

APPENDIX A

NOTICE OF VIOLATION

Arizona Public Service Company
P. O. Box 21666
Phoenix, Arizona 85036

Docket Nos. 50-528
50-529
50-530

As a result of the inspection during July 16-20 and August 6-10, 1984, and in accordance with NRC Enforcement Policy, 10 CFR Part 2, Appendix C, the following violations were identified:

A. 10 CFR Part 50 Appendix B, Criteria V, Instructions, Procedures and Drawings requires that "Activities affecting quality shall be prescribed by documented instructions, procedures, or drawings of a type appropriate to the circumstances and shall be accomplished in accordance with these instructions procedures or drawings. The following examples of failure to follow procedures developed to implement the requirements of 10 CFR, Part 50, Appendix B were identified:

- (1) 12AC-OZZ04, Returning Material to Warehouse, Revision 0, effective July 16, 1982, states that the Material Control Section on return of materials to stores (MRS material) shall "Perform a receipt inspection in accordance with 12AC-OZZ05. 12AC-OZZ05, Material Receiving, Revision 1, Section 5.1.3.1(d) requires that Material Control "Prepare ID labels (Appendix D) and place on material or packages". Section 5.1.3.2 requires that "Material Control shall provide the Quality Control personnel with the shipping documents and a copy of the Material receiving report MRR or the Receiving Label (Appendix C) as applicable at the beginning of the inspection".

Contrary to the above, at the time of the inspection, material returned to stores, MRS No. 5401, P.O. JM-200 for a quality-related microswitch, and MRS No. 6019, P.O. 33100999 for quality-related stainless steel gaskets, had been returned to stores in April of 1983 but Material Control did not prepare and place ID labels (Appendix D) on the material or package. In addition, Material Control did not provide Quality Control (QC) personnel with the shipping documents and a copy of the MRR or Receiving Label (Appendix C) when the materials were transferred to QC for inspection.

- (2) 62AC-OZZ01, Receiving Inspection, Revision 3, Section 5.3.2.6, states that during receipt inspection, "If the item has a material nonconformance, the Operations Quality Control (QC) Inspector shall issue a nonconformance report (NCR) and place an NCR tag on the item in accordance with 60AC-OZZ02 "Control of Nonconforming Items".

Contrary to the above on May 23, 1983 during receiving inspection of P.O. 60059964, one item of three, consisting of 60, 6", 1501b flextallic gaskets were received but not accepted, since 8" 1501b gaskets were specified on the purchase order. As of July 16, 1984 these gaskets were found in the Quality Control incoming area without an NCR tag or other form of identification and no NCR had been issued.

8410120086 840919
PDR ADOCK 05000528
PDR
Q

- (3) 12AC-OZZ02, Revision 2, Section 5.1.2.5 states that the material control designee shall "Maintain a file of all Quality-related and Non-quality-related purchase requisitions (PR's) attachments and amendments for turnover to records management."

Contrary to the above, at the time of the inspection, multiple purchase requisition files in Material Control were found to not contain standardized attachments 1M through 5M referenced on the purchase requisitions. These attachments identify the technical and quality requirements pertaining to the purchase order. Examples of files which did not contain these attachments include PR file 009896 for a General Electric, Class 1E, relay and P.R. file 009643 for a ASCO, Safety Class 2, solenoid valve, and PR 000839 for safety-related plugs and gaskets.

- (4) 12AC-OZZ06, Material Storage, Revision 1, Section 5.3.3.1(a) states that "Material Control shall conduct inspections of stored material on a monthly basis to assure that the integrity of the stored material and its container is being maintained." Section 5.3.3.1(b) states that "A Storage Inspection Report (Appendix F) shall be used to document the inspection, any discrepancies found, and the corrective action taken. The Material Control Supervisor shall approve all corrective action and ensure it is implemented. The Quality Assurance Receiving Inspector shall be notified for discrepancies found in quality-related material and shall concur with the corrective action to be taken."

