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June 22, 1984 REGION V I&E  
ANPP-29809-TDS/TRB

U. S. Nuclear Regulatory Commission  
Region V  
Creskide Oaks Office Park  
1450 Maria Lane - Suite 210  
Walnut Creek, CA 94596-5368

Attention: Mr. T. W. Bishop, Director  
Division of Resident  
Reactor Projects and Engineering Programs

Subject: Interim Report - DER 84-41  
A 50.55(e) Potentially Reportable Deficiency Relating To  
Adequacy Of Cardinal Industrial Products Program For Supplier  
Qualification  
File: 84-019-026; D.4.33.2

Reference: Telephone Conversation between P. Narbut and T. Bradish on  
May 24, 1984

Dear Sir:

The NRC was notified of a potentially reportable deficiency in the  
referenced telephone conversation. At that time, it was estimated that a  
determination of reportability would be made within thirty (30) days.

Due to the extensive investigation and evaluation required, an Interim  
Report is attached. It is now expected that this information will be  
finalized by August 31, 1984, at which time a complete report will be  
submitted.

Very truly yours,

*Bryant J. Adair*  
FOR  
E. E. Van Brunt, Jr. Ed VAN BRUNT, JR.  
APS Vice President  
Nuclear Production  
ANPP Project Director

EEVB/TRB:db  
Attachment

cc: See Page Two

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PDR ADOCK 05000528  
S PDR

IE-27.1

Mr. T. W. Bishop  
DER 84-41  
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cc: Richard DeYoung, Director  
Office of Inspection and Enforcement  
U. S. Nuclear Regulatory Commission  
Washington, D. C. 20555

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INTERIM REPORT - DER 84-41  
POTENTIAL REPORTABLE DEFICIENCY  
ARIZONA PUBLIC SERVICE COMPANY (APS)  
PVNGS UNIT 1, 2, 3

I. Potential Problem

Based on audits performed by APS (February 16, 1984) and Bechtel (May 16, 1984), Cardinal Industrial Products (CIP) documentation may not be adequate to substantiate material qualification. The NRC, during an inspection interview on April 27, 1984, also questioned the adequacy of Cardinal's programs for supplier qualification and upgrading of stock materials.

II. Approach to And Status of Proposed Resolution

To fully disposition this condition, the following action has been initiated:

- \* Material received from CIP in storage at the jobsite was red-tagged on May 23, 1984.
- \* CIP was removed from the PVNGS bidder's list effective May 7, 1984.
- \* CIP purchase orders are being or have been reviewed and subject materials classified into code categories.
- \* Field and home office purchase orders were reviewed and materials purchased from CIP were identified. A list of these materials was given to APS Quality Assurance on May 30, 1984, that included the following information:
  1. Field purchase order number, quantity and location of ASME III, Class 1, material for Units 1, 2, and 3.
  2. Known use and application of ASME III, Class 2, materials for Units 1, 2, and 3.
  3. A listing of materials procured for replenishment of ASME stock materials.

Note: Direct traceability of all ASME III, Class 2 materials to actual application is not possible from purchase orders or FMR's.

- \* Purchase orders for ASTM materials were reviewed and materials purchased from CIP were identified.
- \* Bechtel issued letters to appropriate subvendors directing a similar review of purchase orders with regard to proper use of impact testing requirements. Responses are expected by June 26, 1984.

Mr. T. W. Bishop  
ANPP-  
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\* NCR Nos. PX-8513, MX-2218 and CX-4718 were initiated on May 23, 1984.

The problem is being investigated and evaluated to determine reportability and to develop a corrective action plan.

III. Projected Completion of Corrective Action and Submittal of the Final Report

Evaluation of this condition and submittal of the Final Report is Forecast to be completed by August 31, 1984.