UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931

January 10, 2008

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

SUBJECT: NRC INSPECTION REPORT NO. 70-1201/2007-004

Dear Mr. Grandemange:

This refers to the results of the above-referenced Nuclear Regulatory Commission (NRC) inspection conducted at your Mt. Athos Road facility on December 10-13, 2007. 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 on December 13, 2007, the inspectors 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 forms 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)

cc w/encl:
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PUBLIC

X☐ PUBLICLY AVAILABLE ☐ NON-PUBLICLY AVAILABLE ☐ SENSITIVE X☐ NON-SENSITIVE
ADAMS: ☐ Yes ACCESSION NUMBER:_____

OFFICE	RII:DFFI	RII:DFFI				
SIGNATURE	***/RA/***	***/RA/***				
NAME	AGooden	SSubosits				
DATE	01/10/2008	01/10/2008				
E-MAIL COPY?	YES	NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY DOCUMENT NAME: C:\FileNet\ML080140308.wpd

NRC FORM 591FF PART 1
(11-2005)
10 CFR 2.201

U.S. NUCLEAR REGULATORY COMMISSION

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE/LOCATION INSPECTED:	2. NRC/REGIONAL OFFICE
Areva NP, Inc. **P. O. Box 11646** **Lynchburg, VA 24506-1646** REPORT NUMBER(S) 2007-004	**U.S. Nuclear Regulatory Commission** **Region II, Division of Fuel Facilities Inspection** **61 Forsyth Street, Suite 23T85** **Atlanta, GA 30303**

3. DOCKET NUMBER(S)	4. LICENSE NUMBER(S)	5. DATE(S) OF INSPECTION
70-1201	**SNM-1168**	**December 10-13, 2007**

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	**A. Gooden / S. Subosits**	***/RA/***	1/9/2008

NRC FORM 591FF PART 3
(11-2005)
10 CFR 2.201

U.S. NUCLEAR REGULATORY COMMISSION

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE	2. NRC/REGIONAL OFFICE
Areva NP, Inc. **P. O. Box 11646** **Lynchburg, VA 24506-1646**	**U.S. Nuclear Regulatory Commission** **Region II, Division of Fuel Facilities Inspection** **61 Forsyth Street, Suite 23T85** **Atlanta, GA 30303**

REPORT NUMBER(S): **2007-004**

3. DOCKET NUMBER(S):	4. LICENSE NUMBER(S):	5. DATE(S) OF INSPECTION:
70-1201	**SNM-1168**	**December 10-13, 2007**

6. INSPECTOR(S): A. Gooden and S. Subosits

7. INSPECTION PROCEDURES USED: 86740, 88010, 88030 and 88050

SUPPLEMENTAL INSPECTION INFORMATION

Executive Summary

The Areva Lynchburg facility fabricates uranium oxide pellets into fuel assemblies for use in nuclear power reactors. In addition, the licensee conducts activities related to work on 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 evaluation of transportation activities, radiation protection, emergency preparedness and operator training. The inspection involved observations of work activities, reviews of selected procedures and records, and interviews with plant personnel. The inspection results were as outlined below:

Transportation (86740)

- During the past twelve months, the licensee identified a number of issues related to the shipments of radioactive materials and had entered them into their corrective action program. Based on review of the issues, the inspectors determined that the licensee had taken appropriate actions to prevent recurrence.

- A review of shipping records from the past twelve months indicated shipping papers included the information required by Department of Transportation regulations. Licensee personnel demonstrated an adequate knowledge of transportation procedures and regulations during the preparation of shipments of radioactive materials. Health physics personnel demonstrated satisfactory performance of the required radiation and contamination surveys for several shipments of radioactive material.

Executive Summary (continued)

Operator Training (88010)

- The inspectors confirmed that the licensee's general employee training courses for plant access, criticality safety, radiological worker practices and emergency response were adequate in meeting the training requirements set forth by 10 CFR 19.12(a) and (b).

- Operations personnel demonstrated an adequate knowledge of plant operations procedures, including applicable safety-related controls, and responses to abnormal and emergency conditions. Operators also adequately explained the safety significant aspects of the rod loading and bundle assembly operations.

