any such application must be accompanied by an affidavit executed by the owner of the information which identifies the document or part sought to be withheld, and which contains a full statement of the reasons on the basis which it is claimed that the information should be withheld from public disclosure. This section further requires the statement to address with specificity the considerations listed in 10 CFR 2.790(b)(4). The information sought to be withheld shall be incorporated as far as possible into a separate part of the affidavit. If we do not hear from you in this regard within the specified periods noted above, the report will be placed in the Public Document Room.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

"Original Signed by:
U. POTAPOVS"

Uldis Potapovs, Chief Vendor Inspection Branch

Enclosures:

1. Notice of Violation

2. Notice of Nonconformance

Inspection Report No. 99900224/81-01

bcc: Chief, V&SPB, DR&RRI, HQS (Reinmuth) IE Files NRR:DPM:QAB Reg. Directors, I, II, III, V Central Files PDR HQS JEGagliardo, RIV

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