



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

October 31, 2011

EA 09-272

Mr. Dominique Grandemange
Site Manager
AREVA NP, Inc.
2101 Horn Rapids Road
Richland, WA 99354-0130

**SUBJECT: AREVA NP, INC (RICHLAND) – NRC INTEGRATED INSPECTION REPORT
NO. 070-01257/2011-004**

Dear Mr. Grandemange:

The U. S. Nuclear Regulatory Commission (NRC) conducted announced, routine inspections from July 25 through 28, and August 8 through 11, 2011, at your Richland, Washington, facility. The enclosed report presents the results of the inspections. The purpose of the inspections was to perform a routine review of the implementation of the operations, fire protection, permanent plant modifications, to follow-up on a confirmatory order, 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. At the conclusion of the inspections, the findings were discussed with members of your staff at exit meetings held on July 28 and August 11, 2011.

The inspections were 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 walkdowns; 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.

The NRC has completed its review of AREVA Richland's commitments as documented in Confirmatory Order 2010-0172 issued on April 26, 2010. The NRC's review of the commitments was performed through an in-office review and onsite inspection as documented in this report. The report documents NRC's review of the six commitments made in Section V of the Confirmatory Order. The NRC determined that AREVA Richland has taken sufficient action to satisfy the commitments from the Confirmatory Order and no further response is required regarding the Confirmatory Order. Please note that satisfying these commitments does not relieve you from future implementation of the management observation program and enhanced training. In addition, your organization must remain vigilant and ensure that your staff does not become complacent to the safety and regulatory demands of the nuclear industry.

Based on the results of this inspection, the NRC has determined that one Severity Level IV violation of NRC requirements occurred. This violation is being treated as a Non-Cited Violation (NCV), consistent with Section 2.3.2 of the Enforcement Policy. The NCV is described in the subject inspection report. If you contest the violation or significance of the NCV, you should provide a response within 30 days of the date of this inspection report, with the basis for your

denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to: (1) the Regional Administrator, Region II; and (2) the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

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>. To the extent possible, your response should not include any personal privacy or proprietary, information so that it can be made available to the Public without redaction.

If you have any questions, please call me (404) 997-4629.

Sincerely,

/RA/

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

Docket No. 070-01257
License No. SNM-1227

Enclosure:
NRC Inspection Report

cc w/encl:
Thomas Scott Wilkerson, Vice President, Engineering
Areva NP, Inc.
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cc w/encl: (cont'd on page 3)

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X PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE X NON-SENSITIVE
ADAMS: X Yes ACCESSION NUMBER:ML11304A257 x SUNSI REVIEW COMPLETE X FORM 665 ATTACHED

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SIGNATURE	/RA/	/RA/	/RA/ email	/RA/	/RA/	/RA/	
NAME	RGibson	OLopez	JFoster	SMendez	NCovert	MThomas	
DATE	10/31/11	10/31/11	10/28/11	10/28/11	10/31/11	10/28/22	11/ /2011
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

(cc w/encl: cont'd on page 3)

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D. Grandemange

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Letter to Mr. Dominique Grandemange from Marvin D. Sykes dated October 31, 2011

Subject: ARENA NP, INC (Richland) –NRC INTEGRATED INSPECTION REPORT NO.
070-01257/2011-004

Distribution w/encl:

M. Thomas, RII

O. López, RII

R. Rodriguez, NMSS

M. Diaz, NMSS

M. Sykes, RII

U.S. NUCLEAR REGULATORY COMMISSION
REGION II

Docket No.: 70-1257

License No.: SNM-1227

Report No.: 70-1257/2011-004

Licensee: AREVA NP, Inc.

Facility: Richland Facility

Location: 2101 Horn Rapids Road
Richland, Washington

Dates: July 25 through 28, and
August 8 through 11, 2011

Inspectors: R. Gibson, Senior Fuel Facility Inspector (Section B.1)
O. López, Senior Fuel Facility Inspector (Section A.2)
J. Foster, Fuel Facility Inspector (Section C.1)
S. Méndez, Fuel Facility Inspector (Section B.1)
N. Covert, Fuel Facility Inspector (Section A.1)

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

Enclosure

EXECUTIVE SUMMARY

AREVA NP, Inc.
NRC Inspection Report No. 70-1257/2011-004

Inspections were conducted by regional inspectors during normal shifts in the areas of Operations, Fire Protection, and Permanent Plant Modifications, a follow-up on Confirmatory Order NRC-2010-0172, and event follow-up. During the inspection period, normal production activities were ongoing. These routine, announced inspections consisted of selective examinations of procedures and representative records, observations of activities, walkdowns of items relied on for safety (IROFS), and interviews with personnel.

