



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

August 28, 2009

Mr. R. P. Cochrane
General Manager
Babcock & Wilcox
Nuclear Operations Group, Inc.
P. O. Box 785
Lynchburg, VA 24505-0785

**SUBJECT: LICENSEE PERFORMANCE REVIEW (LPR) OF LICENSED ACTIVITIES FOR
BABCOCK & WILCOX, NUCLEAR OPERATIONS GROUP, INC., DOCKET
NUMBER 70-27**

Dear Mr. Cochrane:

The NRC Region II and Headquarters staffs completed a review of the Babcock & Wilcox (B&W) Nuclear Operations Group, Inc. (NOG) inspection results and performance in conducting NRC licensed activities. The review covered the period beginning June 22, 2008, and ending June 30, 2009. This letter and the Enclosure provide the results of our review, and will be used as a basis for establishing the NRC oversight program for your facility. Details regarding the safeguards portion of the review are documented in a separate letter marked Official Use Only due to the sensitive nature of the information.

The review showed that B&W NOG continues to conduct its activities safely; protecting public health and the environment. During our last performance review meeting held on September 30, 2008, you discussed actions that were taken or were planned to improve your performance in the Safety Operations functional area. These included verification and tagging of all items relied on for safety identified in the Safety Analysis Report; adding Operations personnel in the development of integrated safety analysis accident scenarios; increasing criticality safety staffing; and ensuring management expectations and operational performance are properly aligned and understood with respect to nuclear criticality safety postings and procedural requirements through periodic field walkdowns and interviews by plant management. A reduction in the number of enforcement issues and the number of issues associated with the integrated safety analysis and items relied on for safety implementation indicates your actions are being effective in improving those areas. In addition, the corrective actions implemented for the Special Topics performance area resulted in timely and complete submittals during the assessment period.

Based on your performance during the assessment period, the NRC plans to conduct the core inspection program for a Category I Fuel Facility as described in NRC Inspection Manual Chapter 2600, "Fuel Cycle Facility Operational Safety and Safeguards Inspection Program," during the next 12 months. The NRC will re-evaluate the inspection program for the current assessment period following the completion of the ongoing special inspection into the circumstances associated with the Alert emergency declaration (Event Number 45207) on July 15, 2009. We will notify you via separate correspondence of any changes.

The results of our review will be discussed with you at a meeting open to the public on September 28, 2009. During the meeting, we expect you to discuss your view of your performance in the same major areas as the NRC evaluated. We expect you to specifically address the actions you have taken to improve past performance and what further program enhancements are being considered.

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>.

Please refer questions and comments regarding your performance review to Mr. Charles Payne, who may be reached by telephone at 404-562-4711.

Sincerely,

/RA/ E. Cobey for

Joseph Shea, Director
Division of Fuel Facility Inspection

Docket No. 70-27
License No. SNM-42

Enclosure: Licensee Performance Review

cc w/encl:
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Distribution w/encl: (See page 3)

R. Cochrane

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X PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE

X NON-SENSITIVE

ADAMS: X Yes ACCESSION NUMBER: _____

X SUNSI REVIEW COMPLETE

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| OFFICE | RII:DFFI | RII:DFFI | NMSS | | | |
| SIGNATURE | AG 8/24/09 | CP 8/25/09 | Via email | | | |
| NAME | AGooden | CPayne | DDorman | | | |
| DATE | 8/ /2009 | 8/ /2009 | 8/ /2009 | 8/ /2009 | 8/ /2009 | 8/ /2009 |
| E-MAIL COPY? | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO |

**LICENSEE PERFORMANCE REVIEW FOR BABCOCK AND WILCOX
NUCLEAR OPERATIONS GROUP, INC.
ASSESSMENT PERIOD: June 22, 2008 to June 30, 2009**

The following is a summary of the performance of Babcock and Wilcox Nuclear Operations Group, Inc. in the conduct of NRC licensed activities.

PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of nuclear criticality safety, fire safety, and plant operations.

Program Areas Needing Improvement

- No specific areas needing improvement were identified.

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.

PERFORMANCE AREA: FACILITY SUPPORT

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

Program Areas Needing Improvement

- No specific areas needing improvement were identified for Facility Support.

PERFORMANCE AREA: SPECIAL TOPICS (LICENSING ACTIVITIES)

This area is comprised of safety licensing.

Program Areas Needing Improvement

- No specific areas needing improvement were identified.

Enclosure