



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931

September 20, 2006

Mr. Ronald J. Land, Site Manager
AREVA NP, INC.
Richland Facility
2101 Horn Rapids Road
Richland, Washington 99352

SUBJECT: LICENSEE PERFORMANCE REVIEW OF AREVA NP - RICHLAND,
DOCKET NUMBER 70-1257

Dear Mr. Land:

Managers and staff in our Region II office, the Office of Nuclear Material Safety and Safeguards, and the Office of Nuclear Security and Incident Response, completed a review of the Richland facility's performance in conducting NRC licensed activities during the period beginning August 1, 2004, and ending August 12, 2006. AREVA's performance was evaluated in four major areas: Safety Operations, Radiological Controls, Facility Support, and Special Topics. This letter and the enclosure provide to you the results of our review, and will be used as a basis for establishing the NRC oversight program for your conduct of licensed activities during the next 12 to 24 months.

AREVA NP- Richland continued to conduct its activities safely during the review period. The previous performance review for your facility identified as areas for improvement the communication and control of criticality safety information, and the emergency preparedness drill and training program. The NRC has determined that improvements were made in these areas. Our review found that the areas of radiological controls, facility support, and special topics were adequately implemented and no areas of improvement were identified. However, in the area of safety operations, improvements were needed in the implementation of programs that ensure plant changes are done such that the fire safety program remains fully effective, including fire hazards analyses. Based on your performance during the period, the NRC has determined that no additional inspection effort will be required in any of the major areas inspected and the core inspection program for a Category III fuel fabrication fuel facility will be implemented.

The results of our review will be discussed with you at your facility during a meeting open to the public on October 18, 2006. During the meeting, we expect you to discuss your view of your performance in the same major areas as the NRC evaluated. We ask you to specifically address what actions you have taken or are planning to take to improve your fire safety program implementation.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Questions and comments about NRC's review of AREVA's performance should be directed to Mr. David Ayres, who can be reached by telephone at 404-562-4711.

Sincerely,
/RA/

Douglas M. Collins, Director
Division of Fuel Facility Inspection

Docket No. 70-1257
License No. SNM-1227

Enclosure: Licensee Performance Review

cc w/encl:
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cc w/encl: (Cont'd on page 3)

R. J. Land

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(cc w/encl: cont'd)

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LICENSEE PERFORMANCE REVIEW FOR AREVA NP RICHLAND

ASSESSMENT PERIOD: August 1, 2004 to August 12, 2006

The following is a summary of the performance of AREVA NP-Richland, in the conduct of NRC licensed activities.

PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of chemical safety, nuclear criticality safety (NCS), plant operations, and fire safety.

Program Areas Needing Improvement

- The implementation of programs that ensure plant changes are done such that the fire safety program remains fully effective, including fire hazards analyses.
 - A violation with two examples were identified for the failure to properly implement software modifications that impact the functionality of the fire alarm (IR 2006-05).
 1. Section 2.0 of SOP-40789 states in part, that all work performed using the Work Order (WO) process must not impact configuration control of the plant operations systems.

During July 2003, the licensee performed work using the Work Order process that impacted configuration control of the plant operations systems. Specifically, the licensee performed an activity using the WO process (WO B37491), which changed the software configuration of the fire alarm disabling the automatic fire door between the ADU line and the Dry conversion process.
 2. Section 2.3 of the Engineering Change Notice procedure, MCP-30145, requires, in part that "Computer software installations or modifications shall be completed in accordance with EMF-1705, Manufacturing Software Quality Assurance Procedure (MSQAP)."

On April 19, 2006, the licensee performed a computer software modification of the fire alarm that was not in accordance with EMF-1705, MSQAP. As a result of the modification, the fire alarm automatic phone dialer was disabled until it was discovered during an activation of the fire alarm.
 - A violation was identified for failure to follow procedure governing the review and updating of the fire hazards analyses (IR 2006-05).

Enclosure

Section 6 of Procedure MCP-30017 states in part that Fire Hazards Analyses must be reviewed/revalidated at least every five years.

Prior to May 19, 2006, the licensee failed to review/revalidate four Fire Hazards Analyses at least every five years. Specifically, the licensee failed to review/revalidate the Fire Hazards Analyses for the UO₂ Building, the Facility Support Storage Building, the Speciality Fuel Building, and the LUR/SPF Building.

PERFORMANCE AREA: RADIOLOGICAL CONTROLS

This area is comprised of radiation protection, environmental protection, waste management, and transportation.

Program Areas Needing Improvement

- No specific areas needing improvement were identified for radiological controls.

PERFORMANCE AREA: FACILITY SUPPORT

This area is comprised of maintenance and surveillance, training, emergency preparedness, and management organization and controls.

Program Areas Needing Improvement

- No specific areas needing improvement were identified for facility support.

PERFORMANCE AREA: SPECIAL TOPICS (LICENSING ACTIVITIES)

This area is comprised of safety licensing.

Program Areas Needing Improvement

- No specific areas needing improvement were identified for safety licensing.