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

March 31, 2009

Mr. Cary Alstadt
Manager, Columbia Plant
Westinghouse Electric Company
Commercial Nuclear Fuel Division
Drawer R
Columbia, SC 29250

SUBJECT: LICENSEE PERFORMANCE REVIEW FOR WESTINGHOUSE, DOCKET NUMBER 70-1151

Dear Mr. Alstadt:

The NRC Region II and Headquarters staffs completed a review of the Westinghouse Columbia Fuel Fabrication facility inspection results and performance in conducting NRC licensed activities. The review covered the period beginning February 13, 2007, and ending February 13, 2009. Westinghouse's performance was evaluated in the following areas: Safety Operations, Safeguards, Radiological Controls, Facility Support, and Special Topics. This letter and the enclosure provide to you the results of our review, and will be used as a basis for establishing the NRC oversight program for your conduct of licensed activities.

The review showed that Westinghouse continued to conduct its activities safely; protecting public health and the environment. However, based on the review, NRC identified opportunity for improvement in the areas of Safety Operations and Facility Support.

During the previous performance review, NRC acknowledged Westinghouse had achieved positive results with human performance improvement initiatives, and noted that management expectations for compliance with procedures were well communicated and implementation of criticality safety program elements was improved. However, for the current performance review, NRC has identified two aspects of plant performance that warrant management attention. For each of these areas, safety operation and facility support, Westinghouse management should evaluate any common causes that underlies the regulatory violations that were identified during this period and take appropriate action. As part of its review, Westinghouse should specifically evaluate whether procedural adequacy, procedural usage, training and knowledge management were contributing factors.

To review Westinghouse actions in response to the two identified areas for improvement, the NRC will implement the oversight program over a reduced evaluation period of 18 months and, as noted in the enclosure to this letter, additional inspections addressing the Safety Operations and Facility Support areas will be performed.

The results of our review will be discussed with you during a meeting open to the public on April 28, 2009. Areas needing improvement are summarized in the enclosure to this letter.

During the meeting, we expect you to discuss your view of your performance in the same major areas that the NRC evaluated, and also provide to us actions you have taken to improve your performance.

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

Questions and comments about NRC's review of Westinghouse's performance should be directed to Mr. Daniel Rich, who can be reached by telephone at 404-562-4721.

Sincerely,

/RA/

Joseph Shea, Director
Division of Fuel Facility Inspection

Docket No. 70-1151
License No. SNM-1107

Enclosure: Licensee Performance Review

cc w/encl:
Marc Rosser
Manager
Environment, Health and Safety
Commercial Nuclear Fuel Division
Electronic Mail Distribution

Susan E. Jenkins
Assistant Director, Division of Waste Management
Bureau of Land and Waste Management
Department of Health and Environmental Control
Electronic Mail Distribution

Distribution w/encl:
D. Rich, RII
R. Gibson, RII
D. Dorman, NMSS
M. Tschiltz, NMSS
P. Habighorst, NMSS
J. Marshall, NMSS
P. Silva, NMSS
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R. Caldwell, NSIR
M. Ernstes, RII
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LICENSEE PERFORMANCE REVIEW FOR WESTINGHOUSE COLUMBIA

ASSESSMENT PERIOD: FEBRUARY 13, 2007 TO FEBRUARY 13, 2009

The following is a summary of the performance of Westinghouse's Columbia facility in the conduct of NRC-licensed activities.

PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of plant operations, nuclear criticality safety (NCS), fire protection and plant modifications.

Program Areas Needing Improvement

- In the area of safety operations, the NRC identified two Severity Level III violations with multiple examples as well as additional Severity Level IV violations. From review of these violations, it appears that a number of these may have a nexus to adequacy of procedures and procedure compliance or adequacy of worker training. Westinghouse management should review these issues and identify commonalities between them, if any, and take appropriate management measures to address specific areas identified.

  Severity Level III Violation, with three examples

  ► Failure to follow custody and accountability procedures to track uranium hexafluoride samples, and failure to confirm shipping containers were empty and free of contamination prior to discard (VIO 2008-05-01).

  Loss of 16 sample vials of uranium hexafluoride (VIO 2008-05-02)

  Team Manager disposed of two shipping containers without formally completing training on the procedure (VIO 2008-05-03).

