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REGION V USE

U.S. Nuclear Regulatory Commission
Region V
1450 Maria Lane, Suite 210
Walnut Creek, California 94596-5568

November 13, 1984
ANPP-31102 SRF/TJB

Attention: Mr. T. W. Bishop, Director
Division of Reactor Safety and Projects

Subject: Clarification to APS Response to Notice of Violation
(50-528/84-28-01)
File: 84-019-026; D.4.33.2

Reference: Letter from E.E. Van Brunt, Jr. to T.W. Bishop,
ANPP-30838 - WFQ/TJB, dated October 12, 1984

Dear Sir:

Within attachment A of the referenced letter, the section entitled "Corrective Steps Taken to Avoid Recurrence" stated, "A Quality Talk will be presented. Bechtel Resident Engineering is including this problem into their regularly scheduled Quality Talk sessions."

This action has been completed, however, the SFR issue was not included in the prepublished agenda that was provided by the Quality Talk letter.

Very truly yours,

E. E. Van Brunt, Jr.
APS Vice President
Nuclear Production
ANPP Project Director

EEVBJr/TJB/no

cc: R.P. Zimmerman
A.C. Gehr

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REGION V 142

November 7, 1984
ANPP- 31077 WFQ/TJB

U. S. Nuclear Regulatory Commission
Region V
1450 Maria Lane, Suite 210
Walnut Creek, CA 94596-5368

Attention: T. W. Bishop, Director
Division of Reactor Safety and Projects

Subject: Response to IE Bulletin 83-07 and Supplements 1 and 2
File: 84-055-026; D.4.01.1

Reference: (a) Letter from E. E. Van Brunt, Jr. to J. B. Martin,
dated March 23, 1984
(b) Letter from T. W. Bishop to E. E. Van Brunt, Jr.,
dated May 11, 1984.

This letter refers to the request for additional information as identified in Reference (b). Attached, please find the response to the Region V Staff review of the subject Bulletin concerning apparently fraudulent products sold by Ray Miller, Inc. We believe that this information is sufficient to resolve this issue and consider it closed.

Very truly yours,

E. E. Van Brunt, Jr.
APS Vice President
Nuclear Production
ANPP Project Director

EEVBJr/TJB/wpc

Attachment

cc: R. Zimmerman
P. Narbut
A. Gehr

~~84-1119-0319~~

Attachment A

Region V Staff Review of APS Response to IE Bulletin 83-07

REQUESTED INFORMATION

1. Reference (a) only refers to the initial bulletin of July 1983. Were Supplement 1 and 2 issued October 26, 1983 and December 9, 1983 included in the response?

Note: Supplements 1 and 2 list additional affected companies including Combustion Engineering in Windsor, Ct.

RESPONSE

Supplements 1 and 2 to Bulletin 83-07 were included in the Supplier Quality investigation program initiated for Ray Miller, Inc.

2. Reference (a) states "The purchasing and receiving companies listed in the subject Bulletin and the applicable PVNGS suppliers were incorporated into the overall Supplier Quality Investigation Program. The investigation determined that no Ray Miller material has been supplied to PVNGS for use in any safety-related systems."

Please explain how the "Supplier Quality Investigation Program" functions, i.e., were APS suppliers solicited as to whether they had received material from the listed companies (as is requested by the footnote on page 4 of the bulletin)?

RESPONSE

The purchasing and receiving companies listed in the subject Bulletin and Supplements 1 and 2, along with other Palo Verde Nuclear Generating Station (PVNGS) suppliers providing like materials, were reviewed by Project Procurement for involvement, and the applicable PVNGS suppliers were incorporated into the overall Supplier Quality investigation program. This program functions as described herein. Letters were sent to all of our "Q" listed suppliers, both Home Office and field procurement, whose scope of work and supply could contain the materials listed in the bulletin and supplements. It was requested that these suppliers review their procurement activities to determine if they, or one of their sub-vendors, have utilized Ray Miller, Inc. products for PVNGS. It has been determined that none of them have supplied materials for "Q" class safety-related application for use on the Palo Verde Project.

3. The bulletin, page 6, requested APS to review the general concerns expressed by Bulletins 83-06 and 83-07 and respond. Please provide this response.

RESPONSE

In response to the general concerns expressed by IE Bulletins 83-06 and 83-07, ANPP has reviewed its programs for the control of purchased material, equipment and services. Although no cases of supplier fraud were detected, ANPP is refining its vendor qualification process with particular emphasis on the early detection of hardware related deficiencies. Areas that will be addressed include purchase order requirements, source surveillance, personnel training, user tests, and receiving inspections.

ANPP management is aware of the significance of supplier fraud, as well as hardware deficiencies, and the impact they could have on PVNGS operations. ANPP has always had an extensive program for monitoring supplier activities at the supplier's facilities. As nuclear orders have declined, suppliers have reduced the resources and attention paid to meeting quality and specification requirements. Because of the decreasing attention paid by the supplier to quality programs and inspection requirements, APS has increased its control and monitoring of suppliers.

4. The bulletin, page 6, requested information regarding APS staff time to perform the review. Can this be provided?

RESPONSE

Estimated time to perform the review for Bulletin 83-07 was approximately 900 manhours. This time includes the efforts of Bechtel, Combustion Engineering and ANPP.

5. The bulletin, page 6, requested the original copy of the response letter to be sent to the USNRC, Document Control Desk, Washington D.C. The original was sent to the Region V Administrator. The licensee is requested to provide copies as requested in future Bulletin responses.

RESPONSE

ANPP will provide the original copy of future Bulletin responses to the USNRC, Document Control Desk, Washington D.C, as requested.