



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

OMB: IC: 09
1/1

January 21, 1986

Docket No. 99900762/85-01

Nuclear Energy Services
ATTN: Mr. W. Manion, President
Shelter Rock Road
Danbury, Connecticut 06810

Gentlemen:

This refers to the inspection conducted by R. P. Correia of this office on September 16-19, 1985, of your facility in Danbury, Connecticut and to the discussions of our findings with Mr. C. E. Anderson and members of your staff at the conclusion of the inspection. Additionally, on October 3, 1985, R. P. Correia witnessed testing of the steam generator nozzle dam assembly conducted at Reno Machining Company for NES. Observations and findings concerning this activity are discussed in the enclosed inspection report.

The purpose of this inspection was to inspect NES' activities relative to the design, fabrication, inspection and testing of steam generator nozzle dams for the Ft. Calhoun Nuclear Power Station. Areas examined during the inspection and our findings are discussed in the enclosed report. Within these areas, the inspection consisted of an examination of procedures and representative records, interviews with personnel, and observations by the inspector.

During the inspection it was found that the implementation of your QA program failed to meet certain NRC requirements. The findings include the failure to impose the requirements of 10 CFR Part 21 on a sub-vendor supplying basic components for a licensed facility, and failures concerning the implementation of your quality assurance program in the areas of design control, corrective action and audits.

The specific findings and references to the pertinent requirements are identified in the enclosures to this letter.

The enclosed Notice of Violation is sent to you pursuant to the provisions of Section 206 of the Energy Reorganization Act of 1974. You are required to submit to this office within 30 days from the date of this letter a written statement containing: (1) a description of steps that have been or will be taken to correct these items; (2) a description of steps that have been or will be taken to prevent recurrence; and (3) the dates your corrective actions and preventive measures were or will be completed. Consideration may be given to extending your response time for good cause shown.

You are also requested to submit a similar written statement for each item which appears in the enclosed Notice of Nonconformance.

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The responses requested for this letter are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

Original Signed by
Gary G. Zech
Gary G. Zech, Chief
Vendor Program Branch
Division of Quality Assurance, Vendor and
Technical Training Center Programs
Office of Inspection and Enforcement

Enclosures:

1. Appendix A-Notice of Violation
2. Appendix B-Notice of Nonconformance
3. Appendix C-Inspection Report No. 99900762/85-01
4. Appendix D-Inspection Data Sheets (8 pages)

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