

REVISION 2

08/08/84

SSER

Task No.: Allegation A-252

Reference No.: 4-84-A-06

Characterization: It is alleged that EBASCO interoffice letter W3-QA-23661 (March 4, 1983) was "an example of correspondence written to cover up problems discovered in the documentary group." It is also alleged that the welding deficiencies stated in EBASCO interoffice letter W3QAIRG-0393 (March 22, 1983) were not resolved satisfactorily.

Initial Assessment of Significance: The allegation in regard to welding deficiencies stated in EBASCO interoffice letter W3QAIRG-0393 (March 22, 1983) is covered in the Allegation A-23c Reference No. 4-83-A-81 Report. During the spring of 1982, EBASCO established a Quality Assurance Independent Review Group (QAIRG) to review the status of the documentation furnished by project subcontractors. One group was responsible for the documentation associated with the installation of Tompkins-Beckwith (T-B) piping hangers. During their review, QAIRG members asked questions about the details of their document review. To provide consistent answers to these questions and to give guidance to new QAIRG members, EBASCO management issued W3-QA-23661 on March 4, 1983.

To provide continuity of direction, the letter was jointly written by the EBASCO Manager of the Site, the EBASCO Manager of Information Records, the T-B Quality Assurance (QA) Site Supervisor, and the T-B Engineering Manager. The letter, prior to release, was reviewed and verbally approved by the LP&L Site QA Manager.

The alleged feels that EBASCO management may have attempted to solve problems by dictating solutions rather than by using the established discrepancy reports or nonconformance reports.

The NRC staff reviewed the letter and found no instance of an attempt to provide answers or solutions outside the established QA system. Thus, there was no evidence to support the alleged's claim of a coverup.

This allegation has neither safety significance nor generic implications.

[Potential Violations: None.]

Actions Required: None.

References:

Statement Prepared By:

R. W. Hubbard

Date

Reviewed By:

Team Leader

Date

Reviewed By:

Site Team Leader(s)

Date

Allegation A-252

- 3 -

Approved By:

Task Management

Date

Document Name:
SSER A-252 RIV

Requestor's ID:
LAURIE

Author's Name:
LShao/jkh

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Waterford SSER A-252

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add Harmons statement.

REVISION 0
07/10/84

SSER

Task: Allegations *A-232, A-234, A-237, A-238, A-243, A-244, A-245, A-262, A-311, A-312, A-313, A-316, A-317, A-318, A-320, A-321, A-323, A-324, A-325, A-326, A-327, A-328, and A-331

Reference No.: 4-84-A-06/120, 123, 124, 129, 130, 131, and 144
4-84-A-12/3(a), (b), (c), 6, 7, 8, 10, 11, 13, 14, 15, 16, 17 and 18
4-84-A-31

Characterization: It is alleged that the Mercury, and to a lesser extent the EBASCO, nonconformance systems did not: (1) properly identify nonconforming components; (2) prevent the installation of nonconforming materials, parts, and components; (3) provide for the proper disposition of nonconformances; (4) give quality assurance (QA) personnel the freedom to write nonconformances; and (5) assure that corrective actions were adequate.

Assessment of Allegation: The implied significance of this allegation is that the installation of safety-related systems could be questioned.

Although this allegation appeared to be generic, the large number of specific examples provided to the NRC staff indicated that these problems were related only to certain activities. Some allegations were also related to charges that discrepancy notices (DNs), deficiency reports (DRs), field change requests (FCRs), design change notices (DCNs), and speed letters were used to circumvent the requirement for nonconformance reports (NCRs).

In evaluating this allegation, the NRC staff:

- (1) Reviewed Mercury and EBASCO procedures for processing NCRs, and examined the NCRs identified by the allegers to determine if they were properly dispositioned and to determine if corrective action was taken; and
- (2) Interviewed Mercury, EBASCO, and LP&L quality engineers involved in the NCR system.

