



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

June 18, 1999

Ms. Beverly A. Cook, Manager
Idaho Operations Office
U.S. Department of Energy
850 Energy Drive
Idaho Falls, ID 83401-1563

SUBJECT: NRC INSPECTION REPORT 72-20/99-01 AND NOTICE OF VIOLATION

Dear Ms. Cook:

An NRC inspection was conducted on February 23 through April 1, 1999, at your Three Mile Island Unit 2 (TMI-2) Independent Spent Fuel Storage Installation (ISFSI). The enclosed report presents the scope and results of this inspection. On May 26, 1999, a followup telephonic exit was held between the inspector, NRC Region IV management and your staff. During this discussion, additional information was provided concerning the classification of the potential violations identified during the exit meeting at your facility.

The primary purpose of this inspection was to observe the pre-operational tests and the initial loading of the first TMI-2 core debris into the ISFSI. The NRC inspection team observed the drying of the TMI-2 canisters, loading of the TMI-2 canisters into the dry shielded canister (DSC), welding of the shield and structural lids onto the DSC, transportation of the DSC from Test Area North facility to the ISFSI, and the loading of the DSC into the horizontal storage module at the ISFSI.

With the exception of the violations identified, overall, the NRC inspection findings were very positive concerning the capability of your organization to successfully implement the requirements and regulations of the NRC for the safe operation and maintenance of the TMI-2 ISFSI.

This inspection also included a review of your security and safeguards program for the ISFSI. The results of that portion of the inspection have been issued as a separate inspection report and will be distributed in accordance with NRC policy for safeguards material.

Based on the results of this inspection, the NRC has determined that two cited violations of NRC requirements occurred related to ISFSI activities. These violations are cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding them are described in detail in the enclosed report. The violations are of concern because they represent a weakness in your quality assurance oversight of activities conducted by your contractors prior to turning over completed facilities, equipment and systems to the Department of Energy.

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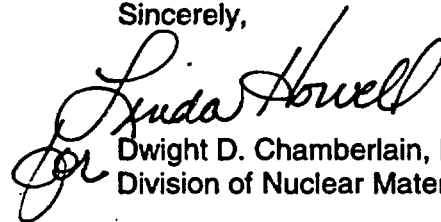
You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In addition, in response to violation B, please provide reasonable assurance that the weld wire purchased and used on the first cask conformed with the purchase order requirements. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

The activities associated with the TMI-2 ISFSI project involved a large number of people, several contractors, numerous organizational groups and oversight by several consultants as well as the NRC inspection team. Despite the complexity of the organizations responsible for the project, the NRC inspection team found the cooperation and working relationships among all organizations involved with this project to be excellent. The NRC inspection team observed a strong emphasis on safety and a conscientious attitude toward meeting the requirements of the NRC license and commitments made by the Department of Energy in the Safety Analysis Report.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

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

Sincerely,



Dwight D. Chamberlain, Director
Division of Nuclear Material Safety

Docket No.: 72-20
License No.: SNM-2508

Enclosures:

1. Notice of Violation
2. NRC Inspection Report 72-20/99-01

U.S. Department of Energy
Idaho Operations Office

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cc w/Enclosures:

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