APPENDIX B

E. L. Manufacturing Peebles, Inc. Docket No. 99900795/83-01

NOTICE OF NONCONFORMANCE

Based on the results of an NRC inspection conducted on March 14-17, 1983, it appears that certain of your activities were not conducted in accordance with NRC requirements as indicated below:

Criterion V of Appendix B to 10 CFR Part 50 states: "Activities affecting quality shall be prescribed by documented instructions, procedures, or drawings, of a type appropriate to the circumstances and shall be accomplished in accordance with these instructions, procedures, or drawings. Instructions, procedures, or drawings shall include appropriate quantitative or qualitative acceptance criteria for determining that important activities have been satisfactorily accomplished."

Paragraph 3.6 of procedure No. IOP-100, Revision -, "Storage and Handling of Covered Arc Welding Electrodes," states, in part: "Unidentified electrodes shall be discarded." Paragraph 2.1.1 requires identification of electrodes by heat and lot number.

Contrary to the above, not all unidentified electrodes were discarded as evidenced by the observation of numerous loose electrodes inside the electrode oven which were not identified by heat and lot numbers.

A can was additionally observed on top of the electrode oven which contained mixed Types 308L and 7018 electrodes of various sizes.