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MURRAY R. EDELMAN

VICE PRESIDENT
NUCLEAR

June 24, 1983

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

RE: Perry Nuclear Power Plant
Docket Nos. 50-440; 50-441
Interim Report Concerning
Johnson Controls, Inc. (JCI)
Failure to Adequately Verify
Unistrut Corp. [RDC 69(83)]

Dear Mr. Keppler:

This letter serves as the second interim report on the potential significant deficiency concerning the failure of the Instrumentation Contractor, Johnson Controls Inc., to adequately verify acceptability on implementation of the QA program of their subvendor Unistrut Corporation. This item was originally identified to Mr. P. Pelke of your office on March 29, 1983, by Mr. E. Riley of The Cleveland Electric Illuminating Company (CEI). Our first interim report on this subject, filed April 28, 1983, indicated that our next report would be filed by May 27, 1983. An extension for this submittal was requested of and granted by Mr. H. Wescott of your office during a telephone conversation with Mr. B. D. Walrath of CEI on May 27, 1983.

This report contains a description of the potential deficiency and the corrective action taken and the projected date for submittal of our final report.

Description of Potential Deficiency

During review of Unistrut procurement document package and subsequent re-audit/evaluation of Unistrut Corporation by Johnson Controls, it was identified that the requirements of ASME Section III, Subsection NF, paragraph 2610, had not been imposed on the Material Subvendors. Paragraph 2610 requires that all Material Manufacturers document and maintain Quality Systems Programs in accordance with ASME Section III, Subsection NA, Paragraph 3700.

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Corrective Action

Since identification of this problem, the Project Organization Construction Quality Section has issued Corrective Action Request 83-03 to Johnson Controls and Nonconformance Report #CQC 2670.

The NR has been evaluated by Site Engineering Department. It has been determined that ASME Section III Code Case 1728 allows a material supplier whose Quality System Program does not meet all the requirements of NA-3700 to furnish ASME material of the type in question provided certain minimum conditions are met. The most important of these conditions is "measures to assure that all such material products comply with the requirements of the material specifications and with the special requirements of Section III...that apply to the material." To this end, sample material was sent to an independent testing lab for analysis to compare to certified material test reports and certificates of compliance submitted by Johnson Controls. The results of these tests has sufficiently verified the adequacy of these documents and, therefore, the NR has been dispositioned "use-as-is".

Johnson Controls' response to CAR 83-03 has been evaluated by Construction Quality Section and found to be unacceptable. Johnson Controls is presently preparing a revised response. Our final report on this subject is now scheduled to be submitted by July 30, 1983, after receipt and evaluation of the Johnson Controls revised response.

Please call if there are any questions.

Sincerely,



Murray R. Edelman
Vice President
Nuclear Group

MRE:pab

cc: Mr. M. L. Gildner
NRC Site Office

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