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**Consumers
Power
Company**

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March 22, 1984

J G Keppler, Administrator
U S Nuclear Regulatory Commission
Region III
799 Roosevelt Road
Glen Ellyn, IL 60137

MIDLAND ENERGY CENTER
MIDLAND DOCKET NOS 50-329, 50-330
IE BULLETIN 83-06: APPARENTLY FRAUDULENT MATERIALS SUPPLIED BY RAY MILLER INC
FILE: 0505.12 SERIAL: 28440

In accordance with the directive given in IE Bulletin 83-07, this report identifies the activities that have been completed and/or are in progress, to resolve the issue of apparently fraudulent material supplied by Ray Miller Inc.

An investigation has been performed by Bechtel San Francisco Central Supplier Quality (SFHQ) Department to determine if any sub-suppliers have supplied Ray Miller material to the Midland Plant. The following is a summary of this investigation:

1. To date, of the 451 letters mailed from SFHQ, 93 letters went to vendors that supplied material to the Midland project. Bechtel Ann Arbor has received 81 (87%) of the Midland responses. The investigation of the 12 non-responding subsuppliers is continuing.
2. Of the 81 "response letters", only one supplier (Richmond Engineering (RECO)) has identified Ray Miller material being furnished to Midland. The identified materials are four flanges 4"-150RF50, SA182F 316 stainless steel. Identified material was furnished on Bechtel Power Corporation Purchase Order 7220-M-65-AC. Subject purchase order was non-Q-listed for two resin storage tanks.

B&W has completed a review of their QA data packages and purchase order packages, which include the names of their suppliers, and have compared these suppliers with the lists of purchasing and receiving companies that were given in the Bulletin. The following is the result of that review:

1. Control and Instrumentation (C&I) related equipment

This category represents the safety-related pressure boundary components in the C&I Systems.

- a. There were approximately 34 QA data packages to review for this equipment.

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- b. All of these QA packages have been reviewed.
- c. None of the Ray Miller customers listed in the Bulletin were identified as having supplied safety-related hardware to the Midland Plant.

2. Spare Parts for the Midland Plant

This category represents safety-related equipment that has either been purchased or is on order.

There were approximately 70 purchase order packages.

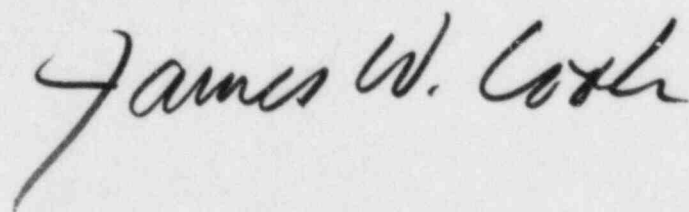
- b. All of these purchase order packages have been reviewed.
- c. None of the Ray Miller customers listed in the Bulletin were identified as having supplied safety-related hardware to the Midland Plant.

3. B&W Systems other than 1 and 2 above.

- a. There were approximately 75 QA data packages reviewed for these systems.
- b. All of the QA data packages have been reviewed.
- c. This review has resulted in the following findings:
 - 1) Atlas Industries, a supplier for the letdown coolers, obtained flanges from the Gulf and Western, Taylor Forge division in Long Island City not the New Jersey location for Gulf and Western listed in Bulletin 83-07.
 - 2) Dresser Industries, a Midland Plant supplier, obtained some materials from Huntington Alloys in the 1977 time frame.

Additional inquiries will be made directly to these subsuppliers.

The next report on IE Bulletin 83-07 is planned for June 15, 1984.



JWC/WFK/bjw

CC RJCook, Midland Resident Inspector
DSHood, US NRC

CONSUMERS POWER COMPANY
Midland Units 1 and 2
Docket No 50-329, 50-330

Letter Serial 28440 Dated March 22, 1984

At the request of the Commission and pursuant to the Atomic Energy Act of 1954, and the Energy Reorganization Act of 1974, as amended and the Commission's Rules and Regulations thereunder, Consumers Power Company submits this interim response to IE Bulletin 83-07 regarding Ray Miller, Inc.

CONSUMERS POWER COMPANY

By

J W Cook
J W Cook, Vice President
Projects, Engineering and Construction

Sworn and subscribed before me this 26th day of March 1984

Patricia A. Luffer
Notary Public
Jackson County, Michigan
Bay

My Commission Expires 3-4-86