

NOTICE OF VIOLATION

Masoneilan-Dresser Industries
Avon, Massachusetts

Docket No. 99900094
Report No. 91-01

During an inspection conducted at the Masoneilan-Dresser Industries (MD) facilities in Avon and Canton, Massachusetts on June 3 to 7, 1991, the staff identified violations of the U.S. Nuclear Regulatory Commission (NRC) requirements. In accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1991) to Part 2 of Title 10 of the Code of Federal Regulations (10 CFR Part 2), the violations are listed below:

- A. Section 21.21, "Notification of failure to comply or existence of a defect," of 10 CFR Part 21 requires, in part, that each individual or other entity subject to 10 CFR Part 21 adopt procedures that appropriately provide for: evaluating deviations to procurement documents, or inform applicable licensees or purchasers in order that the licensee or purchaser may cause deviations to be evaluated.

Contrary to the above, MD Procedure QAS 1.4, "Reporting Requirements Concerning Defects and Noncompliance-10 CFR Part 21," Revision 0, of March 1, 1990, was not adequate to ensure that MD performed an evaluation or informed the customer in accordance with 10 CFR Part 21 of all past MD certificates of conformance (CoCs) which expressed certification of safety-related components even though the components were commercial-grade. Examples of ambiguous certifications for nuclear safety-related orders are as follows: (91-01-01)

- MD CoC, of March 18, 1986 for 64 NAMCO limit switches Model EA170-11100 for Kansas Gas and Electric (KG&E) Company purchase order (PO) 512092, February 5, 1986. The PO imposed Appendix B to 10 CFR Part 50 (Appendix B), 10 CFR Part 21 (Part 21) and an architect-engineer (AE) equipment specification that required qualification to certain portions of the Institute of Electrical and Electronics Engineers (IEEE) Standards 323 and 344. The MD CoC stated conformance to PO 512092 and the AE equipment specification. However, the 64 limit switches were not processed, supplied, or qualified to the PO requirements.

- MD CoC, of June 12, 1986, for 24 MD air sets, Model 74-202, for KG&E PO 512092. The PO imposed the same requirements as above. However, this is an MD-manufactured product, and was not controlled, supplied, or qualified to the PO requirements, even though the MD CoC included the statement: "Made in Accordance with Bechtel Specification 10466-J-601A...10 CFR Part 21...10 CFR Part 50 Appendix B."
- MD CoC, of April 30, 1987, for an electro-hydraulic safety-related valve actuator, Part 976015-049 for New York Power Authority, Fitzpatrick PO 86-2820, August 13, 1986, imposed the requirements of Appendix B to 10 CFR Part 50, 10 CFR Part 21, and ASME/ANSI N45.2 QA program. However, this MD manufactured product was not controlled or supplied in accordance with the PO requirements, even though the MD CoC stated that the component conformed to the PO requirements.
- MD CoC, of September 1, 1989, for a safety-related MD valve assembly, valve serial 35-35112, with MD Model 4612 valve positioner and MD Model 77-4 air set, for Northeast Utilities PO No. 912663, June 6, 1988. The PO imposed the following: 10 CFR Part 21, safety-related application, and the requirement to be equal to or better than the original items. However, neither the positioner nor the air set were controlled, manufactured, or supplied in accordance with the PO requirements.
- MD CoC's, of June 9, 1988, and June 10, 1988, for safety-related MD Model 8012-3-C valve positioners for Louisiana Power and Light PO 17222 of March 26, 1988. The PO imposed safety-related application, 10 CFR Part 21 and the "equal to or better than original items" clause. However, the positioner was not controlled, manufactured, or supplied in accordance with the PO requirements.

This is a Severity Level IV Violation (Supplement VII).

- B. Section 21.6, "Posting requirements," of 10 CFR Part 21 requires, in part, that each individual or other entity subject to 10 CFR Part 21 post "(1) the regulations in this part, (2) Section 206 of the Energy Reorganization Act of 1974, and (3) procedures adopted pursuant to the regulations in this part."

Contrary to the above, MD failed to post copies of Section 206 of the Energy Reorganization Act of 1974 with its 10 CFR Part 21 postings. (91-01-02)

This is a Severity Level V violation (Supplement VII).

In accordance with the provisions of 10 CFR 2.201, Masoneilan-Dresser is hereby required to submit 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 Safeguards, Office of Nuclear Reactor Regulation, within 30 days of the date of the letter transmitting this Notice of Violation. This reply should be clearly marked as a "Reply to a Notice of Violation" and should include the following for each of the violations:

1. The reasons for the violation, or, if contested, the basis for disputing the violation,
2. The corrective steps that have, or will be taken, and the results achieved,
3. The corrective steps that have, or will be taken, to avoid further violation, and
4. The date when full compliance will be achieved.

Where good cause is shown, the staff will consider extending the response time.

Dated at Rockville, Maryland
This 10th day of October 1991