




UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

November 3, 1988

MEMORANDUM FOR: W. L. Axelson, Chief, Reactor Projects Branch 2
FROM: E. R. Swanson, Senior Resident Inspector
Palisades Nuclear Power Plant
SUBJECT: MASONEILAN VALVE PARTS 10 CFR 21 REPORT

As a result of the Consumers Power's identification of parts supplied through S-W Controls for use in Masoneilan valves, a review of the procurement issues was done by the licensee and NRC. On October 21, 1988 a summary meeting was held onsite at Palisades, attended by managers from S-W Controls, Masoneilan, Consumers Power Company and the NRC as indicated by the attached attendance list. Conclusions reached are summarized by the 10 CFR 21 report submitted October 21, 1988 and the attached licensee minutes of the meeting. Also attached is a summary accounting of purchase orders filled by S-W Controls. Note that it states, that no other nuclear plants (except Big Rock) had received Masoneilan parts support through S-W Controls. It was also noted through discussions, that S-W Controls purchased most of the CVS inventory from their predecessor Barnum in 1976 when they went out of business. Since then, stock has been bought for non-Q orders from CVS (Control Valve Specialties) and Cor-Val (a spin off formed by a former worker at CVS). CVS was licensed to produce Masoneilan parts from 1975 until 1980. The S-W Controls President estimated that 20% of the spare valve parts nationally are not manufacturer licensed parts.

If there are any additional questions or concerns call me at (616) 764-8971.


Eric R. Swanson
SRI, Palisades

Enclosures:

1. Attendance list of summary meeting
2. 10 CFR 21 Report
3. Licensee meeting minutes
4. Summary of Purchase orders filled by S-W Controls



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C. West
Beach, VAB?

MEMORANDUM FOR: William Beach, Chief, Quality Assurance Branch, NRR

FROM: W. L. Axelson, Chief, Projects Branch 2, Division of Reactor Projects, RIII

SUBJECT: 10 CFR PART 21 REPORT REGARDING DEFECTIVE MASONEILAN VALVE PARTS AT PALISADES NUCLEAR GENERATING PLANT

This is to provide you with the most recent information we have gathered regarding potentially defective components regarding Masoneilan valve parts deficiencies.

On October 18, 1988, I received a formal 10 CFR Part 21 telephone notification from Palisades regarding non-genuine Masoneilan valve parts found at the Palisades Nuclear Generating Plant by a Masoneilan representative. The valve parts were procured from Sample-Webtrol, Inc., the principle Midwest distributor, as commercial grade (CQ) genuine Masoneilan parts. The parts were manufactured by CVS, Inc. and Cor-Val, both companies which are not authorized to manufacture Masoneilan parts, according to the Masoneilan representative. Further, Masoneilan does not authorize the use of non-Masoneilan parts in its valves.

To date, 12 purchase orders for 63 parts have been identified by the licensee and the Masoneilan representatives which were procured from 1983 to 1988 as genuine Masoneilan parts, however, the parts are not genuine. Twenty four of the 63 parts were purchased CQ and dedicated. Twenty parts (CQ and non-Q) of the original 63 were issued to work orders. The 6 CQ parts of these 20 may be installed in basic components.

The licensee is currently examining what safety systems may be affected (if any) and has committed to resolve any safety or operability issue prior to start up. The SRI will followup on this action.

On October 21, 1988, the licensee, NRC Region III, Sample-Webtrol representatives, Masoneilan representatives and Mr. J. Petrosino of your staff attended a meeting to discuss the issue. Enclosed is the licensee's meeting minutes for your use. According to the Sample-Webtrol (S-W) representative only Palisades and Big Rock Point may have been affected by this issue. However, S-W is an authorized Masoneilan distributor for six nuclear plants in the Midwest, all Region III plants.

The exact safety significance of non-genuine Masoneilan parts is unknown to us, however several of the parts identified by Palisades did not meet the manufacturing tolerance or stock material. According to Masoneilan, these defects may affect valve operability. In light of this potential operability issue we recommend an Information Notice should be issued to the industry

*12/1/88 Bill Axelson advised that NRC's version
of the 10 CFR Part 21 report is as follows*

NRR-88-A-0048

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informing them of this, particularly that Masoneilan does not authorize other vendors to manufacture its parts. Further we recommend that the Office of Investigation should examine this case for potential wrongdoing, and determine if it merits an investigation.

Should you need assistance regarding this matter, feel free to contact me.


W. L. Axelson, Chief
Reactor Projects Branch 2

Enclosure: Licensee Meeting
Minutes

cc w/enclosure:

C. H. Weil, RIII

E. T. Pawlik, OI

R. C. Knop, RIII

B. Clayton, RIII

cc w/o enclosure:

E. R. Swanson, SRI