Operations

The licensee operated the Dry Conversion Process (DCP) system, which included vaporization, powder production, powder preparation, liquid effluent, hydrofluoric Acid (HF) recovery, and the associated ventilation system, as well as associated IROFS and supporting management measures in accordance with NRC requirements. No findings of significance were identified in the DCP system. (Section A.1)

Fire Protection

Fire protection equipment, including IROFS, and control of transient combustible materials were adequately maintained and implemented. No findings of significance were identified. (Section A.2)

Permanent Plant Modifications

The plant modifications that were reviewed by the inspectors were adequately evaluated for safe operations. The licensee implemented adequate management measures to ensure all safety related changes would be maintained.

The inspectors followed up with the licensee corrective actions for the failure to submit to the NRC a brief summary of all facility changes in accordance with 10 CFR 70.72(d)(2). The licensee identified at the beginning of 2011 that 83 modifications were inadvertently left out of the 2005 to 2010 summary of changes submitted to the NRC. This self-identified violation for failure to submit a brief summary of all facility changes to the NRC is being treated as a non-cited violation (NCV) consistent with Section 2.3.2.b of the NRC Enforcement Policy. (NCV 70-1257/2011-004-01) (Section B.1)

Follow-up on Confirmatory Order

The inspectors determined that the licensee effectively implemented the commitments required in NRC-2010-0172 Confirmatory Order Section V. The inspectors determined that AREVA had completed the actions as delineated in Section V and had committed to continue to implement and enhance the applicable training and management observation program. (Section C.1)

Attachment

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

REPORT DETAILS

Summary of Plant Status

The AREVA Richland facility converts uranium hexafluoride (UF₆) into uranium dioxide for the fabrication of low-enriched fuel assemblies used in commercial nuclear power reactors. During the inspection period, normal production activities were ongoing.

A. Safety Operations

1. Operations (IP 88020)

a. Inspection Scope and Observations

The inspectors performed an operational review of the DCP system, which included vaporization, powder production, powder preparation, liquid effluent, HF recovery, and the associated ventilation system. For the DCP system, the inspectors reviewed the Integrated Safety Analysis (ISA) Summary, both the current version 9.0 and the previous version 8.0, and evaluated the new and revised accident sequences. In addition, the inspectors reviewed the safety analysis, licensee policies, and operating procedures to determine the existing process safety controls. The inspectors also reviewed management measures, required programs, and supporting documentation, including system and logic drawings, functional tests, surveillances, calibrations, maintenance, and condition reports for designated DCP IROFS to ensure that safety controls were available and reliable to function when needed. The inspection also included interviews of licensee personnel and plant walkdowns.

The inspectors reviewed ISA Summary, Chapter 10, Version 9.0, for System 810, Vaporization, which included 26 new or revised accident sequences. The primary changes included three new cylinder handling accident sequences, which were used twice for both chemical and radiological safety, and 11 accident sequences that the licensee re-evaluated and determined to be not credible. The inspectors also reviewed six IROFS associated with the vaporization system.

For System 820, Powder Production, and System 830, Powder Preparation, in Chapter 10 of ISA Summary Version 9.0, the inspectors reviewed 25 IROFS which primarily consisted of administrative controls and active engineering controls, specifically interlocks both in PROXY computer logic and independent mechanical interlocks. For the interlocks, the inspectors evaluated for actual interlock independence and potential common mode failures by reviewing PROXY computer operations, safety related surveillances, logic diagrams, and system drawings; performed plant walkdowns; and interviewed the system engineer and operators. The inspectors also reviewed licensee-identified condition reports and apparent cause analysis for DCP issues identified and troubleshooting performed on associated PROXY logic, alarm features, and component responses.