The NRC staff reviewed each NCR identified by the allegers to determine how adequately it was reported, reviewed, and dispositioned. These NCRs were further examined for generic problems which could affect other safety-related systems.

The NRC staff found the following with respect to each specific allegation:

1. Allegation A-232 - It was alleged that EBASCO NCR W3-4352 was improperly dispositioned in order to meet ASME Code requirements and ANSI standards

and dispositioned "use-as-is." The NRC staff reviewed the disposition of the NCR and concluded that the corrective action taken for closure was appropriate.

2. Allegation A-237 - Examples of some NCRs were provided which were alleged to be examples of "things not properly handled." Additionally, it was alleged that most Mercury NCRs were not properly addressed or closed.

The NRC staff reviewed between 125 and 150 Mercury NCRs. Of these, the staff found that 19 NCRs had questionable or improper dispositions; they were as follows:

Mercury NCRs

- | | |
|---------------|---|
| 313, 322, 337 | Identified seven ½" stainless steel lines for P2 instruments that were damaged by weld spatter. The NCR stated that the lines were replaced and documented as such in operational control record (OCR) 995 and OCR 1020, but it could not be ascertained from these rework packages that the repair and reinspection was either started or completed. There was no documentation with these NCRs to prove that corrective action was completed. |
| 363 | Indicated a problem with fitup of emergency diesel generator fuel oil tank "A." This was a safety-related system; therefore, an authorized nuclear inspector (ANI) review should have been performed, but was not. |
| 554 | Noted numerous problems with supports during a walkdown. There was no proof of work being performed to correct these problems other than a memo (Form 211) stating that work was performed. |
| 658 | Identified problems with OCR 1671 seismic Category I support, B-430-x23-J-42. The NCR stated "the disposition has been completed, all rework documented." There was no other documentation in the package other than the NCR W3-7317 acceptance letter. |
| 572 | Noted that the weld on support location #26 was undersized. The NCR stated that the weld was reworked and weld metal added to bring weld to sufficient size. There was no reference as to what OCR was issued to perform this rework or traceability of weld metal used in the performance of this job. Also, there were no inspection reports identified or contained in the package. |
| 673 | Identified problems with instrument tubing installed by OCR #723. |

- 674 Identified problems with the electromagnetic control panel worked by OCR #1246.
- 675 Identified problems with instrument tubing installed by OCR #720.
- 676 Identified problems with instrument tubing installed by OCR #720.
- 677 Identified problems with instrument tubing installed by OCR #1332.
- 678 Identified problems with instrument tubing installed by OCR #723.
- 673-678 These NCRs were closed out by the statement: "Administratively closed B31.1 to be tracked and resolved by Mercury Engineering Department." This was unacceptable. (Also, all of these NCRs were reviewed by EBASCO under NCR W3-731 and accepted "as-is.")
- 888 Indicated problems with personnel qualifications; e.g., "Several QC [quality control] type personnel have been certified level II without documented evidence of qualification requirements per QCP 3110 para 1.4 and ANSI N45.2.6." Recommended disposition was marked "N/A" yet the recommended disposition completed stated "This NCR not processed: 1) Initiator not a Mercury employee at time of writing; 2) QCP 3110-...does not apply to W3; 3) ANSI N45.2.6 previously incorporated by QCP 3050 is approved. All M Co. QC techs are trained and tested per QCP 3050 prior to performing inspection or tests."
- 889 Indicated problems dealing with piping supports installed by Mercury in that the installed hangers were different than those noted in Mercury's QC support installation documentation. As with NCR 888, the recommended disposition was marked "N/A" and the recommended disposition was completed by saying "This NCR not processed: 1) Initiator not a M Co. Employee at time of writing; 2) . . ."
- 2234 Stated that no heat numbers could be verified between FW13 and FW13R. This is for OCR 666, System 52B. The recommended disposition was per attachment #4 of NCR W3-4593.
- 3149 Indicated that there was no documented evidence that welder M-343 was qualified to welding procedure specification D (WPS-D). Disposition of this problem

was by use of a weld test coupon subsequently found on April 27, 1983, but no longer available. No documentation existed on the qualification of this welder or on his retest. Thus, all welds made by this welder were suspect.

