



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

May 22, 2008

EN 43397 (NMED 070332)

Mr. Charles Perkins
Site Manager
AREVA NP, Inc.
2101 Horn Rapids Road
Richland, WA 99352-0130

SUBJECT: NRC INSPECTION REPORT NO. 70-1257/2008-003

Dear Mr. Perkins:

This refers to the inspection conducted April 28 – May 1, 2008, at the Richland, WA 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 on May 1, 2008, the findings were discussed with you and your staff.

Areas examined during the inspection are identified in the enclosed report. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations of activities in progress, and interviews with personnel.

Based on the results of this inspection, no violations of regulatory significance were identified.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosures 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 regarding this letter, please contact us.

Sincerely,

/RA/

Daniel W. Rich, Chief
Fuel Facility Inspection Branch 3
Division of Fuel Facility Inspection

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

Enclosure: (See page 2)

C. Perkins

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Enclosure: NRC Form 591FF Parts 1 and 3

cc w/encl:

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Distribution w/encl: (See page 3)

C. Perkins

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Distribution w/encl:

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PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE NON-SENSITIVE

ADAMS: Yes ACCESSION NUMBER: _____

| | | | | | | | |
|--------------|----------------|------------|----------|----------|----------|--------|--------|
| OFFICE | RII:DDFI | RII:DFFI | RII:DFFI | RII:DFFI | RII:DFFI | | |
| SIGNATURE | By e-mail 5/22 | MT 5/22/08 | | | | | |
| NAME | MCrespo | MThomas | | | | | |
| DATE | 05/ /2008 | 05/ /2008 | | | | | |
| E-MAIL COPY? | YES | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO |

SAFETY AND COMPLIANCE INSPECTION REPORT

| | | | |
|--|--|---|--|
| 1. LICENSEE OR CERTIFICATEE/LOCATION INSPECTED: AREVA NP, Inc. 2101 Horn Rapids Road Richland, WA 99352-0130 | | 2. NRC/REGIONAL OFFICE: U.S. Nuclear Regulatory Commission Region II 61 Forsyth Street, Suite 23T85 Atlanta, GA 30303 | |
| REPORT NO: 2008003 | | | |
| 3. DOCKET NUMBER(S): 70-1257 | 4. LICENSE OR CERTIFICATEE NUMBER: SNM-1227 | 5. DATE(S) OF INSPECTION: April 28 – May 1, 2008 | |

6. INSPECTION PROCEDURE(S) COMPLETED: 88005, 88050, 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 | Manuel Crespo | M. Thomas for | 5/22/08 |

**DOCKET FILE INFORMATION
SAFETY AND COMPLIANCE INSPECTION REPORT**

| | | | |
|---|--|---|--|
| 1. LICENSEE OR CERTIFICATEE/LOCATION INSPECTED: AREVA NP, Inc. 2101 Horn Rapids Road Richland, WA 99352-0130 REPORT NO: 2008003 | | 2. NRC/REGIONAL OFFICE: U.S. Nuclear Regulatory Commission Region II 61 Forsyth Street, Suite 23T85 Atlanta, GA 30303 | |
| 3. DOCKET NUMBER(S): 70-1257 | 4. LICENSE OR CERTIFICATEE NUMBER: SNM-1227 | 5. DATE(S) OF INSPECTION: April 28 – May 1, 2008 | |

6. INSPECTOR(S): M. Crespo

7. INSPECTION PROCEDURES USED: 88020

SUPPLEMENTAL INSPECTION INFORMATION

EXECUTIVE SUMMARY

The AREVA Richland facility fabricates low-enriched uranium fuel and blended low-enriched uranium fuel (BLEU) for use in commercial reactors. During the inspection period, all operations were normal and had recently restarted following the scheduled outage.

This routine, announced inspection included observations and evaluations in the area of plant operations. The inspection involved observation of work activities, a review of selected records, and interviews with plant personnel.

Plant Operations (88020)

- The inspector verified that selected Items Relied On For Safety (IROFS) from the Dry Conversion Facility (DCF) were adequately implemented, maintained, and in an established program to ensure that the IROFS would be capable of performing their intended safety function. The IROFS reviewed were in place, properly tested, and in good condition.
- Through discussion with the operators, the inspector determined that the operators were knowledgeable of plant procedures and the safety significant aspects of the licensee's process operations. Based on observations of plant operations and discussions with production operators, the inspector determined that the licensee was adequately maintaining compliance with nuclear criticality safety (NCS) controls and nuclear material storage requirements.
- The inspector reviewed operating procedures and determined that the process layout and steps described in the procedures were in agreement. The procedures provided operators with information regarding safety components and guidelines to follow, and IROFS were adequately identified in the procedures as a reminder to the operators.
- The inspector observed the licensee perform surveillance testing on safety-related equipment and determined the performance was satisfactory and met the established acceptance criteria.

Executive Summary (Cont.)

List of Items Opened, Closed, Discussed

| <u>Item Number</u> | <u>Status</u> | <u>Type</u> | <u>Description</u> |
|--------------------|---------------|-------------|---|
| EN 43397 | Closed | LER | Failure of IROFS that restricts the amount of combustible material in Warehouse 6. The training to improve awareness of plant personnel regarding the IROFS is complete. This item is closed. |
| 70-1257/2007-01-01 | Closed | IFI | Evaluate the operability history of similar HF detectors at the site to determine the adequacy of testing frequency to ensure detector reliability. Detectors were put on a monthly testing frequency, re-positioned to a more reliable location, and the instrumentation span tested using a lower concentration gas. Based on these modifications, this item is closed. |