For System 840, Liquid Effluent and HF Recovery, Chapter 10 of ISA Summary Version 9.0, the inspectors reviewed four IROFS, which included procedure and surveillance reviews, area walkdown, and discussions with the system engineer.

For System K62, Dry Conversion Ventilation, Chapter 18 of ISA Summary Version 8.0, the inspectors reviewed the accident sequences and IROFS associated with DCP.

Specifically, the inspectors performed area walkdowns, observed associated HEPA differential pressure indicators, observed ventilation and vacuum cleaner integrity, observed combustible loading requirements and performance for the areas, and reviewed surveillances.

The inspectors also followed up on an upset condition from June 30, 2011, caused by a failed thermocouple in the Solid Waste Uranium Recovery (SWUR) system. The inspectors performed a system walkdown, interviewed system engineers, and reviewed the licensee's apparent cause analysis under Condition Report (CR) 2011-4637, their immediate response, and their planned corrective actions. No findings of significance were identified.

b. Conclusion

The licensee operated the DCP system, which included vaporization, powder production, powder preparation, liquid effluent, HF recovery, and the associated ventilation system, as well as associated IROFS and supporting management measures in accordance with NRC requirements. No findings of significance were identified in the dry conversion process system.

2. **Fire Protection (IP 88055)**

a. Inspection Scope and Observations

The fire protection inspection focused in the following areas: Warehouse 2, Warehouse 7, Dry Conversion Facility and Solid Wasted Uranium Recovery area (SWUR).

The inspectors reviewed the ISA to verify that it considered effects of suppression activities on process areas, malfunction of an automatic fire protection system, the potential for spread of contamination, transient combustibles, offsite fire department and onsite fire brigade. The inspectors verified that facility pre-fire plans for the selected areas were consistent with the ISA and the as-built configuration. The inspectors found that the new hydrogen generation process had not been included in the pre-fire plan. Licensee representatives stated that they were in the process of revising the plan to include recent modifications and that the fire marshal was aware of the recent modifications.

The inspectors verified implementation of the control of combustibles and flammable materials, and ignition sources programs. The inspectors observed that the combustible and flammable control program included requirements, IROFS 4502, for limiting the amount and proximity of combustible and flammable materials. In addition, the licensee had in place IROFS 4503, that was designed to provide an independent review to verify compliance with the program. No findings of significance were identified.

The inspectors verified that fire barriers (e.g. walls, doors, and dampers), including barriers designated as IROFS, were in good condition without cracks, gouges, or holes and gaps and penetration were properly sealed. The inspectors also verified that the fire barriers were appropriate for the credible fire hazards in the selected areas. The inspectors verified that a material of an appropriate fire rating was used to fill openings and penetrations and that the installation met engineering design.

The inspectors reviewed the material condition, operational lineup, design, and maintenance requirements of fire suppression and detection systems to verify that the systems were reliable and available, including suppression systems designated as IROFS. The inspectors noted that adequate water pressure was available to ensure adequate sprinkler performance. The inspectors verified that when the fire alarm was activated, the system dialed an UL approved fire alarm company that automatically summoned the fire department as required by the ISA. The inspectors also verified that vacuum transfer systems and ventilation systems were interlocked with the fire alarm to shut down upon alarm activation.

The inspectors walked down selected process areas and noted that fire extinguishers were readily available, unobstructed, and rated for the correct fire scenario for the specific areas. In addition, the inspectors verified that response personnel were trained in the use of fire extinguishers. No findings of significance were identified.

b. Conclusion

Fire protection equipment, including IROFS, and control of transient combustible materials were adequately maintained and implemented. No findings of safety significance were identified.

B. Facility Support

1. Permanent Plant Modifications (IP 88055)

a. Inspection Scope and Observations

The inspectors performed a review of the ISA changes and permanent plant modifications (PPMs) that were made during the last year and those that were inadvertently left out of the 2005 to 2010 Summary Changes Letter. The inspectors reviewed twelve Engineering Change Notice (ECN) packages, which included normal facility changes, emergency facility changes, and calibrations, to determine if the modifications were performed and authorized according to the applicable procedures, and to verify compliance with 10 CFR 70.62 and 70.72. The ECNs reviewed also included revisions to procedures, piping and instrumentation diagrams (P&IDs), technical basis documents, Criticality Safety Reviews, and functional test.

