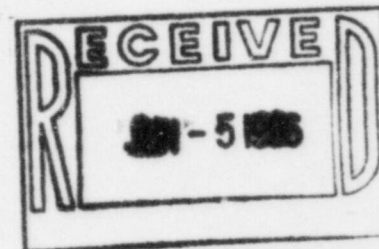


Nebraska Public Power District

GENERAL OFFICE
P.O. BOX 499, COLUMBUS, NEBRASKA 68601-0499
TELEPHONE (402) 564-8561

NLS8600187

May 29, 1986



Mr. J. E. Gagliardo, Chief
Reactor Projects Branch
U.S. Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive
Suite 1000
Arlington, Texas 76011

Subject: NPPD Response to IE Inspection Report
No. 50-298/86-11

Dear Mr. Gagliardo:

This letter is written in response to your letter dated May 7, 1986, transmitting Inspection Report No. 50-298/86-11. Therein you indicated that certain of our activities were in violation of NRC requirements.

Following are the statements of the violation and our response in accordance with 10 CFR 2.201:

Statement of Violation

Failure to Include Quality Assurance Requirements in Purchase Orders

10 CFR Part 50, Appendix B, Criterion IV and the licensee's approved quality assurance program require that measures be established to assure that applicable requirements are suitably included or referenced in the documents for procurement.

The approved procedures to implement this requirement, QAP-1400, Revision 11, dated November 1, 1983, paragraph 1.3, and QAI-16, Revision 10, dated April 23, 1985, paragraph 2.3, require that quality standards are properly included in procurement documents.

Contrary to the above, purchase order Nos. 251173 and 251900 failed to have all applicable quality standards included in them; specifically, Purchase Order No. 251173 failed to include the exclusion of a warehouse noted in the "Approved Supplier List" for the supplier. Purchase Order No. 251900 failed to include the quality standards identified in the "Approved Supplier List" for a subvendor who was identified in the purchase order. Also, the same purchase order identified the component by two different part numbers, EA-180 (equipment qualified) and EA-170 (not equipment qualified).

This is a Severity Level V violation (Supplement I.D) (50-298/8611-01).

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Reason for Violation

This violation resulted from (1) a lack of NPPD QA familiarity with ASME QA programs, (2) incomplete information on the District's Approved Supplier List, and (3) an inadequate QA review of these purchase orders prior to issue.

The Approved Supplier List was incomplete in that, although it noted that the San Francisco warehouse of the Rockbestos Company was not approved, better wording to reflect this condition should have required that purchase orders issued for cable to Rockbestos for essential or essential-commercial grade application state that cable shipments from the San Francisco warehouse will not be accepted for use at CNS.

The Kerotest Manufacturing Company was added to the Approved Supplier List on the basis of an acceptable ASME qualified QA program. As NPPD's own QA program is not based on ASME requirements, and QA reviewers are not familiar with ASME on a regular basis, they inadvertently overlooked the essential function of an item outside the pressure boundary.

During the QA review of Purchase Orders 251173 and 251900 the reviewer failed to note the exclusion of a specific manufacturing location; inadvertently overlooked restrictions that applied to an ASME qualified QA program; and did not recognize that one of the purchase orders contained a part number error.

Corrective Steps Which Have Been Taken and the Results Achieved

Purchase Order 251173 - Immediately following the identification of the deficiency the Rockbestos Company was contacted to verify that the cable shipment was not and would not be from the excluded San Francisco warehouse. In addition a Purchase Order Change was issued to document the manufacturer location on the purchase order as New Haven, CT, an approved location.

Purchase Order 251900 - Immediately following the identification of deficiencies in this purchase order, a Purchase Order Change was issued to extend NPPD QA requirements to the Kerotest sub-tier vendor, NAMCO and to correct the erroneous part number.

Corrective Steps Which Will be Taken to Avoid Further Violations

The following corrective actions have been taken to avoid further violations relating to the deficiencies found during this inspection:

a. The CNS Approved Supplier List was changed as follows:

- (1) Rockbestos Company - revised to state, "... P.O.'s/Contracts shall state that cable shipments from the San Francisco warehouse will not be accepted for essential or essential-commercial grade use at CNS."

Mr. J. E. Gagliardo, Chief
May 29, 1986
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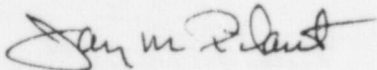
- (2) Kerotest Manufacturing Corporation - revised to state, "QA Program applies to pressure boundary only. If P.O. includes items with a safety function (such as EQ operators/limit switches) outside of pressure boundary, then P.O. shall state, "In addition to items covered by the approved Kerotest QA program, the QA requirements of this P.O. or NPPD QA-approved equivalent, shall be imposed on Kerotest or any other sub-tier suppliers involved in manufacture of the following nonpressure boundary items - (name items)"."
 - (3) The listings for all similar valve suppliers on the Approved Supplier List who were approved on the basis of an ASME QA program were revised to incorporate the same language as that for Kerotest above.
- b. Quality Assurance reviewers have been instructed to carefully review purchase orders against the requirements and limitations of the Approved Supplier List and to be more diligent in ensuring that the purchase orders do not contain other errors such as incorrect part numbers, etc.

Date When Full Compliance Will be Achieved

All corrective actions have been completed.

If you have any questions regarding this response, please contact me or G. A. Trevors, Division Manager - Quality Assurance.

Sincerely,



J. M. Pilant
Technical Staff Manager
Nuclear Power Group

/ck