

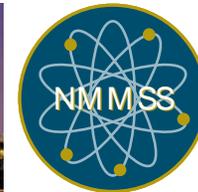
**NMMSS Users Annual Training Meeting
Atlanta, Georgia—May 22-24, 2007**

Update: Power Reactor MC&A

**Results of MC&A Inspections
Conducted Under TI-2515/154 at Power
Reactors and Wet Storage Sites**

Background

- SNM unaccounted for - more than one licensee
- Inspections conducted under TI-2515/154
- Bulletin 2006-01 issued by NRC
- Information Notices issued by NRC
- Inspection schedule accelerated with all inspections to be completed by end of July 2007
- Workshop in January 2007
- Completion of draft ANSI N15.8 in early May 2007



Inspection Program

- Use of trained annuitants and inspectors from the Regions in addition to the MC&A inspectors from NRC Headquarters
- Consistent approach maintained by means of periodic conference calls
- All issues considered by the NRC Security Findings Review Panel (SFRP)



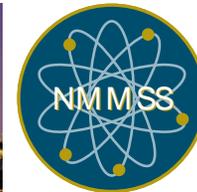
Expectation

- Consistent compliance with the Regulations by licensees
 - Does the licensee have complete records of all SNM, both fuel and non-fuel?
 - Does the licensee know the exact location of all the SNM items that are in the records?
 - Are licensee's written MC&A procedures adequate to account for all SNM?
 - Does licensee physically inventory all SNM?



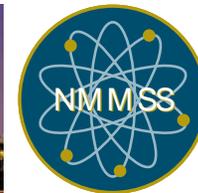
Observations

- Prior to January 2007 majority of findings were identified by NRC inspectors
- Since beginning of 2007, inspections have been completed (and final exit has been conducted) at 31 sites
- Since January 2007 ratio of licensee- to NRC-identified findings is about 2:1



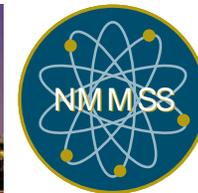
Observations, continued

- No issues at 4 sites
- Enforcement discretion in accordance with EGM 07-002 has been applied at 6 sites
 - Since November 2005, all physical inventories of SNM in fuel have been adequate



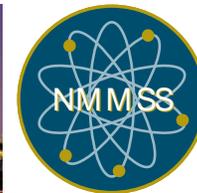
Observations, continued

- Multiple minor violations, for example:
 - Period between physical inventories exceeded 12 months (near-misses)
 - Record inconsistencies, such as, disagreement between two records of an item's location
 - Failure to inventory all SNM within the 60-day reporting interval (BR-0007)



Observations, continued

- SL IV non-cited violations, for example:
 - Failure to keep and retain records concerning SNM movement (such as movement of rods during a reconstitution campaign)
 - Failure to physically inventory rods or rod pieces in open containers
 - Failure to inventory non-fuel SNM, such as detectors (including finding detectors that weren't in the records)



Observations, continued

- SL IV cited violations, for example:
 - Failure to keep records of inventory and disposal of non-fuel SNM
 - Failure to keep accurate records concerning the location of a rod piece within a single spent fuel grid space



Path Forward

- Complete ANSI N15.8 and submit to ANSI
- Incorporate MC&A inspection program in the Reactor Oversight Program (ROP) with periodic inspections
- Develop a Significance Determination Process (SDP), cooperating with industry
- Develop Regulatory Guidance endorsing ANSI N15.8

