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bcc: GMKavanagh, AGMR
 MShaw, RDT
 CANelson, INS
 JAHarris, PI
 BHGrier, CO:III

bcc: HLPrice, DR
 CKBeck, DR
 MMMann, DR
 CLHenderson, DR
 RLDoan, DR
 LDLow, CO
 PAMorris, DRL
 DR Reading File
 REG Central File
 EGCCase, DRS
 RWKirkman, CO:I
 RSBoyd, DRL
 RLTedesco, DRL

MAR 19 1969

Chairman Seaborg
 Commissioner Ramey
 Commissioner Tape
 Commissioner Johnson
 Commissioner Costagliola

OYSTER CREEK REACTOR ALLEGATIONS

I am enclosing for your information a brief report on allegations made relating to unacceptable piping and valves at the Oyster Creek reactor facility.

(Signed) HLP

Harold L. Price
 Director of Regulation

Enclosure:
 Report, OYO, as stated

cc: General Manager (2)
 General Counsel (2)
 Secretary (2)

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 PDR ADOCK 05000219
 G PDR

OFFICE ▶	CO <i>Reilly</i>	CO <i>[Signature]</i>	DR <i>[Signature]</i>		
SURNAME ▶	RHEngelken	LDLow	HLPrice		
DATE ▶	3/18/69 <i>3/18</i>	<i>3/18</i>	3/18/69 <i>mm</i>		

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ATOMIC ENERGY COMMISSION

NOTIFICATION OF ALLEGED DEFICIENCIES
JERSEY CENTRAL POWER AND LIGHT COMPANY (OYSTER CREEK REACTOR)

Report to the Director of Regulation
by the Director of Compliance

On February 28, 1969, the Newark field office of the Division of Compliance received a letter from the New Jersey Atomic Energy Council concerning the Oyster Creek reactor facility. This letter advised us of allegations made recently by a New Jersey piping corporation, PIPECO Steel Corporation, Dover, New Jersey, relating to the adequacy of certain installed pipes and valves in the Oyster Creek reactor plant. The bases for these allegations, which were general, were discussions at a meeting on February 13, 1969, between officers of PIPECO and representatives of the State's Public Utilities Commission and the Department of Public Utilities.

The nature of these allegations was explored by the Division of Compliance by telephone on February 28, 1969. A meeting was held subsequently with PIPECO representatives on March 10, 1969, to obtain more specific information. The delay in the date of the meeting was caused by the unavailability to Compliance of PIPECO representatives. It was learned at this meeting that PIPECO had not supplied pipes to the Oyster Creek facility. PIPECO stated they refused to supply pipes to

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an unnamed subcontractor because the pipes ordered did not comply with purchase specifications and applicable code requirements. PIPECO corporation officers refused to provide the Division of Compliance with definitive allegations; however, the allegations which were discussed encompassed several broad areas relating to the Oyster Creek facility. These allegations included the following:

- a. Certain six-, eight-, and ten-inch sections of stainless steel pipes used in safety-related systems are suspect. The suspect piping is either underweight or was welded. Seamless piping was reportedly required by the purchase specifications.
- b. The fittings for certain six-, eight-, and ten-inch piping were welded by nonqualified welders.
- c. The architect engineer bought some "used" valves and had them rebuilt for use at Oyster Creek.

Similar, but less extensive and more general, allegations were made regarding piping for the Consolidated Edison Company's Indian Point 2 and Commonwealth Edison Company's Dresden 2 reactor facilities.

The specific allegations are being investigated by the Division of Compliance on a priority basis. We will inform you of any significant developments.

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PIPECO representatives stated that they did not want to become involved in this case publicly and that, if their allegations were made known, they would deny they made the allegations.

The Governor of New Jersey has been informed of the allegations by the Chairman of the New Jersey Public Utilities Commission.

The staff of the Joint Committee on Atomic Energy is being informed by letter.

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DATE ▶	3/18/69	<i>RHEngelken</i>			<i>3/18</i>	