

JUN 27 1989

In Reply Refer To:
Docket: 50-458/89-16

Gulf States Utilities
ATTN: Mr. James C. Deddens
Senior Vice President (RBNG)
P.O. Box 220
St. Francisville, Louisiana 70775

Gentlemen:

Thank you for your letter of June 2, 1989, in response to our letter and Notice of Violation dated May 2, 1989. Based on our review of the information contained in your response and clarification obtained during a telephone call on June 26, 1989, with Messrs. L. A. England and V. Bacansaas of your staff, we agree that your procurement actions for Okonite tape and cement were technically consistent with the requirements of Method 3 of EPRI NP-5652, "Guideline for the Utilization of Commercial Grade Items in Nuclear Safety Related Applications (NCIG-07)." Accordingly, we are deleting Violation 8916-01.

Sincerely,

Original Signed By
J. L. Milhoan

James L. Milhoan, Director
Division of Reactor Projects

cc:
Gulf States Utilities
ATTN: J. E. Booker, Manager-
River Bend Oversight
P.O. Box 2951
Beaumont, Texas 77704

RIV:C:MQPS*
IBarnes/cjg
/ /89

D:DRS JLB
LJCallan 6/26/89
6/24/89

D:DRP
JLMilhoan
6/24/89

*previously concurred

JEOL
1/1

8907060128 890627
PDR ADOCK 05000458
Q PDC

Gulf States Utilities

-2-

Gulf States Utilities
ATTN: Les England, Director
Nuclear Licensing - RBNG
P.O. Box 220
St. Francisville, Louisiana 70775

Louisiana State University,
Government Documents Department

Louisiana Radiation Control Program Director

bcc to DMB (IE01)

bcc distrib. by RIV:

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R. D. Martin, RA

Lisa Shea, RM/ALF

RPB-DRSS

Project Engineer (DRP/C)

W. Paulson, NRR Project Manager (MS: 13-D-18)

DRS

I. Barnes

RRI

Section Chief (DRP/C)

MIS System

RSTS Operator

RIV File

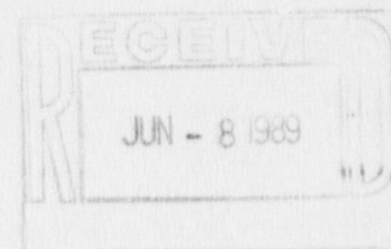


GULF STATES UTILITIES COMPANY

RIVER BEND STATION POST OFFICE BOX 220 ST FRANCISVILLE, LOUISIANA 70775
AREA CODE 504 635-6094 346-8851

June 2, 1989
RBG- 31024
File Nos. G9.5, G15.4.1

U. S. Nuclear Regulatory Commission
Document Control Desk
Washington, D.C. 20555



Gentlemen:

River Bend Station - Unit 1
Refer to: Region IV
Docket No. 50-458/89-16

Pursuant to 10CFR2.201, this letter provides Gulf States Utilities Company's (GSU) response to the Notice of Violation for NRC Inspection Report No. 50-458/89-16. The inspection was performed by Messrs. R. C. Stewart and I. Barnes during the period of March 27-31, 1989 of activities authorized by NRC Operating License NPF-47 for River Bend Station - Unit 1. GSU's response to the violation is provided in the attachment. This completes GSU's response to this item.

Should you have any questions, please contact Mr. L. A. England at (504) 381-4145.

Sincerely,

J. C. Deddens
Senior Vice President
River Bend Nuclear Group

with gregwc
JCD/JEB/LAE/RJK/MSF/ns
wb

Attachment

cc: U. S. Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, TX 76011

Senior Resident Inspector
P.O. Box 1051
St. Francisville, LA 70775

IC-89-214

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

STATE OF LOUISIANA)

PARISH OF WEST FELICIANA)

In the Matter of)


Docket No. 50-458
50-459

GULF STATES UTILITIES COMPANY)

(River Bend Station,
Unit 1)

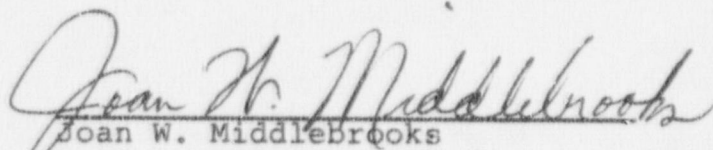
AFFIDAVIT

J. C. Deddens, being duly sworn, states that he is a Senior Vice President of Gulf States Utilities Company; that he is authorized on the part of said company to sign and file with the Nuclear Regulatory Commission the documents attached hereto; and that all such documents are true and correct to the best of his knowledge, information and belief.



J. C. Deddens

Subscribed and sworn to before me, a Notary Public in and for the State and Parish above named, this 2nd day of June, 1989.



