



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

September 20, 2007

Mr. Dominique Grandemange
Site Manager
AREVA NP, INC.
P. O. Box 11646
Lynchburg, Virginia 24506-1646

SUBJECT: NRC INSPECTION REPORT NO. 70-1201/2007-002

Dear Mr. Grandemange:

This refers to the inspection conducted from August 20-23, 2007, at your Mount Athos Road facility. The purpose of this inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the inspector discussed the findings with you and members of your staff.

As a result of the inspection, the enclosed NRC Form 591FF, SAFETY INSPECTION REPORT, Parts 1 and 3, are being issued. The enclosed form indicates that no violations were identified during the inspection of your licensed activities. Please retain the form in your files. No acknowledgment of this letter is required.

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

Should you have any questions concerning this letter, please contact us.

Sincerely,

/RA/

Alphonsa Gooden, Acting Chief
Fuel Facility Inspection Branch 1
Division of Fuel Facility Inspection

Docket No. 70-1201
License No. SNM-1168

Enclosure: NRC Form 591FF Parts 1 and 3

cc w/encl: (See page 2)

D. Grandemange

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cc w/encl:

Charlie Holman, Manager
Environmental, Health, Safety and Licensing
AREVA NP, Inc.
Lynchburg Manufacturing Facility
P. O. Box 11646
Lynchburg, VA 24506-1646

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ADAMS: Yes ACCESSION NUMBER:

OFFICE	RII:DFFI	RII:DFFI				
SIGNATURE	S Subosits for	/RA/				
NAME	JJimenez	SSubosits				
DATE	09/18/2007	09/18/2007				
E-MAIL COPY?	NO	YES	YES	NO	YES	NO

OFFICIAL RECORD COPY

DOCUMENT NAME: C:\FileNet\ML072640030.wpd

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

<p>1. LICENSEE/LOCATION INSPECTED: AREVA NP, Inc. P. O. Box 11646 Lynchburg, VA 24506-1646</p>	<p>2. NRC/REGIONAL OFFICE U.S. Nuclear Regulatory Commission Region II, Division of Fuel Facilities Inspection 61 Forsyth Street, Suite 23T85 Atlanta, GA 30303</p>	
<p>REPORT NUMBER(S) 2007-002</p>		
<p>3. DOCKET NUMBER(S) 70-1201</p>	<p>4. LICENSE NUMBER(S) SNM-1168</p>	<p>5. DATE(S) OF INSPECTION August 20 -23 , 2007</p>

LICENSEE:

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

- 1. Based on the inspection findings, no violations were identified.
- 2. Previous violation(s) closed.
- 3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, NUREG-1600, to exercise discretion, were satisfied.

_____ Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):

- 4. During this inspection certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11.
 (Violations and Corrective Actions)

Licensee's Statement of Corrective Actions for Item 4, above.

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested.

Title	Printed Name	Signature	Date
LICENSEE'S REPRESENTATIVE	Not Applicable		
NRC INSPECTOR	Jose G. Jimenez		

**SAFETY INSPECTION REPORT
AND COMPLIANCE INSPECTION**

1. LICENSEE

**AREVA NP, Inc.
P. O. Box 11646
Lynchburg, VA 24506-1646**

2. NRC/REGIONAL OFFICE

**U.S. Nuclear Regulatory Commission
Region II, Division of Fuel Facilities Inspection
61 Forsyth Street, Suite 23T85
Atlanta, GA 30303**

REPORT NUMBER(S): **2007-002**

3. DOCKET NUMBER(S):

70-1201

4. LICENSE NUMBER(S):

SNM-1168

5. DATE(S) OF INSPECTION:

August 20 -23 , 2007

6. INSPECTOR(S): Jose Jimenez

7. INSPECTION PROCEDURES USED: 88035, 88045

SUPPLEMENTAL INSPECTION INFORMATION

Executive Summary

The AREVA Lynchburg Facility loads uranium dioxide (UO₂) pellets into fuel rods and fabricates fuel rod assemblies for use in nuclear power reactors. In addition, the licensee conducts refurbishment activities on power reactor equipment potentially contaminated with by-product material. During the period of the inspection, there were no plant upsets or unusual operational occurrences.

This routine, announced inspection included observations and evaluations of the plant's radioactive waste management, and environmental and effluent control activities. The inspector observed plant personnel daily activities and waste generation points, inspected environmental data collection and analysis activities, reviewed selected procedures and records, and conducted interviews with plant personnel. The inspection results are outlined below:

Radioactive Waste Management (88035)

- A review of plant policies and procedures showed that licensee had in place an adequate organizational structure for handling radiological waste. The responsibilities and expectations were clearly stated for personnel involved in these activities.
- The inspector reviewed waste classification, characterization and form records and walked down selected waste generation points and storage areas. The inspector noted for the areas observed the licensee was in compliance with requirements set forth in 10 CFR 61.552, 10 CFR 61.56, and Appendix G to 10 CFR 20.
- Waste was properly packaged and labeled in accordance with procedures. A review of shipping records showed that shipping papers were completed correctly by the responsible person.

Executive Summary (continued)

- The inspector verified that waste shipments to processing facilities were tracked and that a procedure was in place to ensure the receipt of shipment and acknowledgment of receipt was in agreement with the prepared waste manifest. The inspector reviewed the agreements for the processing facilities, procedures for handling the waste to be shipped, and shipment records. The review indicated that the licensee was in compliance with the conditions specified in the licenses of the offsite processors.
- The inspector observed activities for handling solid waste in the fuel assembly area and the SERF buildings. Operators were also interviewed to determine whether the licensee had adequate controls in place to ensure compliance with applicable regulatory requirements. The licensee demonstrated compliance with the regulations including, proper postings of radioactive material storage areas, proper use of authorized containers, correct identification of radionuclide composition and adequately maintained records of activities and transactions.

Effluent Control and Environmental Protection (88045)

- Based on discussions with cognizant personnel, the inspector determined that no substantial changes to the environmental monitoring program had been made since the last inspection. Recent audits of the environmental monitoring program were reviewed to ensure the licensee was properly assessing the effectiveness of the program. No safety concerns were identified.
- The inspector interviewed cognizant personnel responsible for conducting analytical measurements to ensure the adequacy of methods used, sample frequency, and use of acceptance criteria. The inspector determined that these activities were implemented in accordance with analytical procedures and applicable program requirements. The inspector's review of documentation confirmed the licensee was following analytical procedure requirements.
- The inspector toured effluent monitoring stations and sampling points to ensure the locations were representative for environmental monitoring of facility effluents. Cognizant personnel responsible for environmental sampling were interviewed to assess their level of knowledge of license requirements and procedure steps associated with environmental sampling and preparation. Records of air, liquid and soil analyses were reviewed for the past year and determined to be in compliance with license and regulatory requirements specified in 10 CFR 20, 10 CFR 40.65, 10 CFR 70.59, and 10 CFR 20.2003.
- The inspector reviewed the licensee's procedures pertaining to the environmental monitoring program to ensure changes made in the past year were adequately reviewed and implemented. Based on interviews with cognizant personnel and through observation of daily activities, the licensee demonstrated adequate compliance with environmental procedures.