



Public Service Electric and Gas Company P.O. Box 236 Hancocks Bridge, New Jersey 08038

Nuclear Department

March 14, 1984

Dr. Thomas E. Murley
U. S. Nuclear Regulatory Commission
631 Park Avenue
King of Prussia, PA 19406

Dear Dr. Murley:

IE BULLETIN 83-07
APPARENTLY FRAUDULENT PRODUCTS SOLD BY
RAY MILLER, INC.
SALEM GENERATING STATION
NO. 1 AND 2 UNITS
DOCKET NOS. 50-272 AND 50-311

PSE&G has performed the following actions in response to the referenced Bulletin.

Item 1a

Based on a review of the lists of Ray Miller, Inc. customers who received apparently fraudulent materials and pertinent information obtained from any of these companies, identify those that supplied materials or services to Salem.

Response:

PSE&G has reviewed the companies listed on Attachments 1 and 2 of this Bulletin and in Supplements 1 and 2 to the Bulletin. We have determined that the following companies on our approved vendors list supplied materials or services to Salem:

American Standard Company
Buffalo Tank
Dravo Corporation
Huntington Alloys
Joy Manufacturing
Permutit Company
Richmond Engineering Company

Item 1b

Determine whether any of the apparently fraudulent Ray Miller, Inc., materials were provided to or used at Salem.

Response:

Our investigation concluded that Ray Miller, Inc. is not an approved vendor, and no material has been purchased from that company for use at Salem, nor have any of the companies listed in Item 1a above provided material supplied by Ray Miller, Inc.

To preclude any inappropriate use of material supplied by vendors that obtain material from Ray Miller, Inc., PSE&G has taken the following actions:

1. Vendor mill test reports are examined to determine the vendor's source.
2. QA Receiving Control has been instructed to segregate and tag any material that vendors obtain from Ray Miller, Inc. Such material will not be installed in safety-related systems pending disposition of the deficiency reports.

The Bulletin identifies a general concern that some vendors may substitute substandard or nonconforming materials and provide fraudulent documentation. PSE&G will implement measures to prevent fraudulent practices and intercept substandard materials. Additionally, we will require that vendors also take actions to prevent fraudulent practices. These measures and schedules for implementing them are as follows:

SHORT-TERM ACTIONS

1. Purchase orders or contract documents will include a caution that all materials may be subjected to verification by an independent testing facility. PSE&G will also require all documents from foreign suppliers to be translated into English and the translation notarized.
2. Refresher training will be provided to the QA/QC receiving group in the following areas:
 - a. Recognition of altered documents, and
 - b. Comparison of certification documents with hardware received.

The short-term actions will be implemented by May 1, 1984.

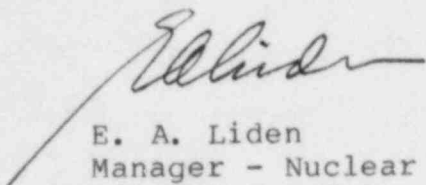
LONG-TERM ACTIONS

1. Applicable QA procedures will be revised to include a statement instructing the responsible QA engineer to verify during the audit or surveillance activity that the QA programs of our vendors address the subject of "altered documents".
2. A plan and procedure for sampling selected incoming material will be implemented.

The long-term actions will be implemented by August 1, 1984.

Should you have any questions, please do not hesitate to contact us.

Sincerely,



E. A. Liden
Manager - Nuclear
Licensing and Regulation

RSP:mg

cc: Mr. Donald C. Fischer
Licensing Project Manager

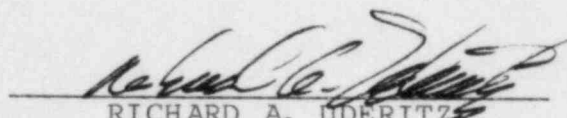
Mr. James Linville
Senior Resident Inspector

U. S. Nuclear Regulatory Commission
Document Control Desk
Washington, D. C. 20555

STATE OF NEW JERSEY)
) SS.
COUNTY OF SALEM)

RICHARD A. UDERITZ, being duly sworn according to law deposes
and says:

I am a Vice President of Public Service Electric and Gas
Company, and as such, I find that matters set forth in our
response dated March 14, 1984, to IE BULLETIN 83-07 "Apparently
Fraudulent Products Sold by Ray Miller, Inc.", are true to the
best of my knowledge, information and belief.


RICHARD A. UDERITZ

Subscribed and sworn to before me
this 15th day of March, 1984


Notary Public New Jersey

My Commission expires

DELORIS HADDEN
A Notary Public of New Jersey
My Commission Expires Jan. 23, 1985