EXXON NUCLEAR COMPANY, Inc.

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November 30, 1982

Uldis Potapovs, Chief
Vendor Inspection Branch
US Nuclear Regulatory Commission - Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 78012

Docket No. 99900081/82-01

Dear Mr. Potapovs:

Attached is our response to the Notice of Nonconformance transmitted by your letter of November 5, 1982 and update of November 12, 1982.

In addition to the information herein, Quality Assurance has reviewed each nonconformance and has determined that the items did not impact either the health and safety of the public, or the product quality.

Should you have any additional questions on these matters, please feel free to call me at (509) 375-8257.

Yours very truly,

C.J. Volmer
Manager, Quality Assurance

CJV:rd
Attachment
cc: W.M. McNeill

Attachment

Statement from Docket #99900081/82-01

NRC Nonconformance:

A. Section 7.0 of the Exxon Topical Report, XN-NF-1A, states in part, "Exxon Nuclear delegates to the fuel component vendors the task of establishing and executing quality assurance subprograms, but retains responsibility for overall program effectiveness." Section 7.1 goes on to identify that one of the methods for accomplishing the above is, "Evaluating vendor's current quality records including the vendor's QA program, manual, and procedures, as appropriate."

Contrary to the above, component vendor quality assurance program effectiveness was not fully assured in the area of Inspection and Test Plans, as evidenced by the following examples:

1. Revision 6 of an Inspection and Test Plan identified to be used on a purchase order (R-010645) by a fuel clad vendor was not consistent with purchase order requirements, in that it failed to identify the required CSR testing.

2. Although Exxon had approved Revision 7 of this inspection and Test Plan, not all of the agreed to changes in respect to Revision 6 were incorporated.

3. An Inspection and Test Plan submitted by a poison pellet supplier and approved by Exxon allowed a deviation from the product specification in regard to pellet perpendicularity and length sampling.

ENC Response:

1. Steps taken to correct these items:

A.1 The specific attribute (CSR Test) was required on the purchase order rather than the Revision 6 of the Vendor's Inspection and Test Plan. This method of documentation was followed since the CSR requirement was unique to a select group of orders and did not apply to the general orders which the Inspection and Test Plan addressed. The vendor certified the material as meeting the requirements of the purchase order and applicable product specification which does require the CSR Test. In order to further elucidate the certification this vendor has submitted a letter (dated 11/24/82) which states the CSR test was done in accordance with ENC's Specification XN-NF-35018, Appendix D.

As a matter of note, the subject Inspection and Test Plan has been revised by the vendor and approved by ENC to include the CSR Test Requirement. This action was taken since the requirement has become more commonly applied to the product.

DESIGNATED ORIGINAL

Certified By Rheanne Clark

ENC Reponse:

A.2 ENC has reviewed the subject coorespondance and concurs that not all the agreed-to changes were included in a subsequent revision. Specifically, ENC had requested, and the vendor has agreed, to clarify sample-size requirements from "9 inches long" to a "minimum of 9 inches." The failure of this change to appear in the subsequent revision was an apparent oversight by both parties.

The vendor has agreed to make this change during the next revision which should occur by December 31, 1983. Since the specific change does not impact product quality, it is ENC's opinion that this date is acceptable.

A.3 The circumstances involving the specification requirement and the alternate requirement stated in the Supplier's Inspection and Test Plan have been reviewed. It has been determined that the cause was the result of an oversight in that an approved alternate requirment was not equivalent to the quality requirement as stated in the product specification in terms of the sample size. Specifically, the product specification designated the sampling plan, wherein the Supplier's Inspection and Test Plan permitted an alternate sampling plan. Although the alternate sampling plan resulted in a more conservative product quality statement, the stated product specification requirement was not met. Consequently, ENC initiated, reviewed and approved a Variance Report (NO. 02126) that documents product acceptance based on the alternate sampling plan. This action is documented on QA records contained in QC File #16098. Additionally, in order to preclude recurrence of this situation, the vendor has been informed that the alternate acceptance plan is no longer permissible at this point in time and that the product specification sample plan must be used, (Letter, September 29, 1982).

2. Description of steps that have been or will be taken to prevent recurrence:
In order to assure Component Vendor Quality Assurance Program effectivity in the area of inspection and test plans, Quality Assurance Procedure XN-NF-P00,018, "Procurement Control", (QAP #7) has been revised to specifically state what vendor documentation must be approved and by which ENC department. The action is documented on a form, Document Transmittal Routing Form (DTRF). This revision was issued (5/28/82), and was in the process of being implemented during the audit but was not fully implemented for ENC's vendor inspection plans. This system, when fully implemented, should preclude recurrence of the observed nonconformances.

