

DEC 8 1980

Combustion Engineering, Inc.
ATTN: Mr. H. V. Lichtenberger
Vice President
Manufacturing
Nuclear Power Systems
Windsor, CT 06095

Docket No. 70-36 ✓

Gentlemen:

This letter refers to the telephone conversation between Mr. F. J. Pianki of your staff and Mr. A. B. Davis and others of my staff on November 14, 1980. The purpose of the call was to inform Mr. Pianki of our program for Systematic Appraisal of Licensee Performance (SALP) and to discuss the results of our appraisal of your Hematite facility.

The subjects discussed are enclosed in the Office of Inspection and Enforcement Report and the Licensee Performance Appraisal.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosures will be placed in the NRC's Public Document Room.

No reply to this letter is necessary; however, we will gladly discuss any questions you have concerning this appraisal.

Sincerely,

James G. Keppler
Director

Enclosure: IE Inspection
Report No. 70-36

cc w/encl:
Mr. J. A. Rode, Plant
Manager
Central Files
Reproduction Unit NRC 20b
PDR
NSIC

M-5

RIII
CEP
Peck/jp
11/26/80

RIII
Fisher
Fisher

RIII
Davis
Davis

RIII
Nord
Nord

RIII
Keppler
Keppler
12/3/80

REGION III

ACTION PLAN

Facility - Hematite

Appraisal Date - 10/15/80

1. Escalated Enforcement Action

None

2. Inspection Program Changes

Decrease frequency of Health and Safety inspections from three/year to two/year.

3. Management Meetings Planned

Arrange telephone conversation between SALP Board and General Manager, Nuclear Fuel Fabrication - Windsor, to discuss results of appraisal.

4. Status of Action From Previous Appraisals

No previous appraisal.


Regional Director

U.S. NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT

REGION III

Reports No. 70-36/80-02; 70-36/80-03; 70-36/80-04

Docket No. 70-36

License No. SNM-33

Licensee: Combustion Engineering, Inc.
Nuclear Power Systems
Windsor, CT 06095

Facility: Hematite

Meeting: Telephone conversation between licensee management and
Region III representatives on November 14, 1980

NRC Representatives: *W.L. Fisher*
A. B. Davis, Chief
Fuel Facility and Materials
Safety Branch
W.L. Fisher
W. L. Fisher, Chief
Fuel Facility Projects and
Radiation Support Section
C.C. Peck
C. C. Peck, Fuel Facility Inspector

Approved By: *W.L. Fisher*
A. B. Davis, Chief
Fuel Facility and Materials
Safety Branch

11/25/80

Summary:

Telephone conversation on November 14, 1980 (Reports No. 70-36/80-02;
70-36/80-03; 70-36/80-04)

Subjects Discussed: The purpose of the communication was to acquaint licensee management with NRC's Systematic Assessment of Licensee Performance (SALP) program and to describe the results of the appraisal of the Hematite facility.
Results: The licensee was informed that during the appraisal period the regulatory performance of the Hematite facility was acceptable and that there currently are no safety concerns.

DETAILS

1. Participants

F. J. Pianki, General Manager, Nuclear Fuel Fabrication,
Combustion Engineering
A. B. Davis, Chief, Fuel Facility and Materials Safety Branch, RIII
W. L. Fisher, Chief, Fuel Facility Projects and Radiation
Support Section, RIII
C. C. Peck, Fuel Facility Inspector, RIII

2. Discussion

The purpose of the SALP program was explained. The licensee representative was informed that a review of the Hematite facility's regulatory performance for the six month period ending October 15, 1980, had disclosed only one item of noncompliance, a deficiency involving nuclear material accountability. As a result of this acceptable performance, NRC plans to reduce the frequency of routine health and safety inspections from three to two per year. The frequency of nuclear material accountability and environmental/emergency planning inspections is expected to continue at two/year and one/year, respectively.

The status of the two small, unused lagoons at Hematite was discussed. The NRC explained that the lagoons were not a present problem but that removal and disposal of the uranium waste in the lagoons should continue to be a goal.

3. Licensee Comments

The licensee representative confirmed the understanding that removal of the radioactive waste from the lagoons is intended.

REGION III

LICENSEE PERFORMANCE APPRAISAL

Facility: Hematite

Licensee: Combustion Engineering, Inc.

Unit Identification

Docket No. Licensee No./Date of Issuance

70-36 SNM-33

Appraisal Period: 4/15/80 - 10/15/80

Review Board Members: W. L. Fisher, Chairman

A. B. Davis

C. C. Peck

R. L. Stevenson, NMSS

A. Number and Nature of Noncompliance Items

Noncompliance category:

Violations	0
Infractions	0
Deficiencies	1

Areas of Noncompliance: (Points)

Safeguards Accountability (Several internal SNM transfer forms were not signed as required)	2
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Total Points	2
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B. Number and Nature of Concerns

Disposition of On Site Lagoons

There are no existing concerns that require licensee action. However, two small, unlined lagoons within the perimeter fence may require

removal in the future. In 1978, the licensee informally agreed with NMSS to discontinue using these lagoons. Potassium hydroxide scrubber solutions were the only liquids then being deposited in the lagoons. The licensee subsequently developed methods for reusing and eventually solidifying the solutions for offsite burial. Three monitoring wells are sampled monthly to detect possible migration of radionuclides from the lagoons in the direction of groundwater flow toward a nearby creek. Samples from the well nearest the lagoons have detected concentrations of uranium and technetium within 10 CFR Part 20 limits. The concentrations have decreased since use of the lagoons was discontinued. The other two wells have detected no significant radioactivity.

In 1979, the licensee voluntarily began removal of the sludge from the lagoons. The activity was discontinued after many drums of material had been removed. The licensee is considering methods of disposing of the sludge and how best to proceed with removing and disposing of the deeper, hard-packed material in the lagoons. Removal of all the radioactivity is the long term goal.

There is no concern that the lagoons will be used again or that radioactivity will migrate to the creek. Migration appears unlikely and would be detected. The lagoons could become a concern, however, if more stringent NRC regulations or environmental requirements should be forthcoming.

C. Escalated Enforcement Actions

Civil Penalties

None

Orders

None

Immediate Action Letters

None

D. Management Conferences Held During Past Twelve Months

None

E. Justification of a Change in Inspection Frequency/Scope

For several years, it has been customary to perform health and safety inspections at Hematite at least three times a year. There are also

at least two safeguards accountability inspections and one environmental and emergency planning inspection. The justification for the three health and safety inspections has been that one inspection procedure, Operations Review, requires this frequency. Other procedures require only semiannual or annual inspection.

Because of the consistently good performance of the Hematite plant, the frequency of health and safety inspections should be reduced to twice per year.