APPENDIX B

U. S. NUCLEAR REGULATORY COMMISSION
REGION IV

NRC Inspection Report: 50-498/85-07
50-499/85-07

Construction Permit: CPPR-128
CPPR-129

Dockets: 50-498 and 50-499

Licensee: Houston Lighting & Power Company
P. O. Box 1700
Houston, Texas 77001

Facility Name: South Texas Project, Units 1 and 2

Inspection At: South Texas Project, Matagorda County, Texas

Inspection Conducted: May 13-24, 1985, and May 28-31, 1985

Inspector: B. A. Breslau 7/8/85
B. A. Breslau, Reactor Inspector, Project Section B, Reactor Project Branch 1 — Date

Approved: 7/9/85
G. L. Constable, Chief, Project Section B, Reactor Project Branch 1 — Date

Inspection Summary

Inspection Conducted May 13-24, 1985, and May 28-31, 1985 (Report 50-498/85-07; 50-499/85-07)

Areas Inspected: This routine, unannounced inspection included examinations of safety-related piping installation, Metrology and Test Equipment Program and review of previously identified items.

The inspection involved 63 inspector-hours onsite by one NRC inspector.

Results: Within the three areas inspected, two violations were identified and discussed in paragraph 3.

DETAILS

1. Persons Contacted

Principal Licensee Employees

*R. R. Hernandez	Principal, Engineer
*S. K. Hubbard	Senior QA Supervisor
*J. W. Estella	Supervisor Quality Systems
*A. Khosla	Engineer
*F. A. White	Lead Project Compliance Engineer
*J. A. Bleuett	SPE Construction Supervision
*K. M. O'Gara	Project Compliance Engineer
*W. H. Kinsey	Plant Manager
*J. T. Westermeier	Project Manager
*R. L. Perryman	Metrology Laboratory Supervisor
*M. A. Ludwig	Maintenance Superintendent
*W. S. Blair	Maintenance Support Supervisor
*R. L. Sabol	Mechanical QA Supervision
*D. R. Keating	Operations QA General Supervisor
*M. A. McBurnett	Supervision Engineer Nuclear Licensing
*M. R. Wisenburg	Licensing Manager
*R. M. McDaniel	Senior Specialist
*R. C. Arthurs	Project QA General Supervisor

Bechtel Power Corporation (Bechtel)

*R. W. Medina	Lead QA Engineer
*G. M. Washko	Piping Engineer
*J. Noxon	QA Engineer
*B. Trefethern	Site Engineer/I&C
*J. L. Hurley	Site Engineering Manager
*R. W. Miller	Deputy PQAM
*D. M. Stover	Construction Manager
*J. B. Gatewood	PQAE

Ebasco Services Inc. (Ebasco)

*J. A. Thompson	Site Manger
*R. G. Pick	QA Site Supervisor
*C. L. Hawn	Quality Program Site Manager

The NRC inspector also interviewed additional licensee personnel, Bechtel personnel, and other contractor personnel during this inspection.

*Denote those individuals attending one or more management meetings during the inspection periods.

2. Licensee Action on Previously Identified Item

(Closed) Unresolved Item (8312-01) Potential breakdown in Bechtel Quality Assurance Program. HL&P Audit Report D06-201, dated November 2, 1982, documented the results of an audit conducted October 12-18, 1982 on Bechtel's procurement document control activities. The results included 20 deficiencies, 7 CARs and 2 concerns. The overall evaluation of this Bechtel procurement document control process indicated that the procurement control process was (1) inadequately defined in implementing procedures, and (2) was not being performed in accordance with existing procedures, or was being performed without benefit of procedural instruction. This was documented in CAR G-165 which was submitted to Bechtel for resolution. It identified two specifications which failed to have applicable ANSI daughter standards imposed upon the contractor. The specifications involved safety-related pipe supports and containment penetrations. The resolution was to correct specific deficiencies without consideration of any generic program impact.

