

APPENDIX A

NOTICE OF VIOLATION

Sequoyah Fuels Corporation (SFC)
Sequoyah Facility

Docket No. 40-8027/91-04
License No. SUB-1010

During an inspection conducted March 25-29, 1991, two violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1991) (Enforcement Policy), the violations are presented below:

1. License Condition No. 9 references Chapters 1-8 of the license renewal application. Section 2.8 of the license renewal application states that audits of operations and safety-related activities in accordance with the Quality Assurance plan and procedures shall be conducted at least once every 12 months. Procedure QA-105, entitled "Quality Assurance Audit Program," states that the Quality Assurance function shall audit at least annually operational and safety-related activities which include preventive maintenance and maintenance surveillance. Procedure QA-105 also states that a written report of audits performed by corporate personnel or outside consultants shall be made available to the Vice President, Regulatory Affairs; the President, SFC; and the Department Manager of the area being audited within 30 days following completion of the audit.

Contrary to these requirements: (a) the Quality Assurance function has not performed audits of the preventive maintenance and maintenance surveillance programs, and (b) copies of reports documenting corporate audits of the environmental and process laboratories, required by Section 5.3 of Procedure QA-105, were not received within 30 days. This was not reviewed by the designated SFC personnel until March 28, 1991, although the audit had been performed in October 1990 as part of the Interim Compliance Oversight Team activities.

This is a Severity Level IV problem (Supplement VI)(40-8027/9104-01).

2. License Condition No. 9 references Chapters 1-8 of the license renewal application. Section 2.7.5 of the license renewal application states, in part, that critical instruments, alarms, and interlocks "shall be periodically checked and calibrated."

Contrary to this requirement, critical instruments, alarms, and interlocks have not been calibrated since the equipment used to perform these calibrations has not been calibrated with any traceable accuracy, is outside of the manufacturer's recommended calibration interval, and is not subject to any calibration program.

This is a Severity Level IV violation (Supplement VI)(40-8027/9104-02).

Pursuant to the provisions of 10 CFR 2.201, Sequoyah Fuels Corporation is hereby required to submit to this office, within 30 days of the date of the letter transmitting this Notice, a written statement or explanation in reply,

including for each violation: (1) the reason for the violation, if admitted; (2) corrective steps which have been taken and the results achieved; (3) the corrective steps which will be taken to avoid further violations and (4) the date when full compliance will be achieved. Where good cause is shown, consideration will be given to extending the response time.

Dated at
Arlington, Texas,
this 6th day of June, 1991.