Generic Problems with NCRs

- o The validity of several dispositions were questionable because the referenced letters used to close these NCRs did not adequately address them.
 - o Several Mercury NCRs identified that discrepancies existed between drawings and documentation. The solution to this problem was to modify the documentation so that it "agreed with what was installed in the field." The adequacy of design was also questionable because of a lack of evidence that a design review was performed by Mercury Engineering.
 - o Some NCR dispositions and QA reviews performed by Mercury did not have sufficient documentation to justify those actions and reviews.
3. Allegation A-238 - It was alleged that Mercury Corrective Action Report (CAR) No. 129 of December 13, 1982, was not handled correctly because the actual problem raised was evaded. The NRC staff reviewed this issue and determined that CAR-129 was reviewed by EBASCO and subsequently upgraded to NCRs W3-5669 and W3-5671. These NCRs were dispositioned and closed on February 18, 1983. The staff concluded that this CAR was dispositioned properly and that this allegation has neither safety significance nor generic implications.
4. Allegation A-234 - It was alleged that many Mercury NCRs were improperly dispositioned and never received EBASCO NCR numbers. While conducting its general review of Mercury NCRs and the NCRs identified in the allegations under A-237, the NRC staff sampled between 125 and 150 of these NCRs to determine if there were Mercury NCRs which should have been elevated to EBASCO NCRs and were not. In conducting its review, the staff found that EBASCO had issued NCR W3-7317 (October 26, 1983) to disposition the violation of Mercury Procedure SP-664 in that when a Mercury NCR was dispositioned "use as is," the Mercury QA Supervisor elevated the applicable NCR to EBASCO. The NRC staff found that this NCR was closed on December 1, 1983, after a 100% review of Mercury NCRs had been conducted. During this review, EBASCO found that 437 Mercury NCRs had been dispositioned "use as is" and had not been reviewed by EBASCO. An EBASCO team composed of QA and construction engineering personnel reviewed these and either concurred in or rejected the dispositions. The disposition of 36 NCRs was rejected by EBASCO and these were subsequently elevated to EBASCO NCRs. The NRC staff reviewed them and a portion of other Mercury NCRs to determine if

there were any marked "use as is" which were not captured by EBASCO's review team and to determine for those dispositioned "use as is" whether they had been elevated to EBASCO NCRs. The staff's findings were that the review conducted by EBASCO appeared to have been adequate in that no NCRs out of the sample examined were dispositioned "use as is" which had not been reviewed by EBASCO and that none were found which were dispositioned "use as is" which should have been elevated to EBASCO NCRs and had not been.

