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

December 17, 2009

Gregory Smith, Chief Operating Officer
and Chief Nuclear Officer
National Enrichment Facility
P.O. Box 1789
Eunice, NM 88231

SUBJECT: NRC INSPECTION REPORT NO. 70-3103/2009-004

Dear Mr. Smith:

During the three month period from September 1, through November 30, 2009, the U.S. Nuclear Regulatory Commission (NRC) conducted an inspection associated with the construction activities of the Louisiana Energy Services, L. L. C., National Enrichment Facility (LES NEF). The inspection was conducted on October 19-22, 2009. The purpose of the inspection was to observe and evaluate electrical components and systems. The enclosed inspection report, which documents the inspection results, was discussed with you and other members of your staff on October 22, 2009.

This routine, announced inspection was an examination of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. The inspections consisted of examinations of selected calculations, drawings, procedures, and interviews with personnel. Based on the results of these inspections, no findings of significance or violations of regulatory requirements were identified.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," this document may be accessed through the NRC's public electronic reading room, Agency-Wide Document Access and Management System (ADAMS) on the internet at http://www.nrc.gov/readingrm/adams.html.

Should you have any questions concerning this letter, please contact me at (404) 562-0556.

Sincerely,

/RA by Cynthia D.Taylor Acting For/

Deborah A. Seymour, Chief
Construction Projects Branch 1
Division of Construction Projects

Docket No. 70-3103
License No. SNM-2010

Enclosure:
NRC Inspection Report 70-3103/2009-004

cc w/encl: (See next page)

Should you have any questions concerning this letter, please contact me at (404) 562-0556.

Sincerely,

/RA by Cynthia D.Taylor Acting For/

Deborah A. Seymour, Chief
Construction Projects Branch 1
Division of Construction Projects

Docket No. 70-3103
License No. SNM-2010

Enclosure:
NRC Inspection Report 70-3103/2009-004

cc w/encl: (See next page)

■ PUBLICLY AVAILABLE ☐ NON-PUBLICLY AVAILABLE ☐ SENSITIVE ■ NON-SENSITIVE

ADAMS: ■ Yes ACCESSION NUMBER: **ML093511013**__ ■ SUNSI REVIEW COMPLETE CDT

OFFICE	RII:DCI	RII:DCI	RII:DCI	RII:DCP			
SIGNATURE	Via Feeder Process	Via Feeder Process	Via Feeder Process	CDT for			
NAME	S. Lewis	C. Jones	M. Lesser	D. Edwards			
DATE	11/23/09	11/23/09	11/23/09	12/17/09			
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES	YES	YES

OFFICIAL RECORD COPY DOCUMENT NAME: G:\CCI\INSPECTION REPORTS\FUEL FACILITIES\LES - NEF\2009\LES IR 2009-004REV1.DOC

cc w/encl:

Steve Cowne, Quality and Regulatory
Affairs Director
National Enrichment Facility
P.O. Box 1789
Eunice, NM 88231

Daniel F. Stenger, Counsel
Hogan & Hartson
555 13th Street, NW
Washington, DC 20004

John Parker, Chief
Radiation Control Bureau
Field Operations Division
Environment Department
Harold S. Runnels Building
1190 St. Francis Drive, Room S 2100
P. O. Box 26110
Santa Fe, NM 87502

Richard A. Ratliff, PE, LMP
Radiation Program Officer
Bureau of Radiation Control
Department of State Health Services
Division for Regulatory Services
1100 West 49th Street
Austin, TX 78756-3189

John Goldstein, Deputy Secretary
New Mexico Department of Environment
Office of the Secretary
1190 St. Francis Drive
P. O. Box 26110
Sante Fe, NM 87502-0157

Matt White, Mayor
City of Eunice
P. O. Box 147/1106 Ave J
Eunice, NM 88231

Gary Don Reagan, Mayor
City of Hobbs
200 E. Broadway
Hobbs, NM 88240

Gary Schubert, Chairman
Lea County Commissioners
100 North Main
Lovington, NM 88260

Alton Dunn, Mayor of Jal
P.O. Box Drawer 340
Jal, NM 88252

cc email distribution w/encl:
Reinhard Hinterreither, President
National Enrichment Facility
Electronic Mail Distribution

Brenda Brooks, Director
Community Affairs and Government
Relations
National Enrichment Facility
Electronic Mail Distribution

Steve Cowne, Quality & Regulatory
Affairs Director
National Enrichment Facility
Electronic Mail Distribution

Daniel F. Stenger, Counsel
Hogan & Hartson
555 13th Street, NW
Washington, DC 20004