Joan W. Middlebrooks
Notary Public in and for
West Feliciana Parish,
Louisiana

My Commission is for Life.

ATTACHMENT

RESPONSE TO NOTICE OF VIOLATION 50-458/8916-01

REFERENCE:

Notice of Violation - Letter from L. J. Callan to J. C. Deddens, dated May 2, 1989.

FAILURE TO IMPOSE 10 CFR PART 21:

Section 21.31 of 10 CFR Part 21 requires the licensee to specify on each procurement document that the provisions of 10 CFR Part 21 apply.

Contrary to the above, Purchase Order 8-1Q-72689 was placed with the Okonite Company for the supply of a basic component without specifying that the provisions of 10 CFR Part 21 were applicable.

RESPONSE:

NRC Inspection Report 50-458/89-16 which accompanied the Notice of Violation, amplifies the basis for issuance of the violation. Specifically, page 4 states: "The NRC Inspector identified to licensee personnel that invoking environmental qualification requirements in the PO classified the item as a basic component (as defined by 10 CFR Part 21), and for which the regulation required that the provisions of 10 CFR Part 21 be imposed in the PO." The Inspection Report further states on page 4, "The NRC inspector considered that the procurement approach had technical merit for the particular circumstances, if appraisal of traceability of materials to batches subjected to environmental qualification type testing had been performed prior to procurement and appropriate procurement requirements invoked. The procurement in question invoked, however, unique nuclear specification requirements without imposing 10 CFR Part 21 which is an apparent violation of Section 21.31 of 10 CFR Part 21."

The following sequence of events preceded the placement of Purchase Order 8-1Q-72689 with Okonite:

On June 24, 1988, the GSU Purchasing Department was informed by Okonite that they would not accept the requirement for a 10 CFR 50 Appendix B Quality Assurance (QA) program if this requirement was applied to the purchase of jacketing tape or splicing cement;

On July 13, 1988, the GSU Engineering Department contacted Okonite's QA manager, to confirm the information contained in the June transmittal;

On July 14, 1988, the GSU Materials Department wrote requisition AMC56652 for T95 and No. 35 jacketing tape and splicing cement. The GSU Engineering Department evaluated the technical and quality requirements and justified the procurement of the item as commercial grade. Purchase order 8-1Q-72689 was issued to the Okonite Co. on July 15, 1988. The purchase order required that the vendor supply a statement that the materials are "commercial grade" and "a certification stating that

material supplied is identical to that in Okonite Qual Report #NQRN-3, Rev. 2";

Source vendor surveillance number ES-88-07-36 was performed on July 20 and 21, 1988 at the vendor's facilities to determine whether the QA, design, and process controls were adequate to assure that the quality of the splicing materials (cement and tape) is equivalent (sufficient to ensure quality equal) to that of the same materials previously qualified and purchased. The vendor's QA program, design control, procurement, manufacturing processes, inspection and test (included hardness, tensile, elongation, thickness, dielectric, fusion, water absorption, and width), handling and storage, control of nonconformances, and control of measuring and test were areas which were surveilled and determined to be satisfactory. Based on this surveillance it was determined that the vendor's controls were adequate to assure "like for like" replacement.

The procurement methodology is in compliance with the requirements of 10 CFR 21 for purchase of commercial grade components subsequently dedicated for use as basic components. The procurement followed guidance provided by the NRC and industry groups. Okonite T95 and No. 35 splice tape, and splicing cement are: 1) not subject to design or specification requirements unique to nuclear facilities; 2) used in other than nuclear facilities; and 3) purchased on the basis of the Okonite commercial catalogue description. The catalog description includes as one of its "product features" that the T95 tape is "Nuclear qualified to IEEE 383." This feature applies to the tape, regardless, of the purchaser and its subsequent application.

The dedication process utilized by GSU assured that "like for like" replacement was received. This dedication method complies with guidance provided from as early as 1984 through the present. In a docketed letter to Nebraska Public Power District from E. H. Johnson (Chief Reactor Project Branch 1) dated 1984, states in paragraph 1, "Design Control of Commercial Grade Spare Parts":

"Verification must be performed to insure that the part utilized for safety-related applications are functionally the same as the part originally qualified. This verification may consist of qualification by testing and analysis, such as by lot qualification test, or other definitive, auditable, documented, qualification. This qualification must be performed at the time the 'commercial grade' part is dedicated for safety-related use (basic component), and before return to service (operability)."

GSU utilized guidance provided in a technical paper presented at the American Society of Quality Control's Fifteenth Annual Eastern Energy Quality Assurance Conference (March 2-4, 1987), George Napuda, Lead Reactor Engineer, Quality Assurance Section, USNRC, which stated:

"A 'Commercial Grade' item is not part of a 'Basic Component' for the purpose of 10 CFR 21 until after 'Dedication'. Also, the appropriate quality assurance program, seismic, and environmental qualification requirements still apply if the equipment or parts will be required to perform any safety related function."