Permanent Plant Modifications (88070)

- NRC headquarters staff performed a review of the licensee's latest annual submittal that provided a brief summary of all changes to the records required by 10 CFR 70.62 as well as revised integrated safety analysis summary pages. Regional inspection staff also performed a review of the scope of plant modifications implemented by the licensee during the last calender year. Based on those reviews and recommendations from headquarters staff, the inspectors have determined that no significant modifications have been made to risk-significant processes. Therefore, no further on-site inspection of plant modifications is required per this inspection module.

Radiation Protection (88030)

- Based on audits and program review documentation, at least annually the programmatic aspects of the radiation protection program were reviewed and presented to licensee management and the Safety Review Board for verification that the program was implemented in accordance with the license.

- The 2007 exposure results as of December 11 were well below the occupational limits in 10 CFR 20.1201. The inspectors noted a slight increase in exposures for calendar year 2007 when compared to 2006 exposure results. The licensee indicated that the major contributors to the exposure increase was the pump and motor decontamination work involving the service equipment refurbishment facility (SERF) and the number of fuel contracts for 2007.

- Based on the observations of work activities, the inspectors concluded that radiation work permits, postings, and access controls were implemented in accordance with requirements and provided workers with appropriate information regarding the potential hazards and area entry requirements.

- Based on records review, interviews, and observation of personnel performing surveys, the surveys were being performed in accordance with the license and procedural requirements. The surveys were effective in the identification of areas requiring posting and special access controls to protect the workers.

Executive Summary (continued)

- The licensee's as low as is reasonably achievable program (ALARA) was implemented in accordance with chapters 4 and 11 of the license application. A review of the 2006 ALARA reports showed that audits and evaluation were performed to determine the major contribution(s) to exposures and how exposures may be lowered. The ALARA document for a recent project involving the refurbishment of a reactor coolant pump included detail documentation for dose tracking, task completion status, and included photographs documenting various stages of the project.

Emergency Preparedness (88050)

- Since the last inspection, changes were made to the licensee's accountability system for both plant workers and emergency response personnel and was considered a program enhancement.

- A formal process was in place for the review and approval of the Emergency Procedure and the addendums to the Emergency Procedure. However, the system for ensuring that current copies of the procedure and addendums were being maintained at key locations was ineffective as evidenced by outdated copies of the Emergency Procedure and the addendums found at two key locations (Guardhouse and the Emergency Operations Facility) during the facility walkdown. In response, immediate corrective actions were taken to replace the outdated copies and the responsibility for distribution and updating of documents was assigned to Document Control rather than Safety.

- The Emergency Procedure SL-1308 and addendums provided adequate guidance to ensure that an emergency management program was maintained in accordance with Chapter 8 of the license application.

- Emergency response training was adequate to meet license commitments for maintaining an emergency response organization. With the exception of three individuals assigned to the radiation monitoring team, training was proved in accordance with requirements. It was determined that the three individuals with incomplete training were considered associate members rather than fully qualified response personnel. The licensee committed to identify all individuals currently assigned to the emergency organization roster as either an associate or fully qualified team member to ensure that the appropriate training was completed.

- Based on documentation associated with drills, training, agreement letters, and meetings, the licensee was interfacing with offsite support organizations on a periodic basis to discuss matters of mutual concern involving emergency response.

- The licensee's emergency drill program was adequate for demonstrating that an emergency response organization was maintained for conducting a facility evacuation and interfacing with offsite authorities. As an area for improvement, the inspectors discussed with the licensee the importance of developing accident scenarios involving emergency classification (alert or site area emergency) to exercise other aspects of the emergency response program not previously tested.

Executive Summary (continued)

- Emergency response equipment and instrumentation was adequately inspected and maintained to ensure proper operations.

- The inspector reviewed the licensee's actions taken in response to the smoke alarm incident of July 14, 2007. Based on interview and documentation, the licensee promptly responded to this non-reportable incident (no radioactive material was involved) and made a courtesy call to NRC Region II. However, security personnel initially responded to the affected building without personal protective equipment and or radiological surveys being performed. In response, the licensee identified as corrective actions changes to the security response procedure and a modification to the facility entrance to allow for viewing conditions inside the building prior to entering.