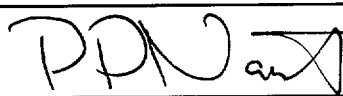
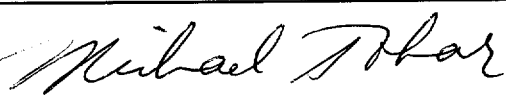


INSPECTOR NOTES COVER SHEET

Licensee/Certificate Holder (name and address)	TN Hawthorne, NY BFS Scotts Valley CA (See Form 591 for details)
Licensee/Certificate Holder contact and phone number	TN: Earl Love/William Sutherland, QAE BFS: Doug Brown, QAM
Docket No.	TN 72-1004, BFS 72-1026
Inspection Report No.	72-1004/01-201, 72-1026/ 01-201
Inspection Date(s)	11/5-9/01
Inspection Location(s)	Westinghouse, Newington, NH
Inspectors	P Narbut, R Temps, F Jacobs
Summary of Findings and Actions (i.e., overall assessment of licensee/certificate holder status and any enforcement actions; reference Form 591 AND narrative report if escalated enforcement action or significant programmatic issues also identified)	<p>Licensee oversight adequate Fabricator quality of work and QA adequate Enforcement: 2 NOVs on 591</p> <ol style="list-style-type: none"> 1. Inadequate procedure- weld rod oven temperatures did not meet specification 2. Inadequate nonconforming material control- one example of material not tagged or segregated. <p>No significant issues identified Overall good quality</p>
Lead Inspector Signature/Date	 P Narbut 11/20/01
Inspector Notes Approval Branch Chief Signature/Date	 12/04/01

ISSUES FOR FOLLOWUP FROM PREVIOUS INSPECTIONS AND RESULTS

ISSUE 1:

None

ISSUE 2:

ISSUE 3:

ISSUE 4:

Inspector: P Narbut		Inspection Report: 72-1026/01-201, 72-1004/01-201 @ Westinghouse Newington, NH
Inspection Requirement IP 60852	Significance Level & Inspector Initials	Inspector Notes

02.01 Determine whether the fabrication specifications are consistent with the design commitments and requirements documented in the SAR, and, as applicable, the CoC or the site-specific license and technical specifications.	1 PPN	The inspector examined the fabrication specifications from TNW and BFS. No problems identified
02.02 Determine whether corrective actions for ID fabrication deficiencies have been implemented in a time frame commensurate with their significance, and whether nonconformance reports documenting the deficiencies have been initiated and resolved.	1	
02.03 Determine whether individuals performing quality-related activities are trained and certified where required.	6 PPN	Sampled and verified NDE and Welding personnel qualifications. No problems identified.
02.04 Determine whether the offsite fabricator's personnel are familiar with the specified design, designated fabrication techniques, testing requirements, and quality controls associated with the construction of the DCSS.	5 PPN	Discussions with craft, engineering, QA, and certificate holders showed them to be knowledgeable in their respective areas.
02.05a Determine whether materials, components, and other equipment received by the fabricator meet DCSS design procurement specifications.	1 PPN	Reviewed and verified chemicals and physicals for the Fuel Solutions support tube material (XM-19) met ASME SA material requirements. Also sampled and verified welding materials.
02.05b Determine whether the procurement specifications conform to the design commitments and requirements contained in the SAR and, as applicable, the CoC or the site-specific license and technical specifications.	1 PPN	Verified sampled procurement specifications met commitments. No problems identified. See 205a
02.06 Determine whether DCSS components are being fabricated per approved QA and 10 CFR Part 21 implementing procedures and fabrication specifications.	1 PPN	Observed welding, grinding, NDE, weld rod issue, and receipt inspection activities. Identified a Violation for inadequate procedure dealing with Westinghouse rod oven temperature requirements did not match the TN specification requirements.