  Severity Level III Violation

  ► Willful failure to follow operating procedure by jamming an alarm acknowledgement button such that a safety significant alarm and interlock on a uranium conversion line calciner was effectively disabled (VIO 2008-03-01).

  Six Severity Level IV Violations

  ► The licensee failed to implement a replacement component in accordance with the approved configuration management procedure, in that unauthorized mop buckets were allowed to be used in the chemical area that were different from the approved mop buckets (VIO 2007-201-01).

  ► Failure to comply with posted limit on moderating materials in a storage array, in that flexible pipe sections were observed stored on top of drums containing fissile material in the IFBA pellet archive room (VIO 2007-202-02).

- ► Failure to provide adequate written procedures to ensure that Raschig rings are used and inspected in accordance with ANS/ANSI 8.5 (VIO 2008-202-01).

- ► Failure to ensure that the work area was free of combustible materials prior to the start of welding activities which resulted in a fire, in that the licensee did not detect and remove/shield small grease/hydraulic oil spots and dust that had accumulated on the floor (VIO 2007-04-02).

- ► Failure to ensure training and qualification of a fire watch (VIO 2007-04-02)

- ► Failure of an employee to wear adequate PPE while working in a potential hydrofluoric (HF) acid environment which resulted in a chemical burn (VIO 2007-02-01).

Recommended NRC inspection Effort in Safety Operations

- Increase core inspection frequency and hours in management oversight of operational safety (IP 88020), with a focus on procedural compliance, the effectiveness of the corrective action program, and human performance.

PERFORMANCE AREA: SAFEGUARDS

This area is comprised of material control and accountability, physical protection and classified material and information security.

Program Areas Needing Improvement

- No specific areas needing improvement were identified in Safeguards.

Recommended NRC inspection Effort in Safeguards

- Maintain the core inspection effort

PERFORMANCE AREA: RADIOLOGICAL CONTROLS

This area is comprised of radiation protection, environmental protection, waste management, and transportation.

Program Areas Needing Improvement

- No specific areas needing improvement were identified in Radiological Controls.

Recommended NRC inspection Effort in Radiological Controls

- Maintain the core inspection effort

PERFORMANCE AREA: FACILITY SUPPORT

This area is comprised of maintenance and surveillance, management organization and controls, training and emergency preparedness.

Program Areas Needing Improvement

- In two inspections regarding emergency preparedness, seven Severity Level IV violations were identified. Westinghouse should take steps to ensure that any common causes to these violations are identified and understood and that, as appropriate, corrective actions are taken, communicated effectively and monitored for effectiveness. While Westinghouse management should conduct the review, it should consider whether underlying training issues were part of the contributing causes.

  Seven Severity Level IV violations

  - ► Failure to provide or fax an MSDS in a timely fashion to emergency responders and the hospital for an employee who had sustained an HF burn (VIO 2007-02-02).
  - ► Failure to perform quarterly checks on emergency equipment, monthly checks on the brigade fire truck, the hazmat vehicles and the equipment locker, and failure to keep the SCBAs within their required air pressure range (VIO 2007-02-07).
  - ► Failure to maintain records of incidents and Post Incident Analyses required by the site emergency plan (SEP) and failure to formally review and update the SEP (VIO 2008-04-01).
  - ► Failure to have the National Weather Service verify the operability of the meteorological station semiannually and calibrate the station biennially in accordance with the SEP (VIO 2008-04-02).
  - ► Failure to maintain current letters of agreement with the off-site support groups, which are to be reviewed annually and renewed at least every four (4) years or as frequently as needed (VIO 2007-02-06)
  - ► Failure to train the plant nurse on the Hazard Communication Plan for providing MSDS information in a timely manner (VIO 2007-02-03).
  - ► Failure to provide the required annual training to Emergency Response Team (e.g., Brigade members and security guard) (VIO 2007-02-05).

Recommended NRC inspection Effort in Facility Support

- Increase core inspection frequency and hours in management organization and controls, with a focus in emergency preparedness, training, and corrective action program effectiveness.

PERFORMANCE AREA: SPECIAL TOPICS

This area is comprised of safety licensing.

Program Areas Needing Improvement

No specific areas needing improvement were identified in Special Topics – Licensing.