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AUG 27 1979

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**MEMORANDUM FOR:** Walter P. Haass, Chief, Quality Assurance Branch,  
 Division of Project Management  
**FROM:** John W. Gilray, Quality Assurance Branch,  
 Division of Project Management  
**SUBJECT:** REPORT OF MEETING WITH BECHTEL POWER CORPORATION

On August 21 and 22, 1979, J. Spraul and I met with S. I. Heisler (Manager, Division Quality Assurance, San Francisco Power Division, Bechtel Power Corporation) and F. Porter (Consultant to Bechtel Power Corporation) in my office. D. M. Halligan (Vice President and Division Manager, San Francisco Power Division), Darl Hood, and you were in attendance at some of the discussions. The meeting was held to (1) discuss the San Francisco Power Division's generic application of Bechtel's QA topical report (BQ-TOP-1) in light of nonconformances at Grand Gulf, Midland, and Trojan and (2) clarify Bechtel's proposed exception to Regulatory Guide 1.123 as it applies to ASME Code shops.

As a result of the meeting, Bechtel is more aware of our concerns regarding the significant nonconformances found at the three plants mentioned, and they agreed to develop an action plan to determine how to improve their implementation of the QA topical. Further, the Bechtel exception to Regulatory Guide 1.123 which, in effect, indicates that Section III Code requirements meet the regulatory guide requirements for coolant pressure boundary, was preliminarily found acceptable with minor clarification. Bechtel agreed to complete and supply us with a matrix of Code requirements which satisfy the regulatory guide.

Original signed by  
J. W. Gilray

John W. Gilray  
Quality Assurance Branch  
Division of Project Management

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APPROVED	DPM: QAB	DPM: QAB			
APPROVED	JSpraul:ch	JGilray			
DATE	8/24/79	8/29/79			

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