3. Date the corrective action and preventive measures were or will be taken:
Corrective Action for the specific items (A.1, A.2, & A.3) is complete. Preventive action to prevent recurrence is currently scheduled to be complete no later than January 31, 1983.

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NRC Nonconformance:

B. Section 15.0 of the Exxon Topical Report, XN-NF-1A, states in part, "The Exxon Nuclear Quality Assurance Program requires that nonconforming items discovered during procurement, receiving inspection, manufacture, fabrication, or test activities are required to be controlled and documented in accordance with written procedures."

Contrary to the above, nonconforming items were not always controlled in accordance with written procedures, as evidenced by the following examples:

1. QA Procedure 15, Paragraph 3.4.1, requires suspected material to be segregated and tagged. A bin (No. 550) was observed in the pellet storage area which contained two trays of pellets that had become oxidized after their release. This bin was not identified with a red hold tag.

2. QC Procedure XN-NF-P69072, Paragraph 4.1.2, requires deviating rods to be identified with a red hold tag. A review of Bin 13 found that the bin was tagged, but the bin contained acceptable material. Further examination found that the tag in question should have been applied to Bin 12 which contained the referenced nonconforming rods.

3. Approval of a Variance Report (VR 1798) was not in accordance with Paragraph 3.5.7 of QA Procedure 15, in that only two of the required three signoffs had been obtained.

ENC Response:

1. Steps taken to correct these items:

B.1 The area supervisor reviewed the circumstances and determined that a red hold tag was appropriate identification for the subject pellets rather than the observed note. As a result, the supervisor took immediate action and had the referenced bin identified with a red hold tag. It should be pointed out that the instructions contained on the informational card that was used would have prevented further processing. However, as observed by the auditor, the correct procedural steps had not been followed.

B.2 As soon as the problem was reviewed, it was apparent that the red hold tag had been inadvertently misplaced. Consequently, it was placed in the bin containing the questionable material. It should be noted that information which was recorded on the follower cards for the subject material would have prevented further processing of the fuel rods.

B.3 The subject variance report was reviewed and it was determined that Variance Report #1798 contained only two of the three required signatures. This variance report has been updated to comply with the requirements of QA Procedure #15. This action did not result in a change to the disposition of the affected part.

2. Descriptions of steps that have been or will be taken to prevent recurrence:

B.1, B.2 and B.3
ENC has reviewed each of the above items and determined that they were individual, isolated cases which were not indicative of a systematic problem. Additionally, it has been determined that the adjunctive documents would have prevented continuation of the items prior to resolution of the indicated problems.

In order to minimize the potential of recurrence, ENC has reviewed the importance of procedural compliance for identifying and documenting nonconforming material with appropriate personnel.

3. Date the corrective action and preventive measures were or will be taken:

ENC has concluded its action with regard to this nonconformance.

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NRC Nonconformance

C. QA Procedure #17, "Quality Assurance Records", Paragraph 3.1, states in part, "The manager or supervisor of the department originating a record is responsible for...transmittal of records to the custodian based on the time schedule given in Table I."

Contrary to the above, certain managers were not transmitting records to the custodian based on the time schedule given in Table I, as evidenced by the following examples:

1. Quality Assurance Audit Reports are required to be transmitted yearly, but only 1974 through 1978 reports were on file.

2. Quality Assurance Management Reviews, Procurement and Logistics Approved Vendor Lists, and Instrument Repetitive Maintenance records are required to be transmitted yearly, but, in fact, there were not any on file.

ENC Response:

1. Steps taken to correct these items:

C.1 and C.2 - ENC Quality Assurance has reviewed the applicable procedures including Quality Assurance Procedure XN-NF-P00,023 "Quality Assurance Records" (QAP #17) and determined that the schedule in Table I was no longer appropriate to meet current requirements. As a result, QAP #17 will be revised to better reflect the requirements for transfer of Quality Assurance Records to Document Control Central Vault for storage.

2. Description of steps that have been or will be taken to prevent recurrence:

ENC will attain compliance by revising the existing procedure and by implementing the requirements stated in the procedure. This change will provide a transfer schedule for QA records that will be consistent with applicable requirements.

3. Date the corrective action and preventive measures were or will be taken:

The following schedule has been established for attaining compliance:

A. Re-issue QAP #17 by 12/15/82
B. Conduct training sessions on QAP #17 changes with appropriate personnel by January 31, 1983.
C. Review results of implementation by March 31, 1983.