

APPENDIX A

Exxon Nuclear Company, Inc.
Docket No. 99900081/82-01

NOTICE OF NONCONFORMANCE

Based on the results of an NRC inspection conducted on September 20-23, 1982, it appears that certain of your activities were not conducted in accordance with NRC requirements.

Section 5.0 of the Exxon Topical Report, XN-NF-1A, states in part, "The Quality Assurance Program and associated quality-related design, procurement, manufacturing, inspection, handling, and shipping activities are prescribed by documented instructions, procedures, and drawings, as appropriate, to assure adequate definition of instruction for satisfactory completion of activities. The instructions, procedures, and drawings include qualitative and quantitative acceptance criteria to verify that important activities have been satisfactorily accomplished."

Nonconformances from these requirements are as follows:

- A. Section 7.0 of the Exxon Topical Report, XN-NF-1A, states in part, "Exxon Nuclear delegates to 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.

- 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.

- 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.