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CP&L

Carolina Power & Light Company

MAY 21 1993

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SERIAL: NLS-93-139

Chief, Rules Review and Directives Branch
Office of Administration
United States Nuclear Regulatory Commission
Washington, DC 20555

COMMENTS - NUCLEAR REGULATORY COMMISSION DRAFT INSPECTION
PROCEDURE 38703, "COMMERCIAL GRADE PROCUREMENT INSPECTION,"
DATED MARCH 22, 1993

Gentlemen:

Carolina Power & Light Company, (CP&L) appreciates the opportunity to provide comments on the subject procedure. In general, we believe the draft procedure represents an improvement to the existing inspection approach.

However, the evolution of NRC regulatory guidance in the commercial grade procurement area has resulted in a confusing and sometimes conflicting set of documents (i.e., NP-5652, GL-89-02, GL-91-05, IP 38703 Section 91-291 and Section 1-204) that the licensee will have to understand and implement. For the sake of a better common understanding of NRC requirements, it is recommended that all the previously issued guidelines be rolled up into one document. This will better ensure that licensees do not overlook a requirement, will provide the inspectors with more concise guidance, and should produce more effective inspections.

Carolina Power & Light Company has reviewed comments being proposed by NUMARC, and we endorse those comments. In addition, we offer specific comments for your consideration.

1. Section 38703A, paragraph 02.02, third sentence

This sentence appears to compel the inspector to unnecessarily trigger a CGI procurement inspection each time a CGI item fails, regardless of the reason for failure (e.g., end-of-life, misapplication, etc.). This sentence should be reworded to be consistent with paragraph 02.01, which addresses a CGI inspection when the failure is "... the result of an inadequate CGI dedication."

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2. Section 38703A, paragraph 02.03

This paragraph, in combination with paragraph 03.02(b) of Section 38703B, may lead the inspector to conclude that the list of documents listed in 03.02(b) should be in the utility CGI dedication package. This would, in turn, cause significant unnecessary expense on the utilities' part to assemble this information into a package. These paragraphs should be clarified to indicate that this information may be available at the utility, but not necessarily a part of the CGI dedication package, per se.

3. Section 38703B, paragraph 02.01, third sentence

The requirement to provide a complete list of CGI items purchased over the past two years may be burdensome on the utility, since the utility may not distinguish CGI vs. 10 CFR 50 Appendix B procurement in the way its records are filed. It is recommended that an alternative approach be used, such as requesting the utility to prepare a representative list of CGI items purchased within the past two years or prepare a list of all safety-related items purchased in the past two years.

4. Section 38703B, paragraph 02.02

In the next to last sentence is a requirement that the licensee compile a package of "all" the procurement and dedication records for each item. Taken literally, this requirement is too inclusive and requires the licensee to provide records (e.g., financial) not pertinent to the inspection. It is recommended that these words be revised to read, "... a complete package of the pertinent procurement and dedication records"

5. Appendix A, paragraph 1.a

This paragraph could be interpreted to require the licensee to verify by survey, inspection, or test every critical characteristic. Doing so will be an unnecessary financial burden without significant increase in plant safety. It is recommended that a sentence be added to the effect that "physical verification of all critical characteristics may not be required if the licensee has concluded that verification of a portion of the characteristics, in combination with plant installation and operational controls, provides reasonable assurance that these characteristics are satisfactory." Otherwise, the NRC should justify the cost-benefit of this requirement.

6. Appendix A, paragraph 1.c

The first sentence may lead the inspector to conclude that purchase of an item as CGI is unacceptable if the alternative to purchase to 10 CFR 50 Appendix B is available. This could represent an unnecessary financial burden to the licensee. Since both CGI or 10 CFR 50 Appendix B are acceptable procurement methods, it is recommended that this sentence be deleted and the second sentence revised to read, "The dedication process represents a method of"

7. Appendix A, paragraphs 2.b and 2.c

The logic of these paragraphs is that (1) a vendor's lot/batch identification cannot be trusted until the licensee proves the vendor controls; and (2) application of standard statistical methods (e.g., Mil. Std. 105E) to lots/batches probable but not proven to be homogenous, will not provide a reasonable assurance of quality. This could lead the inspector to conclude that a commercial grade survey is in actuality the only really acceptable method for proving lot homogeneity despite the words "or other means" in the first sentence of paragraph b. Doing commercial grade surveys to prove lot homogeneity would cause significant financial burden and will not be possible in many cases. It is considered that the above logic is questionable, as follows:

- a. Lot/batch control is a standard practice with vendors and is a normal part of their production and quality controls necessary to stay in business.
- b. This is no financial incentive on the part of the vendor to alter lot/batch identification.
- c. Accepting the vendor's lot/batch identification as received and sampling using standard statistical methods will still provide a very high level of assurance that the shipment is satisfactory even if the lot/batch has not been proven by the licensee to be homogeneous.
- d. Development and implementation of item-specific sampling plans for shipments not proven to be homogenous will be financially burdensome on the utility without any significant impact on plant safety. The NRC should demonstrate in a quantifiable way that imposing this requirement will improve plant safety.

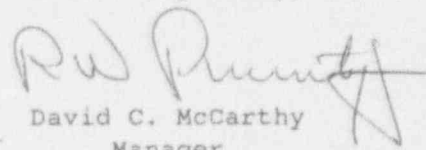
8. Appendix A, paragraph 3.a

The first sentence includes the words "recorded identification." The intent of the words is unclear. It also should be clarified that when using Method 1, traceability is not an issue.

9. Appendix A, paragraph 4.b
The intent of the last sentence is unclear. Is the vendor required to submit a Certificate of Compliance to the purchase order, a Certificate of Compliance to the purchase order and the program/procedure, or a Certificate of Compliance to the program/procedure?
10. Appendix A, paragraph 4.c
Oftentimes a vendor will manufacture/stock a wide range of products, and the survey will select a representative sample of the products to demonstrate control of critical characteristics. This should be recognized by this paragraph to preclude the inspector from concluding that every item must be surveyed.
11. Appendix A, paragraph 5.a
It will not normally be possible to demonstrate that replacement items are identical, and even the intent of the word "identical" is unclear. The inspector could carry interpretation of this paragraph to unreasonable lengths in asking the utility to prove replacement items are identical. It is recommended that this paragraph either be deleted or significantly revised.
12. Appendix A, paragraph 6.a
This paragraph could be interpreted by the inspector to require periodic testing at receipt even though the vendor was qualified by survey and CGI procurement Method 2 is being used. This paragraph should be revised to preclude such an interpretation.
13. Appendix B - two (2) apparent typographical errors
 - a. Example 3 - the last sentence has a parenthesis missing.
 - b. Example 6 - the last sentence appears to have some words missing (e.g., lot homogeneity).

If you have any questions concerning this information, please contact Mr. Dale Bates at (919) 546-6154.

Yours very truly,


David C. McCarthy
for Manager
Nuclear Licensing Section

DBB/jbw