In addition, the modifications were reviewed to ensure that any potential modifications to an accident sequence were properly accounted for and addressed. The inspectors walked down and reviewed PPMs to verify that the “as-built” drawings agreed with the field configuration when applicable. The inspectors found that the licensee had not completed the “as-built” process for some of the modification already installed. The “as-built” process documents the actual configuration after the physical installation of the modification. For the reviewed PPMs, the inspectors verified that operating procedures were updated to reflect the modifications and that training on the modifications was provided, as necessary. The inspectors verified that the licensee had management measures in place to ensure that IROFS affected by facility changes were capable of performing their intended safety function before approving the modification for operation. The inspectors identified minor documentation issues in some ECNs, which were discussed with the licensee’s staff.

The inspectors reviewed the licensee corrective actions for the failure to submit to NRC per 10 CFR 70.72(d)(2), a brief summary of all changes to the records required by

§70.62(a)(2). The licensee identified at the beginning of 2011 that 83 facility changes were inadvertently left out of the 2005 to 2010 summary of changes submitted to the NRC. The licensee entered this finding into their corrective action program (2011-185-FA) and determined that the startup date used to submit to the NRC in the summary of changes was not adequate. The licensee implemented corrective actions in order to assure that the adequate date was used. While inspecting the corrective actions, the inspectors found that two additional changes were not submitted to the NRC in the summary of changes for 2010 and that the corrective actions implemented by the licensee had not prevented reoccurrence of this problem. The licensee entered the two additional changes into their corrective action program as 2011-5870.

During the inspection, the inspectors determined that the licensee inadvertently failed to submit 83 changes between 2005 to 2010, as required by 10 CFR 70.72(d)(2). This is non-repetitive, licensee-identified and corrected violation is being treated as an NCV, consistent with Section VI.A.8 of the NRC Enforcement Policy.(NCV 70-1257/2011-004-001).

The inspectors reviewed and walked down the functional aspects of the following engineering controls changes to determine if the modifications were performed and authorized according to the applicable procedures, and to verify compliance with 10 CFR 70.62 and 70.72.

- ECN No. 7762: Replace fiberglass ductwork in UO2 Room 102A with welded stainless duct.
- ECN No. 7861C: Replace the existing gamma monitors on the wastewater tanks and sand filters with instruments specific for uranium. The monitors are required for criticality safety. IROFSs 2309 and 2310 for the filters, and 2303 and 2311 for the wastewater tanks.
- ECN No. 7898: CSS 120, 125, 190 Interlock Requirements.
- ECN No. 7997: The Public Address System has many dead spots (no coverage) while other areas are at least annoying if not deafening. Add speakers to the dead areas around plant so the overall volume can be lowered.
- ECN No. 8026C: Change the state of the high level switches from normally open to normally closed and update the ABB programming to match the new alarm states.
- ECN 8169C: ADU Calciner Off gas Dry Filtration System. Remove the existing COG scrubber system and replace the system with a dry sintered metal filter similar to the system that is currently running in the Erwin plant.
- ECN No. 8304C: Update PM C820P011 to include Bogey for Calciner Feed Screw. Place the calciner feed screw in bogey mode during the six month interlock PM to verify UF6 shutoff. IROF 1206
- ECN No. 8305: ADU Bad Filter Test.
- ECN 8421C: Replacement of UO2 Waste Assay Detectors with Isocart. Mounted inside the existing drum rotator housing in the waste area after the existing sodium iodide detectors and equipment are removed.
- ECN No. 8432: Hydrogen Equipment to Replace DA System.
- ECN No. 8468: ADU UNH Dissolver Pumpout Modification.
- ECN No. 8503: UNH Powder Dissolver 901 Level Reading Improvement.
- ECN No. 8528: TK-10 Level Transmitter.
- ECN No. 8540: Install sliding doors on the back of each ADU Drum Tumbler Hood to provide easier and safer access for cleaning and to reduce airborne.

b. Conclusion

Design and installation of plant modifications were adequately evaluated for safe operations. The licensee implemented adequate management measures to ensure all safety-related changes would be maintained. An NCV was identified for the failure to submit plant changes to the NRC.

