



Wisconsin Electric POWER COMPANY
231 W. MICHIGAN, P.O. BOX 2046, MILWAUKEE, WI 53201

September 26, 1983

Mr. J. G. Keppler, Regional Administrator
Office of Inspection and Enforcement,
Region III
U. S. NUCLEAR REGULATORY COMMISSION
799 Roosevelt Road
Glen Ellyn, Illinois 60137

Dear Mr. Keppler:

DOCKET NOS. 50-266 AND 50-301
REPLY TO IE BULLETIN 83-07
POINT BEACH NUCLEAR PLANT, UNITS 1 AND 2

Upon issuance of Information Notice (IN) 83-01, Wisconsin Electric Power Company performed an investigation to establish the applicability of the fraudulent practices of Ray Miller, Inc. to Point Beach Nuclear Plant. In light of the issuance of IE Bulletin 83-07, this investigation was re-opened in consideration of the additional information provided in the bulletin.

As a result of the IN 83-01 investigation, we were able to determine that during the period since Point Beach Nuclear Plant has gone into service a limited amount of Ray Miller products have been installed in systems at Point Beach. Specific items identified are listed in the attachment to this letter. All of the items identified are small-size, low-pressure tubing, piping, or fittings. None of these items were obtained directly from Ray Miller or any of the specific companies (and locations) listed in the subject bulletin. The tubing and piping items were provided by a local distributor (Bahcall Industries) and the fittings were provided via Stone and Webster (manufacturer was Taylor Forge).

Many of the items involved were purchased and used very early in plant life, prior to implementation of our Quality Assurance Program as it presently exists. Accordingly, we are not able to determine the exact usage of all the materials. However, we have considered them in regard to the apparent fraudulent practices and conclude that these practices would either have no effect on these items or are not applicable to these items.

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The fraudulent practices, as outlined in IN 83-01, can be summarized as:

1. Falsely representing foreign products as domestic-made products.
2. Falsely providing and certifying stainless steel (304 and 316) material as low carbon content material (304L and 316L).
3. Falsely providing welded tubing as seamless.
4. Falsely providing machined items as forged ones.
5. Falsely providing low-pressure items as being capable of withstanding much greater pressures (i.e., 150 psi pipe plugs as 3,000 psi plugs).

Our conclusions that the cited practices do not apply or affect Point Beach are based on the following discussions:

1. Wisconsin Electric is not required, nor do we prohibit, the use of foreign products as Point Beach provided the associated documented evidence and/or independent analyses support compliance with material requirements as specified in the purchasing documents.
2. A review of the purchase orders in regard to the identified Ray Miller provided materials did not require that low carbon content stainless steel be provided, i.e., 304 or 316 material was specified. If 304 or 316 material identifications were in fact altered by imprinting an "L", the use of this material would not jeopardize the system integrity or compliance with our material requirements.
3. The tubing received at Point Beach identified as Ray Miller material was welded tubing. This was consistent with the purchase order requirements. Accordingly, the practice of identifying welded tubing as seamless would not be applicable to this material.
4. As identified in the attachment, some of the Ray Miller provided materials were pipe fittings. During the IN 83-01 investigation it was determined that three of the seven fittings listed (two tees and one reducer) had not been used and resided in the plant storeroom. These items were inspected and confirmed to be forged fittings. We also had

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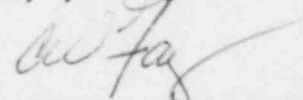
independent metallurgical analyses performed on these three fittings. A discrepancy was noted in that the fittings were physically identified to be 304L although the certifications which were provided by Ray Miller indicated that the fittings were 304 material. This discrepancy, however, from a physical standpoint, was not of major significance since the results of the independent analyses show compliance with both the 304 and 304L material requirements.

5. All of the items received from Ray Miller are either Schedule 10 or Schedule 40. These are materials which are commonly used in low-pressure applications. Accordingly, the practice whereby Ray Miller had improperly identified low-pressure materials as high-pressure materials would not apply since the subject materials would be designated for and used in low-pressure applications at Point Beach.

Considering the above discussions we believe that the identified Ray Miller items in place at Point Beach have no adverse safety significance since the apparent fraudulent practices would not apply under our specific circumstances. One facet of the investigation continues. We are pursuing with the Nuclear Steam System Supplier (Westinghouse Electric Corporation) and the prime constructor (Bechtel Power Corporation) the question of whether Ray Miller products were used during the construction of Point Beach. Both companies have advised us of in-progress investigations in this regard. Both companies have completed a review of their direct suppliers for the Point Beach construction and have identified no Ray Miller products. An investigation of the subtier suppliers is continuing. These vendors have committed to advising Wisconsin Electric of any uses of Ray Miller products at Point Beach should they arise during their respective investigations. We will keep you advised of any such usages which may become known to us.

In order to help you evaluate the utility costs in implementing IE Bulletin 83-07, the staff time spent in investigating the problem and preparing requested documentation is estimated to be approximately one hundred hours.

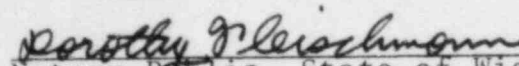
Very truly yours,



Vice President-Nuclear Power

C. W. Fay
Attachment

Copies to NRC Resident Inspector
Washington, NRC Document Control Desk (Original)
Subscribed and sworn to before me
this 27th day of September 1983.


Notary Public, State of Wisconsin

My Commission expires July 1, 1984.

LIST OF RAY MILLER PRODUCTS INSTALLED AT POINT BEACH

<u>Approximate Quantities</u>	<u>Description</u>	<u>Material</u>
42 feet	3/8" O.D. x .035" wall tubing	304 S.S.
71 feet	3" Schedule 40 welded pipe	304 S.S.
115 feet	2" Schedule 40 seamless pipe	304 S.S.
43 feet	1/4" Schedule 40 pipe	304 S.S.
22 feet	1/2" Schedule 40 pipe	316 S.S.
188 feet	3/4" Schedule 40 pipe	304 S.S.
49 feet	3/4" Schedule 40 pipe	316 S.S.
95 feet	1" Schedule 40 pipe	304 S.S.
95 feet	4" Schedule 40 pipe	304 S.S.
160 feet	1-1/2" Schedule 10 pipe	304 S.S.
497 feet	2" Schedule 10 pipe	304 S.S.
20 feet	3" Schedule 10 pipe	304 S.S.
3 each	3/4" x 2" Schedule 10 concentric reducers	304 S.S.
1 each	3/4" x 1/2" Schedule 10 eccentric reducers	304 S.S.
3 each	2-1/2" x 2-1/2" x 2" Schedule 10 reducing tees	304 S.S.