

Specialty Materials  
Honeywell  
P.O. Box 430  
Highway 45 North  
Metropolis, IL 62960  
618 524-2111  
618 524-6239 Fax

August 3, 2006

(UPS: 301-415-8147)

US Nuclear Regulatory Commission  
Director, Office of Nuclear Material Safety & Safeguards  
Attention: Document Control Desk  
Mail Stop T8A33, Two White Flint N, 11545 Rockville Pike  
Rockville, MD 20852-2738

Docket No. 40-3392  
License No. SUB-256

RE: "NRC Inspection Report 40-3392/2006-005 and Notice of Violation"

Dear Sirs:

This letter is our response to the NRC Inspection Report 40-3392/2006-005 and Notice of Violation

During an NRC inspection conducted on May 1-12 2006 a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is restated below.

License Condition 10 CFR of the NRC License Sub-256, Amendment No. 16, authorizes, in part, the use of licensed material in accordance with the statements, representations, and conditions in Chapters 1 through 7 of the license application dated January 30, 2003.

Chapter 2, Section 2.6 of the license application, dated January 30, 2003, requires that "plant written procedures shall be reviewed, revised, approved, and implemented in accordance with Plant Policy titled "Procedure Control Policy."

Procedure Control Policy, AD-7 issue date October 11, 2004, states, in part, that procedures written after March 1, 2004, shall be reviewed, revised, approved, and implemented in accordance with Procedure MTW-ADM-PRO-0103, Development and Implementation of Plant Technical Procedures."

Step 4.15.1 of Procedure MTW-ADM-PRO-0103, Revision 9, requires that concurrence of reviewers of the procedure be obtained prior to approval

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using the MTW-FRM-PRO-0001, "MTW - Policy and Procedure Review and Approval" form.

Step 4.18 of Procedure MTW-ADM-PRO-0103, Revision 9, states that major revisions are subject to the verification and validation process and requires that major revisions be reviewed by all disciplines. Step 4.12 of Procedure MTW-ADM-PRO-0103, Revision 9, further requires that proposed procedures including major revisions undergo verification and validation by a peer review, an engineer, and the user of the procedure prior to approval.

Contrary to the above, as of April 24, 2006, procedure MTW-SOP-DIS-0100, "Distillation Startup," had not been reviewed by all disciplines. Specifically, the proposed procedure had not been reviewed by the Health Physics/Safety office prior to its approval. In addition, contrary to the above as of April 24, 2006, the procedure had not undergone a verification and validation by a user and the procedure prior to its approval.

This is a Severity Level IV (Supplement VI).

#### **Reason for this Violation**

The licensee has determined the failure to follow the procedural requirement for approval of plant technical procedures was due to the following:

1. Prior to MTW-SOP-DIS-0100 Distillation Startup Procedure being released for approval there had been meetings with technical writers and production SMEs (subject matter experts). The technical authority review and verification & validation for a set of distillation procedures had been discussed and the timing of those approvals were pending and/or in process. From those meetings the manager approving the procedure had inferred that all of the reviews for MTW-SOP-DIS-0100 Distillation Startup procedure had been successfully completed.
2. Lack of understanding for the formality required during the procedure review process as described in MTW-ADM-PRO-0103, Development and Implementation of Plant Technical Procedures.
3. Lack of training with regard to MTW-ADM-PRO-0103, Development and Implementation of Plant Technical Procedures.

#### **Extent of the Condition:**

Document control personnel have audited procedures from April of 2004 through July of 2006 and found the following:

1. Following an audit of the MTW procedures which specifically addressed the procedure review and approval process we discovered that three procedures in addition to the one noted by the NRC were found to have been approved prior to the review process being complete.

**Corrective Actions Planned to Avoid Further Violations:**

**Action/s taken:**

1. Procedure Development personnel were instructed to distribute only the document review form pertinent to the type of review being requested (i.e. initial SME review, verification, validation, etc.) while the procedures are distributed through the various procedure review phases. When the procedure draft has gone through all the review phases of the Procedure Development process, and appropriate signatures have been obtained, it is then distributed to the owning manager for final approval.
2. The three documents that were found to be out of compliance have been reviewed and approved by a Technical and Approval Authorities.

**Action/s Planned:**

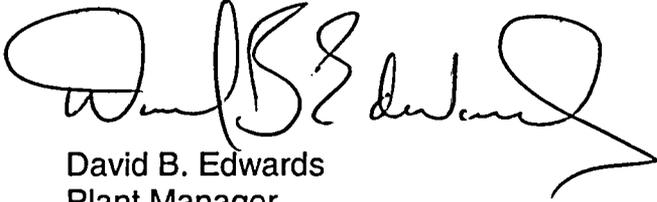
1. All MTW approvers will be trained to the procedure MTW-ADM-PRO-0103, Development and Implementation of Plant Technical Procedures" with specific emphasis on the approvers responsibilities and logistics.
2. All MTW approvers will be provided conduct of operations instructions during the training on MTW-ADM-PRO-0101, Procedure Use.
3. MTW-ADM-PRO-0103, Development and Implementation of Plant Technical Procedures will be revised to state the Approval Authority has in his/her possession, at the time of procedure approval, an indicator that shows all other required reviews have been completed for the procedure.

**Date When Full Compliance Will Be Achieved:**

Honeywell-MTW returned to compliance with the requirements of the license cited herein on August 2, 2006. Other actions discussed in this correspondence represents intended or planned actions to assure continued compliance. They are described to the NRC for information and are not regulatory commitments and are considered Management Discretionary Items.

Questions regarding this correspondence can be addressed with Jack Riley at 618-524-6221.

Sincerely



David B. Edwards  
Plant Manager

cc: J. Riley  
D. Mays

Regional Administrator  
Region II, US Nuclear Regulatory Commission  
Sam Nunn Atlanta Federal Center  
23 T85, 61 Forsyth Street, S.W.  
Atlanta, GA 30303-3415

(UPS:404-562-4731)

US Nuclear Regulatory Commission  
Attention: Mr. Michael Raddatz  
Fuel Cycle Licensing Branch, Mail Stop T-8A33  
Two White Flint North, 11545 Rockville Pike  
Rockville, MD 20852-2738

(UPS: 301-415-6334)

Region II, US Nuclear Regulatory Commission  
Attention: Mr. Jay L. Henson  
Sam Nunn Atlanta Federal Center  
23 T85, 61 Forsyth Street, S.W.  
Atlanta, GA 30303-3415

(UPS: 404-562-4731)