



E-23912
August 8, 2006

U.S. NUCLEAR REGULATORY COMMISSION
ATTN: Document Control Clerk
Washington, DC 20555

SUBJECT: REPLY TO A NOTICE OF VIOLATION

To Whom It May Concern:

As required, Transnuclear, Inc. (TN) provides our response to the Notice of Violation (NOV) included in NRC Inspection Report No. 72-1004/2006-203, which reads as follows:

10 CFR 72.150, "Instructions, Procedures and Drawings," requires, in part, that a certificate holder shall prescribe activities affecting quality by documented procedures and require that these procedures be followed.

Contrary to the above, HMC procedures requiring thickness inspection of temporary attachment weld removal areas and recording of the thickness, were not followed. Specifically, Report No. TAW-56C,D, dated May 23, 2006, for the inner bottom cover of dry storage canister shell serial number 21 of job 16F10033, did not document thickness inspection of all temporary attachment weld areas as required by HMC procedure Document No. 033-F-TAW, "Control Procedure for Temporary Attachment Welds," Rev. 2, and Document No. 033-T-UT-T, Rev. 0, Thickness Measurement (UT) Procedure for Shell Welds, Plates." Additionally, Final Data Packages for dry storage canister serial nos. 13 and 14 of the same job did not document the required thickness inspections for those canisters.

In response to the above, TN offers the following:

The NRC inspection report stated that HMC failed to record thickness measurements for all TAW removal areas on the Inner Bottom Cover plates for six Dry Storage Canisters (DSCs), four still in fabrication (S/N 19, 20, 21 and 22) and two completed (S/N 13 and 14). Note that HMC was not aware of any issue(s) related to DSCs S/N 13 and 14 during the inspection.

➤ DSCs S/N 19, 20, 21 and 22

As stated in the NRC inspection report, HMC performed a review of inspection records and issued Corrective Action Report (CAR) No. C-06-C-03 to document the deficiency and provide the basis for completion of necessary corrective actions.

NM5501

- HMC re-measured and re-inspected locations of TAWs for S/N 21 and revised the Record of Visual Weld/Liquid Penetrant Examination No. VT/PT-SA-02 on June 16, 2006. The results of the re-inspection were acceptable.
- HMC reviewed records for DSCs S/N 13 through 22 and determined that records for DSCs S/N 19, 20 and 22 exhibited the same condition as that for DSC S/N 21 (i.e., lacking documentation of inspection of TAW removal locations).
- HMC re-measured and re-inspected removal locations of TAWs for DSCs S/N 19, 20 and 22, and revised the corresponding Records of Visual Weld/Liquid Penetrant Examination No. VT/PT-SA-02 on June 16, 2006. The results of these re-inspections were acceptable.
- HMC removal of TAWs for DSCs S/N 15, 16, 17 and 18, and inspection results were found to be documented as required.
- The cause of the deficiency was deemed to be a failure of HMC personnel to properly document results of thickness inspections associated with removal of TAWs for the noted DSCs only.

➤ DSCs S/N 13 and 14

The issue (confusion) with inspection records for these DSCs appeared to be that HMC Report No. TAW-56C,D for DSC S/N 13 did not have the Center Fixture as the other DSC TAW Maps. Additionally, DSC S/N 14 had the Center Fixture but did not have the tabs checked-off as later DSC TAW Maps indicate. The following explanation clarifies this issue in that TN has determined that HMC inspection records for DSCs S/N 13 and 14 are acceptable as reported.

- As documented on HMC Traveler Nos. 033-CS-56A-2, fit-up tack welds and inspections of Inner Bottom Covers for DSCs S/N 13 and 14 were performed on June 17-18 and June 20, 2005 respectively. This process was performed in accordance with HMC Procedure No. 033-F-TAW, Revision 0 which was in effect at that time.
- On June 25, 2005, thickness measurements of removed TAW areas were performed on DSC S/N 13 and documented on Report No. TAW-56C,D in accordance with Document No. 033-F-TAW, Revision 0. It should be noted that TAW tabs were only utilized around the perimeter of the plate.
- Due to some difficulties encountered during fabrication of these two DSCs, HMC modified the fit-up process and designed a temporary fixture that was tacked on the center of the Inner Cover plate, as illustrated by cross-structure diagram for DSC S/N 14 on the TAW map. This modification was incorporated in HMC Procedure No. 033-F-TAW, Revision 1 which was issued on June 29, 2005. (This TAW Map is identical to the Map in Procedure No. 033-F-TAW, Revision 2 which was identified in the NRC inspection report).
- On July 4, 2005, thickness measurements of removed TAW areas were performed on DSC S/N 14 and documented on HMC Report No. TAW-56C,D in accordance with HMC Procedure No. 033-F-TAW, Revision 1 which was already in effect at that time. Hence, as there was no Center Fixture actually used, only tabs around the perimeter of the plate were checked-off.

➤ Potential Impact on Other Completed DSCs

HMC reviewed previously completed projects for similar type configuration(s). The results indicated that only DSCs fabricated under Job. Nos. 16F10018 and 16F231 (Exelon-Oyster Creek 61BT) and 16F005 (PP&L-Susquehanna 61BT) had the same design configuration. For these projects, HMC did not have a formal procedure for control of TAWs and their removal (i.e., TAW maps were not utilized). However, TN QA reviewed HMC inspection records for these units and confirmed that inspections of TAW removal areas were performed and documented on PT Examination records in accordance with applicable ASME Code requirements. The results of these inspections were acceptable.

➤ HMC Action(s) to Prevent Recurrence

In order to prevent recurrence of the identified deficiency, HMC committed to: (1) retraining of personnel to assure understanding of current requirements, and (2) review of TAW inspection records prior to basket insertion to verify performance of thickness inspections for all TAW removal areas.

➤ TN Review and Verification of Corrective Action Implementation

TN has reviewed and accepted HMC's corrective action response, including the supporting documentation, and agrees with the actions defined in HMC CAR No. C-06-C-03 (Original and Revision 1). TN also concurs with the explanation regarding DSCs S/N 13 and 14. Further, TN QA has verified implementation and completion of the associated corrective actions and actions to prevent recurrence, including review of the HMC inspection records related to TAW removal thickness measurements, and HMC training records. TN will continue to monitor continuing HMC compliance with the associated requirements during fabrication oversight activities (Note: HMC implementation of actions to prevent recurrence was most recently verified by TN QA for DSCs S/N 23 and 24 of Job. No. 16F10033).

Based upon HMC's corrective actions and actions to prevent recurrence, as reviewed and verified by TN QA, all actions associated with the subject NOV have been completed and there is no impact on the quality of DSCs supplied by HMC.

Due to the proprietary nature of the referenced HMC documents, objective evidence supporting this position can be made available for review at our offices in Columbia, MD at your convenience.

Very truly yours,



Steven C. White
Director, Corporate Quality Assurance

c: NRC

Robert J. Lewis
Chief, Transportation and Storage Safety and Inspection Section
Spent Fuel Project Office

c: Transnuclear, Inc.

W. Bracey
R. Grubb
G. Guerra
T. Neider
W. Sutherland