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

May 18, 2015

Mr. Joel Burch, General Manager
Babcock & Wilcox
Nuclear Operations Group, Inc.
P.O. Box 785
Lynchburg, VA 24505-0785

SUBJECT: BABCOCK AND WILCOX, NUCLEAR OPERATIONS GROUP, INC., U.S.
NUCLEAR REGULATORY COMMISSION INSPECTION REPORT
07000027/2015403

Dear Mr. Burch:

This refers to the inspection conducted from April 27 – 30, 2015, at your Mount Athos facility located in Lynchburg, VA. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely, and in accordance with U.S. Nuclear Regulatory Commission (NRC) requirements. At the conclusion of the inspection, the findings were discussed with members of your staff.

Areas examined during the inspection included physical security plan and implementing procedures, safeguard contingency plan implementation review, security program audit, and security organization. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations of activities in progress.

Based on the results of the inspection, the NRC has determined that a Severity Level IV violation of NRC requirements was identified. The violation was evaluated in accordance with the NRC Enforcement Policy included on the NRC's Web site at <http://www.nrc.gov/aboutnrc/regulatory/enforcement/enforce-pol.html>. The violation in the enclosed Notice of Violation (Notice) is being cited because the issue was identified as a result of a Safeguards event. The circumstances surrounding the violation is described in the subject inspection report (IR).

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public inspections, exemptions, requests for withholdings," of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the

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However, the material enclosed herein contains Security-Related Information in accordance with 10 CFR 2.390(d)(1), and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the Enclosure will not be made available electronically for public inspection in the NRC Public Document Room, or from the PARS component of NRC's ADAMS. If you choose to provide a response and Security-Related Information is necessary to provide an acceptable response, please mark your entire response "Security-Related Information - Withhold from public disclosure under 10 CFR 2.390," in accordance with 10 CFR 2.390(d)(1), and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

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

Sincerely,

/RA/

Binoy B. Desai, Chief
Plant Support Branch 2
Division of Reactor Safety

Docket No. 07000027
License No. SNM-42

~~Enclosure:~~

- ~~1. Notice of Violation~~
- ~~2. NRC IR 07000027/2015401~~
~~w/Attachment: Supplementary Information-~~
~~(OUO)~~

cc: Distribution via Listserv

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/RA/

Binoy B. Desai, Chief
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ADAMS: Yes ACCESSION NUMBER: ML15138A337 SUNSI REVIEW COMPLETE FORM 665 ATTACHED

OFFICE	RII:DRS/PSB2	RII:DFFI/BR2	RII:DRS/PSB2	RII:DRS/PSB2			
SIGNATURE	JHW2 for OXS1	MSD1	OXS1	BBD			
NAME	O. Smith	M. Sykes	O. Smith	B. Desai			
DAT	5/ 6 /2015	5/ 18 /2015	5/ 18 /2015	5/ 18 /2015			
E-MAIL COPY	YES NO	YES NO	YES NO	YES NO			

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cc:

Mr. Charles A. England
Manager, Licensing and Safety Analysis
B&W Nuclear Operations Group, Inc.
P. O. Box 785
Lynchburg, VA 24505-0785

Steven Harrison, Director
Division of Radiological Health
Department of Health
109 Governor Street, Room 730
Richmond, VA 23219