Letter to Gregory Smith from Deborah A. Seymour dated December 17, 2009

SUBJECT: NRC INSPECTION REPORT NO. 70-3103/2009-004

DISTRIBUTION w/encl:
B. Smith, NMSS
T. Naquin, NMSS
T. Gody, RII
R. Croteau, RII
D. Seymour, RII
K. O'Donohue, RII
J. Moorman, RII
M. Lesser, RII
C. Taylor, RII
S. Lewis, RII
PUBLIC

U.S. NUCLEAR REGULATORY COMMISSION
REGION II

Docket:	70-3103
License:	SNM-2010
Report:	70-3103/2009-004
Licensee:	Louisiana Energy Services, L. L. C.
Location:	National Enrichment Facility (LES NEF) Eunice, New Mexico
Inspection Dates:	October 19-22, 2009
Inspectors:	S. Lewis, Construction Inspector, Construction Inspection Branch 1 (CIB1), Division Construction of Inspection (DCI), Region II (RII) C. Jones, Sr. Construction Inspector, CIB1, DCI, RII
Approved:	Deborah A. Seymour, Chief Construction Projects Branch 1 Division of Construction Projects

Enclosure

EXECUTIVE SUMMARY

Louisiana Energy Services, L.L.C., National Enrichment Facility (LES NEF)
Nuclear Regulatory Commission (NRC) Inspection Report 70-3103/2009-004

This report covers a three-month period, September 1 through November 30, 2009. There was one inspection performed during this time frame in the area of electrical components and systems. The inspection was performed October 19-22, 2009. The inspection involved the observation and evaluation of in-process installation, completed installation, and testing of electrical components.

Electrical Components and Systems (IP 88138)

NRC inspectors conducted an electrical components and systems inspection at the LES NEF. This inspection was performed to assess installation and testing activities for components related to Items Relied on for Safety (IROFS) 1, 2, 4, and 5. These IROFS are related to the automatic temperature trips for various processes at LES NEF. The licensee adequately implemented the requirements of 10 CFR 50, Appendix B, Criteria II, XI, XVI, and XVIII, (Quality Assurance Program, Test Control, Corrective Actions, and Audits, respectively), as implemented by the LES NEF Quality Assurance Program Description, Sections 2, 11, 16, and 18 (Quality Assurance Program, Test Control, Corrective Actions, and Audits, respectively).

Attachment:
Persons Contacted
Inspection Procedures Used
List of Items Opened, Closed, and Discussed
List of Acronyms Used
List of Documents Reviewed

REPORT DETAILS

1. Summary of Site Activities

The licensee continued to perform ongoing construction activities for Separations Building Module 1001 and Cylinder Receipt and Dispatch Building, at the Louisiana Energy Services, L.L.C., National Enrichment Facility (LES NEF).

2. Electrical Components and Systems (Inspection Procedure (IP) 88138)

a. Scope and Observations

On October 19-22, 2009, the NRC inspectors conducted an electrical components and systems inspection at LES NEF. The objective of this inspection was to observe and assess installation and testing activities related to components associated with Items Relied on for Safety (IROFS) 1, 2, 4, and 5. These IROFS are related to the automatic temperature trips for various processes at LES NEF.

The NRC inspectors performed visual inspections of completed and in-process installations of IROFS 1, 2, 4, and 5. They verified the installed components were securely attached to mountings, circuits and components were clearly labeled, and panels and conduits provided adequate protection of conductors and electrical components consistent with the activities and environment anticipated for the area. The NRC inspectors also independently verified minimum separation was maintained in accordance with engineering requirements.

In addition to installation activities, the NRC inspectors observed testing of IROFS 1 and 4 to verify testing activities were in accordance with Criterion XI, Test Control, of Title 10 of the Code of Federal Regulations (CFR) part 50, Appendix B. The elements of the LES NEF Quality Assurance Program (QAP) described in Section 11, Test Control, of the LES NEF Quality Assurance Program Description (QAPD), implement the requirements of Criterion XI. The inspectors verified testing was conducted in accordance with written instructions contained in the work plan, which provided instructions for verifying as-built wiring terminations, positive identifications of IROFS components being tested, and specific verifications of logic outputs. The inspectors verified any anomalies identified during the test activity were documented in the work control record and formally dispositioned by field engineering

The NRC inspectors held discussions with the field technicians and engineering staff, and reviewed design changes. The NRC inspectors also reviewed engineering specifications, design specifications, construction drawings, and related change orders to ensure that design requirements were met and accurately translated into the installation work plan. The NRC inspectors also reviewed associated nonconformance reports related to the installation of IROFS 1 and 2, and interviewed personnel to assess how the specifications are met. The NRC inspectors found that the corrective actions were adequate and were in accordance with Criterion XVI, Corrective Actions, of 10 CFR 50, Appendix B. The elements of the LES NEF QAP described in Section 16, Corrective Action, of the LES NEF QAPD, implement the requirements of Criterion XVI.

