

NOTICE OF NONCONFORMANCE

Nova Machine Products Corporation
Middleburg Heights, OH

Docket No.: 99901052

Based on the results of an inspection conducted on June 2 through 5, 1997, it appears that certain of your activities were not conducted in accordance with NRC requirements.

- A. Criterion V, "Instructions, Procedures and Drawings," of Appendix B to 10 CFR Part 50 requires, in part, that activities affecting quality shall be prescribed by documented instructions, procedures, or drawings and shall be accomplished in accordance with these instructions, procedures, or drawings.

Paragraph NCA-3862.1(b) of Section III of the ASME Code states that "When required chemical analyses (including mill heat analysis), heat treatment, tests, examinations, or repairs are subcontracted, the approved supplier's certification for the operations performed shall be furnished as an identified attachment to the Certified Material Test Report."

Paragraph NCA-3855.5, "Utilization of Unqualified Source Material" states, in part, that a Material Organization (MO) may use or furnish unqualified source material, provided the MO performs or subcontracts a product analysis and all other requirements of the material specification on each piece of the material.

The following examples demonstrate failure to comply with the above requirements and constitute Nonconformance 99901052/97-01-01:

1. Contrary to the above, Nova Certified Material Test Report (CMTR) for material supplied to Centerior Energy (Davis-Besse), under Purchase Order (PO) S 078945 D97, certified that this material was supplied in accordance with Nova's ASME Quality Systems Certificate (QSC), but did not include a complete heat treatment certification, or certification of material internal quality (macroetch test) as identified attachments.
2. Contrary to the above, Nova CMTR for material supplied to Northeast Utilities (Millstone) under PO 00951296, Release 023, certified that this material was supplied in accordance with Nova's QSC, but did not include certification of material internal quality in accordance with the test specification referenced in the procurement documents.

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3. Contrary to the above, Nova certified that upgraded unqualified source material supplied to PECO Energy Co. (Limerick Generating Station) under PO LS 608180, line item 03, was processed in accordance with their QSC, but did not perform the macroetch test, required by the material specification, on each piece of the material. Only one of the four coils of material, procured from an unqualified supplier, was macroetched, and the certification for this test was not included as an identified attachment to the Nova CMTR.

Since corrective actions were reviewed and found acceptable, no response is required.

Dated at Rockville, Maryland
this 28 day of October 1997