

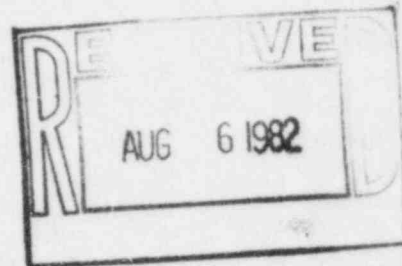
Colt Industries



**Fairbanks Morse
Engine Division**
701 Lawton Avenue
Beloit, Wisconsin 5351
608/364-4411

August 3, 1982

Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011



Attention: Mr. Uldis Potapovs, Chief
Vendor Inspection Branch

Reference: a) NRC Docket No. 99907591

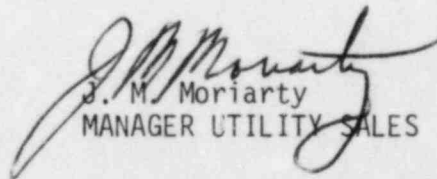
Enclosures: 1) Woodward Governor Co. letter of 23 July 1982 to Colt
Industries
2) NRC Inspection Report No. 99900759/81-01

Gentlemen:

We have been notified by one of our suppliers, Woodward Governor Co., by Enclosure 1 that they are giving notice to us that they will not comply with the 10CFR Part 21.6 posting requirement and that they have chosen the "alternate response." Our review of Enclosure 2 indicates a violation (Item 1) was noted in this area but no unresolved items remain.

Since Woodward's action apparently is satisfactory to the NRC, Colt plans to simply file Enclosures 1 and 2 in our Woodward vendor file. No further action will be taken unless we're advised by you that certain specific action is required on our part.

Very truly yours,


J. M. Moriarty
MANAGER UTILITY SALES

JMM:jc

Encls.

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PDR QA999 EMVCLT
99900300 PDR



ESTABLISHED 1870

WOODWARD GOVERNOR COMPANY

DESIGNER AND BUILDER OF CONTROLS FOR ALL PRIME MOVERS

P.O. BOX 1519 · FORT COLLINS, COLORADO 80522

PHONE 303 482-5811

TELEX 45691

23 July 1982

Handwritten: Honey
This review
discuss
EJF 7/29/82

Colt Industries
701 Lawton Avenue
Beloit, WI 53511

ATTENTION: Quality Control Manager

Subject: Exemption to 10 CFR 21.6 Concerning Posting Regulations

Reference: 1) Nuclear Regulatory Commission (NRC) Requirements. Code of Federal Regulations, Title 10, Part 21 (10 CFR 21)
2) Docket No. 9900759/81-01

Gentlemen:

The Woodward Governor Company supplies governors to many prime mover manufacturers who in turn may sell an engine or turbine to a nuclear facility or to another party who finally sells the engine system to a nuclear facility. In years past it happened very often that we were never made aware of the end usage of our product in the nuclear facility. Today that is less apt to be the case and our customers send along a specification which indicates NRC requirements.

Recently the NRC has told us that we have not met 10 CFR Part 21.6 requirements for posting of regulations. They have told us that we must post these regulations or else, as an alternate response, give notification to our customers that we have not complied with the 10 CFR Part 21.6. We have chosen the alternate response and are now informing you that we are not planning to comply with the specific paragraph 21.6 requirements of 10 CFR 21. This paragraph requires posting of Section 206 of the Energy Reorganization Act of 1974 which states the need to report to the NRC any defect in the product which could be a safety hazard. We do comply with Section 206 and are alerted and organized to report such defects via our quality assurance system even though we have chosen not to display Section 206 documentation to the entire plant.

Any material previously supplied or currently on order has been or will be manufactured under policies and procedures designed and implemented to support the quality assurance system employed by the Engine and Turbine Controls Division of the Woodward Governor Company. Our quality assurance system specifically meets the requirements of the military specification, MIL-Q-9858A entitled "Quality Program Requirements".

RECEIVED

-1-

DESIGNATED ORIGINAL
JUL 29 1982
Certified By: *Rheanne [Signature]*
QUALITY CONTROL

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Colt Industries

Quality Control Manager

23 July 1982

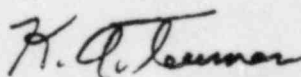
We are currently and will continue in the future to take exception to quality assurance requirements on purchase orders that are outside of the MIL-Q-9858A requirements. The purpose of this is to allow us to continue to use our high quality standard commercial products which have been and will continue to be quite adequate for the application and are manufactured in such a manner as to be available with reasonable cost. We do not believe our customers desire to pay the cost penalty involved with redoing our operations to conform to every aspect of 10 CFR Part 21.