5. Allegation A-243 - The allegation concerned a phone conversation on November 15, 1982, between a Mercury QA Document Reviewer and an employee of the Magnaflux Company about the proper method of obtaining successful magnetic particle test results. The NRC staff reviewed this concern and determined that the events discussed during the conversation violated neither test codes nor procedures. Therefore, the disposition of the Mercury NCRs addressing this problem was proper. This concern has neither safety significance nor generic implications.
6. Allegations A-244-245 - It was alleged that multiple nonconformance reports were not dispositioned correctly. The NRC staff reviewed Mercury NCRs 996, 399, 854, 867, 922, 950, 889, 888, 952, 960, 990, 995, 1025, 1042, and 1027 concurrently with Allegation A-237.
7. Allegations A-311-312-313 - These allegations were that EBASCO NCR W3-4593 (Mercury 881) was not properly dispositioned in that LP&L was not transferring heat numbers to as-built drawings; that LP&L was not transferring all possible heat numbers when they did make transfers; and that heat number charts used for tracking heat numbers were difficult to interpret and were incorrect. The NRC staff investigated this allegation during its general review of EBASCO NCRs. EBASCO NCR W3-4593 was reopened February 16, 1984, with the recognition that approximately 25% of tubing installed could not be directly traced to certified material test reports (CMTRs) or certificates of compliance (C of Cs). This review was also conducted because additional heat numbers for instrument tubing which may have been a part of the Mercury installation were identified. The final disposition (on March 23, 1984) of this NCR was that direct heat number traceability was not required for Mercury tubing installation. The disposition also stated that Mercury did not have a materials control program meeting the requirements of ASME Code Section III or 10 CFR 50, Appendix B, Criterion VIII. This NCR was further dispositioned by requiring Mercury to install materials required by design based on general site controls. However, the NRC staff, in its review, concluded that because of the lack of heat number traceability, section(s) of non-safety tubing issued simultaneously with safety-related tubing of similar size could have been installed as safety-related tubing. Therefore, the staff is not confident that what is supposed to be installed as safety-related tubing is in fact safety-related tubing. Further, both Mercury's lack of a materials control program, and their having traceability to only the warehouse, do not meet ASME Code requirements or 10 CFR 50, Appendix B, Criterion VIII.

8. Allegation A-316 - The allegation was that a draft NCR improperly dispositioned a problem with the thickness of stainless steel tubing. The NRC staff reviewed EBASCO NCR W3-7538 and found it to be properly dispositioned. The tubing in question was ultrasonically tested to determine tubing wall thickness. All tubing was found to have the appropriate wall thickness. Thus, all safety concerns were resolved.
9. Allegation A-317 - The allegation was that draft Mercury OCR 1830/NCR 806 was improperly closed. The NRC staff review of EBASCO NCR W3-7547 revealed that there were disposition problems. For specific details, see Allegations A-33 and A-55.
10. Allegation A-320 - The allegation concerned a draft NCR on Mercury instrumentation supports. The NRC staff review of EBASCO NCRs W3-6514, W3-3947/R1, and W3-5819 revealed that the concern addressed by this allegation was discussed in these EBASCO NCRs. (See Allegation A-33.)
11. Allegation A-321 - The concern over a draft NCR on Mercury Procedure SP-664 was addressed in EBASCO NCR W3-7317. The NRC staff determined that NCR W3-7317 was dispositioned properly and that it resolved the problems addressed.
12. Allegation A-323 - The allegation was that hold tags for Mercury NCRs 2663 and 2665 were removed illegally or prematurely. This allegation was reviewed by the NRC staff who noted that these NCRs were upgraded to EBASCO NCRs W3-5879 and W3-5881, respectively. The documentation indicated that the field welds were increased to the required dimensions and successful NDE results were obtained. The staff could find no evidence that hold tags were removed illegally or prematurely.
13. Allegation A-324 - The allegation was that EBASCO NCR W3-3894 might have to be reopened to address weld data report deficiencies. The NRC staff reviewed this NCR and concluded that it was dispositioned properly and that all safety concerns were resolved.
14. Allegation A-325 - The allegation was that Mercury NCR 3557 was improperly dispositioned. This allegation concerned overpressurization of instrumentation lines during hydrostatic testing. The NRC staff reviewed this NCR and discovered that Mercury NCR 3557, along with NCR 3438, were upgraded to EBASCO NCR W3-6440. The EBASCO NCR was dispositioned by reviewing stress limits of components within the test boundaries. No stress limits were exceeded. The staff concluded that the disposition of the item was proper and that it had neither safety significance nor generic implications.
15. Allegation A-326 - This allegation concerned proposed stop work orders and was addressed by the NRC staff during its review of Allegations A-311, A-312, A-313, and A-315.
16. Allegation A-327 - The concern of NCR W3-6159 was addressed in the evaluation for Allegation A-33 and A-55.

