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June 14, 1978

United States Nuclear Regulatory Commission
Region I
Attention: Mr. Boyce H. Grier, Director
631 Park Avenue
King of Prussia, Pennsylvania 19406

Subject: Beaver Valley Power Station - Unit No. 2
Docket No. 50-412 Construction Permit CPPR-105
Significant Deficiency 78-01
Stop Work Directive for Walworth Valve Company
Stone and Webster Purchase Work Orders 2BV-73
and 2BV-77

Gentlemen:

This letter is intended as the final report to resolve satisfactory completion of the Significant Deficiency 78-01 as reported by Mr. H. A. Van Wassen to Mr. Seth Folson, NRC Region I, on February 14, 1978.

A quality assurance audit was performed by the Stone and Webster Procurement Quality Control Division at the Walworth Company, Greensburg, PA plant on January 17-21, 1978. The results indicated that the Walworth Company was deficient in implementing its quality assurance program for fabrication of Cast Carbon Steel Valves, 2 1/2 inch and Larger, Category I, both Manual and Motor Operated, for Beaver Valley Power Station - Unit No. 2.

A "Stop Work Directive" was issued to Walworth Company by Stone and Webster on February 13, 1978. After a review and agreement with Walworth, Stone and Webster rescinded the directive and allowed Walworth to proceed with valve fabrication with the provision that Walworth Company was not to ship until the following findings had been corrected: (1) alternate valve stem material, (2) valve packaging and shipping, (3) incorrect

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heat numbers, (4) illegible body heat numbers, (5) inadequate liquid penetration inspections and (6) inadequate recording of heat numbers. There were 28 other audit items to be cleared but these items would not affect shipment.

A corrective action audit, performed on March 7, 1978, verified that all findings affecting shipment had been cleared and shipment was resumed.

Another corrective action audit was performed on April 11-12, 1978. As a result, an additional 25 items were cleared. However, the disposition of one of the previously cleared items affecting valve shipment, approval of alternate stem material, was not accomplished, and the item was again placed on the corrective action list. On May 15, 1978 the shipment of valves was again placed "On Hold" and the valves that had been shipped in the intervening month were held at the jobsite pending resolution of this time.

The item pertaining to the valve stem material was resolved on May 18, 1978. Valves were again allowed to be shipped from the Walworth plant at Greensburg, PA and the valves held at the jobsite were released for installation.

All Stone and Webster audit findings are now resolved except that Item CAI-12, which suggested that manual gear operator vendors should be on Walworth's approved vendor list, cannot be closed at this time. This is due to a continuing evaluation of the above item on other Stone and Webster projects having orders with the Walworth Company. This item does not apply to the subject purchase orders as the manual gear operators employed at Beaver Valley Unit 2 are not safety related.

Based on a satisfactory resolution of all Stone and Webster audit findings between Stone and Webster and Walworth Company pertaining to the purchase orders affecting Beaver Valley Power Station Unit No. 2, the conditions initiating the "Stop Work Directive" have been corrected, and, therefore, we consider Significant Deficiency 78-01 closed.

DUQUESNE LIGHT COMPANY

By E. J. Woolever
E. J. Woolever
Vice President

cc: Mr. W. G. McDonald
Dr. E. Volgenau (15)