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LES-12-00025-NRC

ATTN: Document Control Desk
Director, Division of Security Operations
Office of Nuclear Security and Incident Response
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Louisiana Energy Services, LLC
NRC Docket Number: 70-3103

Subject: License Amendment Request (LAR) 12-01 Quality Assurance (QA) Audit Frequency Change

In accordance with 10 CFR 70.34, Louisiana Energy Services (LES), LLC (dba "UUSA") hereby requests NRC review and approval of the subject license amendment request to revise the periodicity requirement for conduct of Quality Assurance Audits for Operational Phase activities. The periodicity is being revised from annual to biennial in both the Safety Analysis Report (SAR) and the Quality Assurance Program Description (QAPD).

Enclosure 1 provides the background, proposed changes and basis, safety significance, and environmental considerations for the revised SAR and QAPD. Enclosure 2 provides the proposed revision to the two documents. Revision bars, strikethroughs and underlines were utilized to reflect the changes.

UUSA appreciates the efforts of the NRC staff in supporting the review and approval of this License Amendment Request in a timely manner. Should there be any questions, please contact Zackary Rad, UUSA Licensing Manager, at 575.394.6689.

Respectfully,

Jay Laughlin
Chief Nuclear Officer and Head of Technical Services

Enclosures:
1) License Amendment Request Background, Proposed Changes and Basis, Safety Significance, and Environmental Considerations
2) Marked up version of SAR and QAPD.

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Enclosure 1
License Amendment Request (LAR) 12-01
Background, Proposed Changes and Basis, Safety Significance, and Environmental Considerations

Background

The periodicity requirement for conduct of Quality Assurance Audits for Operational Phase activities is being revised from annual to biennial in both the Safety Analysis Report (SAR) and the Quality Assurance Program Description (QAPD). QA Audits of Construction phase activities will remain unchanged. No prior regulatory (NRC) precedence could be found for approval of a change from the annual audit requirements for facilities in the Construction Phase. Since URENCO USA (UUSA) has both Operational and Construction Phase activities ongoing concurrently, specific differentiation by activity is required within implementing procedures (QA-3-2000-01, Quality Assurance Audit) to denote audits required annually (as a minimum) and those required biennially (as a minimum). This proposed change does not revise the periodicity requirement for independent audits when they are required at a specific interval by a code or regulation applicable to UUSA, and as committed to within the facility's licensing basis documents.

Proposed Changes and Basis

A biennial audit frequency for Operational Phase activities is a standard feature in most 10CFR50 Appendix B licensee's programs. Additionally, a general provision is being added to the SAR and QAPD to allow the application of a 25% grace period to the required audit frequency. This will provide scheduling flexibility to accommodate resource availability and prioritization of QA Auditor assignments in response to emergent issues. A 25% grace period for conduct of audits is a standard feature in most 10CFR50 Appendix B licensee's programs

Safety Significance

There is no safety significance associated with the proposed license amendment since the change does not impact any hazards, evaluations or accident analyses previously conducted to support the affected license basis document.

Environmental Considerations

There are no environmental impacts associated with the change proposed in this LAR. The proposed change does not meet the criteria specified in 10CFR51.60(b)(2) since it does not involve an expansion of the site, a change in the amounts of effluents, an increase in individual or cumulative occupational radiation exposure, or an increase in potential for or consequences from radiological accidents. Consequently a separate supplemental to the Environmental report is not being submitted.

Enclosure 2

License Amendment Request (LAR) 11-22

Marked up version of the Safety Analysis Report and Quality Assurance Program Description. (Revision bars, underlines, and strikethroughs were utilized)

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SAFETY ANALYSIS REPORT

Revision 31a

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Summary of Changes for Revision 31		
Issue / Date	**Change**	**Description of Change**
31a 11/09/11	LBDCR-11-0056 10-24-2011	Organizational changes, Memorandum GODS-2011-036 CC-LS-2011-0003; 70.72 = 2011-0608
	LBDCR-11-00xx xx-xx-xxxx	Update QA audit frequencies from annual to biennial. LAR-12-01; 70.72 = N/A

Procedures

All activities involving IROFS, and any items that are essential to the function of IROFS, are conducted in accordance with approved procedures. Each of the other IROFS management measures (e.g., configuration management, maintenance, training) is implemented via approved procedures. These procedures are intended to provide a pre-planned method of conducting the activity in order to eliminate errors due to on-the-spot analysis and judgments.

