

**DUKE POWER COMPANY**

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HAL B. TUCKER  
VICE PRESIDENT  
NUCLEAR PRODUCTION

TELEPHONE  
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March 22, 1984

Mr. James P. O'Reilly, Regional Administrator  
U. S. Nuclear Regulatory Commission  
Region II  
101 Marietta Street, NW, Suite 2900  
Atlanta, Georgia 30303

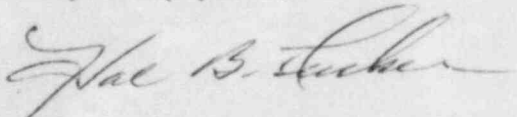
Re: Oconee Nuclear Station  
Docket Nos. 50-269, -270, -287  
IE Bulletin 83-07

Dear Sir:

In response to NRC letter dated July 22, 1983 which transmitted IE Bulletin 83-07 concerning apparently fraudulent products sold by Ray Miller, Inc., please find attached a report for Oconee Nuclear Station. This report is provided in response to Item 4 of the bulletin.

I declare under penalty of perjury that the information contained herein is correct to the best of my knowledge as executed on March 22, 1984.

Very truly yours,



Hal B. Tucker

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Attachment

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

Mr. J. C. Bryant  
NRC Resident Inspector  
Oconee Nuclear Station

Ms. Helen Nicolaras  
Office of Nuclear Reactor Regulation  
U. S. Nuclear Regulatory Commission  
Washington, D. C. 20555

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Duke Power Company  
Oconee Nuclear Station  
Response to IE Bulletin 83-07

Item 1:

Based on a review of the attached lists of Ray Miller, Inc. customers who received apparently fraudulent materials (Attachment 1 and 2), and pertinent information obtained from any of these companies, either directly or indirectly:

- (a) Identify those companies on the lists that supplied materials or services to your facility (include subcontractors as well as major contractors); and
- (b) Determine whether any of the apparently fraudulent Ray Miller, Inc. materials were provided to or used at your facility.
- (c) Determine whether any of the apparently fraudulent material supplied to you was installed in safety-related systems at your facility, or is still in stock.
- (d) If other Ray Miller, Inc. materials not listed in Attachments 1 and 2 have been identified by your own initiative, determine whether any was installed in safety-related systems at your facility, or is still in stock.

Response (1a, 1b):

Duke Power has reviewed the information provided by the bulletin and, also, has contacted all vendors on our Approved Suppliers List both past and present, and questioned them concerning the subject bulletin.

Based on this investigation, Duke has determined that the only apparently fraudulent material sold by Ray Miller, Inc. was supplied to Oconee Nuclear Station by Poe Corporation of Greenville, South Carolina and was used in a non-safety related application within the Water Treatment Room.

Response (1c):

As far as our records indicate, none of the apparently fraudulent material supplied to Oconee has been used for any safety related application and the current inventory of stock for safety related applications does not contain material supplied by Ray Miller, Inc.

Response (1d):

Duke Power has reviewed the information provided by the bulletin and, also, has contacted all vendors on our Approved Suppliers List both past and present, and questioned them concerning the subject bulletin.

Based on this investigation, Duke has determined, as far as our records indicate, that none of the apparently fraudulent material supplied to Oconee has been used for any safety related application and the current inventory of stock for safety related applications does not contain material supplied by Ray Miller, Inc.

Item 2:

For Ray Miller, Inc. materials, both the NRC-identified apparently fraudulent materials listed in Attachments 1 and 2, and other materials identified by your own initiative, that are installed in safety-related systems of your facility:

- (a) Evaluate the safety significance of the presence of these materials assuming the fraud is as identified in the attachments or assuming material failure.
- (b) Determine the disposition of the installed material, e.g., use as is, remove and replace, etc.

Response (2):

Not applicable to Oconee Nuclear Station.

Item 3:

For all material from Ray Miller, Inc. still in stock, whether identified by item 1 or previously identified by your own initiative:

- (a) Segregate into two groups: (1) material included in the purchase orders listed in the fraudulent data file, and (2) all other material supplied by Ray Miller, Inc., regardless of the branch office that supplied the material.
- (b) For the material included in the fraudulent data file:
  - (1) Discard the material, or
  - (2) Tag or otherwise mark the materials for use only in systems not important to safety.
- (c) For material supplied by Ray Miller that is not included in the fraudulent data file, do one of the following:
  - (1) Discard the material.
  - (2) Tag or otherwise mark the materials for use only in systems not important to safety, or
  - (3) Subdivide material into groups of identical items and examine and test material in each group in accordance with either item (i) or (ii), below:
    - (i) Perform sufficient comprehensive examinations and tests to qualify each group of material for use in systems important to safety. If there are less than 10 identical items in the group, each item should be examined. If there are 10 or more identical items, a statistical sampling plan may be used to

Item 3(c)(3)(i) cont'd:

demonstrate with 90% confidence that 90% of the material conforms to the purchase specifications. Groups of material found acceptable may be used as desired.

- (ii) Perform comprehensive examinations and tests of a limited sample of each group of identical items. The minimum sample size is to be two items, or 10% of the items in the group, whichever is greater. Examination and test of this limited sample does not provide a high degree of assurance that the entire group satisfies the procurement specifications. The NRC will compile the results of all the data received, determine the statistical significance of the results, and advise industry of the overall results and conclusions. Therefore, a utility should not use this material in systems important to safety until the NRC's evaluation is complete.

Response (3):

As far as our records indicate, the current inventory of stock for safety related applications does not contain material supplied by Ray Miller, Inc.

Item 4:

Provide a written report describing the results of the actions in item 1 through 3. Table 1 (Attachment 3) provides a suggested format for reporting the results of the examinations and testing of materials.

Response (4):

Provided per this report.