

**SAFETY AND COMPLIANCE INSPECTION REPORT**

1. LICENSEE OR CERTIFICATEE/LOCATION INSPECTED: AREVA NP, Inc. P.O. Box 11646 Lynchburg, VA 24560-1646 REPORT NO: 2008-003		2. NRC/REGIONAL OFFICE: <b>U.S. Nuclear Regulatory Commission Region II 61 Forsyth Street, Suite 23T85 Atlanta, GA 30303</b>	
3. DOCKET NUMBER(S): 70-1201	4. LICENSE OR CERTIFICATEE NUMBER: SNM-1168	5. DATE(S) OF INSPECTION: March 31 – April 3, 2008	

6. INSPECTION PROCEDURE(S) COMPLETED 88005, 88025, and 88055

**LICENSEE OR CERTIFICATEE:**

The inspection was an examination of the activities conducted under your license or certificate as they related to safety and/or safeguards and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license or certificate. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation 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. Reported events reviewed
- 4. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were non-repetitive, licensee-identified, and corrective action was being taken, and the remaining criteria in the NRC Enforcement Policy to exercise discretion were satisfied.  
Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):
- 5. 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)

**Statement of Corrective Actions**

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/CERTIFICATEE			
NRC INSPECTOR	David J. Hartland	/RA/	04/15/08

**DOCKET FILE INFORMATION  
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6. INSPECTOR(S): D. Hartland

7. INSPECTION PROCEDURES USED: 88005, 88025, and 88055

**SUPPLEMENTAL INSPECTION INFORMATION**

**EXECUTIVE SUMMARY**

The AREVA NP Lynchburg facility loads uranium dioxide (UO<sub>2</sub>) 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 inspection, there were no plant upsets or unusual operational occurrences.

This routine announced inspection included observations and evaluations of the maintenance and surveillance, fire protection, and management organization and controls programs to determine whether activities authorized by the license were conducted in accordance with NRC requirements. The inspector walked down various plant safety systems, conducted interviews with production personnel, and reviewed selected records to determine the adequacy of the programs.

**DETAILED REPORT**

The inspection identified the following aspects of the program as outlined below:

Maintenance and Surveillance

- The licensee was performing surveillances on items relied on for safety in accordance with license requirements.

Management Organization and Controls

- The licensee's organizational structure and the process for reviewing and approving plant procedures were in accordance with regulatory requirements.
- The licensee's internal assessments and audits, as well as the corrective action system, were adequate for detecting and correcting safety concerns and identifying potential adverse trends in regulatory performance.

## Executive Summary (Cont.)

### Fire Protection

- Process and material storage areas were maintained in accordance with fire safety requirements. Fire hazards were minimized by appropriate housekeeping.
- Overall, fire detection and suppression system were being properly maintained. Areas inspected included fire alarm stations, sprinkler systems, and extinguishers. Water supply to systems was readily available with correct valve positioning.

However, during the review of results of sensitivity testing of smoke detectors conducted in January 2007, the inspectors noted some deficiencies were documented for some detectors including "out of range" and "may have a bad socket." The test was conducted by a contractor every two years in accordance with NFPA 72 and Procedure SL-1316, "MAR Fire Protection Equipment Program." Some of the smoke heads for which deficiencies were documented included locations where licensed activities were conducted (i.e., pellet bay and SERF 4). The inspectors noted that there was no documented evidence that those deficiencies were corrected or that they were evaluated to determine that they were acceptable as-is. The licensee's review to determine the acceptability of deficiencies identified during sensitivity testing of smoke heads in areas where licensed activities are conducted is an inspector followup item (IFI 70-1201/2008-003-01).

The inspectors also noted during review of Procedure SL-1316 that acceptance criteria was not provided for some testing including the smoke head sensitivity testing and the fire hydrant loop testing conducted every five years in accordance with NFPA 291. During discussions with the plant staff, they were also not aware of the acceptance criteria of the testing. The licensee's determination of acceptance criteria for fire protection system testing and inclusion of that criteria in Procedure SL-1316 is an inspector followup item (IFI 70-1201/2008-003-02).

### List of Items Opened, Closed, Discussed

<u>Item Number</u>	<u>Status</u>	<u>Type</u>	<u>Description</u>
2008-003-01	Open	IFI	The licensee's review to determine the acceptability of deficiencies identified during sensitivity testing of smoke heads in areas where licensed activities are conducted.
2008-003-02	Open	IFI	The licensee's determination of acceptance criteria for fire protection system testing and inclusion of that criteria in Procedure SL-1316.