All procedures are sufficiently detailed that qualified individuals can perform the required functions without direct supervision. However, written procedures cannot address all contingencies and operating conditions. Therefore, they contain a degree of flexibility appropriate to the activities being performed. Procedural guidance exists to identify the manner in which procedures are to be implemented. For example, routine procedural actions may not require the procedure to be present during implementation of the actions, while complex jobs, or checking with numerous sequences may require valve alignment checks, approved operator aids, or in-hand procedures that are referenced directly when the job is conducted.

To support the requirement to minimize challenges to IROFS, and any items that are essential to the function of IROFS, specific procedures for abnormal events are also provided. These procedures are based on a sequence of observations and actions to prevent or mitigate the consequences of an abnormal situation.

Audits and Assessments

Audits are focused on verifying compliance with regulatory and procedural requirements and licensing commitments. Assessments are focused on effectiveness of activities and ensuring that IROFS are reliable and are available to perform their intended safety functions as documented in the ISA. The frequency of audits and assessments is based upon the status and safety importance of the activities being performed and upon work history. However, at a minimum, all activities associated with maintaining IROFS will generally be ~~audited or~~ assessed on an annual basis and audited on a biennial basis (any exceptions credited within the ISA are discussed in the National Enrichment Facility Integrated Safety Analysis Summary). Audits conducted in accordance with QAPD Section 18 may be used to fulfill the annual Assessment requirement. Section 11.5 of the facility SAR describes the Management Measure, Audits and Assessments. Additional requirements and allowances for the conduct of Audits are contained in Section 18 of the Safety Analysis Report, Appendix A, Quality Assurance Program Description.

Incident Investigations

Incident investigations are conducted within the Corrective Action Program (CAP). Incidents associated with IROFS, and any items that are essential to the function of IROFS, encompass a range of items, including (a) processes that behave in unexpected ways, (b) procedural activities not performed in accordance with the approved procedure, (c) discovered deficiency, degradation, or non-conformance with an IROFS, or any items that are essential to the function of IROFS. Additionally, audit and assessment results are tracked in the Corrective Action Program.

Feedback from the results of incident investigations and identified root causes are used, as appropriate, to modify management measures to provided continued assurance that the

- Nuclear criticality, radiation, chemical, and fire safety
- Quality assurance
- Design control
- Plant personnel training and qualification
- Audits and assessments
- Incident investigations
- Record keeping and document control
- Reporting.

Administrative procedures are also used for:

- Implementing the Fundamental Nuclear Material Control (FNMC) Plan
- Implementing the Emergency Plan
- Implementing the Physical Security Plan
- Implementing the Standard Practice Procedures Plan for the Protection of Classified Matter.

Maintenance procedures address:

- Preventive and corrective maintenance of IROFS
- Surveillance (includes calibration, inspection, and other surveillance testing)
- Functional testing of IROFS
- Requirements for pre maintenance activity involving reviews of the work to be performed and reviews of procedures.

Emergency procedures address the preplanned actions of operators and other plant personnel in the event of an emergency.

A more detailed description of the procedural development and management program can be found in Section 11.4, Procedures Development and Implementation.

6.4.7 Chemical Safety Audits

Audits are conducted to determine that plant operations are performed in compliance with regulatory requirements, license conditions, and written procedures. As a minimum, they assess activities related to radiation protection, criticality safety control, hazardous chemical safety, fire protection, and environmental protection.

