



B&W FUEL COMPANY

An American Company with Worldwide Resources

BW

P.O. Box 11646
Lynchburg, VA 24506-1646
Telephone: 804-522-6000

November 30, 1992

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington D.C. 20555

REFERENCE: NRC Inspection Report No. 70-1201/92-201, Reply to
a Notice of Violation.

Gentlemen:

This letter provides the written explanation and corrective
action taken for the two violations that resulted from Inspection
No. 70-1201/92-201.

Attachment I addresses the violations in detail.

If questions should arise during your review, please feel free to
contact either Kathryn Knapp (804-522-6202) or myself.

Sincerely,

B&W FUEL COMPANY

C. W. Carr, Manager
Commercial Nuclear Fuel Plant

cc: Stewart D. Ebnetter
Regional Administrator, Region II
USNRC
101 Marietta Street, N.W.
Atlanta, Georgia 30323

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ATTACHMENT I

1.

VIOLATION #92-201-03:

Section 5.9.7 of the licensee's FNMC Plan requires audits to be performed on a quarterly basis to verify the proper storage, application, documentation and destruction of tamperseals. In addition, procedure NM-1611, "Tampersealing of SNM," requires that a list of qualified tamperseal applicators be maintained by the NMC Tamperseal Custodian to designate those personnel authorized to apply tamperseals.

Contrary to these requirements:

- (a) the licensee failed to perform three audits for the 1991 calendar year and
- (b) six staff members have applied tamperseals regularly this year without being qualified (authorized) to do so.

RESPONSE:

Admission or Denial of the Alleged Violation

We acknowledge the validity of the facts contained in the notice of violation.

Reason for Violation

Due to the death of the former Accountability Representative, there was not an adequate transition period to train his replacement therefore these items of responsibility were not properly transferred to the new Accountability Representative.

Corrective Steps Taken and Results Achieved

The tamperseal audits are now scheduled to coincide with quarterly accountability records reconciliation. Individuals authorized to apply seals have all been qualified and properly documented. A list of qualified individuals has been issued to supervision instructing them that only personnel on the list are authorized to apply tamperseals.

Corrective Steps that will be Taken and Results Achieved

None.

The Date of Full Compliance

We are in compliance at this time.

2.

VIOLATION #92-201-04:

Section 7.2.5 of the licensee's FNMC Plan specifies areas which are to be reviewed as a part of the biennial independent assessment of the licensee's MC&A program required by 10 CFR 74.31(c)(8). Furthermore, Section 7.2.7 of the Plan requires final written report of the assessment to be sent to management within 60 calendar days of the completion of the assessment (October 18, 1991).

Contrary to these requirements:

- (a) the audit report did not address all of the areas stipulated in Section 7.2.5 of the Plan, and
- (b) the final report (dated December 20, 1991) was not received within the 60 day criteria.

RESPONSE:

Admission or Denial of the Alleged Violation

We acknowledge the validity of the facts contained in the notice of violation.

Reason for Violation

Prior to the NRC violation, we had decided that the quality and performance of the biennial independent assessment that our contractor had been conducting on our program could be significantly improved. To alleviate our concerns, we had opted to discontinue using Ernest and Young and contract Babcock & Wilcox to conduct the audit. Personnel from their Nuclear Materials Control department met with us and agreed to perform the audits for us. We believe that NNFD is better qualified and more capable of conducting a thorough assessment.

In regards to the report date, there was a misunderstanding of the audit completion date which initiates the clock for the 60 day criteria. Ernest and Young did not feel that the completion date was when they left CNFP but rather when they concluded the audit at their home office. The completion date is not clearly defined within the FNMC Plan. After discussing this issue in the NRC inspection exit meeting, we agree that Ernest and Young's definition is inconsistent with the Plan.

Corrective Steps Taken and Results Achieved

As discussed above, we have changed contractors to conduct the audit and we will ensure that all issues are reviewed and that the report is received within the 60 day criteria.

Corrective Steps that will be Taken and Results Achieved

None.

The Date of Full Compliance

The next biennial independent assessment will be conducted in accordance with the criteria set forth in the Plan.