

**United States Nuclear Regulatory Commission
Office of Public Affairs
Washington, DC 20555
Phone 301-415-8200 Fax 301-415-2234
Internet:opa@nrc.gov**

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**NRC RELEASES INSPECTION RESULTS
FOR SIERRA NUCLEAR DRY STORAGE CASK**

The Nuclear Regulatory Commission has issued a report on its recent inspection of Sierra Nuclear Corporation's facilities for fabrication of the VSC-24 dry cask storage system for spent nuclear fuel. The inspection identified four items of nonconformance with NRC requirements.

The NRC staff has scheduled a meeting with Sierra Nuclear and its customers May 6 in Rockville, Maryland, to discuss the inspection findings. The meeting, which is open to the public, will begin at 9 a.m. in Room 1-F-7/9 of the NRC's One White Flint North building at 11555 Rockville Pike.

The Sierra Nuclear cask system is currently used to store spent fuel at the Arkansas Nuclear One nuclear power plant site near Russellville, Arkansas; the Palisades nuclear power plant near South Haven, Michigan; and the Point Beach plant near Manitowoc, Wisconsin.

The company holds an NRC certificate approving the use of the VSC-24. NRC conducts inspections to determine whether the system is being manufactured in accordance with the NRC-certified design.

The NRC performed the inspection March 17-21 to review cask seal-weld failures at Palisades (in March 1995) and Arkansas (in November 1996), and to seek the cause of the failures. Inspectors also assessed the adequacy of corrective actions taken after earlier inspections.

A few days after this inspection, Entergy Operations, Inc., licensee for the Arkansas

facility, detected a weld crack in another VSC-24 cask. A separate NRC team conducted an inspection there. It is still reviewing this issue at Arkansas and will issue an inspection report soon.

Two items of nonconformance identified during the March 17-21 Sierra Nuclear inspection raise safety concerns. NRC determined that Sierra Nuclear failed to examine the root causes and potential generic aspects of the weld failures at Arkansas Nuclear and Palisades. Inspectors also found that Sierra Nuclear failed to submit documentation to change the time limit specified in the certificate of compliance to drain water out of a loaded spent fuel cask. Two other, procedural nonconformances were also identified.

Sierra Nuclear's lack of timely and comprehensive action, in dealing with these important safety issues, is a significant regulatory concern. The inspection results do not raise concerns about off-site public health and safety; however, they could result in future fuel handling and retrievability problems. Sierra Nuclear must respond to the notice of nonconformances within 30 days.

Copies of the inspection report are available for copying at the NRC Public Document Room, 2120 L Street, NW, Washington, DC 20555. The report also will be posted on the NRC home page at <http://www.nrc.gov/OPA/reports>.