17. Allegation A-328 - This allegation concerned the EBASCO Site Support Engineering (ESSE) review of hardware-related NCRs and was reviewed by the NRC staff. This concern was evaluated when the NRC staff reviewed Allegations A-33 and A-55 when it was discovered that EBASCO NCR W3-7317 was properly dispositioned and closed out.
18. Allegation A-331 - This allegation concerned the improper closure of NCRs and has been evaluated in the NRC staff review of Allegations A-33 and A-55.
19. Allegation A-318 - The concern over Mercury hold tag installation and retrieval, as identified in interoffice correspondence W3QA-26547, was reviewed by the NRC staff. The initial audit described in correspondence W3QA-26547 revealed five of the ten NCRs audited had missing hold tags. In response to this problem, LP&L reported they had located eight of the ten NCR hold tags; two were assumed to be lost.
20. Allegation A-262 - This allegation was that welder qualifications were falsified. This issue was evaluated in Allegation A-237.

In conclusion, the NRC staff found that the inadequate disposition of Mercury NCRs is a safety significant issue and has potential generic implications for the Mercury NCR system. ~~This issue will require action on the part of LP&L,~~

Potential Violations: The lack of adequate disposition of NCRs is a violation of 10 CFR 50, Appendix B, Criterion XVI, and the ASME Code.

Actions Required: See Item No. 6 of the enclosure to the D. Eisenhower letter to J. M. Cain dated June 13, 1984. ←

References

Insert A

1. EBASCO Procedure ASP-III-7, Processing Nonconformances and Audits.
2. EBASCO Quality Assurance Instruction (QAI)#31, Processing of Nonconformance Reports.
3. Mercury Procedure for Handling of Nonconformances and Corrective Action - SP664.
4. Numerous interviews with LP&L, EBASCO, and former Mercury QA Engineers.

Statement Prepared By:

J. Whittemore

Date

T. Morgan

Date

Reviewed By:

Team Leader

Date

Reviewed By:

Site Team Leader(s)

Date

Approved By:

Task Management

Date

A-48

Add

stet

In addition LP&L shall, prior to exceeding 5% power, obtain all missing voided Mercury Company NCR's (this includes all NCR's entered into the NCR system as well as those rejected by Quality Management), These NCR's shall and reviewing them, be reviewed to determine the basis for voiding; e.g., contact present or previous employees and attempt to locate or recreate the NCR.

insert
A

pg 7

Constance

To : Denny CRUTCHFIELD
(801-492-7617 (3m))

Fm : Jim GAGLIARDO
Phillips Bldg

THIS IS A REVISION
TO A-48 THAT JAY
SAYS WE NEED TO INCORP

A/232

Retype Remote
8/15

File

REVISION 0
07/10/84

SSER

Task: Allegations *A-232, A-234, A-237, A-238, A-243, A-244, A-245, A-262,
A-311, A-312, A-313, A-316, A-317, A-318, A-320, A-321,
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Reference No.: 4-84-A-06/120, 123, 124, 129, 130, 131, and 144
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and 18
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Although this allegation appeared to be generic, the large number of specific examples provided to the NRC staff indicated that these problems were related only to certain activities. Some allegations were also related to charges that discrepancy notices (DNs), deficiency reports (DRs), field change requests (FCRs), design change notices (DCNs), and speed letters were used to circumvent the requirement for nonconformance reports (NCRs).

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Mercury NCRs

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363

Indicated a problem with fitup of emergency diesel generator fuel oil tank "A." This was a safety-related system; therefore, an authorized nuclear inspector (ANI) review should have been performed, but was not.

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Noted numerous problems with supports during a walkdown. There was no proof of work being performed to correct these problems other than a memo (Form 211) stating that work was performed.

658

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572

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673

Identified problems with instrument tubing installed by OCR #723.

Insert

See 193

674

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675

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676

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677

Identified problems with instrument tubing installed by OCR #1332.

