



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D. C. 20555-0001

March 8, 1994

Docket No. 99901270

Mr. E. A. George, Jr., Vice President  
Mid-South Nuclear, Inc.  
40-B Sayreton Drive  
Birmingham, Alabama 35202

Dear Mr. George:

SUBJECT: NOTICE OF VIOLATION AND NONCONFORMANCE  
(NRC INSPECTION REPORT NO. 99901270/94-01)

This letter addresses the U. S. Nuclear Regulatory Commission (NRC) inspection of your facility at Birmingham, Alabama, conducted by Messrs. L. L. Campbell and D. H. Brewer of this office January 25 through 28, 1994, and the discussions of their findings with you and members of your staff at the conclusion of the inspection. The inspection was conducted to evaluate Mid-South Nuclear, Inc.'s (MSN's) quality program and its implementation in selected areas such as (1) The American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code (Code), Section III, "Rules for Construction of Nuclear Power Plant Components," (Section III) material upgrade, (2) commercial grade item dedication, (3) receipt inspection and material testing, and (4) preparation of quality documentation and material certification.

Areas examined during this NRC inspection and our findings are discussed in the enclosed inspection report. This inspection consisted of an examination of procedures and representative records, discussion and interviews with personnel, and observations by the inspectors.

Based on the results of this inspection, certain of your activities appear to be in violation of NRC requirements, as specified in the enclosed Notice of Violation. The violation identified that MSN's procedures did not address the requirements of Section 21.21, "Notification," of Title 10 of the Code of Federal Regulations (10 CFR) as revised and effective on October 29, 1991 (e.g., the 60 day period for evaluating potential defects and failures to comply; filing an interim report).

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice of Violation when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

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In addition, during this inspection it was found that the implementation of your quality assurance (QA) program failed to meet certain NRC requirements. Although MSN has prepared a procedure which addresses the essential elements of the commercial grade item dedication process, MSN failed to properly identify the necessary critical characteristics for ensuring that certain product forms such as pipe, fittings, plates, shapes, and bars met specification requirements.

Generally, vendors such as MSN receive purchase orders for metallic products that invoke the requirements of: (1) Appendix B to 10 CFR, or an equivalent customer approved vendor Quality Assurance Program, (2) 10 CFR Part 21, and (3) the governing material specification. When the product is certified by the vendor to be supplied in accordance with these or similar requirements, the customer generally considers that the product meets all of the technical requirements specified in its purchase order and, therefore, can be used in any safety-related application where design documents specifically identify the use of such products.

Also, it was found that MSN issued a Certificate of Compliance stating that 1/4 inch outside diameter by 0.049 inch wall thickness, SA-213, Type 304, seamless stainless steel tubing had been furnished to TVA in accordance with the requirements of the ASME Code, Section III, NC-2610, 1989 Edition, without the required involvement of a Certificate Holder.

Please provide us within 30 days from the date of this letter a written statement in accordance with the instructions specified in the enclosed Notice of Nonconformance. We will consider extending the response time if you can show good cause for us to do so.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and the enclosed inspection report will be placed in the NRC Public Document Room.

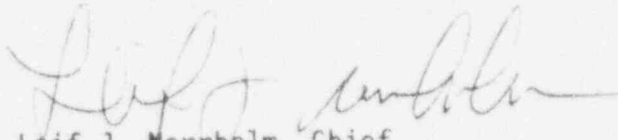
The responses requested by this letter and the enclosed Notices are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Public Law No. 96-511.

Mr. E. A. George, Jr.

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If there are any questions concerning this inspection we will be pleased to discuss them with you.

Sincerely,



Leif J. Morrholm, Chief  
Vendor Inspection Branch  
Division of Reactor Inspection  
and Licensee Performance  
Office of Nuclear Reactor Regulation

Enclosures:

1. Notice of Violation
2. Notice of Nonconformance
3. Inspection Report 999001270/94-01

Mr. E. A. George, Jr.

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If there are any questions concerning this inspection we will be pleased to discuss them with you.

Sincerely,

Leif J. Norrholm, Chief  
Vendor Inspection Branch  
Division of Reactor Inspection  
and Licensee Performance  
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