



SMUD

SACRAMENTO MUNICIPAL UTILITY DISTRICT □ 6201 S Street, Box 15830, Sacramento, California 95813; (916) 452-3211

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REGISTRY

September 20, 1982

D M STERNBERG, CHIEF
REACTOR PROJECTS BRANCH NO. 1
U S NUCLEAR REGULATORY COMMISSION
REGION V
1450 MARIA LANE SUITE 210
WALNUT CREEK CA 94596

OPERATING LICENSE DPR-54
DOCKET NO. 50-312
REPLY TO IE INSPECTION REPORT 82-32

In response to the inspection conducted by Mr. G Hernandez during the month of August we offer the following information.

Appendix A of your letter notes the following Severity Level IV Violation:

As a result of the inspection conducted August 16-20, 1982, and in accordance with the NRC Enforcement Policy, 10 CFR, Part 2, Appendix C, 47 FR 9987 (March 9, 1982), the following violation was identified:

10CFR21, states in Section 21.31, "Procurement Documents," that, "Each individual, corporation, partnership or other entity subject to the regulations in this part shall assure that each procurement document for a facility, or basic component issued by him, her or it on or after January 6, 1978 specifies, when applicable, that the provisions of 10 CFR Part 21 apply."

Quality Assurance Procedure Number 4, Revision 8, of the SMUD Quality Assurance Manual states in paragraph "h" of the Procurement Section that, "Each procurement document for QA Class I equipment shall include the following statement: This order is subject to 10CFR21 regulations, except for Commercial Grade Spare Parts which shall not include the above underlined statement on the procurement document."

Rancho Seco Quality Control Instruction No. 10, Revision 3, states in paragraph 5, "Purchasing," that, "Each procurement document for QA Class I equipment unless identified as a commercial grade item shall include the following statement:"

"This order is subject to 10CFR21 regulations"

Contrary to the above, the following Contract Specifications (Procurement Documents) for Quality Class I equipment procured for the Nuclear Electrical Service Building did not identify that the provisions of 10CFR21 were applicable:

B210070294 B21004
PDR ADOCK 05000312
G PDR

September 20, 1982

| <u>Equipment</u> | <u>Contract Number</u> | <u>Vendor</u> | <u>Date Contract Awarded</u> |
|---|------------------------|-----------------------------|------------------------------|
| 1. 480 Volt a-c Load Center | 8320 | Brown Boveri Electric, Inc. | 6/19/81 |
| 2. Four 25 KVA Class 1E Inverters | 8257 | Elgar Corporation | 5/08/81 |
| 3. Metal Clad Switchgear and Non-Segregated Phase Bus | 8347 | General Electric | 6/02/81 |
| 4. Battery Chargers | 8256 | Power Conversions Products | 5/08/81 |
| 5. Air Cooled Radiators (Diesel Generator) | 8998 | Chicago Bridge & Iron* | 8/06/82 |

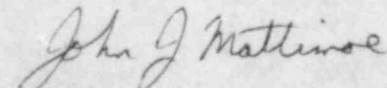
*This vendor is actually CVI.

District Reply

The District will include in all QA Class I Technical Specifications which are part of the overall contract specification the statement "This order is subject to 10CFR21 regulations" as required by the District's Quality Assurance Procedure (QAP) No. 4.

Additionally, the District's Purchases and Stores Department will review all open QA Class I contracts for inclusion of the 10CFR21 requirement. If the material has not been shipped, a contract change will be submitted to the supplier stating, "This order is subject to 10CFR21 regulations." This review will include those contracts listed in items 1 through 5 of the Notice of Violation. For QA Class I equipment which has been received on site but not declared operational, the equipment will be tested by Nuclear Operations in accordance with AP-44 and should a 10CFR21 type defect exist, the NRC will be notified in accordance with standard reporting requirements; i.e., an LER or 10CFR21 report.

Full compliance using the above noted corrective steps will be achieved within sixty (60) days of the date of this letter.



John J Mattimoe
General Manager