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May 8, 1984
EF2-67828

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

Dear Mr. Keppler:

Reference: (1) Fermi 2
NRC Docket No. 50-341

(2) NRC IE Bulletin 83-07, Dated July 22, 1983

Subject: Detroit Edison Response to NRC IE Bulletin 83-07

Power reactor facilities were informed in 1983 by IE Bulletin 83-07 and Supplement 1 that fraudulent products may have been sold to nuclear industry companies by Ray Miller, Inc. An updated and comprehensive list of Ray Miller, Inc. customers for the years 1975-1979 was provided to power reactor licensees. Based on the information made available regarding specific purchase orders for which materials were apparently substituted, licensees were requested to determine whether suspect material had been provided and had been installed in plants, evaluate its safety significance, and tag or dispose of the suspect material not yet installed. The specific information available on apparently fraudulent material covers only that five year period.

In response to IE Bulletin No. 83-07, an extensive investigation was conducted. Based on this effort, the conclusion, at this time, is that no Ray Miller, Inc. products have been provided to the project nor used in safety-related systems at Fermi 2. The stages of our investigation appear below, but not in strict chronological order because of overlapping and concurrent actions. These reviews revealed no instances of tie-ins or sourcing by Ray Miller, Inc.

1. A check of the Detroit Edison and Daniel International, our Construction Manager, purchase order information files established that no purchases were made directly from Ray Miller, Inc.

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2. Each of the site contractors were requested to review their files to determine if any direct purchases were made. Also, they were required to perform a 100 percent review of "receiving" documentation, including shippers, invoices, certifications, and material test reports to note any shipments from intermediate suppliers that could conceivably have passed on Ray Miller products. For those contractors that had already demobilized, site personnel were assigned to review the records turned over to Detroit Edison.
3. Using the list of companies provided in IEB 83-07, dated July 22, 1983, a comparison was made to a list of all Detroit Edison Purchase Orders (issued 1975 through 1979, and sorted by vendor name). This comparison identified 157 purchase orders which required additional verification. These orders were reviewed to determine if the product purchased could conceivably contain a Ray Miller type of product. If it was determined that the item could involve a Ray Miller type product, the Receiving Inspection Report and all shipping documents were pulled from file and reviewed for evidence of Ray Miller involvement.
4. A special case was Dravo Corporation of Marietta, Ohio, since they supplied a large number of fabricated pipe spools. Records are filed in order by a sequence number assigned by Dravo. A 100 percent review was made of that file in search of any mention of Ray Miller as a direct or indirect supplier to Dravo.
5. To cover engineered equipment that was designed and fabricated before delivery to Fermi 2, Detroit Edison Engineering was asked to prepare a list of all safety-related (not necessarily ASME III) equipment that could contain fittings, pipes, or tubing that passed through the Ray Miller Company.
6. Review of the list provided by Engineering enabled Purchasing to submit letters to relevant suppliers explaining the problem and asking them to research their files. Because of the 1975-1979 time frame established in IEB 83-07, letters were required to be directed to only six such suppliers. Fermi 2 had received the majority of major components before construction was

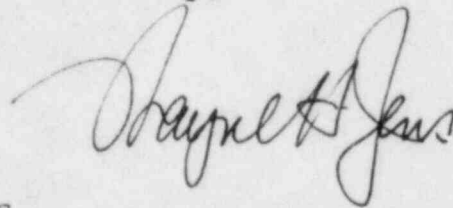
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delayed in 1974. The six letters yielded five responses assuring that their search uncovered no Ray Miller products. The sixth, Colt Industries, declined to search records and suggested we review the documents they provided with our Emergency Diesel Generator sets. We did this and found no suspect items.

Based on the reviews and investigations conducted and outlined above the conclusion has been reached that no Ray Miller Inc. material is on the Fermi 2 site.

If you have questions concerning this matter please contact Mr. Lewis P. Bregni, (313) 586-5083.

Sincerely,

A handwritten signature in dark ink, appearing to read "James G. Keppler", is written over the "Sincerely," text.

cc: Mr. P. M. Byron
Mr. R. C. Knop
Mr. M. O. Lynch
Document Control Desk USNRC