HL&P Audit Report C10-301, conducted April 1983, documented a similar occurrence to the one described above. A specification (2A010CS001) involving purchase of safety-related concrete services failed to have applicable ANSI daughter standards imposed. The report also noted that the failure to pass on quality program requirements, especially ANSI Standards, had been noted in the past. Specific FSAR sections were identified which required ANSI N45.2.9, N45.2.12, N45.2.13, and N45.2.23 to be included in procurement specifications.

The licensee representative, at that time, indicated that additional information was available but the NRC inspector was unable to review those documents at that time. A subsequent review of those documents by the NRC inspector has been conducted which indicates there was no breakdown in the Bechtel QA program. Bechtel's responses to the HL&P audit findings of November 2, 1982, indicate differing opinions on how to impose ANSI daughter standards and quality program requirements to lower tier contractors. These responses show that Bechtel was imposing adequate specific requirements but not in a methodology acceptable to HL&P. These differences were dispositioned on March 3, 1983, and were acceptable to the NRC inspector.

The HL&P audit conducted April 1983 was originally scheduled for accomplishment July 1982 but because Bechtel's newly developed, project-specific procedures had not been approved and implemented, the audit was delayed on two subsequent occasions. A review of Bechtel's and HL&P's correspondence relating to this subject was reviewed for the period of July 1982 through December 1983. This review showed that necessary corrective actions were taken prior to actual procurement under the specifications.

A follow-up review of Quality Assurance involvement in the current procurement process indicates adequate adherence to established procurement program requirements. Also, a review of selected specifications listed below indicate that each contains applicable ANSI daughter standards and impose quality program requirements.

3E189ES1000	Tray Support
5E530ES1035	Cable Terminations
4L060PS1006	ASME Sec. III Bulk Piping Material
4A900PS1007	ASME Sec. III Nuts and Stud Bolts
3E209ES0031	Electrical Cable Trays.

This item is considered closed.

3. Metrology and Test Equipment Laboratory (M&TE)

The NRC inspector conducted a tour of the M&TE laboratory to review selected procedures and to view compliance with the M&TE Control Program.

During the review, the NRC inspector noted cases of procedural noncompliance. Plant General Procedure PGP-3-ZM-1, Section 3.12.2.1, Administrative Site Procedure ASP-23, Section 8.01.01.01, and Quality Control Procedure QCP 12.1, Section 5.3.1.1 each state in part, " . . . Tool Data Issue/Record Card . . . recording of the identification and dates of all items inspected or tested with the M&TE . . . to provide traceability." Contrary to the above, record card for M&TE ST-CC-3173 did not have "value" column correctly annotated with the reading noted during the inspection/test, instead dates were inserted in the value column. Several record cards were noted to have the record of use section left blank.

Plant General Procedure PGP-3-ZM-1, Section 3.8.1.1 indicated a "Cal/Repair Tag (-5) shall be attached to returned damaged or suspect M&TE, Section 3.12.2.2 states in part "M&TE returned prior to being recalled,---calibration tag -- removed a white dot attached - . Contrary to this, the NRC inspector observed the laboratory clerk attaching Form (-5)s to every piece of M&TE being returned on May 29, 1985. When questioned, the laboratory clerk stated they were verbally instructed to not use white dots and to put Forms (5)s on all M&TE being returned. Administrative Site Procedure ASP-23, Section 8.01.03.02 and Quality Control Procedure QCP-12.1, Section 5.4.1 require M&TE be returned to the calibration laboratory prior to expiration of the calibration period. Additionally, ASP-23, Section 8.01.02 and QCP-12.1, Section 5.3.1.4 require immediate return of M&TE if the calibration sticker is expired. Contrary to these requirements, thickness gage ST-CC-3174 and Oxygen Analyser ST-CC-3173 were not returned until 12 days and 8 days after their respective expiration dates.

Plant General Procedure PGP3-ZM-1, Section 3.3.5 requires M&TE which require calibration to have a history file. M&TE ST-CC-3173 has the required history file but is not listed in the calibration scheduled as required per Section 3.3.4

The above items are considered a violation.