Contrary to the above at the time of the inspection:

- a. Monthly inspection report of Warehouse 222C dated June 25, 1984, with three unsatisfactory findings was not signed by the Material Control Supervisor for approval or implementation of corrective actions.
 - b. Monthly inspection report dated April 30, 1984 failed to identify which warehouse was inspected and who conducted the inspection. Two unsatisfactory findings were identified but were not indicated to be quality-related or non-related. The Material Control Supervisor signed the form approving corrective actions on April 8, 1984, but did not sign the form for implementation of corrective actions.
 - c. Monthly inspection report dated October 6, 1983 failed to identify who conducted the inspection. Four unsatisfactory findings were identified but were not indicated to be quality-related or not quality-related. The Material Control Supervisor signed the form approving corrective actions on November 14, 1983, but did not sign the form for implementation of corrective actions.
- (5) 12AC-OZZ02, Purchasing of Materials, Equipment and Services, Revision 2, Section 4.7 states that "Maintenance Systems Engineering is responsible to review purchase requisitions (PR's) that are quality-related or of questionable quality classification and verify or determine the quality classification, procurement level and technical and quality requirements." Section 3.1 of 12AC-OZZ03,

Quality Related Procurement Methods, Revision 0, defines a Procurement Level I "Specification" type purchases as, "A purchase where the specification governing a service or the manufacture of an item is written by Arizona Public Service (APS)." Section 3.1 also defines a Procurement Level IV, "Catalogue Specification" type purchase as a "Purchase where the governing specification is published in the vendor's catalogue."

Contrary to the above at the time of the inspection:

P.R. 6178 for Crosby valve parts for use in Safety Class #1, Seismic Category #1, Safety Injection Valve was indicated to be Procurement Level I, but was ordered by reference to Crosby catalogue part Number N-92089; which pursuant to Section 3.1 of 12AC-OZZ03, Quality Related Procurement Methods, would be Procurement Level IV.

P.R. 009643 for an ASCO Solenoid Valve, for use in a Safety Class #2, reactor drain outlet, did not contain the technical requirement that 10 CFR Part 21 was applicable to this purchase order.

P.R. 009896 for a General Electric Relay, for use in a Seismic Category #1, Safety Class IE, 4.16 KV switchgear, did not contain the technical requirement that 10 CFR Part 21 was applicable to this purchase order.

This is a Severity Level IV Violation (Supplement II).

- B. 10 CFR Part 50, Appendix B, Criteria V, Instructions, Procedures and Drawings, requires that "Activities affecting quality shall be prescribed by documented instructions, procedures and drawings of a type appropriate to the circumstances..."

Contrary to the above at the time of the inspection, the following licensee quality related activities were not prescribed by documented instructions or procedures:

- (1) 12 AC-OZZ03, Quality Related Procurement Methods, Revision 0, does not prescribe the use of licensee purchase order attachments 1M, 2M, 3M, 4M, or 5M, utilized by the licensee to identify the technical and quality requirements imposed on quality-related purchase orders.
- (2) The licensee is utilizing a cone tracking system to aid in the identification, and location of quality-related materials within the APS warehouse, which is not controlled by procedure.
- (3) 12AC-OZZ01, Inventory Control, Revision 0, does not prescribe how quality related system purchase requests and system purchase orders are generated, or prescribe how quality assurance and technical requirements contained in New Part Add Forms are reviewed and approved prior to input into Materials Management Information System (MMIS).

This is a Severity Level IV Violation (Supplement II).

Pursuant to the provisions of 10 CFR 2.201, Arizona Public Service Company is hereby required to submit to this office within thirty days of the date of this Notice, a written statement or explanation in reply, including: (1) the corrective steps which have been taken and the results achieved; (2) corrective steps which will be taken to avoid further items of noncompliance; and (3) the date when full compliance will be achieved. Consideration may be given to extending your response time for good cause shown.

GP Yuhás

G. P. Yuhás, Chief

Reactor Radiation Protection Section

SEP 18 1974