

SOUTH CAROLINA ELECTRIC & GAS COMPANY

POST OFFICE 764

COLUMBIA, SOUTH CAROLINA 29218

O. W. DIXON, JR.
VICE PRESIDENT
NUCLEAR OPERATIONS

March 22, 1984 26

Mr. J. P. O'Reilly,
Regional Administrator
U. S. Nuclear Regulatory Commission
Region II, Suite 2900
101 Marietta Street, N.W.
Atlanta, GA 30303

Subject: Virgil C. Summer Nuclear Station
Docket No. 50/395
Operating License No. NPF-12
NRC IE Bulletins
83-06 and 83-07

Dear Mr. O'Reilly:

By letter dated November 17, 1983, South Carolina Electric and Gas Company (SCE&G) responded to NRC IE Bulletin 83-06, "Nonconforming Materials Supplied by Tubeline Corporation." In this letter, it was stated that a complete response by Westinghouse, as well as the disposition of a nonconformance notice issued on two (2) suspect flanges were outstanding and would be submitted to Region II by SCE&G following the receipt of the information from Westinghouse. The resolution of these items and a response to NRC IE Bulletin 83-07, "Apparently Fraudulent Products Sold by Ray Miller, Inc.," is provided as follows:

All suppliers on the Westinghouse Water Reactor Division Consolidated Approved Suppliers List were sent inquiring letters to determine if either Ray Miller, Inc., or Tube-Line Corporation supplied materials directly to them. As a result of this inquiry, no cases of direct supply of apparently fraudulent materials were identified. Although not requested, some Westinghouse Water Reactor Division Consolidated Approved Suppliers indicated the indirect supply of Ray Miller, Inc., and Tube-Line Corporation products several tiers below direct supply.

The only reported indirect supply to SCE&G was the spare Reactor Coolant Pump motor flanges which were supplied by Tube-Line Corporation. SCE&G issued a nonconformance notice to determine if the lower bearing heat exchanger water inlet and outlet flanges consisted of nonconforming material. Samples were taken from the suspect flanges and given to Westinghouse for analysis. The results of the analysis verify that the flange material is acceptable.

In an effort to assure that all apparently fraudulent materials were identified and appropriate disposition taken, SCE&G extended

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Mr. J. P. O'Reilly
NRC IE Bulletins 83-06 and 83-07
March 22, 1984
Page #2

the scope of its review to include any vendors identified in NRC IE Bulletin 83-07, and Supplement 1 thereto, that supplied SCE&G with safety and/or quality related materials.

A combination of purchase order and document package reviews, surveys, and telephone inquiries were utilized to determine the extent of apparently fraudulent material supplied by Ray Miller, Inc., in use in safety and non-safety applications at the Virgil C. Summer Nuclear Station.

Our review indicated that Pittsburgh - Des Moines (PDM) and Daniel Construction Company (DCC) procured materials from Ray Miller, Inc., for use at the Virgil C. Summer Nuclear Station. Even though none of the materials procured by either PDM or DCC were included in the NRC IE Bulletin 83-07 lists of apparently fraudulent material, an evaluation was performed on the assumption that the materials were suspect.

PDM procured materials from Ray Miller, Inc., that were subsequently used in safety-related applications at the Virgil C. Summer Nuclear Station. In accordance with Item 2(a) of NRC IE Bulletin 83-07, an evaluation was performed to determine the safety significance of the procured materials.

SCE&G issued a nonconformance notice to document an inspection of the materials supplied by PDM that were determined to be significant to safety as utilized in safety-related applications. The inspection consisted of a visual examination to determine if the materials were stainless steel and to identify any evidence of leakage or corrosion. With the exception of one galvanized square head plug on the Recycle Holdup Tank, disposition of all materials ascertained to have a safety significance were determined as acceptable, based on the results of hydrostatic testing performed during construction and a reasonable assurance that the materials were stainless steel.

An evaluation of the safety significance of the galvanized plug indicates that the plug does not perform in a pressure retaining capacity. The failure of the galvanized plug would not result in the inability of the Recycle Holdup Tank to perform its intended function. The galvanized square head plug on the Recycle Holdup Tank is scheduled to be replaced. It does not appear that the installation of the galvanized plug was an instance of fraudulent materials procured by PDM from Ray Miller, Inc.

Mr. J. P. O'Reilly
NRC IE Bulletins 83-06 and 83-07
March 22, 1984
Page #3

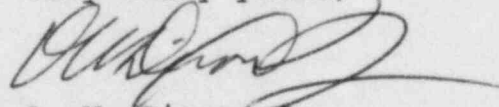
SCE&G performed a review of the Virgil C. Summer Nuclear Station non-safety purchase requisitions. As a result of this review, a determination was made that DCC had purchased materials from the Decatur, Georgia, location of Ray Miller, Inc. Even though the materials supplied from the Decatur, Georgia, location of Ray Miller, Inc., were not identified as suspect, SCE&G performed an evaluation to determine that none of the materials were used in safety-related applications. The evaluation verified that no non-safety pipe or fittings were upgraded for use in safety-related systems.

In accordance with item 3(c) of NRC IE Bulletin 83-07, the materials in stock at the Virgil C. Summer Nuclear Station identified as having been supplied by Ray Miller, Inc. will be used only in those systems not important to safety. Safety-related and non-safety materials are physically segregated to assure that non-safety materials will not be used in safety-related applications.

SCE&G is confident that the explanation of the review contained in this letter adequately addresses the concerns expressed by the Staff in both NRC IE Bulletin 83-06 and NRC IE Bulletin 83-07.

I declare the statements and matters set forth herein are true and correct to the best of my knowledge, information and belief.

Very truly yours,



O. W. Dixon, Jr.

WRM:OWD/gj
cc: (See Page #4)

Mr. J. P. O'Reilly
NRC IE Bulletins 83-06 and 83-07
March 22, 1984
Page #4

cc: V. C. Summer	C. L. Ligon (NSRC)
T. C. Nichols, Jr./O. W. Dixon, Jr.	K. E. Nodland
E. H. Crews, Jr.	R. A. Stough
E. C. Roberts	G. Percival
W. A. Williams, Jr.	C. W. Hehl
D. A. Nauman	J. B. Knotts, Jr.
Group Managers	I & E Washington
O. S. Bradham	NPCF
C. A. Price	File
D. A. Lavigne	