The Metrology and Test Equipment Laboratory employs Plant General Procedures PGP3-ZM-1, Section 3.13 to control the recall of M&TE, the laboratory also utilizes a "check-in/out" log which annotates issue/receipt of M&TE. This log indicates two pieces of test equipment "Simpson & Torque Wrench" have the same identification number (ST-CC-3002). Additionally, the lab uses a M&TE past due tracking log. Neither of these logs are addressed in PGP3-ZM-1 nor are there approved procedures which explain the purpose, responsibilities or actions to be taken in the use of these logs as required per 10 CFR 50 Appendix B Criteria V & QAPD Section 5.

The above items are considered a violation.

4. Field Inspection

The NRC inspector performed a field inspection of safety-related piping, specifically, the Component Cooling Water Piping, drawings 3M 369PCC207 and 5M369PCC207. Selected positions were visually compared to the field drawings, construction specifications and work procedures.

During a review of the above piping system it was noted that the actual installation was different from the field drawing. Drawing 3M369PCC207-A06 did not indicate a coupling which was installed on spool piece CC-1327-1-A between field welds FW0007 and FW0008. Further investigation of documentation revealed Field Change Request, CP-0234W, which showed the correct installation of coupling 1F1 to spool piece CC-1327-1-A.

The NRC inspector reviewed related nondestructive examination documentation. The Process Data Check List for field weld FW0002 in spool CC-1127-A-A1 was incomplete; the QC inspector affixed his stamp adjacent to the operations for performing a visual inspection and verifying final cleaning but he did not check the column for either "accept" or "reject." The QC inspector stated that these were acceptable operations and that he forgot to check the appropriate column after reviewing the completed NDE documents. The Weld Data Card for field weld FW0007-1 on spool CC-1103-WA was incomplete; operation steps for performing a VT and MT were designated as QC hold points. These points were not signed/initialed to indicate accomplishment. This deficiency was carried over during the turnover from Brown & Root, Inc., to Bechtel Power Corporation as part of NCR EM00001. The indicated disposition was "N/A.", i.e. the weld was incorrectly believed to have been cut out by Brown & Root - no visual inspection was conducted

to verify as-built before annotating disposition. The licensee stated they know they may have similar problems with other weld dispositions and are in the process of verifying NCR EM00001. This item will be carried as an open item (8507-03) until the processing of transition phase deficiencies and conditions have been verified and properly dispositioned.

5. Audit Results Review

The NRC inspector reviewed the following selected audit results to verify that each is in the appropriate format as specified in the administrative controls. Additionally, each audit was reviewed to assure that corrective action could be effectively carried out by the audited organization.

M14-501	ESI Welding Materials and Qualifications Control
M17-501	ESI Pipe Hangers and Supports
G01-501	BEC QA/QC Surveillances, Audits, and Inspections
G44-501	HL&P Calibration of M&TE

The NRC inspector reviewed the audited organization's responses and corrective actions and, from this review, determined these responses to be adequate.

No violations or deviations were identified.

6. Nonconforming Item Reports (NCRs)

The NRC inspector reviewed the below selected (NCRs). These were examined to verify the action taken corrected the item and the cause of the deficiency was determined.

CM00306	Weld Filler Material
CM00076	Consumable Material
CM00154	Weld Filler Material
HM00141	Fan Cooler Discharge Ducts
HM00254	Weld Filler Material
HM00294	Weld Filler Material

Within the areas examined, the NCRs were found acceptable.

No violations or deviations were identified.

7. Surveillance Reports

The NRC inspector reviewed the following selected Surveillance Reports to verify that responsibilities, planning, scheduling, conduct, corrective action and records were in accordance with administrative controls.

SH-0165	Calibration
SH-0176	Weld Filler Material Control
SH-0306	Weld Filler Material Control
SH-0297	Material Control/Storage

No violations or deviations were identified.

8. Exit Interview

Exit interviews were held May 21, 1985, and May 31, 1985, with licensee management personnel. Those attending one or more of the meetings are denoted in paragraph 1. At these meetings, the scope and findings of the inspection were presented.