

January 18, 2001

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

Re: Notification of Potential Nonconformance for Embeco 636 (CMTR) Grout

To Whom It May Concern:

This is to let you know about a possible nonconformance related to the performance of Embeco 636 (CMTR) Grout which SKW-MBT Management, Inc. has supplied as a nuclear safety-related product to six customers since June 1999. This product may have been purchased through either ChemRex, Inc. or Master Builders, Inc; both of these companies are part of SKW-MBT Management Inc.

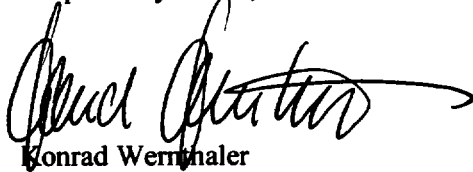
Attached please find a letter of notification was mailed to the affected nuclear utilities. It summarizes what we know about this possible nonconformance. Also attached is the distribution list for the letter. We feel that it is prudent to keep your office informed of all developments and activities pertaining to this situation.

At this point, we have not determined if this situation created a substantial safety hazard at any of the affected utilities. As we stated in the letter, the scope and impact of the problem is dependent upon the use of the grout, the age of the grout when used and the method of application. Since we are only a material supplier, we do not feel that we are in a position to make a determination about the impact of a nonconformance on the safe operation of a nuclear plant.

Future correspondence regarding this matter will be handled by Alice McFarland, Quality Assurance Manager, who is coordinating the activities related to this incident with the exception of an incident involving a substantial safety hazard. When we complete our evaluation, and, if necessary, I will submit all correspondence related to the reporting of a substantial safety hazard caused by this nonconformance,

If you have any questions, or need additional information, please contact Alice at 216-831-5500. If needed, I can be reached at 952-496-6369.

Respectfully Yours,



Konrad Wernthaler
Vice President of Technology
ChemRex, Inc.

IE19

SAMPLE

January 24, 2001

Company Name
Address
City and State

Attention:

Re: Notification of Potential Nonconformance for Embeco 636 (CMTR) Grout

Dear Mr.

Our records indicate that you purchase nuclear safety-related grouts from ChemRex Inc. ("ChemRex"), one of the SKW-MBT Management, Inc. ("SKW-MBT"), companies.

Recently, to ensure continued quality of the products that ChemRex and SKW-MBT provide, samples of our stock of Embeco 636 (CMTR) Grout that were late in shelf life were submitted to re-analysis by our Quality Control ("QC") Department. Based upon the results of the analysis of some of the samples, we want to inform you of a possible shelf life issue that may exist for specific lot(s) under certain conditions. During the course of preparation for application, Embeco 636 (CMTR) Grout, lot number M4-73733P0, if mixed to a fluid consistency may possibly segregate.

Based on our review and in accordance with the requirements and operating procedures of the SKW-MBT Quality Assurance Program, we are notifying nuclear facilities that have ordered Embeco 636 (CMTR) since June 1999 of the situation described above.

Investigation and Initial Response

Segregation is defined as the separation of the ingredients of the grout after mixing with water; in an unhardened state, the grout will not remain homogeneous. Segregation of the unhardened grout could lead to weak surfaces and loss of contact between the grout surface and the underside of whatever it is supposed to support.

As described above, the re-testing of Embeco 636 (CMTR) Grout lot number M4-73733P0 showed a tendency to segregate at a fluid consistency. This tendency was observed in samples from this lot and non-CMTR lots ranging from 7 to 13 months old. Some of the older samples of grout also showed some frothing.

Embeco 636 (CMTR) Grout does not segregate when it is new; there were no signs of segregation or frothing when lot number M4-73733P0 was initially tested in March of 2000. We have already notified the companies that received this lot of Embeco 636 (CMTR) Grout that for quality assurance purposes, we were recalling material that had been delivered.

Specific Lot Numbers

Embeco 636 (CMTR) Grout was made several times in 1999 and early this year. Except for lot number M4-73733P0, none of the other lots of CMTR grout was available for testing. The identifying lot numbers are:

M4-44623R9
M4-57904V9
M4-72073P0
M4-73733P0

Additional Considerations

As described above, the characteristics that would be observed in any problematic product are segregation and frothing. The segregation and frothing occurred only during mixing at a fluid consistency. These characteristics would be readily apparent to a qualified contractor during preparation for application. Mix directions on the bag of Embeco 636 (CMTR) Grout expressly state, "Do not use water in an amount or at a temperature that will produce a flow of less than 20 seconds or cause the mixed grout to bleed or segregate". When used with lower water contents, the grout (including the lots identified above) will not have a fluid consistency and frothing and segregation would not be expected.

Suspected Cause

The cause of the suspected problem has not yet been capable of definitive determination. The Product Development group is reviewing all possibilities, from mixing procedures to analysis of component materials.

