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AN AREVA COMPANY

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E-25976
January 4, 2008

Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subject: Interim Report for a Failure to Comply under the Provisions of 10CFR21

References:
1. Transnuclear Letter E-25576 to U. S. Nuclear Regulatory Commission, Evaluation of a Deviation for Notification under the Provisions of 10CFR21, dated 9/19/07.
2. Transnuclear Letter E-25623 to U. S. Nuclear Regulatory Commission, Notification of a Failure to Comply under the Provisions of 10CFR21, dated 9/26/07.
3. Transnuclear Letter E-25784 to U. S. Nuclear Regulatory Commission, Interim Report for a Failure to Comply under the Provisions of 10CFR21, dated 11/5/07.
4. Transnuclear Letter E-25967 to U. S. Nuclear Regulatory Commission, ASME Code Alternative Request, Temporary Welded Attachment Records, Docket 72-1030, dated 12/27/07.

To Whom It May Concern:

The purpose of this letter is to provide the staff with an interim report as discussed in Reference 3 and required per 10CFR21.21(a)(2) of a condition identified by Transnuclear, Inc. (TN) as a failure to comply with the license conditions for Certificate of Compliance for Spent Fuel Storage Casks, No. 1030 including Appendix A, NUHOMS® HD System Generic Technical Specifications. TN had initially identified and documented in Supplier Finding Report 2007-111 that our fabricator, GE-Hitachi Nuclear Energy Americas (GHNEA), had provided inadequate fabrication records resulting in a nonconforming condition relative to the possibility of undocumented Temporary Weld Attachments (TWAs) to the confinement boundary of a loaded NUHOMS® 32PTH Dry Shielded Canister (DSC) at Surry Power Station (DSC S/N DOM-32PTH-001-C).

This initial condition reported as a failure to comply in Reference 2 involved a lack of documentation for use of qualified welders, approved welding procedures, approved weld filler material and compatible TWA base material, as well as a lack of the required liquid penetrant surface examination report subsequent to TWA removal. Such documentation is required per Article NB-4435 of the ASME B&PV Code Section III, which is a design feature embedded in the Technical Specifications for the NUHOMS® HD license. Therefore, the nonconforming TWAs constituted a Code violation such that the affected canister was not compliant with the NUHOMS® HD Technical Specifications.

Subsequent to the initial extent of condition performed by our fabricator, TN identified an additional instance of a TWA application which was previously believed to have been isolated to a single DSC. Upon further investigation by our fabricator and extensive review by TN, it was concluded that undocumented TWAs had most likely been utilized on the surface of the inner bottom covers installed in DSC S/Ns DOM-32PTH-001-C and DOM-32PTH-003-C for fixturing purposes in support of machining operations. This determination resulted in a revised notification to the NRC Operations Center that undocumented TWAs were most likely installed on the inner bottom covers for DSCs S/N DOM-32PTH-001-C and DOM-32PTH-003-C, currently loaded with spent fuel at the Surry Power Station.

This 120 day interim report is necessary such that TN can complete our evaluation including corrective actions identified in Reference 2. TN has reconfirmed the extent of condition review for prior canisters fabricated by GHNEA and has determined the reportable condition is limited to the two subject canisters loaded at Surry Power Station. In Reference 4 TN submitted to the NRC a request for exception to the ASME Code requirements for the subject loaded canisters. Pending NRC response to this request, we expect to submit our final evaluation within 180 days of initial discovery, established as 9/7/07 in Reference 1.

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Any questions you may have regarding this matter should be directed to Steven C. White, Director Corporate Quality Assurance at 410-910-6870.

Very truly yours,

Tara Neider

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