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PG&E +

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July 14, 1982

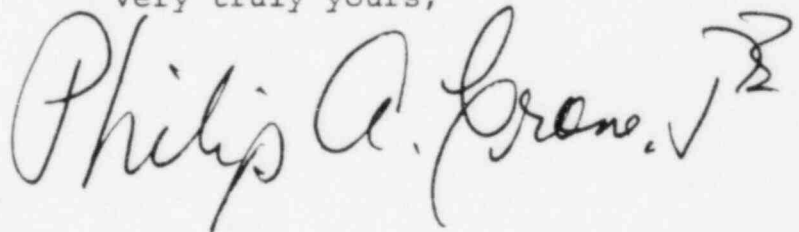
Mr. R. H. Engelken, Regional Administrator
U.S. Nuclear Regulatory Commission
Region V
1450 Maria Lane, Suite 210
Walnut Creek, CA 94596-5368

Re: Docket No. 50-323
Diablo Canyon Unit 2
Notice of Violation
IE Inspection Report 82-09 - Release of Material

Dear Mr. Engelken:

NRC Inspection Report 50-323/82-09, dated June 14, 1982, included a Notice of Violation (Severity Level V). PG&E's response to this Notice is enclosed.

Very truly yours,



Enclosure
cc w/encl: Service List

8209080611 820830
PDR ADOCK 05000323
G PDR

RECEIVED
JUL 15 1982

PGandE's Response to Notice of Violation
in NRC Inspection Report 50-323/82-09

On June 14, 1982, NRC Region V issued a Severity Level V Notice of Violation ("Notice") as part of NRC Inspection Report 50-323/82-09 on Diablo Canyon Unit 2. The Notice cited the failure of a PGandE contractor to conform to their existing approved procedures when receiving, handling and releasing materials for construction. The violation was described in the Notice as:

10 CFR 50, Appendix B, Criterion VII, as implemented by Section 17.1.7 of the FSAR and the PGandE Quality Assurance Manual Section III states in part that, "Documentary evidence that material and equipment conform to the procurement requirements shall be available at the nuclear power plant...prior to installation or use of such material and equipment."

The Howard P. Foley Company Quality Control Procedure QCP-3, "Processing and Control of Deviations and Nonconformances," and QCP-4, "Receiving, Handling, and Storage" require that documentation be received prior to releasing material to construction.

Contrary to the above requirements, materials purchased under eight different purchase orders were received and released for construction prior to receipt of material documentation. This finding was a result of an audit ordered by the licensee and initiated by Foley on March 15, 1982. The audit was prompted due to an allegation received by the NRC regarding release of material for construction prior to receipt of proper documentation.

The concern involves releasing of material for installation in a manner not conforming to the written procedures. The Contractor's procedures required that material be installed after receipt of documentation. Contrary to this procedure, installation prior to receipt of documentation, was initiated on the basis of written Contractor memoranda.

This method of releasing material for construction prior to receipt of required documentation is in agreement with 10 CFR 50, Appendix B, Criterion XV, as implemented by Section 17.1.15 of the FSAR, provided that appropriate procedures cover such conditions. Material installed in this manner is considered nonconforming until appropriate evidence and conformance is provided.

The Contractor's memoranda releasing material for installation prior to receipt of required documentation were first used in 1978.

Corrective Steps Taken and Results Achieved

The following corrective steps were taken to obtain compliance:

- 1) The Contractor has completed a 100% audit of all Class I purchase orders dating from January 1978 to date.

- 2) It is now determined for all referenced purchase orders that either all documentation has been received, or where appropriate, corrective action has been taken which has provided back-up documentation or justification for acceptability.

- 3) The Contractor's procedures QCP-4 "Receiving, Handling and Storage" and QCP-3, "Processing and Control of Deviations and Nonconformances" have been revised to provide for releasing of materials to construction, with appropriate quality control to follow the material which is considered nonconforming until receipt of documentation.

- 4) Training sessions for Contractor's Supervisors and Quality Control personnel have been completed in regard to these procedure changes.

The above actions assure that appropriate procedures for acceptability and installation of materials are followed, and further assure that appropriate evidence for acceptability of materials is obtained.

Corrective Steps Which Will Be Taken

Based on the actions described above, PGandE believes that adequate corrective action has been taken. Therefore, no additional corrective steps are necessary.

Date of Full Compliance

Full compliance was achieved on June 30, 1982.