Actions to Prevent Reoccurrence

Since the initial report from QC, as a precautionary measure shipments of Embeco 636 (CMTR) Grout have been halted. Our long-term solution involves reformulating this grout for better performance characteristics throughout the shelf-life; we expect to introduce the improved product as soon as possible in 2001. For the time being, we are recommending that Embeco 636 (CMTR) Grout be replaced with Embeco 885 (CMTR) Grout.

What You Need to Do

If you have any Embeco 636 (CMTR) Grout that has not been placed, we recommend that the product not be applied. Please contact Steve Peterson in Shakopee, MN at 952-496-6047 to arrange for disposition and replacement.

As a material supplier to the nuclear industry, ChemRex and SKW-MBT lack the expertise to make a valid evaluation of the impact of this problem on the safe operation of your facility. However, we wanted to let you know about this situation since it may affect you. You need to evaluate how you used any Embeco 636 (CMTR) Grout and whether this usage might have safety concerns. At a

minimum, the evaluation should include reviewing your records to determine (1) the age of the grout when it was used, (2) whether it was mixed to a fluid consistency, and (3) whether it was used in a safety application.

If you have any questions or comments or if you need more information about our quality program, please feel free to contact me at 216-831-5500, extension 2343. If you have technical questions or concerns about Embeco 636 (CMTR) grout, please contact Paul Abrahamson at 952-496-6078 or Steve Peterson at 952-496-6047.

Sincerely,

Alice McFarland
Manager, Quality Assurance
SKW-MBT Management, Inc.

Quality Assurance Manual – Distribution List

Order No.	Order Date	Customer Order No.	Ship To:	Notification To:	QA Manual Distribution
162682	07/13/99	7012308	First Energy The Toledo Edison Co. Davis-Besse Power Station 5501 North State Route 2 Oak Harbor, OH 43449	Toledo Edison Co. Davis Besse Mail Stop 1056 5501 North State Route 2 Oak Harbor, OH 43449 Attn: Plant Engineering Manager	The Toledo Edison Co. 300 Madison Ave. Toledo, OH 43652 Mail Stop 6190 Matt Lewczynski Quality Assurance
166805 179177 50266715	07/27/99 09/03/99	ET14245 ET14245 90-181002	PECO – Peach Bottom Power Plant Storeroom 387 1848 Lay Road Delta, PA 17314	PECO Energy Co. Manager, Licensing Section Correspondence Control Desk PO Box 195 Wayne, PA 19087	PECO Energy Co. Limerick Generating Station Mail Code SMB2-5 Evergreen & Sanatoga Roads Pottstown, PA 19464-0920
173391 173399 50228421	08/17/99 08/17/99	90 175084 90 175084 90-179184	Limerick Generating Station Storeroom #348 Evergreen & Sanatoga RD Pottstown, PA 19464	PECO Energy Co. Limerick Generating Station Storeroom 348/90 179184 Evergreen & Sanatoga RD Pottstown, PA 19464 Attn: Dennis Kelly	Bill Bradley Corporate Nuclear Quality Division
171887	08/11/99	1010083	Carolina Power and Light Robinson Plant 3581 W. Entrance/Hwy 151 Hartsville, SC 29550	Carolina Power & Light Company Manager – Performance Evaluation & Regulatory Affairs Box 1551 Raleigh, North Carolina 27602 Carolina Power & Light Company Department Manager Robinson Nuclear Project SC HWY 151 & 23, Box 790 Hartsville, SC 29550	Carolina Power & Light Co. Harris Nuclear Plant CRDF17A 5413 Shearon-Harris Rd. New Hill, NC 27562 Donald R. Elias
185926 50207340	09/28/99	NU04- 000000301 0 NU04- 000000599 6	American Electric Power Cook Nuclear Plant Storeroom One Cook Place Bridgman, MI 49106	American Electric Power Nuclear Generation Group 500 Circle Dr. Buchanan, MI 49107 Attn: Manager, Nuclear Licensing	American Electric Power Nuclear Generation Group One Cook Place Mail Zone 15, Complex 1 Bridgman, MI 49106 Joe Nowak

Order No.	Order Date	Customer Order No.	Ship To:	Notification To:	QA Manual Distribution
189049	10/07/99	100823	Duquesne Light Company Beaver Valley Power Station 200 State Route 3018 Shippingport, PA 15077	Duquesne Light Company Beaver Valley Power Station PO Box 4 Shippingport, PA 15077 Attn: Director of Safety & Licensing	FENOC Duquesne Light Co. PO Box 4, BV-ISI Shippingport, PA 15077 Jeffrey Reed Quality Assurance
198277	11/05/99	27468	Bechtel Power Corporation C/O Cook Nuclear Station One Cook Place Bridgman, MI 49106	Bechtel Power Co. 5325 Spectrum Drive Frederick, MD 21703-7339 Attn: Dan Williams	Bechtel Power Corp. 7430 New Technology Way Frederick, MD 21703 John Salasky F21A10