The NRC inspectors assessed the qualifications of the installers and quality control inspectors, and observed the pre-job briefs. The NRC inspectors compared the

information included in this certification with Criterion II, Quality Assurance Program, of 10 CFR 50, Appendix B and found that the information provided was acceptable to determine that the quality assurance personnel were qualified to perform the installations. The elements of the LES NEF QAP described in Section 2, Quality Assurance Program, of the LES NEF QAPD, implement the requirements of Criterion II. The NRC inspectors reviewed a completed audit of the contractor, B&D Industries, responsible for the installation of these IROFS. The audit was conducted and documented in accordance with Criterion XVIII, Audits, of 10 CFR 50, Appendix B. The elements of the LES NEF QAP described in Section 18, Audits, of the LES NEF QAPD, implement the requirements of Criterion XVIII.

b. Conclusions

There were no findings identified during this inspection. The licensee adequately implemented requirements required by 10 CFR 50, Appendix B, Criteria II, XI, XVI, and XVIII, as implemented by the LES NEF QAP, Sections 2, 11, 16, and 18.

3. Exit Meeting

The preliminary inspection results were presented to the licensee on October 22, 2009. The inspector described the areas inspected and discussed the inspection results in detail with licensee staff. Although proprietary documents were reviewed during this inspection, the proprietary nature of these documents was not included in this report.

SUPPLEMENTAL INFORMATION

1. List of Persons Contacted

Louisiana Energy Services, L. L. C., National Enrichment Facility (LES NEF):

W. Dotson, Licensing Manager
T. Braudt, Licensing Engineer
B. Chaudhuri, Design Engineer
D. Miller, Project Manager
G. Argue, Maintenance Manager

B&D Industries:

S. Botone, Project Manager
T. Hummel, Quality Control Inspector

2. Inspection Procedures Used

IP 88138 Electrical Components and Systems

3. List of Items Opened, Closed, and Discussed

None

4. List of Acronyms Used

ADAMS	Agency-Wide Document Access and Management System
CFR	Code of Federal Regulations
IP	Inspection Procedure
IROFS	Item Relied on for Safety
LES NEF	Louisiana Energy Services, L. L. C., National Enrichment Facility
NRC	Nuclear Regulatory Commission
QA	Quality Assurance
RII	Region 2

5. Records and Documents Reviewed

Procedures and Calculations

EG-3-4100-05, Engineering Change Request, Revision (Rev.) 7
LES-K-0011, Process Station Defrost Heater and Fan High Temperature Trip – RTD (IROFS1), Rev. 0

Engineering Change Requests

ECR-2593, IROFS C15/C16 Electrical
ECR-4554, IROFS 1 & 2 Conduit Routing and Dimensional Issues, dated July 31, 2009
ECR-4800, IROFS 1 and 2 Conduit Layout, dated September 1, 2009

Drawings

9022511E, Wiring Diagram for IROFS1, IROFS2, IROFS4, & IROFS5 (Typical), Rev. 06
9050294E, Schematic Diagram IROFS1 and IROFS2, Rev. 06
9058723B, IROFS Support Structures General Notes, Rev. 03
9063797D, LTTS Station IROFS 1 & 2 Power/Control Panel Electrical Box Support Fabrication Mounting Details, Rev. 01
9098850E, 48" ITTS Station IROFS Conduit Layout, Rev. 0

Condition Reports

2009-2785-CR
2009-3456-CR
2009-3457-CR

Nonconformance Reports

NCR-2009-001
NCR-2009-002
NCR-2009-003
NCR-2009-004

Miscellaneous:

2009-S-07-169, IROFS 1, 2, 4, and 5 Support Structure Coating, dated August 19, 2009
51-9063679, NEF I&C Hardwired IROFS Seismic Test Requirements, Rev. 04
1001-ELEC-434-001, Perform IROFS Testing for Tails Station 1B3 (Work Plan), Rev. 0
NEF-BD-001, Auto Trip of Station Defrost Heater & Fan (RTD), Rev.0
NEF-BD-002, Auto Trip of Station Defrost Heater & Fan (T/C), Rev. 0
NEF-BD-004, Auto Trip of Station Heater on High Temperature (RTD), Rev. 0
WP-1001-IROFS-LTTS1, Installation of Items Relied on for Safety (IROFS) #1 & #2 on LTTS Station 1001-434-1B3