



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

April 26, 2011

Ms. Michelle Moore
Site Manager
AREVA NP, Inc.
Lynchburg Manufacturing Facility
P. O. Box 11646
Lynchburg, VA 24506-1646

SUBJECT: AREVA NP, INC. (LYNCHBURG) - NRC INTEGRATED INSPECTION REPORT
NO. 70-1201/2011-002

Dear Ms. Moore:

On March 31, 2011, the US Nuclear Regulatory Commission (NRC) completed an inspection at your Lynchburg, Virginia, fuel facility. The enclosed integrated inspection report documents the inspection results, which were discussed on January 13, 2011, with you and members of your staff.

The purpose of the inspection was to perform a routine review of the implementation of the operational safety, fire protection, management organization and controls, and operator training programs, and to follow-up on previously identified issues. This review was performed to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements.

The 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 inspection consisted of facility walk downs; selective examinations of relevant procedures and records; interviews with plant personnel; and plant observations. Throughout the inspection, observations were discussed with your managers and staff. Based on the results of the inspections, no violations of regulatory requirements were identified.

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/NRC/ADAMS/index.html> <http://www.nrc.gov/reading-rm/adams.html>.

M. Moore

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Should you have any questions concerning this letter, please contact us.

Sincerely,

/RA by M. Sykes/

Marvin D. Sykes, Chief
Fuel Facility Inspection Branch 3
Division of Fuel Facility Inspection

Docket No 70-1201
License No. SNM-1168

Enclosure:
NRC Inspection Report No. 70-1201/2011-002

cc w/encl:
Thomas Scott Wilkerson, Vice President, Engineering
Areva NP, Inc.
3315 Old Forest Road
Lynchburg, Virginia 24501

Ron Land, Vice President, Manufacturing
Areva NP, Inc.
3315 Old Forest Road
Lynchburg, Virginia 24501

Robert W. Sharkey, Manager
Environmental, Health, Safety & Licensing
Areva NP, Inc.
P. O. Box 11646
Lynchburg, VA 24506-1646

Leslie P. Foldesi, CHP, Director
Department of Health
James Madison Building
109 Governor Street, Room 730
Richmond, VA 23219

M. Moore

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Richmond, VA 23219

PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE NON-SENSITIVE

ADAMS: Yes ACCESSION NUMBER: ML111170473 SUNSI REVIEW COMPLETE

OFFICE	RII:DFFI	RII:DFFI				
SIGNATURE	/RA via email/	/RA via email/				
NAME	RPrince	MThomas				
DATE	4/19/2011	4/19/2011	4/ /2011	4/ /2011	4/ /2011	4/ /2011
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY DOCUMENT NAME: G:\DNMS\I\FB\I\REPORTS\DRAFT INSPECTION REPORT FOLDER\AREVA - LYNCHBURG\1ST QUARTER CY 2011 INPUT\AREVA LYNCHBURG 2011-002.DOCX

M. Moore

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Letter to Ms. Michelle Moore from Marvin D. Sykes dated April 26, 2011

SUBJECT: AREVA NP, INC. (LYNCHBURG) - NRC INTEGRATED INSPECTION REPORT
NO. 70-1201/2011-002

Distribution w/encl:

M. Sykes, RII
M. Thomas, RII
O. López, RII
D. Thompson, NMSS
M. Diaz, NMSS
PUBLIC

U.S. NUCLEAR REGULATORY COMMISSION
REGION II

Docket No.: 70-1201

License No.: SNM-1168

Report No.: 70-1201/2011-002

Licensee: AREVA NP, Inc. - Lynchburg

Location: Lynchburg, Virginia

Dates: January 1, 2011 through March 31, 2011

Inspector: Robert Prince, Fuel Facility Inspector

Approved by: Marvin D. Sykes, Chief
Fuel Facility Inspection Branch 3
Division of Fuel Facility Inspection

Enclosure

EXECUTIVE SUMMARY

AREVA NP, Inc. - Lynchburg
NRC Integrated Inspection Report No. 070-01201/2011-002

This is a quarterly integrated inspection report that includes one routine, announced inspection that was conducted by an NRC regional inspector during normal shift in the areas of operational safety, fire protection, operator training, and management organization and controls. During this inspection period, fuel fabrication activities were in transition with preparations ongoing to transfer manufacturing operations to their Richland, VA facility by the end of the first quarter of 2011. Fabrication activities have been limited to day shift hours with operations running intermittently for a few hours per day. The inspection included field observations of work activities, review of selected records, and interviews with plant personnel.

Operational Safety

Equipment and safety controls were operable and capable of performing their intended functions. Fuel fabrication activities were performed in accordance with approved procedures. Equipment and work areas were adequately maintained to support plant operations.

