

ENERGY INCORPORATED

REF: C-165-82

June 11, 1982

Mr. Uldis Potapovs, Chief
Vendor Programs Branch
United States Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, TX 76011

Dear Mr. Potapovs:

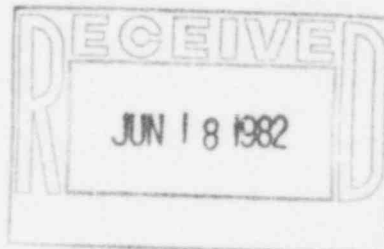
This letter is in response to your May 26, 1982 letter docket 99900514/82-01.

Appendix A, Notice of Violation, states that Energy Incorporated did not have posted: (1) current copies of section 206 of the Energy Reorganization Act of 1974, (2) the name of the individual to whom reports may be made, and (3) a statement as to where the regulation/procedure may be examined.

The notice which is posted in EI's headquarters, regional offices, and field locations has been revised to be fully compliant. A copy of the notice is attached to this letter as Exhibit A. Energy Incorporated's Standard Operating Procedure IX-1 addresses "Compliance with 10CFR Part 21", includes the revised notice (Exhibit A), and complete reproduction of 10CFR21. We have now corrected all deficiencies included in the Notice of Violation.

Appendix B - Notice of Nonconformance

To assure that all procurements for safety-related equipment specify that the provisions of 10CFR Part 21 apply, our Purchase Order Form, currently being redesigned, will include a statement that 10CFR Part 21 does or does not apply. Our procedures from receipt of a customer's order through issuance of a purchase document have been reviewed and where appropriate specify action to be taken for safety-related equipment have been identified.



HEADQUARTERS: ONE ENERGY DR. P. O. BOX 736, IDAHO FALLS, IDAHO 83402 (208) 529-1000, TWX: 910-978-5979 ENERGYINC IDAH
OFFICES IN WASHINGTON, D. C. • RICHMOND, VIRGINIA • SEATTLE, WASHINGTON AND ALBUQUERQUE, NEW MEXICO

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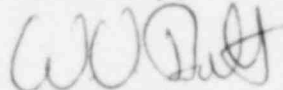
Mr. Uldis Potapovs

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In summary, I am confident that all action necessary for complete compliance with Section 201 of the Energy Reorganization Act of 1974 and 10CFR Part 21 has been taken. As part of our company quality assurance program, internal reviews will be made to assure that our procedures associated with the cited items and regulations are followed.

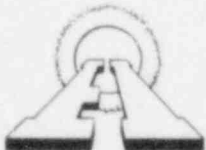
Sincerely,



W. V. Botts
President and Chairman

WVB:ba

Attachments



NOTICE

10CFR PART 21 - REPORTING OF DEFECTS AND NONCOMPLIANCE.

It is part of Energy Incorporated's policies and procedures to meet completely the requirements of section 206 of the Energy Reorganization Act of 1974, (as exhibited below). That section deals with reporting defects and noncompliance in facilities regulated pursuant to the Atomic Energy Act of 1954 or the Energy Reorganization Act of 1974.

Briefly stated:

"Any Energy Incorporated employee who obtains information concerning a licensed or regulated nuclear facility which reasonably indicates:

- (a.) That the facility, activity, or any basic component is not meeting the proper requirements, or
- (b.) That the facility, activity, or any basic component has a defect.

SHALL IMMEDIATELY NOTIFY THE INDIVIDUAL LISTED BELOW

A Detailed EI Standard Operating Procedure (SOP IX-1) plus appropriate reference material are available for review and guidance from:

- A. Headquarters Building - Office of Personnel Manager
- B. Regional Office - Office of General Manager
- C. Field Locations - Office of Lead Engineer

In the event that (a) and/or (b) become apparent to an EI employee, the employee shall contact the following individual:

NAME	<u>William V. Botts</u>
LOCATION	<u>Headquarters - Idaho Falls</u>
PHONE NUMBER	<u>(208)529-1000, Extension 216</u>

Sec. 206 (a) Any individual director or responsible officer of a firm constructing, owning, operating, or supplying the components of any facility or activity which is licensed or otherwise regulated pursuant to the Atomic Energy Act of 1954 as amended, or pursuant to this Act, who obtains information reasonably indicating that such facility or activity or basic components supplied to such facility or activity—

(1) fails to comply with the Atomic Energy Act of 1954 as amended, or any applicable rule, regulation, order, or license of the Commission relating to substantial safety hazards, or

(2) contains a defect which could create a substantial safety hazard, as defined by regulations which the Commission shall promulgate shall immediately notify the commission of such failure to comply or of such defect unless such person has actual knowledge that the Commission has been adequately informed of such defect or failure to comply.

(b) Any person who knowingly and consciously fails to provide the notice required by subsection (a) of this section shall be subject to a civil penalty in an amount equal to the amount provided by section 234 of the Atomic Energy Act of 1954 as amended.

(c) The requirements of this section shall be prominently posted on the premises of any facility licensed or otherwise regulated pursuant to the Atomic Energy Act of 1954 as amended.

(d) The Commission is authorized to conduct such reasonable inspections and other enforcement activities as needed to insure compliance with the provisions of this section.



DESIGNATED ORIGINAL

ENERGY INCORPORATED, P.O. BOX 736, IDAHO FALLS, IDAHO 83402

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