C. Special Topics

1. Follow-up on Confirmatory Action Letters or Orders (IP 92703)

a. Inspection Scope and Observations

The inspection reviewed the requirements of Section V of Confirmatory Order NRC-2010-0172 issued on April 26, 2010. The Confirmatory Order was issued by the NRC after the NRC and AREVA met in an Alternate Dispute Resolution (ADR) session regarding Enforcement Action (EA) 09-272. The enforcement action involved an employee who willfully disabled safety equipment. The inspectors reviewed the Confirmatory Order response provided to the NRC on June 21, 2011, which discussed the licensee's basis used for concluding that the Confirmatory Order was satisfied. The review of the response was also included in the scope of this inspection.

The six subsections of the Confirmatory Order were reviewed below:

Section V(a): Training

AREVA committed to incorporating lessons learned from the incident, including enhanced Safety Conscious Work Environment (SCWE) training, into General Employee Training for new employees and annual refresher training for all AREVA Richland employees.

The inspectors reviewed three instruction guides for training courses for new employees and refresher training. The inspectors determined that the lessons learned and the details of the willfully disabled safety equipment incident were included as examples of willful misconduct in both the refresher training and in the new employee training. The inspectors determined that the presentations included a discussion of SCWE concepts. The inspectors reviewed CR 2011-5722 which outlined the future incorporation of a discussion on 'safety over production' ideas into the new employee and annual refresher training courses.

The inspectors interviewed a sample of operators in a one-on-one setting on aspects of a SCWE. The operators interviewed stated that they would raise a nuclear safety concern to a supervisor or would feel comfortable entering an item into the CAP. The interviewees stated that they felt they had the support of their management to conduct their jobs safely and would feel comfortable elevating a safety concern above their supervisor if he or she were not responsive. When the operators were asked how they would handle situations similar to the one in 2009, which led to an operator disabling safety equipment, the operators responded that they felt they had management's support and would not tamper with equipment. In conclusion, the inspectors determined that the licensee efforts to include SCWE objectives, through a variety of methods including classroom training, were effective and will continue to keep the aspect of a SCWE in front of all employees.

The inspectors determined that the training course materials met the commitment of Section V(a) of the Confirmatory Order.

Section V(b): Management Observation Program

AREVA committed to implement a management observation program at Richland for the purpose of reinforcing task performance standards and work practices.

The inspectors reviewed the management observation program through a review of the corporate procedure applicable to the program and a sample of management observation records from May 2011. The inspectors interviewed the staff responsible for managing the program and a sample of managers, supervisors, and engineers responsible for implementing the program. The inspectors determined, from document reviews and interviews, that the management observation program reinforced task performance standards and expected work practices. The program was successful in encouraging supervisors and managers to participate in immediate corrective actions, including individual coaching, in order to address deviations from expected work practices. The observation records were trended for the number of observations made each month and by each organizational division. The observation records were not tracked for completion as the immediate corrective actions were recorded on the form. The managers, supervisors, and engineers were instructed to exit the management observation program and enter a condition report in the corrective action program for the following observations: 1) the applicable corrective actions could not be immediately completed and/or 2) the observation was a safety-significant concern. The inspectors reviewed CR 2011-6771 which outlined future areas of improvement for the management observation program.

The inspectors determined that the management observation program met the commitment of Section V(b) of the Confirmatory Order.

Section V(c): Supervisor Availability Survey

AREVA Richland Site Operations committed to perform a survey to determine the results of efforts to increase supervisor availability in the work area.

The inspectors reviewed the survey results of a September 2010 survey regarding availability and responsiveness of supervisors. Seventy four percent of operators responding to the survey stated that their supervisor encouraged them to raise a concern often or always. Forty three percent of operators noted an increase in supervisor interaction since the previous year while only nineteen percent noted a decrease. The remaining operators stated that their interactions with their supervisor had stayed the same. The inspectors determined that the licensee's survey effectively showed the results of the licensee efforts to increase supervisor availability.

The inspectors interviewed a sample of operators to determine if the current interaction with their supervisors and management was frequent enough to support the safe conduct of work. The operators interviewed felt that interaction with supervisors and managers was adequate and did support safety.

The inspectors determined that the survey met the commitment of Section V(c) of the Confirmatory Order.