Audits are performed in accordance with a written plan, which identifies and schedules audits to be performed. Audit team members shall not have direct responsibility for the function and area being audited. Team members have technical expertise or experience in the area being audited and are indoctrinated in audit techniques. Audits are conducted on an ~~annual~~biennial basis on select functions and areas as defined above as applicable to Operations Phase activities. The chemical process safety functions and areas will be audited at least triennially.

Qualified staff personnel that are not directly responsible for production activities are utilized to perform routine surveillances/assessments. Deficiencies noted during the inspection requiring

11.5 Audits and Assessments

LES will have a tiered approach to verifying compliance to procedures and performance to regulatory requirements.

11.5.1 ASSESSMENTS

Assessments are focused on effectiveness of activities and ensuring that IROFS, and any items that are essential to the function of IROFS, are reliable and are available to perform their intended safety functions. This approach includes performing Assessments on critical work activities associated with facility safety, environmental protection and other areas as identified via trends.

Assessments are divided into two categories that will be owned and managed by the line organizations as follows:

- Management Assessments conducted by the line organizations responsible for the work activity
- Independent Assessments conducted by individuals not involved in the area being assessed.

Assessments are performed to assure that facility activities are conducted in accordance with the written procedures and that the processes reviewed are effective. As a minimum, these assessments shall assess activities related to radiation protection, criticality safety control, hazardous chemical safety, industrial safety, ~~including~~ fire protection, and environmental protection.

Personnel performing assessments do not require certification, but they are required to complete QA orientation training, as well as training on the assessment process. The nuclear criticality safety assessments are performed under the direction of the criticality safety staff. Personnel performing these assessments do not report to the production organization and have no direct responsibility for the function or area being assessed. Assessments are conducted using approved procedures that meet the QAPD requirements. A schedule is established and maintained that identifies assessments to be performed and the responsible organization assigned to conduct the activity.

Assessments shall be performed routinely by qualified staff personnel that are not directly responsible for production activities. Deficiencies identified during the assessments requiring corrective action shall be forwarded to the responsible manager of the applicable area or function for action in accordance with the CAP procedure.

The Operations Group is assessed periodically to ensure that nuclear critical safety procedures are being followed and the process conditions have not been altered to adversely affect nuclear criticality safety. The frequency of these assessments is based on the controls identified in the NCS analyses and NCS evaluations. Assessments are conducted at least semi-annually. In addition, weekly nuclear criticality safety walkthroughs of UF_6 process areas are conducted and documented.

Assessment results are tracked and the data is periodically analyzed for potential trends. Needed program improvements are identified to prevent recurrence and/or for continuous

program improvements. The resulting trend is evaluated and reported to applicable management. This report documents the effectiveness of management measures in controlling activities, as well as deficiencies. Deficiencies identified in the trend report require corrective action in accordance with the applicable CAP procedure.

Assessments of nuclear criticality safety, performed in accordance with ANSI/ANS-8.19, will ensure that operations conform to criticality requirements.

11.5.2 AUDITS

Audits of the QA Level 1, QA Level 1 Graded, and QA Level 1-Fire Protection (QI-1F) work activities are performed in accordance with the QAPD. The audit scope will include those activities associated with IROFS and any items that are essential to the function of the IROFS and items required to satisfy regulatory requirements for which QA Level 1, QA Level 1 Graded, and QL-1F requirements are applied will be the responsibility of the QA Department. Audits are focused on verifying compliance with regulatory and procedural requirements and licensing commitments.

Audits are performed to assure that facility activities are conducted in accordance with the written procedures and that the processes reviewed are effective. As a minimum, they shall assess activities related to radiation protection, criticality safety control, hazardous chemical safety, industrial safety including fire protection, and environmental protection.

Audits shall be performed routinely by qualified staff personnel that are not directly responsible for production activities. Deficiencies identified during the audits requiring corrective action shall be forwarded to the responsible manager of the applicable area or function for action in accordance with the CAP procedure. Future audits shall include a review to evaluate if corrective actions have been effective.