Later the same year, this position was reinforced in a technical paper presented at an American Nuclear Society conference (November 10, 1987) prepared by Brian K. Grimes, et al, Director, Division of Reactor Inspection and Safeguards, USNRC, which stated:

"In order to assure that equipment will continue to perform its intended function and to satisfy regulatory requirements there are several things that utilities must consider: 1) Does the equipment perform a safety function, 2) Does the replacement part affect the safety function, and 3) Does the replacement part affect the seismic or environmental qualification. If the answer to any of these questions is yes, the purchaser has two alternatives. He may procure the item as safety-related and require the supplier or manufacturer to comply with all the applicable technical and quality requirements or he may purchase the item commercial grade and perform the necessary inspections and tests to assure the item meets the requirements, i.e., 'dedicate' the item."

GSU utilized additional guidance on procurement of commercial grade items for use in safety-related application which was provided in NRC Bulletin 88-10 (November 22, 1988) which states:

"In order to properly dedicate electrical items procured as commercial grade for subsequent use in safety-related applications, the dedication process should build from the commercial grade quality, include a proper evaluation at seismic and environmental qualification, confirm critical parameters, and include testing as appropriate."

In addition, as stated in Generic Letter 89-02, "Actions to Improve the Detection of Counterfeit and Fraudulently Marketed Products", dated March 21, 1989:

"It should be noted that the staff conditionally endorses the guidelines contained in EPRI NP-5652,... that was issued by EPRI in June 1988 for evaluating commercial-grade products for suitability for use in safety-related applications."

The conditions of endorsement do not relate to the concerns at hand. As stated in EPRI NP-5652 (page 2-7):

"Commercial grade items intended for installation in seismically or environmentally qualified applications require critical characteristics necessary to assure that the original qualification of the parent component is maintained."

The GSU procurement of the Okonite material as commercial grade items meets the requirements of EPRI NP-5652. Generic Letter 89-02 states:

"The NRC Staff believes that licensees who use methods similar to those described in EPRI NP-5652, 'Guidelines for the Utilization of Commercial-Grade Items,' intended for safety-related applications have the basis for effective dedication programs."

GSU purchase order No. 8-1Q-72689, Attachment 1 states: "Vendor to supply a certification stating that material supplied is identical to that in Okonite Qual Report #NQRN-3, Rev. 2." Reference to previous test data to ensure that components procured to be dedicated for use as a basic

component are 'like-for-like' is established as an acceptable practice in various documents. Additionally, GSU references the NRC Inspection Manual, Inspection Procedure 38703, "Commercial Grade Procurement Inspection," which in section 03.02.d states:

"The sample should also include reclassifications or classification changes, 'like-for-like' (equivalent) replacements, and substitutions (the replacement of an item or component that differs in physical or performance characteristics from the originally specified or currently installed) for safety-related equipment covered by the following guidelines:

1. Safety-related electrical equipment (Class 1E)
2. Environmental qualification Regulatory Guide (R.G.1.89)
3. Seismic qualification Regulatory Guide (R.G.1.100)."

The inclusion of inspection attributes for commercial grade items which were subject to environmental or seismic qualification indicates that qualification of a component does not preclude its being procured as a commercial grade item.

In summary, GSU utilized guidance provided in various documents that components subject to seismic or environmental qualification requirements can be purchased as commercial grade components and subsequently dedicated as a basic component. Hence, equipment which has been subjected to environmental or seismic qualification does not by virtue of the qualification alone become basic components as defined in 10 CFR Part 21.

Okonite T95 and No. 35 splicing tapes have been determined to be commercial grade items procured from the Okonite catalogue description. The GSU Surveillance (ES-88-07-36) demonstrated that the Okonite tape was manufactured under a commercial grade quality control program. The product description included facts that the tape was "Nuclear Qualified to IEEE 383". The intent of the additional language of the purchase order was to assist in the later dedication of the tape and not the specification of any unique requirements which would require procurement of this item as a basic component. While perhaps inartfully drafted, as we believe recognized by the NRC inspector, the intent of Part 21 was met in this instance. River Bend's dedication process was deemed to be adequate to assure that the commercial grade items were "like-for-like" with those previously procured. As a result of the NRC endorsement of EPRI NP-5652, and GSU's interpretation of the various (and consistent) guidance from the NRC that equipment subject to qualification requirements could be procured as commercial grade items, GSU believes that the procurement cited within the Notice of Violation was in accordance with NRC requirements and does not constitute a violation of 10 CFR 21.

In any event, should the NRC find a violation, GSU submits that it should be reclassified as Level V in that it has minor safety significance.