678

Identified problems with instrument tubing installed by OCR #723.

673-678

These NCRs were closed out by the statement: "Administratively closed B31.1 to be tracked and resolved by Mercury Engineering Department." This was unacceptable. (Also, all of these NCRs were reviewed by EBASCO under NCR W3-731 and accepted "as-is.")

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Indicated problems dealing with piping supports installed by Mercury in that the installed hangers were different than those noted in Mercury's QC support installation documentation. As with NCR 888, the recommended disposition was marked "N/A" and the recommended disposition was completed by saying "This NCR not processed: 1) Initiator not a M Co. Employee at time of writing; 2) . . ."

2234

Stated that no heat numbers could be verified between FW13 and FW13R. This is for OCR 666, System 52B. The recommended disposition was per attachment #4 of NCR W3-4593.

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Indicated that there was no documented evidence that welder M-343 was qualified to welding procedure specification D (WPS-D). Disposition of this problem

Indicates ~~the~~ problems with NCRs 673-678

was by use of a weld test coupon subsequently found on April 27, 1983, but no longer available. No documentation existed on the qualification of this welder or on his retest. Thus, all welds made by this welder were suspect.

Generic Problems with NCRs

- o The validity of several dispositions were questionable because the referenced letters used to close these NCRs did not adequately address them.
- o Several Mercury NCRs identified that discrepancies existed between drawings and documentation. The solution to this problem was to modify the documentation so that it "agreed with what was installed in the field." The adequacy of design was also questionable because of a lack of evidence that a design review was performed by Mercury Engineering.
- o Some NCR dispositions and QA reviews performed by Mercury did not have sufficient documentation to justify those actions and reviews.

3. Allegation A-238 - It was alleged that Mercury Corrective Action Report (CAR) No. 129 of December 13, 1982, was not handled correctly because the actual problem raised was evaded. The NRC staff reviewed this issue and determined that CAR-129 was reviewed by EBASCO and subsequently upgraded to NCRs W3-5669 and W3-5671. These NCRs were dispositioned and closed on February 18, 1983. The staff concluded that this CAR was dispositioned properly and that this allegation has neither safety significance nor generic implications.
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there were any marked "use as is" which were not captured by EBASCO's review team and to determine for those dispositioned "use as is" whether they had been elevated to EBASCO NCRs. The staff's findings were that the review conducted by EBASCO appeared to have been adequate in that no NCRs out of the sample examined were dispositioned "use as is" which had not been reviewed by EBASCO and that none were found which were dispositioned "use as is" which should have been elevated to EBASCO NCRs and had not been.

