NRC FORM 591FF PART 1
(12-2007)
10 CFR 2.201

U.S. NUCLEAR REGULATORY COMMISSION

INSPECTION REPORT

1. LICENSEE OR CERTIFICATE HOLDER/LOCATION INSPECTED:	2. NRC/REGIONAL OFFICE:
Honeywell International, Inc. P. O. Box 430 Metropolis, IL 62960 REPORT NO: 2009-001	U.S. Nuclear Regulatory Commission Region II 61 Forsyth Street, Suite 23T85 Atlanta, GA 30303-8931

3. DOCKET NUMBER:	4. LICENSE OR CERTIFICATE NUMBER:	5. DATE(S) OF INSPECTION:
40-3392	SUB-526	March 9, 2009 – March 13, 2009

LICENSEE OR CERTIFICATE HOLDER:

The inspection was an examination of the activities conducted under your license or certificate as they relate 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 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. 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 self-identified, non-repetitive, and corrective action was or is 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)

LICENSEE OR CERTIFICATE HOLDER STATEMENT OF CORRECTIVE ACTIONS FOR ITEM 5, ABOVE

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violation(s) 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 the NRC will be required, unless specifically requested.

Title	Printed Name	Signature	Date
LICENSEE/CERTIFICATE HOLDER REPRESENTATIVE			
NRC INSPECTOR	Mary L. Thomas	***/RA/ J. Pelchat for***	5/8/09

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6. INSPECTOR(S): Mary Lynne Thomas, Michael Miller, and John Pelchat

7. INSPECTION PROCEDURES USED: 88020 and 88050

EXECUTIVE SUMMARY

Summary of Plant Status

The Honeywell Specialty Chemicals (licensee) uranium conversion facility is located on a 1,100 acre site (60 acres within the fence line). The licensee is authorized to possess 150 million pounds of natural uranium ore and to convert this material to uranium hexafluoride (UF_6). The uranium conversion process occurs in the Feed Materials Building (FMB). With the exception of an extended loss of offsite power over a number of days as the result of a severe ice storm in January and February 2009, operations were generally normal.

Plant Operations (88020)

- The inspectors reviewed control room operations. The inspectors also reviewed select piping and instrumentation diagrams for reduction and distillation process areas. No issues were identified.

  The inspectors observed distillation operators and the scale contractor calibrating the scale on the filling room floor and no issues were identified.

  Through interviews, the inspectors determined that the licensee continued to expand the scope of plant operations monitored and/or controlled by the Digital Control System (DCS). However, operators were not always trained in DCS features as they were added. For example, through discussions with operators and licensee training staff, the inspectors noted that the operators had not been trained on what to expect from DCS during plant power outages. The inspectors reviewed the licensee's change control process and determined that the process did consider impact of plant changes on the ISA and its associated PFAPs. The effectiveness of the licensee's change control process in assessing the safety impacts of incorporating PFAPs or other safety significant systems into DCS should be evaluated during future inspections. No regulatory issues were identified.

Operational Safety-Ice Storm Response and Recovery (88020 - Supplemental)

- On February 3, 2009, the Senior Resident Inspector assigned to the Paducah Gaseous Diffusion Plant conducted an event follow-up operational safety inspection at the Honeywell facility following an ice storm that caused a total loss of off-site power for an extended period of time.

The inspector interviewed the Nuclear Services Leader and the Production Manager to verify Honeywell's approach to licensed activities during the ice storm and loss of off-site power were in accordance with licensee procedures. Licensee personnel indicated that the primary accident sequence of concern during the loss of off-site power was plugging of the nozzles in the distillation system by freeze-out of UF_6 followed by the subsequent application of steam resulting in increased hydrostatic pressure in the system. The inspector determined that the licensee had verified that no nozzle plugging had occurred in accordance with licensee procedures. After the restoration of a reliable steam supply the licensee carried out a slow methodical heat up of the distillation system using steam heat tracing in accordance with licensee procedures.

The inspector also interviewed on-duty operators in the control room to verify actions they took during the loss of off-site power were in accordance with procedures and the recovery plan. The inspector conducted a plant tour to identify whether the material condition and "as-found" configuration of the site, structures, equipment, and personnel conformed to regulations and license requirements and were appropriate to protect worker and public safety during and following this off-normal condition.

