



# **U.S. Nuclear Regulatory Commission**

**Pre-Decisional Enforcement  
Conference for NFS, Inc.**

*July 13, 2010, 1:00 pm  
NRC Region II Office  
Atlanta, GA*



This is a category 1 meeting in which the public is invited to observe and will have one or more opportunities to communicate with the NRC after the business portion, but before the meeting is adjourned.

## **I. Opening Remarks, Introductions, and Summary of the Issues**

Victor McCree, Deputy Regional Administrator, Operations

## **II. NRC Enforcement Policy**

Scott Sparks, Sr. Enforcement Specialist

Enforcement and Investigation Coordination Staff

## **III. Statement of Concerns/Apparent Violation**

Joseph Shea, Director

Division of Fuel Facility Inspection

## **IV. Licensee Presentation**

NFS, Inc. Site Management

## **V. Break/NRC Caucus**

## **VI. NRC Followup Questions**

## **VII. Closing Remarks**

Victor McCree, Deputy Regional Administrator



## *Apparent Violation 1*

Part I, Section 2.7 of SNM-124, NFS' materials license, states in part that "safety function activities are conducted in accordance with written procedures" and that "compliance with these procedures is mandatory."

Section 1.0, of Procedure NFS-HS-A-79, "Identification and Control of Items Relied On for Safety (IROFS) Procedure," states that this procedure establishes methods for identifying and controlling Items Relied on for Safety (IROFS) that mitigate or prevent credible high and/or intermediate consequence accident scenarios/sequences to meet performance criteria specified in 10 CFR 70.61.

Section 3.1.5 states in part that each high consequence accident scenario/sequence should have at least two IROFS to mitigate or prevent the accident sequence.

Contrary to the above, on October 13, 2009, Nuclear Fuel Services, Inc. (NFS) operated the bowl cleaning station without sufficient engineered or administrative controls to comply with 10 CFR 70.61(b) because only one item relied on for safety (IROFS), BPF-43 (NOx detection), had been designated to prevent or mitigate a high consequence accident scenario/sequence.

\*The Apparent Violations discussed at this conference are pre-decisional and are subject to change



## *Apparent Violation 2*

Part I, Section 2.7 of SNM-124, NFS' materials license, states in part that "safety function activities are conducted in accordance with written procedures" and that "compliance with these procedures is mandatory." The NRC determined that, prior to October 13, 2009, NFS failed to comply with the following procedures.

- Section 2.0 of Procedure NFS-CM-004, Revision 3, "NFS Change Control Process," states in part that "changes addressing failures which are adversely impacting personnel safety or significantly impacting operations may be assigned a priority of Urgent."

Contrary to this procedure, NFS processed Enterprise Change Request (ECRs) 20092008 and 20091919 as urgent when the changes dealt with the implementation of a method to process fines material.

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## *Apparent Violation 2 (Cont.)*

- NFS-CM-005, “NFS Change Controls Board (CCB) Charter,” requires the Change Controls Board to evaluate all ECRs according to various criteria including the impact the change would have on the facility systems, processes, activities, and facility configuration information.

Contrary to this procedure, the Board’s review of ECRs 20092008 and 20091919, which authorized the processing of fines directly in the bowl cleaning station, failed to identify that the design requirements and design basis were affected by the direct addition of fines into the bowl cleaning station without first processing the material in the uranium-aluminum dissolvers.

- Sections 5.3.1 and 5.3.2 of Procedure NFS-GH-901, “Configuration Management Program,” require technical reviews of changes to verify that the design basis is preserved.

Contrary to the procedure, the technical reviews as documented in ECRs 20092008 and 20091919 failed to identify that processing uranium-aluminum fines directly in the bowl cleaning station, without processing the material through the caustic dissolution and centrifuge steps, was not analyzed in the integrated safety analysis as a part of the uranium-aluminum design basis.



## *Apparent Violation 3*

10 CFR 70.72 requires licensees to maintain records of written evaluations that provide the bases for the determination that a change to its facility does not require prior NRC approval.

Contrary to the above, the licensee failed to maintain records of written evaluations that provide the bases for the determination that a change to its facility did not require prior NRC approval. Specifically, the inspectors determined that an inadequate 10 CFR 70.72 review was conducted based on reviews of the Safety and Regulatory Review Routing Forms used for the change requests that led to the upset event of October 13, 2009.

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## *Apparent Violation 4*

10 CFR 70.62(b) requires, in part, that licensees maintain process safety information pertaining to the performance and technology of the process to enable the performance and maintenance of the integrated safety analysis.

Contrary to the above, prior to December 11, 2009, NFS failed to maintain process safety information that would have provided reasonable assurance that IROFS BUA-43 (chemical addition) could perform its intended design function as described in the integrated safety analysis.

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## *Apparent Violation 5*

10 CFR 70.61(e) requires, in part, that the licensee designate engineered or administrative controls as IROFS if they are required to meet the performance requirements of 10 CFR 70.61(b).

Contrary to the above, prior to December 11, 2009, NFS failed to identify engineered or administrative controls as IROFS for several accident scenarios involving excessive nitrogen compound gas generation in the fuel manufacturing, uranium metal/oxide, uranium aluminum, and commercial development lines in order to meet the performance requirements of 10 CFR 70.61(b).

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# *Closing Remarks*