



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

March 6, 2017

Mr. B. J. Burch
Vice President and General Manager
BWXT Nuclear Operations Group, Inc.
P.O. Box 785
Lynchburg, VA 24505-0785

**SUBJECT: BABCOCK AND WILCOX NUCLEAR OPERATIONS GROUP – NUCLEAR
REGULATORY COMMISSION LICENSEE PERFORMANCE REVIEW
INSPECTION REPORT 70-27/2017-001**

Dear Mr. Burch:

The Nuclear Regulatory Commission (NRC) Region II and Headquarters (HQ) staff completed a Licensee Performance Review of the Babcock and Wilcox Nuclear Operations Group (BWXT NOG) facility's performance in conducting NRC licensed activities. The review covered the period of January 1, 2015 through December 31, 2016. The performance of BWXT NOG was evaluated in the following areas: Safety Operations, Radiological Controls, Facility Support, and Other Areas. The enclosure to this letter provides the results of our review and is used as a basis for establishing the NRC oversight program at your facility. The Safeguards portion of the review is documented in a separate letter marked "Official Use Only – Security Related Information" due to the sensitive nature of that information.

Overall, the staff determined that BWXT NOG continued to conduct activities safely and securely, while protecting public health and the environment. Based on our review of activities, no area needing improvement was identified for the Safety Operations, Radiological Controls, Facility Support, or Other Areas. Therefore, the NRC will conduct the core inspection program for a Category I Fuel Facility as described in NRC IMC 2600, "Fuel Cycle Facility Operational Safety and Safeguards Inspection Program," for the period of January 1, 2017 through December 31, 2018.

During the 2016 Performance Adjustment Review which covered the period January 1 through December 31, 2015, the NRC determined that an adjustment to the inspection program was warranted in the Safety Operations area. (Inspection Report No. 70-27/2016-001, ADAMS Accession No. ML16067A201). The inspection adjustment was completed through a supplemental inspection conducted in August 2016 and documented in inspection report number 70-27/2016-004 (ADAMS Accession No. ML16301A278). During the inspection there were no issues identified that were related to the Performance Adjustment Review.

Unresolved items (URIs) were opened during the conduct of Temporary Instruction (TI) 2600/015, "Evaluation of Licensee Strategies for the Prevention and/or Mitigation of Emergencies at Fuel Facilities" (ADAMS Accession No. ML12286A284.) The NRC issued Generic Letter (GL) 2015-01: "Treatment of Natural Phenomena Hazards in Fuel Cycle

Facilities” (ADAMS Accession No. ML14328A029) to request that licensees submit information to demonstrate compliance with regulatory requirements regarding the treatment of natural phenomena events in the facilities’ integrated safety assessments. BWXT NOG submitted this information on September 18, 2015 with additional information submitted by BWXT NOG in July and September of 2016, per the request of the NRC. During the 2017-2018 review period, additional NRC inspections beyond the core inspection hours may be warranted to support the review of licensees’ activities in response to NRC GL 2015-01. The inspections will be conducted in accordance with TI 2600/016, “Inspection of Activities Associated with NRC GL 2015-01” (ADAMS Accession No. ML15317A506.) The inspection results from the implementation of this TI will be used to follow up with previously identified URIs regarding the treatment of natural phenomena hazards events, and to inform the closure process of NRC GL 2015-01.

The results of our review will be discussed with you at a public meeting on April 19, 2017, which will be conducted via an on-line webinar. During the meeting, you will be asked to discuss your performance in the same major areas as those evaluated by the NRC.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please refer questions and comments regarding your Licensee Performance Review to Mr. Eric Michel, Chief, Projects Branch 2, by telephone at 404-997-4555.

Sincerely,

/RA/

Mark S. Lesser, Director
Division of Fuel Facility Inspection

Docket No. 70-0027
License No. SNM-42

Enclosure:
Licensee Performance Review

cc: (See page 3)

cc:

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X PUBLICLY AVAILABLE G NON-PUBLICLY AVAILABLE G SENSITIVE X NON-SENSITIVE
 ADAMS: X Yes ACCESSION NUMBER: ML17067A161 X SUNSI REVIEW COMPLETE X FORM 665 ATTACHED

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DATE	3/3/2017	3/3/2017	3/3/2017	3/3/2017	3/6/2017	3/ /2017	3/ /2017
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

LICENSEE PERFORMANCE REVIEW FOR BWXT NOG

ASSESSMENT PERIOD: JANUARY 1, 2015 TO DECEMBER 31, 2016

The following is a summary of the performance of BWXT NOG in the conduct of NRC-licensed activities.

PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of plant operations, nuclear criticality safety, and fire protection.

Program Areas Needing Improvement

- Six violations were identified during the assessment period. No specific area needing improvement was identified in Safety Operations.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Safety Operations.

PERFORMANCE AREA: RADIOLOGICAL CONTROLS

This area is comprised of radiation protection, environmental protection, waste management, and transportation.

Program Areas Needing Improvement

- No violations were identified during the assessment period. No specific area needing improvement was identified in Radiological Controls.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Radiological Controls.

PERFORMANCE AREA: FACILITY SUPPORT

This area is comprised of maintenance and surveillance, training, emergency preparedness, management organization and controls, and permanent plant modifications.

Program Areas Needing Improvement

- No violations were identified during the assessment period. No specific area needing improvement was identified in Facility Support.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Facility Support.

PERFORMANCE AREA: OTHER AREAS

This area is comprised of special issues.

Program Areas Needing Improvement

- No violations were identified during the assessment period. No specific area needing improvement was identified in Other Areas.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Other Areas.