

NOTICE OF NONCONFORMANCE

Gulton-Statham Transducers, Inc.
Costa Mesa, California

Docket No.: 99901261/94-01

Based on the results of an inspection conducted on March 7 through 10, 1994, it appears that certain of your activities were not conducted in accordance with NRC requirements as described below.

- A. Criterion XII of Appendix B to 10 CFR Part 50, "Control of Measuring and Test Equipment," requires, in part, that measures shall be established to assure that instruments used in activities affecting quality are properly controlled, calibrated and adjusted to maintain accuracy within specified limits.

Criterion VII of Appendix B to 10 CFR Part 50, "Control of Purchased Equipment, Material, and Services," requires in part that the effectiveness of the control of quality by contractors shall be assessed.

Paragraph 5.3.1.1 of Gulton-Statham Transducers, Incorporated, (G-S) Manual QAP-0100, "Quality Assurance Policy and Procedure Manual," Revision L, dated February 4, 1994, states that suppliers will be evaluated on the basis of their ability to meet quality requirements.

Contrary to the above, at the time of the inspection, documented G-S surveys of the Gauge Repair Services company and Teledyne Systems Company did not assure that commercial grade calibration services provided by those suppliers were adequate for nuclear safety-related use. The services of these two suppliers were used in calibrating a model PD3200 pressure transmitter shipped to the Millstone nuclear site on February 9, 1994, under Northeast Utilities Purchase Order (PO) 889594. (99901261/94-01-03)

- B. Criterion XII of Appendix B to 10 CFR Part 50, "Control of Measuring and Test Equipment," requires, in part, that measures shall be established to assure that instruments used in activities affecting quality are properly controlled, calibrated, and adjusted to maintain accuracy within necessary limits.

Paragraph 10.3.1 of QAP-0100, Revision L, dated February 4, 1994, states that G-S will calibrate all measuring equipment that affects product quality at prescribed intervals.

Contrary to the above, a megohmmeter (identification number 1-508-005) used on the production line on March 8, 1994, for inspecting a model PD3218 pressure transmitter for shipment to the Clinton nuclear plant under Illinois Power Company PO 545618 was past due for calibration. (99901261/94-01-04)

- C. Criterion V of Appendix B to 10 CFR Part 50, "Instructions, Procedures, and Drawings," requires, in part, that activities affecting quality be prescribed by documented instructions, and shall be accomplished in accordance with these instructions.

Paragraph 5.1.4.1 of G-S procedure SQP-0123, "Metrology Laboratory Operating Practices and Procedures," Revision AB, dated December 18, 1993, states that the metrology lab provides a listing of items due for calibration during the upcoming month on the first day of each month.

Contrary to the above, the NRC inspectors found that G-S had not issued the overdue item listing for the past several months. (99901261/94-01-05)

Please provide a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Chief, Vendor Inspection Branch, Division of Reactor Inspection and Licensee Performance, Office of Nuclear Reactor Regulation, within 30 days of the date of the letter transmitting this Notice of Nonconformance. This reply should be clearly marked as a "Reply to a Notice of Nonconformance" and should include for each nonconformance: (1) a description of steps that have been or will be taken to correct these items; (2) a description of steps that have been or will be taken to prevent recurrence; and (3) the dates your corrective actions and preventive measures were or will be completed.

Dated at Rockville, Maryland
this 3rd day of May 1994