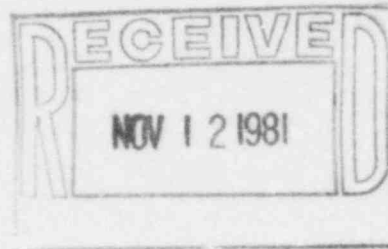


EDS Nuclear Inc.
220 Montgomery Street
San Francisco, California 94104
(415) 544-8000

November 9, 1981
QAO-061



U. S. Nuclear Regulatory Commission - Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011

ATTENTION: Mr. Uldis Potapovs, Chief
Vendor Inspection Branch

SUBJECT: NRC Inspection of EDS Nuclear Inc.
July 8-9, 1981
NRC Docket No. 99900528

Gentlemen:

NRC report 99900528/81-01 for subject inspection indicated that certain activities appeared not to conform with NRC requirements and requested a written response within thirty (30) days.

The apparent item of nonconformance concerned Project Instructions used by EDS Nuclear for engineering activities pertaining to the Dresden and Quad-Cities Projects. The enclosure to this letter provides our response to this matter.

Please address any further questions that you may have to me.

Very truly yours,

A handwritten signature in dark ink, appearing to read "F. L. Porter".

Frank L. Porter
Senior Vice President

8111300253 811124
PDR QA999 EECEDS
99900528 PDR

ENCLOSURE

OAO-061

EDS NUCLEAR INC.

RESPONSE TO NOTICE OF NONCONFORMANCE

NRC Inspection Report 99900528/81-01

The apparent item of nonconformance identified in the above-noted inspection report is presented and responded to below:

Notice of Nonconformance

Based on the results of an NRC inspection conducted on July 8-9, 1981, it appears that certain of your activities were not conducted in accordance with NRC requirements.

Criterion V of Appendix B to 10 CFR Part 50 states in part, "Instructions, procedures, or drawings shall include appropriate quantitative or qualitative acceptance criteria for determining that important activities have been satisfactorily accomplished.

Contrary to the above, the Project Instructions issued for use on the Dresden and Quad-Cities Projects contained conflicting design acceptance criteria, did not reflect the latest NRC accepted operability stress limits, did not provide guidance on use of Blume Curves, and did not clearly state the operability criteria for evaluation of hangers.

1. Corrective Action Taken and the Results Achieved

EDS Nuclear has revised the Project Instructions to clearly present all current criteria. All comments by the NRC inspectors during the inspection have been incorporated in these revisions. There is no impact on completed or current EDS Nuclear activities due to these revisions. In addition, Revision 15 to the EDS Nuclear Quality Assurance Manual issued on August 15, 1981 has included requirements for better control of Project Instructions.

2. Action Taken to Prevent Recurrence

EDS Nuclear believes the above identified nonconformance to be an isolated occurrence. Therefore, no further action beyond that described in Item 1 above is deemed necessary to prevent recurrence. In addition, the EDS Nuclear Project Instructions with the old operability criteria are no longer in use. The operability assessments that were performed under the old criteria had all been re-reviewed to the current criteria prior to the inspection. In no case were technical errors identified during the review.

3. Date When Full Compliance is Achieved

Implementation of the revised Project Instructions was completed for Dresden and Quad-Cities Projects on September 14, 1981.