

UNITED STATES NUCLEAR REGULATORY COMMISSION

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September 25, 1995

Mr. James E. Quinn, Projects Manager LMR and SBWR Programs GE Nuclear Energy 175 Curtner Avenue, M/C 165 San Jose, CA 95125

SUBJECT: NRC INSPECTION REPORT NO. 99900404/95-02

Dear Mr. Quinn:

This letter addresses the inspections at the Gravity Driven Integral Full-Height Test for Passive Heat Removal (GIRAFFE) Test Program at the Toshiba Nuclear Engineering Laboratory in Kawasaki City, Japan, and at the Societa' Informazioni Esperienze Termoidrauliche (SIET S.p.A.) Performance Analysis and Iesting of Heat Removal System (PANTHERS) Test Facility in Piacenza, Italy, conducted by Richard P. McIntyre of the Nuclear Regulatory Commission's (NRC's) Special Inspection Branch, Juan D. Peralta of the Quality Assurance and Maintenance Branch, John A. Kudrick, Michael R. Snodderly and Andrzej Drozd of the Containment Systems and Severe Accident Branch, Alan E. Levin of the Reactor Systems Branch, and Son Q. Ninh and James H. Wilson of the Standardization Project Directorate. The inspection at GIRAFFE was conducted June 8 through 14, 1995, and the inspection at PANTHERS was conducted July 19 through 21, 1995. The details of the inspections were discussed with management at each test facility and with members of your staff present during the inspection and at the exit meetings on June 14, 1995, at GIRAFFE and on July 21, 1995, at PANTHERS.

The purpose of the inspections was to determine if testing activities performed at the GIRAFFE and PANTHERS facilities to support design certification of the GE Nuclear Energy (GE-NE) simplified boiling water reactor (SBWR) design were conducted under the appropriate provisions of NEDO-11209-04A, "GE Nuclear Energy Quality Assurance Program Description," Revision 8, the most recent revision that has been approved by the NRC. The pertinent provisions of NEDO-11209-04A were implemented at GIRAFFE by TOGE110-T01 (AS 50128-E), "G!RAFFE Quality Assurance Plan (TOGE110 Test Programs)," Revision 1 (December 1994), and at SIET PANTHERS by "Quality Plan Relative to Nuclear Area Orders," Revision 2.

Areas examined during the NRC inspections and our findings are discussed in the enclosed inspection report. The inspections consisted of an examination of procedures and representative records, interviews with personnel, and observations by the inspectors.

The results of the inspection indicate that GE-NE, in general, was adequately implementing the SBWR Project quality assurance program at GIRAFFE and at SIET PANTHERS and no nonconformances were identified. However, an Unresolved Item concerning the appropriateness of GE-NE's acceptance of design services,

2 FO3

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including related hardware, provided by ANSALDO to the PANTHERS test facility was identified during the course of our inspection.

ANSALDO, under contract to GE-NE, designed, fabricated and supplied both Passive Containment Cooling System (PCCS) and Isolation Condenser (IC) system prototypic heat exchangers installed in the PANTHERS facility for design certification testing. However, based on conversations with GE-NE during the inspection, it appears that GE-NE did not perform an audit of ANSALDO's facilities for placement on their Approved Suppliers List to ensure that design and fabrication activities had been adequately conducted under a suitable quality assurance program.

The response requested by this letter is not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Public Law No. 96-511.

In accordance with 10 CFR Part 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC's Public Document Room.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

Original signed by:

Robert M. Gallo, Chief Special Inspection Branc Division of Inspection and Support Programs Office of Nuclear Reactor Regulation

Docket No.: 52-004

Enclosure: Inspection Report No. 99900404/95-02

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