

BMB/50.55(e)  
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INDIANA**

S. W. Shields  
Senior Vice President -  
Nuclear Division



August 3, 1981  
S81-05

Mr. James G. Keppler, Director  
U. S. Nuclear Regulatory Commission  
Region III  
799 Roosevelt Road  
Glen Ellyn, Illinois 60137

Docket Nos.: STN 50-546  
STN 50-547  
Construction Permit Nos.:  
CPPR - 170  
CPPR - 171

**Marble Hill Nuclear Generating Station - Units 1 and 2**

Dear Mr. Keppler:

On March 5, 1981, Mr. T. D. Geib of Public Service Company of Indiana, Inc. (PSI) notified your office of a potentially reportable item as required by 10 CFR 50.55(e). During an audit of ITT Grinnell Valve Company, PSI quality assurance personnel determined that ITT Grinnell was applying its PSI approved quality assurance program to only certain ASME Code related parts of safety-related diaphragm valves intended for use at Marble Hill. Further examination indicated that certain other parts of some of these valves may serve safety-related functions and were not handled under a PSI approved quality assurance program.

As discussed in PSI's interim report of April 3, 1981, an engineering evaluation is being conducted to determine the safety-related functions of the valves in question. This evaluation is underway at this time and will be used to determine which parts of each valve must be handled in accordance with 10 CFR 50, Appendix B requirements. Based upon this information, PSI will determine what corrective action, if any, is necessary.

This letter is intended to fulfill the requirements of an interim report as defined in 10 CFR 50.55(e). A further report will be filed on or before December 1, 1981.

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Letter: James G. Keppler

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If you have any questions on this matter, please feel free to contact me.

Sincerely,



S. W. Shields

TDG/mjg

cc: Director of Inspection and Enforcement  
U. S. Nuclear Regulatory Commission  
Washington, D. C. 20555

E. R. Schweibinz, P. E.  
J. I. Harrison