



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

December 14, 2015

James D. Lewis
General Manager, ACP Operations
American Centrifuge Operating, LLC (ACO)
Lead Cascade Facility and American Centrifuge Plant
3930 U.S. Route 23 South
P.O. Box 628
Mail Stop 7560
Piketon, OH 45661

**SUBJECT: AMERICAN CENTRIFUGE OPERATING, LLC, AMERICAN CENTRIFUGE
PLANT, NUCLEAR REGULATORY COMMISSION INSPECTION REPORT
NUMBER 70-7004/2015-001**

Dear Mr. Lewis:

This letter refers to the inspections related to Inspector Follow-up Item (IFI) 70-7004/2012-002-01. The purpose of these inspections was to determine whether activities authorized under the license were conducted safely and in accordance with Nuclear Regulatory Commission (NRC) requirements. The enclosed inspection report presents the results of these inspections. The findings were discussed with members of your staff at an exit meeting held on December 14, 2015.

During the inspections, the NRC staff examined activities conducted under your license as they related to public health and safety and to confirm compliance with the Commission's rules and regulations, and with the conditions of your license. Areas examined during the inspections are identified in the enclosed report. Within these areas, the inspections consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

Based on the results of the inspections, no violations of NRC requirements were identified.

In accordance with 10 CFR 2.390 of 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>.

Should you have any questions concerning these inspections, please contact Leonard Pitts at (404) 997-4708.

Sincerely,

/RA/

Marvin D. Sykes, Chief
Projects Branch 1
Division of Fuel Facility Inspection

Docket No. 70-7004
License No. SNM-2011

Enclosure:
NRC Inspection Report Number 70-7004/2015-001
w/Attachment: Supplementary Information

cc: (See page 3)

Should you have any questions concerning these inspections, please contact Leonard Pitts at (404) 997-4708.

Sincerely,

/RA/

Marvin D. Sykes, Chief
Projects Branch 1
Division of Fuel Facility Inspection

Docket No. 70-7004
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cc: (See page 3)

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J. Lewis

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cc:

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U. S. NUCLEAR REGULATORY COMMISSION

REGION II

Docket No.: 70-7004

Certificate No.: SNM-2011

Report No.: 70-7004/2015-001

Licensee: American Centrifuge Operating, LLC

Facility: American Centrifuge Plant

Location: Piketon, OH

Dates: September 30, 2015 through December 14, 2015

Inspectors: L. Pitts, Senior Fuel Facility Inspector, DFFI

Approved by: Marvin D. Sykes, Chief
Projects Branch 1
Division of Fuel Facility Inspection

Enclosure

EXECUTIVE SUMMARY

American Centrifuge Operating, American Centrifuge Plant
NRC Inspection Report 70-7004/2015-001
September 30, 2015 – December 14, 2015

Inspections were conducted by a regional inspector during normal shifts. The inspector performed a selective examination of licensee activities, interviews and discussions with licensee personnel, and a review of facility records.

Other Areas

- The inspector determined that the licensee was properly applying the approved methodology in accordance with their Integrated Safety Analysis and Quality Assurance Program Description. (Paragraph A.1)

Attachment

Key Points of Contact

List of Items Opened, Closed, and Discussed

REPORT DETAILS

Summary of Plant Status

The licensee continued the planned installation and evaluation of the research, development and demonstration phase of the American Centrifuge Plant.

A. Other Areas

1. Inspector Follow-up Item (IFI) 70-7004/2012-002-01, Quality Classification

a. Inspection Scope and Observations

The purpose of this IFI was to verify that the licensee was applying the appropriate quality and acceptance criteria to the applicable Items Relied on for Safety (IROFS) in accordance with regulatory requirements and to further understand the methodology applied by the licensee for determining the quality classification of IROFS. The inspector reviewed multiple licensee documents and reports including, Engineering Evaluation (EE) EE-2101-0022, Revision (Rev. 0), "Centrifuge Case Mounting Quality Level Evaluation," and EE-2201-0026, Rev. 2, Commercial Demonstration Cascade Project QL-1/QL-2 Installation Critical Design Characteristics Acceptance Criteria, and American Centrifuge Plant (ACP) IROFS Boundary Definition Document, BDD-069, Rev. 2. Additionally the inspector evaluated the methodology used by the licensee which credits IROFS to the initiating event (seismic event) rather than the accident sequence leading to a radiological or chemical event. The inspector found that both accidents sequences for the building being damaged during a seismic event and the centrifuge mounts being damaged during a seismic event were unmitigated low consequence events. Additionally the inspector evaluated the application of these IROFS to the accident sequences as initial conditions to mitigate the events and prevent a radiological or chemical release. The inspector determined that the licensee was properly applying the approved methodology in accordance with their Integrated Safety Analysis and Quality Assurance Program Description. This item (IFI 70-7004/2012-002-01, Quality Classification) is closed.

b. Conclusion

No violations of NRC requirements were identified.

B. Exit Meeting

The inspection scope and results were summarized at the exit meeting conducted on December 14, 2015. No dissenting comments were received from the licensee. Proprietary information was discussed but not included in the report.

SUPPLEMENTARY INFORMATION

1. KEY POINTS OF CONTACT

<u>Name</u>	<u>Title</u>
G. Corzine	Nuclear Safety Manager
J. Corrado	Regulatory Affairs
J. Lewis	General Manager
M. Robles	Regulatory Manager
T. Martin	Regulatory Affairs

2. ITEMS OPENED, CLOSED, AND DISCUSSED

Closed

70-7004/2012-002-01 IFI Quality Classification (Section A.1)