



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

August 10, 1989

Docket No. 99901117/88-01

Mr. W. L. Strickland, President  
NSSS, Incorporated  
5000 Highway 80E  
Jackson, Mississippi 39208

Dear Mr. Strickland:

This letter addresses the inspection of your facility at Jackson, Mississippi, conducted by Jeffrey B. Jacobson of this office on August 9 and 10, 1988, and the discussions of his findings with you and other members of your staff at the conclusion of the inspection. Release of this report was delayed during NRC's ongoing review of nonconforming and substandard vendor products.

The inspection was conducted to review your activities related to the sales of equipment and components to the nuclear industry. The inspection concentrated on your sources of supply, your representation of components sold, and the basis for any certifications made by NSSS, Inc. relative to this equipment. Areas examined during the NRC inspection and our findings are discussed in the enclosed report. This inspection consisted of an examination of procedures and representative records, interviews with personnel, and observations by the inspector.

During this inspection it was found that the implementation of your QA program failed to meet certain NRC requirements. Specifically, an adequate basis had not been established for ensuring that panel meters sold to Niagara Mohawk, Agastat relays sold to Illinois Power, and power supplies and temperature switches sold to Gulf States Utilities were in conformance with the purchase specifications. In addition, circuit breaker purchases from sources which NRC Information Notice IN-88-46 noted as supplying potentially defective refurbished equipment were identified. These had been purchased from Niagara Mohawk under commercial grade purchase order. Specific findings and references to the pertinent requirements are identified in the enclosure. This letter.

Please provide us within 30 days from the date of this letter a written statement containing:

- (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

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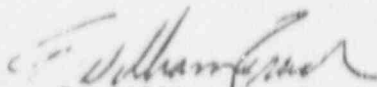
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- (3) the dates your corrective actions and preventive measures were or will be completed. We will consider extending the response time if you can show good cause for us to do so.

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

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,



E. William Brach, Chief  
Vendor Inspection Branch  
Division of Reactor Inspection and Safeguards  
Office of Nuclear Reactor Regulation

Enclosures:

1. Appendix A-Notice of Nonconformance
2. Appendix B-Inspection Report 999001117/88-01