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ILLINOIS POWER COMPANY



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CLINTON POWER STATION, P.O. BOX 678, CLINTON, ILLINOIS 61727

January 30, 1984

Docket Number 50-461

Mr. James G. Keppler  
Regional Administrator  
Region III  
U. S. Nuclear Regulatory Commission  
799 Roosevelt Road  
Glen Ellyn, Illinois 60137

Subject: Reportable Deficiency 55-81-04  
10CFR50.55(e) Certification of HVAC Materials

Dear Mr. Keppler,

On October 2, 1981, Illinois Power verbally notified Mr. H. Wescott, NRC Region III, of a potentially reportable deficiency per 10CFR50.55(e) concerning inconsistencies in the certifications for Clinton Project HVAC materials furnished by the Zack Company. This initial notification was followed by nine (9) interim reports (ref: L. J. Koch letter U-0325 to J. G. Keppler dated November 4, 1981; L. J. Koch letter U-0413 to J. G. Keppler dated February 3, 1982; W. C. Gerstner letter U-0474 to J. G. Keppler dated May 3, 1982; W. C. Gerstner letter U-0524 to J. G. Keppler dated August 3, 1982; D. P. Hall letter U-10007 to J. G. Keppler dated November 3, 1982; D. P. Hall letter U-10026 to J. G. Keppler dated February 3, 1983; D. P. Hall letter U-10054 to J. G. Keppler dated May 23, 1983; D. P. Hall letter U-10075 to J. G. Keppler dated July 22, 1983; and D. P. Hall letter U-10101 to J. G. Keppler dated October 24, 1983).

Illinois Power's investigation has determined that this matter represents a reportable deficiency in accordance with 10CFR50.55(e). This letter is submitted as a final report in accordance with 10CFR50.55(e)(3).

Statement of Reportable Deficiency

Investigation has determined that a breakdown in the Zack Company (HVAC Contractor) Quality Assurance program had occurred in the area of 10CFR50, Appendix B, Criterion VII, Control of Purchased Material, Equipment, and Services. A quality review of HVAC material certifications revealed that the certifications contained inaccuracies, errors of omission, and in some instances, alterations or modifications. These errors and inconsistencies resulted in the material certifications being suspect and, therefore, the material suspect. These inconsistencies in documentation have required extensive resources in order to evaluate, correct, and prove adequacy of

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material. On this basis, this matter is considered to be a reportable deficiency per 10CFR50.55(e).

#### Investigation Results/Background

During a Zack Company Quality Assurance review of the certifications for the Clinton Power Station HVAC materials, a number of inconsistencies were identified. These inconsistencies were categorized as follows:

- 1) Incomplete or missing material test reports
- 2) Incorrect material reports
- 3) Improperly modified or altered test reports.

As a result, the Zack Company issued Corrective Action Request (CAR) #014-b on September 25, 1981, which identified the problem, contained a plan of action to determine the extent of the problem (including a review of all material test reports for accuracy and completeness) and a time frame for completion. As a result of this review, Zack Company has generated for Baldwin Associates (BA) (Illinois Power Contractor), a list of nonconforming material documentation packages. Fifty-three (53) nonconformance reports were submitted to Baldwin Associates and Sargent & Lundy (CPS Architect/Engineer) for evaluation and disposition. Subsequent reviews by Baldwin Associates Quality Assurance of other Zack Company material certification identified further discrepancies. These reviews resulted in submittal of an additional eleven (11) nonconformance reports.

As a result of the above reviews, a total of sixty-four (64) nonconformance reports have been written to document material discrepancies. Evaluation of these nonconformance reports has determined the materials to be acceptable as-is for the application, and rework was not required. One (1) nonconformance was initially identified by Illinois Power (in interim report U-10101 dated October 24, 1983) as requiring rework. However, subsequent engineering evaluation determined that this material also was acceptable as is. The 64 nonconformance reports have been closed, and Zack Co. closed CAR #014-b on January 19, 1984.

#### Corrective Action

The following measures have been or are being taken to correct this deficiency and to prevent further recurrences:

- 1) Zack Company has revised its Corporate and Clinton Site Quality Assurance Manuals to enhance controls and describe in detail the programs for assuring that the requirements of 10CFR50, Appendix B, and the HVAC Installation Specification K-2910 are met.

- 2) A new Zack Company Corporate Indoctrination and Training Procedure, CB-PQCP-2.1, has been approved and issued for corporate office (Cicero, Illinois) employees. This procedure includes training in quality assurance program requirements.
- 3) A centralized documentation center has been established within the Zack Company's corporate office. Specific guidelines for controlling and maintaining quality records have been established in Zack Company Corporate Procedure CB-PQCP-17.0.
- 4) The Zack Quality Assurance Department reviews all procurement documentation and receiving inspection reports for compliance. New Corporate procedures CB-PQCP-4.1, -7.0, and -7.1 describing procurement document review, receipt, and source inspection have been prepared and approved.
- 5) Sargent & Lundy has issued an Engineering Change Notice (3701) and amended the HVAC Specification K-2910 (Amendment 8) to clarify and provide additional details for material documentation requirements.
- 6) Unauthorized personnel are not allowed access to quality records at the corporate office. Additionally, Zack Company management has established, in written directives, a company policy addressing disciplinary action to be taken as a result of employee failure to follow procedures.
- 7) The Zack Company has added additional Quality Assurance personnel to support the upgraded program.
- 8) Illinois Power and Baldwin Associates Quality Assurance Departments have increased surveillances and audits of Zack Company (Cicero, Illinois) activities.
- 9) Baldwin Associates has directed the Zack Company to perform a HVAC material documentation review. This review is being performed using both Zack Co. site and corporate QA/QC personnel under the direction of the Zack Corporate QA Manager. This review includes fabrication, procurement, and material certification documents for materials shipped to the Clinton project. Baldwin Associates Quality Assurance reviewed and accepted the Zack review program and will perform surveillances during implementation. Any discrepancies which cannot be resolved by Zack Company will be submitted to Baldwin Associates for resolution.

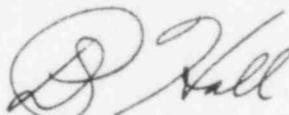
- 10) Baldwin Associates Quality Assurance Vendor Surveillance group will perform a 100% review of Zack supplied documentation. This review will be performed either prior to or concurrent with transfer of completed HVAC systems to BA. In addition, the BA and IP Document Review groups will perform reviews of Zack Co. documentation on systems turned over to BA, in accordance with the CPS Records Verification Program Plan.

Safety Evaluation/Significance

An evaluation of the sixty-four (64) nonconformance reports written as a result of this issue has shown that the actual materials used at CPS were adequate-as-is and would not have resulted in an adverse impact on the safe operation of CPS. Further, the completion of the Zack Co. review of material documentation combined with BA and IP review and acceptance of HVAC documentation will assure that HVAC materials meet specifications, codes, and regulatory requirements. However, based on the extensive resources required to investigate and prove adequacy of materials, this issue is considered significant and reportable under the provisions of 10CFR50.55(e).

This letter is submitted as a final report in accordance with 10CFR50.55(e)(3). I trust that the information provided is sufficient for you to evaluate both the deficiency and solutions.

Sincerely yours,



D. P. Hall  
Vice President

RDW/lag

cc: NRC Resident Office  
Director, Office of I&E, USNRC, Washington, D.C. 20555  
Illinois Office of Nuclear Safety  
INPO Records Center