Emergency Preparedness (88050)

- The licensee made no major changes to the emergency preparedness program during the review period. Several changes were made to Emergency Plan Implementing Procedures to correct deficiencies documented during the emergency exercise conducted in November 2008, including the procedures for preparing press releases and for including offsite agencies in exercise play. These changes had or were in the process of receiving the appropriate level of review. Procedures that had been finalized and approved were communicated to affected personnel.

  The licensee made the required changes to its emergency procedures to incorporate the programmatic changes described above. These procedure modifications were developed, reviewed, and promulgated as required to both on and off site emergency response organizations as required.

  Training provided to on and offsite emergency responders met the requirements described in the licensee's emergency plan.

  The licensee frequently met with the various offsite organizations that provided assistance to the facility in case of an emergency to ensure they were updated on the conditions of the facility and changes as detailed in the emergency plan.

  No significant issues were identified with respect to the certificate holder's biennial graded emergency exercise conducted on September 9, 2008. Local, state and federal agencies including the Department of Energy and the NRC participated in the drill and subsequent critiques. Critique issues were documented and appropriately resolved.

  The licensee's independent quality assurance organization performed audits of the emergency management program. The assessments determined that the licensee was effectively implementing its emergency management program. Minor issues were documented in the licensee's corrective action program and appropriately resolved.

  Examination of a representative sample of equipment relied on for emergency management including the emergency response vehicle and various articles of personnel protective equipment indicated that it was inspected, maintained, and tested in accordance with the applicable license requirements.

Exit Meeting Summary

The inspection scope and results were summarized on Friday, March 13, 2009 with Mr. Tillman, and members of his staff. A subsequent exit meeting was conducted on April 9, 2009 to review the status of violation VIO 40-3392/2008-01-01 which remains open pending completion and NRC review of corrective actions (see below) . The inspectors asked the licensee staff whether any materials examined during the inspection should be considered proprietary. No proprietary information was identified.

Key Points of Contact

Name	Title
L. Litinski	Regulatory Affairs
T. Barnes	Operations
B. Muiter	Training
E. Robinson	Engineering
M. Torres	Maintenance
R. Stokes	Health Physics

List of Items Opened, Closed, Discussed

Item Number	Status	Description
IFI 40-3392/2007-02-02	Closed	Implementation of new alarm system. The inspectors reviewed the corrective actions and noted that they had been completed for this IFI. The alarm procedures had been updated to reflect the current configuration and implementation of the DCS. This item is closed.
VIO 40-3392/2008-01-01	Open	Three examples of failure to adhere to Section 9.4.1 of the ISA. The inspectors reviewed the corrective actions taken to prevent recurrence. The inspectors also interviewed cognizant plant staff regarding the extent of condition for integrated functional testing of PFAPs to ensure they are reliable to perform their intended safety functions when needed. The licensee has entered the violation into their corrective action system to track progress of the extent of condition. The inspectors reviewed this issue with licensee personnel and determined that the licensee has initiated corrective actions, including the review and revision of procedures. However those corrective actions had not been completed and this item remains open pending the completion of the subject corrective actions
VIO 40-3392/2008-007-01	Closed	Failure to invite offsite response organizations to participate in the biennial drill. Licensee personnel responsible for invitation of offsite agencies had reviewed procedural requirements had been reviewed and were found to have a good working knowledge of applicable requirements. This item is closed.
VIO 40-3392/2008-007-02	Closed	Failure to have adequate procedures to properly isolate the control ventilation system along with the failure to have adequate procedures regarding the use of the back-up air supply system. Inspectors found that procedures had been revised and that control room operators had a good working knowledge of the revised procedures. This item is closed.
IFI 40-3392/2008-007-01	Closed	Simulated issuance of a materially incorrect press release during exercise. Inspectors determined that procedures were revised to incorporate standardized messages during simulated and actual emergencies. This item is closed.

Item Number	Status	Description
IFI 40-3392/2008-007-02	Open	Radio communications difficulties experienced by control room and ERT personnel during the exercise. Licensee determined that difficulties were related to a lack of familiarity with radio equipment and a lack of radio discipline on the part of some users. This item remains open pending the completion of radio equipment training.
IFI 40-3392/2008-007-03	Closed	Multiple examples of the failure to maintain adequate material readiness for emergencies. Inspectors review determined that the material condition of emergency response equipment was adequate. This item is closed.