Inspector: P. Narbut		Inspection Report: 72-1026/01-201, 72-1004/01-201 @ Westinghouse Newington, NH
Inspection Requirement IP 60852	Significance Level & Inspector Initials	Inspector Notes

02.07a With regard to fabrication activities, determine whether they are conducted under an NRC-approved QA program (10 CFR 72.140).	6	
02.07b With regard to fabrication activities, determine whether the provisions of 10 CFR Part 21, "Reporting of Defects and Noncompliance," for reporting defects that could cause a substantial safety hazard have been implemented.	6	
02.07c With regard to fabrication activities, determine whether the fabricator's personnel are familiar with the reporting requirements of 10 CFR Part 21.	5	
02.07d With regard to fabrication activities, determine whether the fabricator has complied with 10 CFR 21.6, "Posting requirements."	6	
02.08a With regard to quality assurance activities, determine whether the fabricator has been audited by either the licensee or CoC holder.	6	

02.08b With rgd. to QA activities, det. whether for selected audits and inspection findings from QA audit or surv. and/or inspection rpts. issued in the previous 2 years, the findings were appropriately handled with CAs implemented in a time frame commensurate with their safety significance.	1	
02.08c With regard to quality assurance activities, determine whether supervision and quality control/quality assurance personnel perform appropriate oversight during fabrication activities.	5 PPN	Observed adequate QA and supervision during fabrication. Computerized welder/weld material control process was a strength.

Inspection Requirement	Significance Level & Inspector Initials	Comments
<p>02.01</p> <p>Determine whether the fabrication specifications are consistent with the design commitments and requirements documented in the SAR, and, as applicable, the CoC or the site-specific license and technical specifications.</p>	<p>1</p> <p>RRT</p>	<p>Reviewed process for ensuring vendor's fabrication specifications are properly transferred into fabrication specifications. Also reviewed means for ensuring that ECNs issued by vendors also make it into the appropriate documents. This led to discussion regarding the use of the Integrated Manufacturing and Quality Plan (IMQP)- which is a recent initiative in response to a DSQG audit finding regarding "order entry." The IMQPs are used to coordinate the sequence of operations for fabrication of specific components and identifies such things as purchase orders requirements and activities in the Manufacturing Process Sheets (MPSs). For ECNs, a Work Authorization Impact Review, also a recent initiative, is conducted to systematically identify and document all affected documents such as fabrication drawings, IMQPs, or MPSs. These processes all appeared adequate for their intended function and no discrepancies were identified.</p>
<p>02.02</p> <p>Determine whether corrective actions for ID fabrication deficiencies have been implemented in a time frame commensurate with their significance, and whether nonconformance reports documenting the deficiencies have been initiated and resolved.</p>	<p>1</p> <p>RRT</p>	<p>Reviewed procedures and systems for identifying and dispositioning non-conformances through NCRs. Also sampled NCRs from the TNY and BFS projects. NCRs that were closed appeared to have adequate engineering justification. Performed field walkdown of several open NCRs generated for non-conforming items during receipt inspection. Identified material associated with NCR 6622 that was not segregated/ tagged as being non-conforming. This was identified as a violation of Westinghouse procedure AM-10-005, Rev. 13, that requires placement of a "Hold" tag and placement in a "Hold" are for such items. A violation against the requirements of 10 CFR 72.170 was issued against Transnuclear, Inc. as the material in question was associated with their project.</p>

Inspection Requirement	Significance Level & Inspector Initials	Comments
<p>02.03</p> <p>Determine whether individuals performing quality-related activities are trained and certified where required.</p>	<p>6</p> <p>FJ</p>	<p>Reviewed procedure AM-00-014, "Indoctrination and Training," Revision 03, 3/21/00. Reviewed training matrices for each functional unit. Reviewed training records for a sample of recently implemented or revised procedures. Found that a significant new procedure AM-05-023, "Integrated Manufacturing and Quality Plan (IMQP)," was effective 10/8/01 and identified as requiring formal training, but classroom training was not scheduled until 10/22/01. Discussion with Quality Systems Supervisor revealed there is no internal requirement or guidance on when training should be conducted and that workload and other factors could influence timeliness of training. No specific problems were identified, but the potential for problems was discussed.</p> <p>Reviewed procedure AM-00-015, "Qualification Criteria for Auditors," Revision 01, 3/6/00. Reviewed qualification records of four lead auditors. No problems were noted.</p> <p>Reviewed procedure AM-00-017, "Written Procedure for the Certification of Inspection and Test Personnel." Reviewed qualification records for two inspectors. No problems were noted.</p>
<p>02.04</p> <p>Determine whether the offsite fabricator's personnel are familiar with the specified design, designated fabrication techniques, testing requirements, and quality controls associated with the construction of the DCSS.</p>	<p>5</p>	

