APPENDIX A

Technology for Energy Corporation
Docket No. 99900844/85-01

NOTICE OF NONCONFORMANCE

Based on the results of an NRC inspection conducted on July 22-25, 1985, it appears that certain of your activities were not conducted in accordance with NRC requirements.

A. Criterion V of 10 CFR Part 50, Appendix B "Instructions, Procedures, and Drawings," states, in part: "Activities affecting quality shall be prescribed by documented instructions, procedures, or drawings, of a type appropriate to the circumstances and shall be accomplished in accordance with these instructions, procedures, or drawings. Instructions, procedures, or drawings shall include appropriate quantitative or qualitative acceptance criteria for determining that important activities have been satisfactorily accomplished."

Section 2.0 of the Technology for Energy Corporation (TEC) Quality Assurance Manual (QAM), "TEC Quality Assurance Program" paragraph 2.3.3 states, in part: "The PQAA Project Quality Assurance Administrator will prepare the QA plan at the commencement of the project, and no later than 30 days after the issuance of the PON (Project Order Number)...for small projects and spare parts orders, the Contracts Department shall provide...both a copy of the Purchase Order Notification (PON) form and Customer Purchase Order...the PQAA shall generate a document...This document shall constitute the project QA plan and project plan, and shall be signed by the PQAA as prepared and approved by the Project Manager and CQAM (Corporate Quality Assurance Manager)...."

Contrary to the above, as of July 25, 1985:

1. QA plans were not prepared per the requirements of Section 2.3.3 of the TEC QAM as evidenced by the following examples:

   a. Project 30433 QA plan, River Bend Valve Flow Monitoring System, was dated October 18, 1984, 325 days after the PON date of November 28, 1983.

   b. Project 30571 QA plan, V. C. Summer Valve Flow Monitoring System, was dated September 9, 1984, 74 days after the PON date of June 22, 1984.

   c. Project 30649 QA plan, Comanche Peak Main Steam Valve Position Instrumentation System, was dated February 4, 1985, 52 days after the PON date of December 14, 1984.

2. The document approved by the Project Manager on February 4, 1985 which constituted the project QA Plan and project plan for Project 30649, Comanche Peak Main Steam Valve Position Instrumentation System was not signed by the PQAA. There was no objective evidence that the CQAM approved the QA Plan and project plan for Project 30649.

B. Criterion VII of 10 CFR Part 50, Appendix B "Control of Purchased Material, Equipment, and Services" states, in part: "Measures shall be established to assure that purchased material, equipment, and services, whether purchased directly or through contractors and subcontractors, conform to the procurement documents. These measures shall include provisions, as appropriate, for source evaluation and selection, objective evidence of quality furnished by the contractor or subcontractor, inspection at the contractor or subcontractor source, and examination of products upon delivery...."

Section 7.0 of the TEC QAM, "Control of Purchased Material, Equipment and Services," paragraph 7.2.2.1 states, in part: "A QVL shall be maintained by the CQAM. The QVL and changes thereto, shall be issued by QA which is based on surveys, the CASE Register data reports or supplier history...."

Section 18.0 of the TEC QAM, "Audits," paragraph 18.1.5 states, in part: "Audits shall be conducted at least once during the contract or annually...."

Contrary to the above, as of July 25, 1985:

Three vendors on the QVL had not be audited or evaluated annually.

Vendors/Location	Last Date Audited/Evaluated
Webber Gage Co., Cleveland, OH	May 19, 1983
Pittsburgh Test. Lab., Knoxville, TN	March 4, 1982
Farwell & Hendrick, Inc., Milford, OH	March 18, 1983

C. Criterion IX of 10 CFR Part 50, Appendix B "Control of Special Processes," states, in part: "Measures shall be established to assure that special processes, including welding, heat treating, and nondestructive testing, are controlled and accomplished by qualified personnel...."

Section 9.0 of the TEC QAM, "Control of Special Processes," paragraph 9.2.3 states, in part: "Written procedures are established for NDE methods (when performed at TEC) which address the following as applicable:

- Requirement that NDE personnel be qualified and certified to the requirements of SNT-TC-1A or ASME B&PV Code, as applicable.

Contrary to the above, as of July 25, 1985, no objective evidence was documented to substantiate the training, experience and/or recertification of NDE (Liquid Penetrant) Level II and III personnel.

D. Criterion X of 10 CFR Part 50, Appendix B "Inspection," states: "A program for inspection of activities affecting quality shall be established and... Examinations, measurements, or tests of material or products processed shall be performed for each work operation where necessary to assure quality..."

The Project Plan and Quality Assurance Plan for Project 30571, V. C. Summer Valve Flow Monitoring System, Revision 0, dated September 4, 1984, Section 4.0, PQAA Surveillance, states: "The PQAA will be making random surveillances of this project to assure compliance with the SCE&G contract, QA Plan, and QA Manual. There will be heavy surveillance activity conducted in the area of manufacturing and fabrication to assure the use of fully documented manufacturing methods.

The surveillance will be documented by means of the PQAA Surveillance Report form..."