The Quality Assurance Department shall be responsible for performing the audits. Audits shall be performed in accordance QAPD requirements. The Audit Team members shall not have direct responsibility for the function and area being audited. Team members shall have technical expertise or experience in the area being audited and shall be indoctrinated in audit techniques. For Construction Phase activities, Aaudits shall be conducted on an annual basis ~~periodically~~ as described in the QAPD. For Operations Phase activities, audits shall be conducted on a biennial basis as described in the QAPD. The frequency of audits is based upon the status and safety importance of the activities being performed and upon work history. All major activities will be audited on an annual basis. The audit schedule is reviewed periodically and revised as necessary to ensure coverage commensurate with current and planned activities. All aspects of the Nuclear Criticality Safety Program will be audited at least every two years.

Corrective actions following issuance of the audit report require compliance with the applicable CAP procedures. Audit reports are required to contain an effectiveness evaluation and statement for each of the applicable QA program elements reviewed during the audit. The audit is closed with the proper documentation as required by the applicable audit procedure. The QA organization will conduct follow-up audits to verify that corrective actions were taken in a timely manner. In addition, future audits will include a review to evaluate if corrective actions have been effective.

11.8 Other QA Elements

The QA Program and its supporting manuals, procedures and instructions are applicable to items and activities designated as QA Level 1, 1 Graded, QA Level 1-Fire Protection (QL-1F), 2AC, and 2.

The Head of Compliance is responsible for developing and revising the QA Program and assuring it is in compliance with applicable regulations, codes and standards.

The QA Program specifies mandatory requirements for performing activities affecting quality and is set forth in procedures which are distributed on a controlled basis to organizations and individuals responsible for quality. Revisions to these procedures are also distributed on a controlled basis. Applicable portions of the QA Program are documented, approved and implemented prior to undertaking an activity.

A management assessment of the QA program is performed at least six months prior to scheduled receipt of licensed material on the site. Items identified as needing completion or modification are entered into the CAP and corrective action completed before scheduled receipt of licensed material. LES Management monitors the QA program prior to this initial management assessment through project review meetings and annual assessments. This management assessment along with integrated schedules and program review meetings ensure that the QA program is in place and effective prior to receiving licensed material.

The LES QA program for design, construction, and preoperational testing continues simultaneously with the QA program for the ~~operational~~ operations phase while construction activities are in progress.

Anyone may propose changes to the QA Program supporting manuals and procedures. When reviewed by the Head of Compliance and found acceptable and compatible with applicable requirements, guidelines and LES policy, the changes may be implemented. The QA Program and supporting manuals and procedures are reviewed periodically to ensure they are in compliance with applicable regulations, codes, and standards. New or revised regulations, codes, and standards are reviewed for incorporation into the QA Program and supporting manuals and procedures as necessary.

Personnel performing activities covered by the QA program shall perform work in accordance with approved procedures, and must demonstrate suitable proficiency in their assigned tasks. Formal training programs are established for quality assurance policies, requirements, procedures, and methods. Ongoing training is provided to ensure continuing proficiency as procedural requirements change. New employees are required to attend a QA indoctrination class on authority, organization, policies, manuals, and procedures.

Additional formal training is conducted in specific topics such as NRC regulations and guidance, procedures, auditing, and applicable codes and standards. Supplemental training is performed as required. On-the-job training is performed by the employee's supervisor in QA area-specific procedures and requirements. Training records are maintained for each person performing quality-related job functions.

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SAFETY ANALYSIS REPORT
APPENDIX A

QUALITY ASSURANCE PROGRAM DESCRIPTION

Revision 31a

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contractor's QAPD is reviewed and accepted by the LES QA Manager. The QA Level 2 SSCs which support normal operations shall be identified in applicable QA procedures and implementing documents and documents specifying quality requirements or prescribing activities affecting quality.