Section V(d): Lessons Learned Presentation

AREVA committed to develop a presentation and offer to present the details of the incident and lessons learned with regard to work practices to a future industry forum such as the annual Fuel Cycle Information Exchange (FCIX).

The inspectors reviewed the 2010 FCIX meeting presentation slides. The inspectors determined that the presentation included the details of the willfully disabled safety equipment incident as a case study and lessons learned by the licensee from the incident. The inspectors determined that the presentation met the commitment of Section V(d) of the Confirmatory Order.

Section V(e): Timeliness

AREVA committed to complete the above Confirmatory Order items within 12 months of issuance of the Confirmatory Order.

The inspectors verified that the licensee had implemented commitments (a) through (d) of NRC-2010-0172 Confirmatory Order Section V within 12 months of the issuance of the Order as required by the Order. The inspectors determined that the corrective actions, including the additions made to the training material, the introduction of and training for the management observation program, the implementation of the survey, and the presentation of lessons learned, were all conducted within the appropriate timeframe as defined in the Order. The inspectors determined that the timeliness of corrective actions met the commitment of Section V(e) of the Confirmatory Order.

Section V(f): Response to Confirmatory Order

AREVA committed to provide, within three months of completion of the terms of the Confirmatory Order, a letter to the NRC discussing the basis for concluding that the Confirmatory Order was satisfied.

The inspectors reviewed and determined that the letter sent to the NRC on June 21, 2011, discussed the licensee's conclusions for satisfying the Confirmatory Order and were sent in the appropriate timeframe. The inspector verified that each corrective action was appropriate for each commitment. The letter met the commitment of Section V(f) of the Confirmatory Order.

b. Conclusion

The inspectors determined that AREVA has completed the actions as delineated in Section V of the Confirmatory Order and has committed to continue to implement and enhance the applicable training and management observation program.

2. Open Items Review

(Closed) VIO 2010-010-02: Failure to identify and document extent of condition and generic implications in accordance with procedure 1703-76, Issue Investigation and Causal Analysis Procedure, Rev 13. As of December 2, 2010, the licensee failed to properly implement procedure 1703-76 Step 7.1 by not identifying and documenting the cause, extent of condition, and generic implications for criticality drain 100DR10 failing to perform its safety function. Criticality drain 100DR10 is a mass control, IROFS # 6303.

The inspectors reviewed the licensee's apparent cause analysis under CR 2011-506, the associated corrective actions, and performed a sampling of apparent cause analysis performed since the date of the procedure revision, April 18, 2011, to verify corrective action implementation. As part of the corrective actions, the inspectors reviewed the training materials developed and used, including the training attendance sheets. The inspectors also reviewed the procedure changes made to 1703-76 and 1703-76-F01 to verify changes made addressed the concerns identified in the violation and to validate the revised version, Revision 14, had been implemented. The inspectors determined that the corrective actions taken were adequate to prevent reoccurrence of the violation. In addition, the technical aspects of the criticality drain failing to perform its safety function were previously documented in NRC Inspection Report No. 70-1257/2010-010. This violation is considered closed.

(Closed) VIO 2010-010-03: Failure to implement the integrated incident investigation/corrective action program for IROFS deficiencies identified during preventative maintenance (PM). On and before November 30, 2010, the licensee failed to implement the integrated incident investigation/corrective action program by not identifying, evaluating, and reporting two conditions involving the control and processing of licensed materials, including those with actual or potential adverse impacts to IROFS, that were identified during the performance of IROFS preventative maintenance (PM) activities C090P021 "Calcliner L2 Lubricate 1 MO MWHZ" and C323P002 "Powder Receipt Interlock 6 MO RE."

The inspectors reviewed the licensee's apparent cause analysis under CR 2010-8712, the associated corrective actions under CR 2010-8712, and 2010-9084, and the maintenance department self assessment on PM execution and CR generation. In addition, the inspectors performed a sampling of PM performed since the completion of the self-assessment, March 29, 2011, to verify CRs were being written for mechanical and instrumentation IROFS deficiencies identified during PM. As part of the corrective actions, the inspectors reviewed the training materials developed and used, including the training attendance sheets. The inspectors determined that the corrective actions taken were adequate to prevent reoccurrence of the violation. This violation is considered closed.

