



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

March 18, 2010

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:

Please reference our letter of August 28, 2009, and the licensee performance review meeting held with you and members of your staff in Lynchburg, Virginia on September 28, 2009. The NRC communicated in the referenced letter and meeting that we would re-evaluate the inspection program for the current assessment period following the completion of the special inspection into the circumstances associated with the Alert emergency declaration (Event Number 45207) of July 15, 2009. We have completed our review of the Special Inspection Team (SIT) findings and determined that no additional inspection hours will be required. We intend to complete the core inspection program for a Category I Fuel Facility as described in NRC Inspection Manual 2600, "Fuel Cycle Facility Operational Safety and Safeguards Inspection Program." Although the core inspection hours for emergency preparedness will be maintained, management attention is warranted in the area of timely emergency recognition and correct classification of the event based on your performance during the band saw event and the biennial emergency exercise held on June 9, 2009.

The current performance period will end June 30, 2010. We will conduct a performance review covering the period from July 31, 2009 to June 30, 2010, to determine if there are areas for improvement and the level of inspection required for your facility. The results from the review will be discussed with you and members of your staff in Lynchburg, Virginia.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter 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>.

R. Cochrane

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Please refer questions and comments regarding your performance review to Mr. Stephen Vias, who may be reached by telephone at 404-562-4560.

Sincerely,

/RA/

Joseph W. Shea, Director
Division of Fuel Facility Inspection

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

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ADAMS: Yes ACCESSION NUMBER: _____

SUNSI REVIEW COMPLETE

OFFICE	RII:DFFI	RII:DFFI	NMSS			
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NAME	AGooden	SVias	DDorman			
DATE	3/ /2010	3/ /2010	3/ /2010	3/ /2010	3/ /2010	3/ /2010
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