QA LEVEL 3 REQUIREMENTS

The QA Level 3 program is defined as standard commercial practice. A documented QA Level 3 program is not required. QA Level 3 governs all activities not designated as QA Level 1, QA Level 1 Graded, QA Level 1F, QA Level 2AC, or QA Level 2.

Any removal of the management measures designed to provide assurance of other equipment attributes, identified in Table 3.4-1 of the SAR, that are used by the worker would be considered a reduction in commitment and require regulatory approval prior to implementation.

QUALITY ASSURANCE TRAINING

Personnel who are assigned to perform QA Level 1 activities receive LES QA Indoctrination Training. This training includes general criteria, such as an introduction to applicable codes, standards, QA Procedures, QAPD elements and job responsibilities and authorities. Personnel assigned to perform QA Level 1, QA Level 1 Graded, or QA Level 1F activities are also required to complete training in the specific LES QA procedures needed to perform their job roles and responsibilities as assigned by their supervisor. Detailed QA training is provided on the LES QAPD and job specific QA procedures prior to an employee beginning QA Level 1, QA Level 1 Graded, or QA Level 1F work. Supervision is responsible for ensuring that personnel performing work under their supervision are appropriately trained. LES will also include a version of QA Indoctrination Training as part of the general employee training for those individuals required to take the training.

The Training Manager provides the support function for coordinating this QA training. Plant Support provides centralized training support for supervision in coordinating training and maintaining QA training records. This responsibility is carried out as support for line management. LES supervisory personnel are responsible for determining the type and extent of the training to be provided to an individual, and ensuring that the training is properly documented for personnel performing QA Level 1, QA Level 1 Graded, and QA Level 1F activities. Retraining is performed and documented, when applicable, shall occur in order to maintain proficiency or when changes to work methods, technology, or job responsibilities occur.

MANAGEMENT ASSESSMENTS

The Head of Compliance is responsible for ensuring that management assessments are conducted annually to determine if the LES QA Program is effective. Audits conducted in accordance with QAPD Section 18 may be used to fulfill this annual Assessment requirement. Recommendations are provided to the Chief Nuclear Officer and President for action. Functional Managers and the QA Manger conduct assessments annually of QA activities under their control. The managers report the results to the Head of Operations, Head of Technical Services or Head of Compliance for review and assignments as appropriate, and to the Chief Nuclear Officer or President for review. The results of these assessments are reviewed by senior management to determine the adequacy of implementation of the LES QA Program and to direct any needed changes for program improvements.

SECTION 18 AUDITS

The elements of the LES QA Program described in this section and associated QA procedures implement the requirements of Criterion 18, Audits, of 10 CFR 50, Appendix B, and the commitment to Basic Requirement 18 and Supplement 18S-1 of NQA-1-1994 Part 1.

In accordance with the description of the QA organization during the various phases of design, construction, and operation provided in Section 1, Organization, the LES QA Manager shall verify LES compliance with all aspects of the LES QA Program and determine QA Program effectiveness by ensuring that planned and scheduled audits are conducted. Elements that have been selected for audit shall be evaluated against specified requirements. An auditing function reports to the LES QA Manager and has the organizational independence and authority to execute an effective audit process to meet all requirements of the QAPD. Objective evidence shall be examined to the depth necessary to determine if these elements are being implemented effectively. LES audits are performed in accordance with written procedures or checklists by appropriately trained and qualified personnel who do not have direct responsibility for performing the activities being audited. Audit results are documented and provided to the appropriate management for review and corrective action as applicable. Follow-up actions are taken where indicated.

