



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931

August 31, 2007

Mr. Dominique Grandemange
Site Manager
AREVA NP, INC.
P. O. Box 11646
Lynchburg, Virginia 24506-1646

SUBJECT: NRC INSPECTION REPORT NO. 70-1201/2007-001

Dear Mr. Grandemange:

This refers to the inspection conducted from July 30 - August 2, 2007, at your Mount Athos Road facility. The purpose of this inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the inspector discussed the findings with you and members of your staff.

As a result of the inspection, the enclosed NRC Form 591FF, SAFETY INSPECTION REPORT, Parts 1 and 3, are being issued. The enclosed form indicates that no violations were identified during the inspection of your licensed activities. Please retain the form in your files. No acknowledgment of this letter is required.

In accordance with 10 CFR 2.390 of the 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 this letter, please contact us.

Sincerely,

Manuel Crespo for */RA/*

Alphonsa Gooden, Acting Chief
Fuel Facility Inspection Branch 1
Division of Fuel Facility Inspection

Docket No. 70-1201
License No. SNM-1168

Enclosure: NRC Form 591FF Parts 1 and 3
cc w/encl: (See page 2)

D. Grandemange

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cc w/encl:

Charlie Holman, Manager
Environmental, Health, Safety and Licensing
AREVA NP, Inc.
Lynchburg Manufacturing Facility
P. O. Box 11646
Lynchburg, VA 24506-1646

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PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE NON-SENSITIVE

ADAMS: Yes ACCESSION NUMBER: _____

OFFICE	RII:DFFI	RII:DFFI				
SIGNATURE	/RA/	/RA/				
NAME	SSubosits	AGooden				
DATE	08/30/2007	08/30/2007				
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY

DOCUMENT NAME: C:\FileNet\ML072470486.wpd

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE/LOCATION INSPECTED: AREVA NP, Inc. P. O. Box 11646 Lynchburg, VA 24506-1646	2. NRC/REGIONAL OFFICE U.S. Nuclear Regulatory Commission Region II, Division of Fuel Facilities Inspection 61 Forsyth Street, Suite 23T85 Atlanta, GA 30303	
REPORT NUMBER(S) 2007-001		
3. DOCKET NUMBER(S) 70-1201	4. LICENSE NUMBER(S) SNM-1168	5. DATE(S) OF INSPECTION July 30 - August 2, 2007

LICENSEE:

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

- 1. Based on the inspection findings, no violations were identified.
- 2. Previous violation(s) closed.
- 3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, NUREG-1600, to exercise discretion, were satisfied.

_____ Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):

- 4. During this inspection certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11.

(Violations and Corrective Actions)

Licensee's Statement of Corrective Actions for Item 4, above.

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested.

Title	Printed Name	Signature	Date
LICENSEE'S REPRESENTATIVE	Not Applicable		
NRC INSPECTOR	Stephen Subois		

**SAFETY INSPECTION REPORT
AND COMPLIANCE INSPECTION**

1. LICENSEE

**AREVA NP, Inc.
P. O. Box 11646
Lynchburg, VA 24506-1646**

2. NRC/REGIONAL OFFICE

**U.S. Nuclear Regulatory Commission
Region II, Division of Fuel Facilities Inspection
61 Forsyth Street, Suite 23T85
Atlanta, GA 30303**

REPORT NUMBER(S): **2007-001**

3. DOCKET NUMBER(S):

70-1201

4. LICENSE NUMBER(S):

SNM-1168

5. DATE(S) OF INSPECTION:

July 30 - August 2, 2007

6. INSPECTOR(S): **S. Subosits**

7. INSPECTION PROCEDURES USED: **88005 and 88055**

SUPPLEMENTAL INSPECTION INFORMATION

Executive Summary

The AREVA Lynchburg Facility loads Uranium Dioxide (UO₂) pellets into fuel rods and fabricates fuel rod assemblies for use in nuclear power reactors. In addition, the licensee conducts refurbishment activities on power reactor equipment potentially contaminated with by-product material. During the period of the inspection, there were no plant upsets or unusual operational occurrences.

This routine, announced inspection included observations and evaluations of the plant's fire protection systems and management controls program. The inspector observed operations activities, assessed the condition of fire protection systems, reviewed selected procedures and records, and conducted interviews with plant personnel. The inspection results are outlined below:

Fire Safety

- The inspector's walkdown of a recently completed modification to the facility's fire detection and alarm system indicated satisfactory implementation of the changes to the system.
- The inspector verified the licensee had completed maintenance and surveillance testing of fire detection systems and fire suppression equipment as required by the licensee's internal procedures.
- The licensee reviewed NRC Information Notice, IN 2007-19, "Fire Protection Equipment Recalls and Counterfeit Notices", and determined that facility fire protection equipment was not impacted by the recalls in the notice.
- The inspector verified that flammable and combustible liquids were properly stored in designated storage cabinets. Housekeeping in the facility was satisfactory and accumulations of transient combustibles were minimal throughout the facility.

Executive Summary (continued)**Management Controls**

- Based on the review of several issues entered into the licensee's corrective action program, the inspector determined the licensee performed adequate review and implemented sufficient corrective actions to address the issues and prevent recurrence.
- Plant change request notices received appropriate management reviews and approvals as required by the licensee's configuration management program and license requirements.
- The inspector determined, from review of the plant safety review committee's meeting package and discussions with plant personnel, the committee's membership, meeting frequency and review of environmental, safety and regulatory issues were consistent with procedure and license commitments.