



June 16, 1994

LD-94-041

Docket Nos. 52-002 and 99900401

U.S. Nuclear Regulatory Commission
Attn: Document Control Room
Washington, DC 20555

Subject: Reply to a Notice of Nonconformance

- Reference (1) Notice of Nonconformance (NRC Inspection Report No 99900401/94-01) dated May 24, 1994
- (2) ABB-CE Letter LD-94-026, "SYSTEM 80+™ Information for Issue Closure," dated April 26, 1994

Dear Sirs:

This letter responds to Reference (1), Notice of Nonconformance. The letter documents that as a result of the NRC's inspection conducted on February 14 - 18, 1994 there were indications of two nonconformances in areas related to purchase orders and sub-vendor audits.

The attachment addresses ABB-CE's response to the two indicated nonconformances in the manner specified in Reference (1).

Reference (1) also identified one unresolved issue related to the extent to which independent verification of design bases calculations were expected to be performed prior to design certification. Following several meetings and conference calls, ABB-CE submitted via Attachment (1) to Reference (2) its proposed design verification process for design basis events. The NRC approved the Reference (2) approach, as documented in Reference (1). The commitments included in Attachment (1) to Reference (2) have now been completed.

ABB Combustion Engineering Nuclear Power

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Combustion Engineering Inc.
Washington Nuclear Operations
9406220335 940616
PDR ADDCK 05200002
A PDR

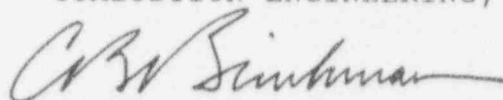
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If you have any questions related to the above, please contact me or Mr. Stanley Ritterbusch at 203-285-5206.

Sincerely yours,

COMBUSTION ENGINEERING, INC.



C. B. Brinkman
Director
Nuclear Systems Licensing

Attachment

cc: Chief, Vendor Inspection Branch, NRR
T. Wambach, NRC
P. Lang, DOE

Reply to a Notice of Nonconformance

NRC Description of Nonconformance 94-01-01

Criterion IV of Appendix B to 10 CFR Part 50, "Procurement Document Control," states in part that measures shall be established to assure that applicable regulatory requirements, design bases, and other requirements which are necessary to assure adequate quality are suitably included or referenced in the documents for procurement of material, equipment, and services.

Contrary to the above, ABB-Combustion Engineering Nuclear Systems (ABB-CE) failed to specify the applicable quality level, quality assurance program requirements, and 10 CFR Part 21 requirements on purchase order (PO) 9100100 to Duke Engineering Services, Incorporated, and PO 9201995 to ABB Impell Corporation, for safety-related engineering services performed from November 25, 1991, through December 23, 1993, and February 21, 1992, through November 12, 1992. In addition, ABB-CE failed to have a PO in place to Stone and Webster Engineering Corporation for safety-related engineering services performed from mid-1992 through September 1, 1993.

ABB-CE Response to Nonconformance 94-01-01

1. Steps that have been taken to correct the nonconformance:

During the period of nonconformance, ABB-CE had reasonable assurance that work done by its suppliers was in accordance with the upgraded purchase order requirements; however, that assurance was not in the required purchase order format.

Subsequently, a purchase order (PO 9309380) has been issued to Stone and Webster Engineering Corporation and supplements have been issued to the cited purchase orders to Duke Engineering Services, Incorporated and ABB Impell Corporation. The new PO and the PO supplements specify the applicable quality level, quality assurance program requirements, and 10 CFR Part 21 requirements.

2. Steps that have been taken to prevent recurrence:

There were many extenuating circumstances that led to the timing of the PO upgrades. However, the root cause of the nonconformance was the failure of the Project Management Team to upgrade the applicable PO's in a timely manner. The current Project Management Team has received training in applicable QA requirements and now appreciates the necessity for timely actions when order

requirements change.

ABB-CE is confident that this will prevent recurrence. No further action is deemed necessary.

3. Dates the corrective actions and preventive measures were taken:

PO 9100100 to Duke Engineering Services, Incorporated was corrected by Supplement 004 issued December 23, 1993.

PO 9201995 to ABB Impell was corrected by Supplement 5 issued December 29, 1993.

PO 9309380 was issued to Stone and Webster Engineering Corporation August 30, 1993 thus correcting the lack of PO.

A new project manager previously trained in applicable QA requirements was assigned on August 9, 1993.

NRC Description of Nonconformance 94-01-02

Criterion VII of Appendix B to 10 CFR Part 50, "Control of Purchased Material, Equipment and Services," states, in part, that measures shall be established to assure that purchased material, equipment, and services, whether purchased directly or through contractors and subcontractors shall be assessed at intervals consistent with the importance, complexity, and quantity of the product or services.

Contrary to the above, ABB-CE did not perform an audit to verify implementation of Stone and Webster Engineering Corporation's quality assurance program supporting the engineering services provided in accordance with ABB-CE purchase order 9309380 for the timeframe September 1, 1993, through the date of the inspection.

ABB-CE Response to Nonconformance 94-01-02

1. Steps that have been taken to correct the nonconformance:

ABB-CE used the provisions of Regulatory Guide 1.28, Rev. 03 paragraph 3.2.1 as a basis for using the initial survey of Stone and Webster Engineering Corporation as the first audit. The initial survey was performed over the period January 17 - 31, 1994. This survey included reviews of the quality program manuals and procedures as

well as review of work performed for others.

Consequently, ABB-CE believes that reasonable assurance was being provided that Stone and Webster was adequately implementing its QA program.

Subsequent to the NRC inspection, ABB-CE conducted an audit of Stone and Webster to satisfy its commitment to conduct an audit prior to the issuance of the FSER. There were no nonconformances found.

2. Steps that have been taken to prevent recurrence:

Since the FSER is scheduled to be issued on or about June 30, 1994, there will be no opportunity for recurrence. However, as long as Stone and Webster remains on ABB-CE's Approved Supplier List they will be audited at least every 3 years in accordance with ABB-CE's Quality Assurance Plan which complies with the conditions of Regulatory Guide 1.28 Revision 3.

3. Dates the corrective actions and preventive measures were taken:

The audit of Stone and Webster Engineering Corporation was conducted on April 28 - 29, 1994. Future audits will occur within three year intervals of prior audits if Stone and Webster Engineering Corporation remains on ABB-CE's Approved Supplier List.