AUDIT SCHEDULES

Internal or external audits shall be scheduled in a manner to provide coverage, consistency and coordination with ongoing work, and at a frequency commensurate with the status and importance of the work. Internal or external audits shall be scheduled to begin as early in the life of the work as practical and shall be scheduled to continue at intervals consistent with the schedule for accomplishing the work. For Construction Phase activities~~As a minimum~~, internal audits of LES QA Level 1, QA Level 1 Graded, QA Level 1F, and QA Level 2AC activities shall be ~~at least once per year~~conducted on an annual basis or at least once during the life of the activity, whichever is shorter. For Operational Phase activities, internal audits shall be conducted on a biennial basis. Exceptions to these audit frequencies are those audit intervals defined by codes or regulations as committed to by the facility license and applicable to specific functional areas. Regularly scheduled internal audits shall be supplemented by additional audits of specific subjects when necessary to provide an adequate determination of the effectiveness of the QAPD. Internal audits to determine QAPD effectiveness shall be performed on selected work products. The audit schedule shall be developed annually and revised as necessary to ensure that coverage is maintained current. Frequency of audits should be based upon evaluation of all applicable and active elements of the QAPD applicable to LES workscope. These evaluations should include an assessment of the effectiveness of the applicable and active elements of the QAPD based upon previous audit results and corrective actions, nonconformance reports, identified trends, and significant organizational changes. Audits maybe supplemented by QA Surveillances conducted in accordance with approved procedures to ensure that QA is providing sufficient oversight of important QAPD activities. These surveillances are performed by the QA organization.

Audits shall be performed at the intervals designated herein for each audit area. Schedules shall be based on the month in which the audit starts. A maximum extension not to exceed 25 percent of the audit interval shall be allowed. For example, for audits on a 24-month frequency, the maximum time between specific audits shall not exceed 30 months. Likewise, audits on an annual (12 month) frequency shall not be extended beyond 15 months. When an audit interval

extension greater than one month is used, the next audit for that particular audit area will be scheduled from the original anniversary month rather than from the month of the extended audit. The provision for audit start date extension shall also apply to supplier audits and evaluations except that a total combined time interval for any three consecutive inspection or audit intervals should not exceed 3.25 times the specified inspection or audit interval.

AUDIT PLANS

A documented audit plan shall be developed for each audit. This plan shall identify the audit scope, requirements for performing the audit, type of audit personnel needed, work to be audited, organizations to be notified, applicable documents, audit schedule, and implementing documents or checklists to be used.

AUDIT TEAMS

The LES QA Manager shall select and assign auditors who are independent of any direct responsibility for performing the work being audited and are capable of auditing the audit scope. Audit personnel shall have sufficient authority and organizational freedom to make the audit process meaningful and effective. The audit team shall include one or more auditors comprised of representatives from the LES QA organization and any applicable technical organizations. A lead auditor shall be assigned to supervise the team, organize and direct the audit, prepare and coordinate issuance of the audit report and evaluate responses. Technical personnel may be used to assist in assessing the adequacy of technical processes based on their experience and expertise. Before commencing the audit, the lead auditor shall ensure the personnel assigned to the audit team are prepared and collectively have experience and/or training commensurate with the scope, complexity or special nature of the work to be audited. Lead auditors, auditors and technical personnel shall be trained and qualified according to the requirements of Section 2, Quality Assurance Program.

PERFORMING AUDITS

The LES QA Manager shall provide written notification of a planned audit to the affected organizations at a reasonable time before the audit is to be performed. The notification should include all relevant information pertaining to the audit, such as schedule, scope and names of audit lead and team members, if known. In addition, the audit team leader shall ensure the following is performed.

- The audit team shall be adequately prepared before starting the audit.
- Audits shall be performed in accordance with written procedures or checklists.
- Elements that have been selected for the audit shall be evaluated against specified requirements.
- Objective evidence shall be examined to the depth necessary to determine if the selected elements are being implemented effectively.
- Audit results shall be documented by auditing personnel, and reported to/reviewed by management having responsibility for the area audited. Conditions requiring prompt corrective action shall be reported immediately to management of the audited organization.
- Identified audit findings shall be documented and the audited organization shall correct the findings according to the requirements of Section 16, Corrective Action. Minor audit findings can be corrected during the conduct of the audit.