Contrary to the above, as of July 25, 1985, the performance of random surveillances on Project 30571 were not performed. There was no objective evidence that the PQAA had performed random surveillances, or documented surveillances by means of the PQAA Surveillance Report form.

E. Criterion XII of 10 CFR Part 50, Appendix B "Control of Measuring and Test Equipment" states: "Measures shall be established to assure that tools, gages, instruments, and other measuring and test devices used in activities affecting quality are properly controlled, calibrated, and adjusted at specified periods to maintain accuracy within necessary limit...."

Section 12.0 of the TEC QAM "Control of Measurement and Test Equipment" paragraph 12.1.3.1 states, in part: "...The TEC Calibration facility shall establish and maintain calibration procedures, schedules, records and identification of mechanical measuring equipment."

Contrary to the above, as of July 25, 1985:

1. No procedure or schedule had been established for the calibration of the crimping devices.

2 a. Three crimper tools were found in workers drawers without calibration due sticker (Crimper #A018, #A022, and #753-011).

b. All three crimper tools (A018, A022, and 753-011) were identified as "Class II" (which means they were required to be calibrated.) However, crimper #A022 had a sticker affixed to it which stated "CAL. NOT REQUIRED."

c. According to the Calibration Specialist, a blue tag is attached to the calibration certification record once the crimper is checked out for use. None of three crimpers calibration certification records had blue tags attached.

F. Criterion XV of 10 CFR Part 50, Appendix B "Nonconforming Materials, Parts or Components" states: "Measures shall be established to control materials, parts or components which do not conform to requirements in order to prevent their inadvertent use or installation. These measures shall include, as appropriate, procedures for identification, documentation, segregation, disposition, and notification to affected organizations. Nonconforming items shall be reviewed and accepted, rejected, repaired or reworked in accordance with documented procedures."

Section 15.0 of the TEC QAM, "Nonconforming Material, Parts or Components," paragraph 15.1.4 states, in part: "When materials, parts, components... are suspected of being nonconforming to TEC or customer specifications, drawings, etc. the nonconforming item shall be immediately tagged with a nonconforming material tag...."

Contrary to the above, numerous items in the QC hold area were not tagged with nonconforming material tags.

G. Criterion XVII of 10 CFR Part 50, Appendix B "Quality Assurance Records," states: "Sufficient records shall be maintained to furnish evidence of activities affecting quality. The records shall include at least the following:...Operating logs and the results of reviews...The records shall also include closely-related data such as qualifications of personnel, procedures, and equipment...Records shall be identifiable and retrievable..."

TEC Procedure for Certification and Qualification of Technical Personnel, CP-101, Revision 0, dated January 14, 1981, Section 4.2.3 states: "The responsible Manager shall initiate a Personnel Certification Record, TEC Form PCR, for employees meeting certification requirements."

TEC Procedure for Certification and Qualification of Technical Personnel, CP-101, Revision 0, dated January 14, 1981, Section 5.1.1 states: "Each employee to be certified shall have demonstrated compliance with the requirements of this procedure..."

Contrary to the above, as of July 25, 1985:

1. Personnel Qualification Records, TEC Form PCR, for five (5) Instrumentation/Electronics Test Specialists could not be verified due to incomplete records. There was no objective evidence that Personnel Certification Records, TEC Form PCR, had been initiated for five (5) Instrumentation/Electronics Test Specialists.

2. The certification of four (4) Instrumentation/Electronics Test Specialists could not be verified due to incomplete records.

   a. There was no objective evidence that three (3) of the four (4) Instrumentation/Electronics Test Specialists had the four (4) years of related technical experience that they were certified to have.

   b. There was no objective evidence that the four (4) Instrumentation/Electronics Test Specialists recieved the on-the-job training (OJT) which resulted in their certification.

H. Criterion XVIII of 10 CFR Part 50, Appendix B "Audits," states, in part: "A comprehensive system of planned and periodic audits shall be carried out to verify compliance with all aspects of the quality assurance program and to determine the effectiveness of the program..."

Section 18.0 of the TEC QAM, "Audits," paragraph 18.1.2 (general requirements) states, in part: "...TEC internal audits shall be performed as scheduled by the TEC Annual Internal Audit Schedule prepared by the CQAM...." Paragraph 18.1.3 (TEC internal audits) states, in part: "These audits shall be performed in accordance with the annually established audit schedule. This schedule is divided into individual criteria to achieve depth during each audit. Each criteria shall be audited at least once each calendar year...."

Contrary to the above,

1. The internal audit schedules for the years 1981, 1982, and 1985 were revised once (1981 - July, 1982 - August, 1985 - June) and the audit schedules for 1983 and 1984 were revised twice (1983 - June, October; 1984 - February, October). The TEC QAM does not provide a mechanism or reason to permit revising the internal audit schedule after it has been established for the year.

2. No objective evidence was available to indicate that audits 81-3, 82-2, 3, 4, and 83-6 were completed either as scheduled or during the appropriate calendar year. There was also no objective evidence that audit 84-4, scheduled to be performed 11/19-26/84 (per revision to 1984 internal audit schedule dated 10/1/84) was performed.