

NMS:RGP  
70-820

FEB 4 1970

United Nuclear Corporation  
P. O. Box 1883  
365 Winchester Avenue  
New Haven Connecticut 06508

Attention: Mr. R. I. Hanfling, Manager  
Finance and Control

Gentlemen:

Condition 3.1 of the Safeguards Amendment to your special nuclear material license requires a determination of the U-235 content of measured discards. As presently written, the condition does not require you to measure all discards which could contain significant quantities of special nuclear material and which are amenable to measurement.

In order to provide assurance that all recognized and intentional discards of special nuclear material shall be measured sufficiently to determine the U-235 content and the limits of error associated with the quantities, we believe that the Safeguards Amendment, SG-1, to Special Nuclear Material License No. SNM-777 should be modified by deleting the existing Condition 3.1 and adding the following:

"3.1 The licensee shall make sufficient measurements to determine the U-235 content of all receipts, shipments, intentional discards, and material inventoried and to establish the limits of error associated with these quantities. Limits of error as used herein means the boundaries within which the true or best value of the parameter being measured lies with a probability of 95%."

Condition 7.2 of Amendment SG-1 now requires that measured discards and material unaccounted for (MUF) shall be reported monthly by your staff to a member of your top management. We recognize that a quantity of MUF may not be reported on each monthly report since MUF can only be determined as the result of a measured material balance, and you are not required by your license to complete a material balance each month. However, in those months in which a material balance is made, whether it be around a single operation, a number of operations, or the entire plant, MUF will be reported. Measured discards will be normally reported on each monthly report.

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In order to provide the AEC with a timely notification of the MUF which has been determined during the month and the measured discards during the month, we believe that the Safeguards Amendment SG-1 to Special Nuclear Material License No. SNM-777 should be modified by adding a new Condition 7.3 as follows:

"7.3 The licensee shall report on a monthly basis all measured discards and also MUF whenever a material balance is made around a single operation, a number of operations, or the entire plant. This report shall be made within fifteen (15) days after the end of each month to the U.S. Atomic Energy Commission, Division of Nuclear Materials Safeguards, District I, Newark, New Jersey. Each report shall be identified by the Reporting Identification Symbol(s) (RIS) assigned to the licensed operations and shall include a statement of the causes for the discards and probable reasons for MUF and corrective actions taken or planned."

These reports will be used solely for safeguards purposes. The information provided under Condition 7.3 will not be used for billing licensees under AEC lease agreements.

This notice is sent to you in order that, prior to the institution of formal proceedings for modification of the license, you may have an opportunity to comment on these changes. If you are willing to have these conditions added to your license without the issuance of a formal order, please so advise us within thirty days from the date of this notice. If we do not receive your consent, formal action will be instituted to modify your license.

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Sincerely,

(Signed) R. P. Wischow

R. P. Wischow, Director  
Division of Nuclear Materials  
Safeguards

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