Fire Protection

Testing and maintenance activities associated with fire detection devices and suppression systems are adequate to ensure availability of these systems. Fire protection program inspections and testing were performed in accordance with approved procedures. Personnel were knowledgeable of alarm response procedures and aware of the required actions to take in the event of specific alarms. Fire protection equipment and supplies were available for use and adequately maintained. The control of transient combustible materials and ignition sources were adequately maintained.

Operator Training

Training and qualification of operators were current and supporting documentation adequately maintained. Staffing levels of suitably qualified individuals was adequate to support safe plant operations.

Management Organization and Controls

The licensee's problem identification and resolution program was adequately implemented in accordance with approved procedures. The tracking, trending, and closure of issues were commensurate with the safety significance of issues. An appropriate threshold for identifying and entering issues into the problem identification and resolution program was established. Safety committee meetings were held in accordance with established schedules and action items adequately assessed and disposition based on safety significance. Controls for the issuance, distribution, and revision of controlled copies of procedures were adequately implemented.

Attachment

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

REPORT DETAILS

1. Summary of Plant Status

The AREVA NP Lynchburg facility fabricates low-enriched uranium fuel assemblies used in commercial nuclear power reactors. During the inspection period, normal production activities were ongoing.

2. Operational Safety (IP 88020)

a. Scope and Observations

The inspector reviewed management measures and supporting documentation for designated items relied on for safety (IROFS) to ensure that safety controls were operable and capable of performing their intended function. The management measures program was discussed with licensee personnel to confirm that program elements, including the testing and maintenance of IROFS remain in place pending cessation of operations.

The inspector observed operational activities in the main fabrication facility. Rod loading and fabrication operations were conducted intermittently while fuel assembly activities were ongoing during the inspection period. The inspector noted that work areas were adequately maintained and no equipment issues identified. Work areas were free of miscellaneous debris. The inspector noted that personnel observed proper contamination control techniques when exiting radiological work areas and wore the required protective equipment and clothing in work areas.

b. Conclusions

Equipment and safety controls were operable and capable of performing their intended functions. Fuel fabrication activities were performed in accordance with approved procedures. Equipment and work areas were adequately maintained to support plant operations.

3. Fire Protection (IP 88055)

a. Scope and Observations

The inspector walked down the main fabrication facility including the pellet receiving bay, rod loading and fabrication areas and associated material storage and handling areas. The inspector determined that the licensee was adequately controlling transient combustible materials and ignition sources in accordance with procedures and fire safety requirements. The inspector confirmed that sprinklers were free of obstructions and observed that there were no signs of physical degradation of fire headers or associated piping in areas where sprinklers are used as fire suppression. Based on discussions with licensee personnel and a review of test records the inspector determined that fire detection devices were tested and maintained in accordance with approved procedures.

The inspector walked down flammable and chemical storage cabinets and found the cabinets to be accessible with materials properly stored and labeled within the cabinets. Waste containers and combustible waste containers were available in production areas and secured and identified in accordance with approved procedures.

Fire extinguisher locations were clearly identified and readily available. Access to fire extinguisher locations was unobstructed. Fire extinguishers with the required rating were available in designated locations. Inspection tags were current. The inspector reviewed fire extinguisher inspection records and found the records were complete and inspections performed in accordance with approved procedures. No issues of safety significance were identified.

The inspector reviewed the licensee's most recent Fire Safety Audit conducted in August 2010. The inspector discussed with licensee personnel the results of the most recent fire hydrant pressure and drain down test. The inspector noted that the test was successfully completed. In addition the inspector reviewed fire alarm system operational test records for completeness and accuracy. Licensee personnel demonstrated the alarm functions for local alarm stations and the alarm station located in the Security office. Personnel were knowledgeable of alarm response procedures and aware of the required actions to take in the event of specific alarms. The inspector found that the licensee was performing fire protection program inspections and testing in accordance with approved procedures and findings were tracked utilizing the corrective action program. No issues of safety significance were identified.

The inspector reviewed inspection records associated with the maintenance of fire protection equipment and supplies. The inspector walked down fire protection equipment and inventory staging areas. Equipment and supplies were operable, available for use and the inventory sufficient to support requirements of the fire protection program.

The inspector reviewed the licensee's hot work program to ensure the licensee had established appropriate controls for hot work. Based on review of procedures and discussions with licensee personnel, the inspector found that the licensee's hot work program was adequate. No hot work was performed during the inspection period.

b. Conclusions

Testing and maintenance activities associated with fire detection devices and suppression systems are adequate to ensure availability of these systems. Fire protection program inspections and testing were performed in accordance with approved procedures. Personnel were knowledgeable of alarm response procedures and aware of the required actions to take in the event of specific alarms. Fire protection equipment and supplies were available for use and adequately maintained. The control of transient combustible materials and ignition sources were adequately maintained.

4. **Operator Training (IP 88010)**

a. Scope and Observations

The inspector reviewed operator training program procedures and verified that the overall implementation of the training and qualification program was governed by approved procedures. The inspector reviewed operator training records and the process utilized to maintain training and qualifications current. Adequate administrative controls were in place to ensure that required retraining was completed in accordance with established schedules.