5. Allegation A-243 - The allegation concerned a phone conversation on November 15, 1982, between a Mercury QA Document Reviewer and an employee of the Magnaflux Company about the proper method of obtaining successful magnetic particle test results. The NRC staff reviewed this concern and determined that the events discussed during the conversation violated neither test codes nor procedures. Therefore, the disposition of the Mercury NCRs addressing this problem was proper. This concern has neither safety significance nor generic implications.
6. Allegations A-244-245 - It was alleged that multiple nonconformance reports were not dispositioned correctly. The NRC staff reviewed Mercury NCRs 996, 399, 854, 867, 922, 950, 889, 888, 952, 960, 990, 995, 1025, 1042, and 1027 concurrently with Allegation A-237.
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8. Allegation A-316 - The allegation was that a draft NCR improperly dispositioned a problem with the thickness of stainless steel tubing. The NRC staff reviewed EBASCO NCR W3-7538 and found it to be properly dispositioned. The tubing in question was ultrasonically tested to determine tubing wall thickness. All tubing was found to have the appropriate wall thickness. Thus, all safety concerns were resolved.
9. Allegation A-317 - The allegation was that draft Mercury OCR 1830/NCR 806 was improperly closed. The NRC staff review of EBASCO NCR W3-7547 revealed that there were disposition problems. For specific details, see Allegations A-33 and A-55.
10. Allegation A-320 - The allegation concerned a draft NCR on Mercury instrumentation supports. The NRC staff review of EBASCO NCRs W3-6514, W3-3947/R1, and W3-5819 revealed that the concern addressed by this allegation was discussed in these EBASCO NCRs. (See Allegation A-33.)
11. Allegation A-321 - The concern over a draft NCR on Mercury Procedure SP-664 was addressed in EBASCO NCR W3-7317. The NRC staff determined that NCR W3-7317 was dispositioned properly and that it resolved the problems addressed.
12. Allegation A-323 - The allegation was that hold tags for Mercury NCRs 2663 and 2665 were removed illegally or prematurely. This allegation was reviewed by the NRC staff who noted that these NCRs were upgraded to EBASCO NCRs W3-5879 and W3-5881, respectively. The documentation indicated that the field welds were increased to the required dimensions and successful NDE results were obtained. The staff could find no evidence that hold tags were removed illegally or prematurely.
13. Allegation A-324 - The allegation was that EBASCO NCR W3-3894 might have to be reopened to address weld data report deficiencies. The NRC staff reviewed this NCR and concluded that it was dispositioned properly and that all safety concerns were resolved.
14. Allegation A-325 - The allegation was that Mercury NCR 3557 was improperly dispositioned. This allegation concerned overpressurization of instrumentation lines during hydrostatic testing. The NRC staff reviewed this NCR and discovered that Mercury NCR 3557, along with NCR 3438, were upgraded to EBASCO NCR W3-6440. The EBASCO NCR was dispositioned by reviewing stress limits of components within the test boundaries. No stress limits were exceeded. The staff concluded that the disposition of the item was proper and that it had neither safety significance nor generic implications.
15. Allegation A-326 - This allegation concerned proposed stop work orders and was addressed by the NRC staff during its review of Allegations A-311, A-312, A-313, and A-315.
16. Allegation A-327 - The concern of NCR W3-6159 was addressed in the evaluation for Allegation A-33 and A-55.

fit-ups (CARs 020, 027, 034, 061, 069, 074, and 088). These trends are only examples of adverse conditions that were identified in the early stages of construction but where effective corrective action was not taken by Mercury, Ebasco or LP&L.

7. Review of Mercury Auditing, Nonconformance and Corrective Action Procedures

Auditing. Mercury QAM Section 15.0 and QCP-3020 did not describe audits of vendor services, such as those rendered by Welder's Testing Laboratory of Metairie, Louisiana, nor did they incorporate the requirements of ANSI N45.2.12 Draft 3 Rev. 4 (February 22, 1974), concerning followup action when a CAR is not issued and references to other applicable standards, as specified in paragraph 1.5 "Referenced Documents." Nor did Procedure QCP-3020 require a pre-audit conference, even though the ANSI standard stated that a conference "shall be conducted."

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21. Nonconformances and Corrective Action. QAM Section 12 and SPP-664, Revision 4, requires that an NCR be written "When the suspected nonconforming material, items, and services are determined by the QA Manager to be nonconforming,..." The NRC staff determined that draft nonconformance reports (NCRs) submitted to the QA manager could be rejected or voided by him as allowed by the procedure. It was, however, found that draft or voided NCRs were not being retained as QA records. Therefore, the disposition or justification for rejection was not auditable because the draft or voided NCRs were destroyed. The NRC staff interviewed former Mercury and other site personnel who had direct knowledge of the NCR system. They acknowledged that such a system may have impeded project personnel from processing NCRs. An LP&L QA engineer stated that LP&L had addressed this problem when Mercury management was supplemented by EBASCO in 1982. Mercury personnel were then encouraged to write NCRs and as a result the number increased from several hundred to more than 3000. This happened when about 80% of Mercury's work had

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been completed. However, the NRC staff commented that this increased NCR activity would not necessarily solve the problem of failure to process or document rejection or voiding of draft NCRs that were submitted by personnel who left the site prior to LP&L's initiation of this policy.