(Closed) IFI 07-1257/2009-01-02: Licensee did not have a documented basis to demonstrate that existing management measures were adequate to ensure IROFS functionality. The licensee performed a gap analysis (CR-2009-333) where the facility's fire protection program was compared to the NFPA code of record. In addition, the licensee created CR-2011-2293 to evaluate the findings identified in the gap analysis and implement necessary changes to the program. The inspectors determined that the licensee had evaluated the gap analysis findings and was in the process of implementing changes to the fire protection program to ensure compliance with the applicable NFPA codes. Based on interviews and documentation review, the inspectors determined that the corrective actions taken and planned would ensure that adequate management measures were in place to ensure the reliability and availability of fire safety IROFS. This item is considered closed.

D. Exit Meeting Summary

The inspection scope and results were summarized on July 28 and August 11 with licensee representatives. The licensee acknowledged the inspection findings. Proprietary information was discussed but not included in the report.

ATTACHMENT

1. LIST OF PERSONS CONTACTED

Licensee

B. Ball, Conversion Supervisor
D. Garber, Engineering
T. Galioto, Engineering
V. Gallacher, Uranium Conversion and Recovery Manager
D. Grandemange, Site Manager
L. Hope, Training Manager
R. Kimura, Engineering Manager
S. Kuick, Continuous Improvement Manager
R. Link, Environmental, Health, Safety, and Licensing Manager
L. Maas, Licensing Manager
C. Manning, Nuclear Criticality Safety Manager
C. O'Shaughnessy, Training Instructor
S. Schlax, Maintenance Supervisor
L. Schinnell, Ceramics Manager
L. Stevens, Operations Manager
T. Tate, Safety, Security & Emergency Preparedness
J. Veysey, Maintenance Manager

2. LIST OF ITEMS OPENED, CLOSED, AND DISCUSSED

<u>Item Number</u>	<u>Status</u>	<u>Description</u>
NCV 2011-004-01	Open	Failure to submit to NRC per 10 CFR 70.72(d)(2), a brief summary of all changes to the records required by §70.62(a)(2).
NRC-2010-0172 (EA 09-272)	Closed	Confirmatory Order
VIO 2010-010-02	Closed	Failure to identify and document extent of condition and generic implications in accordance with procedure 1703-76
VIO 2010-010-03	Closed	Failure to implement the integrated incident investigation/corrective action program for IROFS deficiencies identified during PM.
IFI 2009-01-02	Closed	Licensee did not have a documented basis to demonstrate that existing management measures were adequate to ensure IROFS functionality.

3. **INSPECTION PROCEDURES USED**

IP 88020	Operations
IP 88055	Fire Protection
IP 88070	Permanent Plant Modifications
IP 92703	Follow-up of Confirmatory Action Letters or Orders

4. **ACRONYMS AND INITIALISMS**

ADR	Alternate Dispute Resolution
CR	Condition Report
DCP	Dry Conversion Process
EA	Enforcement Action
ECN	Engineering Change Notice
FCIX	Fuel Cycle Information Exchange
HF	Hydrofluoric Acid
IROFS	Items Relied on for Safety
ISA	Integrated Safety Analysis
NCV	Non-Cited Violation
P&ID	Piping and Instrumentation
PM	Preventative Maintenance
PPM	Permanent Plant Modifications
SCWE	Safety Conscious Work Environment
SWUR	Solid Waste Uranium Recovery
UF6	Uranium hexafluoride

5. **DOCUMENTS REVIEWED**

Confirmatory Order, NRC-2010-0172
 Response to Confirmatory Order EA-09-272; AREVA NP Inc.; License No. SNM-1227
 Safe Start Training for New Employees Instructor Guide, Version.4
 Site Access Training Instructor Guide, Version.9
 Human Performance – New Hire Instructor Guide, Version.0
 Willful Misconduct Team Stand-Down meeting slides
 Human Performance Observation Program procedure, 1732-01, Version.1
 Human Performance Observation and Coaching Instructor Guide, Version.0
 Condition Report 2011-5722
 Condition Report 2011-6771
 Condition Report 2009-2383 #17, Survey Results
 Safety Culture- A Case Study, NRC FCIX Presentation, 6/30/2010