

June 17, 2015

Mr. Steve Hamilton
Senior Vice President
Quality, Environment, Health & Safety & Chief Quality Officer
1000 Westinghouse Drive
Cranberry Township, PA 16066

SUBJECT: WESTINGHOUSE ELECTRIC COMPANY RESPONSE TO THE U.S. NUCLEAR
REGULATORY COMMISSION INSPECTION REPORT NO. 99900404/2015-202
NOTICE OF NONCOMPLIANCES

Dear Mr. Hamilton:

Thank you for your May 20, 2015, letter in response to the Notices of Nonconformance (NONs) that were discussed in the subject U.S. Nuclear Regulatory Commission (NRC) inspection report.

We reviewed your letter and found it is not fully responsive in addressing NONs 99900404/2015-202-01, 99900404/2015-202-02 and 99900404/2015-202-03. Specifically:

1. Your response to NON 99900404/2015-202-01 discusses several completed and planned corrective actions but does not address the apparent Westinghouse Electric Company (WEC) failures related to: 1) inadequate oversight of suppliers and proper use of the qualified supplier list (QSL), and 2) verification that its' suppliers had measures in place to assure that purchased material, equipment and services conformed to procurement documents. Please describe your actions taken to confirm the adequacy of the QSL, and justification for the issuance of previously fabricated safety-related products manufactured by unqualified suppliers dating back to 2010.
2. Your response to NON 99900404/2015-202-02 discusses several completed and planned corrective actions, for four different issues, but does not clearly describe the reasons for noncompliance and corrective actions taken for the nonconforming fuel nozzle issue identified in CAPs 12-045-CO37. Please describe the specific reasons for noncompliance and why a stop work order was not initiated for the nonconforming fuel nozzles. Please describe the extent-of-condition review for past WEC audits where inadequate audit performance may have failed to identify areas of regulatory noncompliance. Further, please describe the relationship between CAPAL issue 100016265 and CAPAL issue 100052988.

3. Your response to NON 999404/2015-202-03 discusses several completed and planned corrective actions but did not describe the bases for keeping the L&S Machine Company on the QSL as a safety-related supplier. Please describe your basis for accepting the L&S Machine Company as a safety-related supplier and clarify the acceptable scope of work. Also, please describe how Peerless, a commercial grade supplier, was accepted to perform safety-related work. Please also describe the extent of condition review conducted to verify that all suppliers providing safety-related items were properly qualified and performed work within their approved scope of work.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390 "Public Inspections, Exemptions, Requests for Withholding," of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request that such material is withheld from public disclosure, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21 "Protection of Safeguards Information: Performance Requirements."

Please contact Mr. Richard Laura at 301-415-1837, or via electronic mail at Richard.Laura@nrc.gov, if you have any questions or need assistance regarding this matter.

Sincerely,

/RA/

Edward H. Roach, Chief
Mechanical Vendor Inspection Branch
Division of Construction Inspection
and Operational Programs
Office of New Reactors

Docket No.: 99900404

3. Your response to NON 999404/2015-202-03 discusses several completed and planned corrective actions but did not describe the bases for keeping the L&S Machine Company on the QSL as a safety-related supplier. Please describe your basis for accepting the L&S Machine Company as a safety-related supplier and clarify the acceptable scope of work. Also, please describe how Peerless, a commercial grade supplier, was accepted to perform safety-related work. Please also describe the extent of condition review conducted to verify that all suppliers providing safety-related items were properly qualified and performed work within their approved scope of work.

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OFFICE	NRO/DCIP/QVIB	NRO/DCIP/MVIB	NRO/DCIP/MVIB
NAME	RLaura	JOrtega	ERoach
DATE	6/16/2015	6/16/2015	6/17/2015

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