Based on discussions with licensee personnel the inspector noted that the licensee had maintained sufficient numbers of qualified staff and operators to support plant operations prior to transferring manufacturing activities to the Richland facility. No new or temporary Operators were required or had to be trained or qualified since the last inspection.

b. Conclusions

Training and qualification of operators were current and supporting documentation adequately maintained. Staffing levels of suitably qualified individuals was adequate to support safe plant operations.

5. **Management Organization and Controls (IP 88005)**

a. Scope and Observations

The inspector discussed the current organization with licensee management and noted that no significant organizational changes had been made since the last inspection. The inspector noted that the licensee had implemented a surveillance program to monitor safety performance during the transitional period.

The inspector reviewed the licensee's corrective action program procedures. Program requirements adequately addressed the identification, reporting, tracking and closure of condition reports (CRs). The inspector reviewed a summary of the condition reports issued over the last several months. The inspector noted that no condition reports were generated as a result of a safety significant issue for the period. The inspector noted that the threshold for identifying and entering issues into the problem identification and resolution program was appropriate. Based on discussions with licensee personnel and a review of documents the inspector found that condition reports were adequately screened for safety significance and appropriate corrective actions identified. No adverse trends in safety performance were noted.

The inspector reviewed the most recent Safety Review Board and Corrective Action Review Board meeting minutes. The inspector noted that both meetings adequately covered the required topics in accordance with approved procedures. Meeting minute action items were identified and tracked. Issues were entered into the licensee's corrective action program as required. No adverse trends or issues of safety significance were identified.

The inspector reviewed the licensee's program associated with the issuance of procedures and controls for procedure revisions. Administrative requirements describing the procedure review, distribution and control, and approval processes were established. The inspector interviewed personnel responsible for the procedure control program and determined that personnel were knowledgeable of program requirements and their responsibilities. Controls for the issuance and distribution of controlled copies of procedures were adequately implemented.

b. Conclusions

The licensee's problem identification and resolution program was adequately implemented in accordance with approved procedures. The tracking, trending, and closure of issues were commensurate with the safety significance of issues. An appropriate threshold for identifying and entering issues into the problem identification and resolution program was established. Safety committee meetings were held in accordance with established schedules and action items adequately assessed and disposition based on safety significance. Controls for the issuance, distribution, and revision of controlled copies of procedures were adequately implemented.

6. Exit Meeting

An exit meeting was held on January 13, 2011, with D. Grandemange and members of his staff.

ATTACHMENT

List of Persons Contacted

<u>Name</u>	<u>Title</u>
D. Barger	Facilities and Maintenance Manager
T. Blanks*	Security & Transportation, Environmental Management - Manager
T. Gaddy	Security Officer
D. Grandemange*	Site Vice President
D. Perna	Senior Safety Specialist
Brenda Waller	Procedures
D. White	Industrial Safety Technician
Wynee Woodson*	Training and Quality Specialist

List of Open, Closed, and Discussed Items

<u>Item Number</u>	<u>Status</u>	<u>Description</u>
None		

Inspection Procedures Used

IP 88005	Management Organization and Control
IP 88010	Operator Training
IP 88020	Operational Safety
IP 88055	Fire Protection Annual

List of Documents Reviewed

Procedure SL-1319, Rev. 09, Fire Safety
Procedure SL-1316, Rev. 015, MAR Fire Protection Equipment Control
Procedure SL-1323, Rev. 13, Ignition Source Permit and Hot work
Procedure SL-1308, Rev. 21, Emergency Response Procedure
Procedure SL-1308, Addendum 15, Rev. 009, Response to A MAR Fire or Criticality Alarm
Fire Safety Audit - August 26, 2010
Areva NP Lynchburg, Mt. Athos Road, Pre-Fire Plan, Rev. 8, September 21, 2010
Procedure SL-1150, Rev. 09, Safety & Licensing Audits and Assessments
Procedure SL-1309, Rev. 013, MAR Emergency Equipment Maintenance
Procedure 1723-01, Rev. 004, Fuels Training
Procedure 1703-77, Rev. 025, US Fuel BU Corrective Action Program
Procedure FC-1000, Rev. 014, Maintenance Services
Procedure SL-1100, Rev. 10, Items Relied on for Safety (IROFS) Administrative Procedure
for Integrated Safety Analysis (ISA)
Procedure SL-1233, Rev. 014, Calibration, Testing and Maintenance of Air Cleaning Systems
Procedure SL-1101, Rev. 06, Management Measures Program
Areva Mt. Athos Road Environmental, Health and Safety Policy, May 1, 2007
Procedure 1706-01, Rev. 028, Control of US Fuel Business Unit and MAR Procedures and
MAR SWIs

Procedure 1702-22, Rev. 030, Employee Training
Safety Review Board Meeting Minutes, November 16, 2010
Corrective Action Review Board Meeting Minutes, December 29, 2010