We have had many visits to our plant by quality assurance people from various nuclear plants to review our procedures. In some cases we have had visits from the engine or turbine manufacturer in order for them to also fulfill the requirements involved in the 'nuclear' site purchase orders. Since we will continually be taking exception to the aforementioned requirements in all of the purchase orders involving a nuclear site, it seems reasonable for the engine manufacturer or personnel from the nuclear site to consider that it may not be necessary to continue to make these inspection trips to our plant.

Mr. Al Zwieg carries out the function of coordinating the contractual needs of our customers in regard to equipment for nuclear applications. Please feel free to contact him as questions may arise concerning a given purchase order. At your convenience, please contact the writer with any questions regarding this letter.

Very truly yours,

WOODWARD GOVERNOR COMPANY



K. A. Teumer
Manager, Sales & Service
Engine & Turbine Controls Division

KAT:mg

ORGANIZATION: WOODWARD GOVERNOR COMPANY
ENGINE AND TURBINE CONTROLS DIVISION
FORT COLLINS, COLORADO

REPORT NO.: 99900759/81-01 **INSPECTION DATE(S):** 9/8-11/81 **INSPECTION ON-SITE HOURS:** 26

CORRESPONDENCE ADDRESS: Woodward Governor Company
Engine and Turbine Controls Division
ATTN: Mr. J. E. Sundstedt
General Manager
Post Office Box 1519
Fort Collins, CO 80522

ORGANIZATION CONTACT: Mr. J. L. Veitch, Quality Assurance Manager
TELEPHONE: (303) 482-5811

PRINCIPAL PRODUCT: Engine and turbine controls and auxiliaries

NUCLEAR INDUSTRY ACTIVITY: Woodward Governor Company (WGC) supplies controls and auxiliaries (governors) for prime movers. WGC nuclear involvement represents less than one half of one percent of their total production.

ASSIGNED INSPECTOR: Wm. D. Kelley 10/21/81
Wm. D. Kelley, Reactive Inspection Section (RIS) Date

OTHER INSPECTOR(S):

APPROVED BY: I. Barnes 10/23/81
I. Barnes, Chief, RIS Date

INSPECTION BASES AND SCOPE:

- A. **BASES:** 10 CFR Part 21 and 10 CFR Part 50, Appendix B.
- B. **SCOPE:** This inspection was made as a result of the issue of a construction deficiency report by Duke Power Company concerning the potential failure of the droop lever spring in the governors for the emergency diesels installed at the William B. McGuire Nuclear Station, Unit 2. Additional areas selected for inspection included initial management meeting and quality assurance program review.

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A. VIOLATIONS:

1. Contrary to Section 21.6 of 10 CFR Part 21, neither Section 206, 10 CFR Part 21, nor the permitted substitute notice were posted at the Fort Collins, Colorado, plant.
2. Contrary to Section 21.21 of 10 CFR Part 21, appropriate procedures had not been adopted for the implementation of 10 CFR Part 21.

B. NONCONFORMANCES:

None

C. UNRESOLVED ITEMS:

None

D. OTHER FINDINGS OR COMMENTS:

1. Initial Management Meeting - Met with management and those persons responsible for the administration of the QA Program, explained NRC direct inspection program, organization, inspection methods, and documentation.
2. Quality Assurance Program Review - Reviewed QA program, QA manual, general inspection procedure, and eight customer purchaser orders. The QA manual states that the WGC QA system is equal or superior to MIL-Q-9858A. None of the purchase orders reviewed by the inspector imposed Appendix B of 10 CFR Part 50 on WGC. The QA program had been audited by twenty utilities and six original equipment manufacturers since 1977.
3. Construction Deficiency Report by Duke Power Company - Problem reported was the failure of droop lever spring in governor for emergency diesels. Three hundred-thirty droop lever springs were returned by WGC to their spring vendor because the hooks were misaligned. The misalignment was corrected by the vendor and the springs were returned to WGC for installation in governors. A total of 308 governors with springs from this lot were shipped to customers. Subsequently, two governors were returned to WGC for repair. The governors were disassembled and inspected, and it was found that the droop lever springs were broken. It was determined that these springs were from the reworked lot. WGC contacted their spring vendor and was informed that the springs had been reworked by cold bending. WGC performed vibration testing on a sample of springs from this lot which resulted in a high failure rate. WGC notified those customers who had received the other 306 governors. At this time, WGC redesigned and manufactured 298 springs, incorporated them in replacement kits, and sent them to the affected customers.

WOODWARD GOVERNOR COMPANY
ORGANIZATION: ENGINE AND TRUBINE CONTROLS DIVISION
FORT COLLINS, COLORADO

REPORT NO.: 99900759/81-01

INSPECTION RESULTS:

PAGE 3 of 3

As of September 11, 1981, WGC could not account for 10 of the 330 defective springs, nor could they identify the 8 remaining governors with defective springs. Follow up will be performed on the latter item in order to verify that none of the governors are installed on nuclear equipment.