

August 17, 1984  
(NMP2L 0133)

Mr. R. W. Starostecki, Director  
U.S. Nuclear Regulatory Commission  
Region I  
Division of Project and Resident Programs  
631 Park Avenue  
King of Prussia, PA 19406

Re: Nine Mile Point Unit 2  
Docket No. 50-410

Dear Mr. Starostecki:

On June 18, 1984, Mr. S. D. Edneter, Chief, Engineering Programs Branch of the Nuclear Regulatory Commission, requested additional information with respect to our response to I.E. Bulletin No. 83-07: "Apparently fraudulent products sold by Ray Miller, Inc." In particular, we were asked to address the general concerns expressed in item 4 of the Bulletin.

As a result of our evaluation in response to this Bulletin, Niagara Mohawk has identified three actions that minimize the probability of such occurrences. These three actions are: preparation and use of an approved vendor's list; performance of Quality Assurance vendor surveillance; and implementation of a Quality First Program.

As part of a Niagara Mohawk procedure, an approved vendor's list is prepared. This evaluation of potential vendors includes a review of such attributes as reputation and performance. A list is maintained and periodically updated to reflect changes in vendor behavior and condition. We believe that the selection of competent and ethical vendors using this screening process is the most effective means of preventing the use of fraudulent products.

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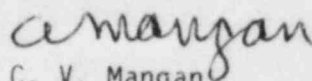
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The vendor surveillance program reviews vendor activities during fabrication and check out of his product. Although this program is not specifically designed to detect fraud, any irregularities found in the shop or documentation are reported and evaluated. The Nine Mile Point Unit 2 project will be implementing a new program, called Quality First Program, within the next few months. This program will investigate quality concerns identified by any Niagara Mohawk or contractor employee. The employee's name will be kept confidential, in order to encourage participation in the program, although the Nuclear Regulatory Commission will have access to the identified concerns and their resolutions. This program will provide a method for an individual to report a potentially fraudulent product or action of a vendor and will provide a procedure for the subsequent investigation of the report.

In Niagara Mohawk's opinion, the approved vendor's list and the vendor surveillance program significantly reduced the probability of receipt of a fraudulent product, and the Quality First Program will provide a method to identify a fraudulent product. We believe the three actions described above adequately address the general concerns of I.E. Bulletin 83-07.

Very truly yours,



C. V. Mangan  
Vice President

Nuclear Engineering & Licensing

AFZ:ja  
xc: Director of Inspection and Enforcement  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555

R. A. Gramm, Resident Inspector

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