REVIEW OF EBASCO AUDITS AND CORRECTIVE ACTION

The NRC staff reviewed the 27 EBASCO audits of all QA records in 1983 against Criterion XVII of 10 CFR 50 for the following groups: EBASCO Force Account, EBASCO QA Records Department, EBASCO QA Records HVAC, Tompkins-Beckwith, B&B Insulation Inc., GEO Testing, and EBASCO Service, Inc. The purpose of this review was to determine if these audits had identified deficiencies in QA record package turnovers. None were found. The review included audit findings and responses for four audits which contained findings.

All 1982 EBASCO audits of Fischbach & Moore (19), NISCO (20), and Tompkins-Beckwith (23) were reviewed for areas audited, findings, and responses in file. Eight EBASCO auditor qualification files were also reviewed. The staff determined that there was no evidence of a system to ensure that systematic audits were performed on contractor design, procurement, engineering, and construction procedures that implemented the QA program.

The NRC staff evaluated all 51 EBASCO audits of the Mercury Company performed from 1978 to 1982 to determine if breakdowns in the QA program between Mercury and EBASCO existed. The following is a summary of that evaluation.

1. Management Breakdown

As a result of the breakdown between EBASCO and Mercury management, LP&L and EBASCO had to supplement Mercury management with EBASCO management to complete the project.

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add:

In addition, LP&L shall prior to exceeding 5% power obtain all missing voided Mercury Company NCRs (this includes all NCRs entered into the NCR system as well as those rejected by Quality Management). These NCRs shall be reviewed for proper voiding (basis); e.g., contact present or previous employees and attempt to locate or recreate the ~~the~~ NCR.

We are not going to open up new voiding areas this late in the process. LP&L has been told to address this issue as a part of their response to the NCR question. There is no need to add this.

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& at 8/17, mtg public

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17. Allegation A-328 - This allegation concerned the EBASCO Site Support Engineering (ESSE) review of hardware-related NCRs and was reviewed by the NRC staff. This concern was evaluated when the NRC staff reviewed Allegations A-33 and A-55 when it was discovered that EBASCO NCR W3-7317 was properly dispositioned and closed out.
18. Allegation A-331 - This allegation concerned the improper closure of NCRs and has been evaluated in the NRC staff review of Allegations A-33 and A-55.
19. Allegation A-318 - The concern over Mercury hold tag installation and retrieval, as identified in interoffice correspondence W3QA-26547, was reviewed by the NRC staff. The initial audit described in correspondence W3QA-26547 revealed five of the ten NCRs audited had missing hold tags. In response to this problem, LP&L reported they had located eight of the ten NCR hold tags; two were assumed to be lost.
20. Allegation A-262 - This allegation was that welder qualifications were falsified. This issue was evaluated in Allegation A-237.

Insert 1
21. In conclusion, the NRC staff found that the inadequate disposition of Mercury NCRs is a safety significant issue and has potential generic implications for the Mercury NCR system. This issue will require action on the part of LP&L.

are improper wording
Potential Violations: The lack of adequate disposition of NCRs is a violation of 10 CFR 50, Appendix B, Criterion XVI, and the ASME Code. *Missing NCRs are a violation of 10 CFR 50, Appendix B, Criterion XVI, historical records.*

Insert 2
Actions Required: See Item No. 6 of the enclosure to the D. Eisenhower letter to J. M. Cain dated June 13, 1984.

References

1. EBASCO Procedure ASP-III-7, Processing Nonconformances and Audits.
2. EBASCO Quality Assurance Instruction (QAI)#31, Processing of Nonconformance Reports.
3. Mercury Procedure for Handling of Nonconformances and Corrective Action - SP664.
4. Numerous interviews with LP&L, EBASCO, and former Mercury QA Engineers.

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Author's Name:

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OK as is