Inspection Requirement	Significance Level & Inspector Initials	Comments
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02.05a Determine whether materials, components, and other equipment received by the fabricator meet DCSS design procurement specifications.	1 FJ	Reviewed purchase requisition, purchase order, and material test reports for guide tubes. Reviewed purchase requisition, purchase order, and change to purchase order for notching and forming of tube ends. Followed documentation and approvals for changes. Observed receipt inspection of guide tubes to a Dedication Work Order. No problems were noted.
02.05b Determine whether the procurement specifications conform to the design commitments and requirements contained in the SAR and, as applicable, the CoC or the site-specific license and technical specifications.	1 FJ	Reviewed purchase requisition, purchase order, and material test reports for guide tubes. Reviewed parts of Fabrication Specification CPC-114, Revision No. 2. No problems were noted.

Inspection Requirement	Significance Level & Inspector Initials	Comments
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02.06 Determine whether DCSS components are being fabricated per approved QA and 10 CFR Part 21 implementing procedures and fabrication specifications.	1 FJ	<p>Reviewed calibration and usage records for selected M&TE. No problems were noted in the calibration program.</p> <p>Fabrication Specification CPC-114, Revision No. 2, requires the Fabricator to fabricate guide and support tube test gauges and control them as part of his M&TE program. Further, CPC-114 requires the gauges shall be dimensional verified annually using calibrated M&TE in accordance with a written procedure submitted by the Fabricator for Designer approval. The fabricated test gauges, E-506 and E-507, were in use and controlled by the calibration program, but a calibration procedure for the gauges had not been submitted to and approved by BFS. This failure to identify a contractual requirement indicated a weakness in the quality assurance program and was discussed with Westinghouse and BFS personnel. It was noted that a November 2000 Consumers Energy audit found that "a clearly defined review process to highlight unique and project specific requirements" was not in place or at least not described in procedures. Issue Report #01-003282 was originated by Westinghouse on 11/8 to</p>
02.07a With regard to fabrication activities, determine whether they are conducted under an NRC-approved QA program (10 CFR 72.140).	6 RRT	<p>Verified that all fabrication activities are conducted under procedures governed by Westinghouse's Part 71 NRC approved QA program.</p>

Inspection Requirement	Significance Level & Inspector Initials	Comments
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02.07b With regard to fabrication activities, determine whether the provisions of 10 CFR Part 21, "Reporting of Defects and Noncompliance," for reporting defects that could cause a substantial safety hazard have been implemented.	6 RRT	Verified that Part 21 requirements are implemented in Westinghouse administrative procedures.
02.07c With regard to fabrication activities, determine whether the fabricator's personnel are familiar with the reporting requirements of 10 CFR Part 21.	5 RRT	Personnel were aware of Part 21 requirements. Procurement documents contained Part 21 requirements.

Inspection Requirement	Significance Level & Inspector Initials	Comments
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02.07d With regard to fabrication activities, determine whether the fabricator has complied with 10 CFR 21.6, "Posting requirements."	6 RRT	Verified Part 21 postings in several work areas were present and conspicuously posted.
02.08a With regard to quality assurance activities, determine whether the fabricator has been audited by either the licensee or CoC holder.	6 RRT	Verified that audits of Westinghouse operations have been performed by TNY and BFS. Also reviewed results of a DSQG audit. Discussed auditing activities with both vendors and determined that their oversight appeared appropriate and extensive.

Inspection Requirement	Significance Level & Inspector Initials	Comments
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02.08b With rgd. to QA activities, det. whether for selected audits and inspection findings from QA audit or surv. and/or inspection rpts. issued in the previous 2 years, the findings were appropriately handled with CAs implemented in a time frame commensurate with their safety significance.	1 RRT	Reviewed Westinghouse internal audits and findings as well as those of the vendors and DSQG audits. Noted that audit findings are entered into the corrective action system for tracking and resolution. For most part, appeared to be closed in a timely manner. DSQG followup to their audit from previous year did identify some overdue corrective action items and Westinghouse implemented action to identify projected closure dates for these items.
02.08c With regard to quality assurance activities, determine whether supervision and quality control/quality assurance personnel perform appropriate oversight during fabrication activities.	5	