



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II**  
245 PEACHTREE CENTER AVENUE NE, SUITE 1200  
ATLANTA, GEORGIA 30303-1257

November 15, 2011

Gary J. Laughlin, Chief Nuclear Officer  
and Head of Technical Services  
Louisiana Energy Services, L.L.C.  
P.O. Box 1789  
Eunice, NM 88231

SUBJECT: LOUISIANA ENERGY SERVICES, L.L.C., URENCO USA FACILITY, DOCKET  
NO. 70-3103, AUTHORIZATION TO INTRODUCE URANIUM HEXAFLUORIDE  
INTO CASCADE 1.5

Dear Mr. Laughlin:

This letter confirms our discussion of November 14, 2011, during which you were informed that the NRC has authorized the introduction of uranium hexafluoride into Cascade 1.5 at the Louisiana Energy Services (LES), URENCO USA Facility located in Eunice, New Mexico. This authorization is pursuant to the provisions of Part 70, Paragraph 70.32(k) and Part 40, Paragraph 40.41(g) of Title 10 of the *Code of Federal Regulations* (CFR) that states, "No person may commence operation of a uranium enrichment facility until the Commission verifies through inspection that the facility has been constructed in accordance with the requirements of the license."

This NRC authorization is based on the results of construction and quality assurance inspections of Cascade 1.5 described in the inspection reports listed in the enclosure. The NRC staff determined that the systems, structures, and components designed to support safe operation of Cascade 1.5 were constructed in accordance with the requirements of your license. Specifically, our inspections provided: (1) reasonable assurance that the design, construction, and implementation of items relied on for safety (IROFS) will protect against natural phenomena and the consequences of potential accidents, (2) verification that the Quality Assurance Program was adequately implemented during construction; and (3) verification that the construction of the IROFS was completed in accordance with the documents comprising the license and the Integrated Safety Analysis.

During our inspections, the NRC staff reviewed and inspected procurement, receipt inspections, installation and testing of the Cascade 1.5 centrifuge header piping, upper and lower steelworks and flomels for compliance to Quality Level 1 requirements. The staff also conducted interviews with LES staff and contractor personnel including employees in operations, technical support and management. The publically available inspection reports that describe the construction and quality assurance inspections of Cascade 1.5 are accessible through the NRC's public electronic reading room, Agency-wide Document Access and Management System (ADAMS) at [http://www.nrc.gov/reading\\_rm/adams.html](http://www.nrc.gov/reading_rm/adams.html), at the accession numbers listed in the enclosure.

Please note that this authorization does not apply to any cascade other than Cascade 1.5, and it does not apply to processes or components associated with future phases of facility operations.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," this document and its enclosure may be accessed through ADAMS on the internet at <http://www.nrc.gov/readingrm/adams.html>.

Should you have any questions concerning this letter, please contact Mr. Joselito Calle at (404) 997-4418

Sincerely,

*/RA/*

Anthony T. Gody, Director  
Division of Fuel Facility and Inspection

Docket No. 70-3103  
License No. SNM-2010

Enclosure:  
List of Cascade 5 Inspection Reports

cc w/encl:  
Perry Robinson, Vice President Regulatory  
Affairs  
National Enrichment Facility  
P.O. Box 1789  
Eunice, NM 88231

Daniel F. Stenger, Counsel  
Hogan and Hartson  
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Richard A. Ratliff, PE, LMP  
Radiation Program Officer  
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Department of State Health Services  
Division for Regulatory Services  
1100 West 49th Street  
Austin, TX 78756-3189

cc w/encl: (Cont'd on page 3)

G. Laughlin

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Should you have any questions concerning this letter, please contact Mr. Joselito Calle at (404) 997-4418

Sincerely,

/RA/

Anthony T. Gody, Director  
Division of Fuel Facility and Inspection

Docket No. 70-3103  
License No. SNM-2010

Enclosure:  
List of Cascade 1.5 Inspection Reports

cc w/encl:  
Perry Robinson, Vice President Regulatory Affairs  
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Division for Regulatory Services  
1100 West 49th Street  
Austin, TX 78756-3189

cc w/encl: (Cont'd on page 3)  
\*see previous concurrence

X PUBLICLY AVAILABLE      ☐ NON-PUBLICLY AVAILABLE      ☐ SENSITIVE      X NON-SENSITIVE

ADAMS: X Yes      ACCESSION NUMBER: ML11319A020      X SUNSI REVIEW COMPLETE X FORM 665 ATTACHED

OFFICE	RII:DFFI	RII:DFFI	NMSS	RII:CCI		
SIGNATURE	/RA/	DHartland for	Via phone	JYerokun for		
NAME	DHartland*	JCalle*	JKinneman*	COgle*		
DATE	11/14/11	11/14/11	11/14/11	11/14/11	11/ /2011	11/ /2011
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY      DOCUMENT NAME: G:\DNMS\I\FBI\FFIB2\LE S\CASCADE REPORTS  
AND AUTHORIZATION LETTERS\CASCADE AUTHORIZATION LETTERS\CASCADE 5 DRAFT.DOCX

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(cc w/encl: cont'd)

Raj Solomon, Deputy Secretary  
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Gregory Smith, President and Chief Executive Officer  
Louisiana Energy Services, L.L.C.  
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Perry Robinson, Vice President Regulatory  
Affairs  
Louisiana Energy Services, L.L.C.  
Electronic Mail Distribution

cc w/encl: (cont'd on page 4)

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(cc w/encl: cont'd)

Brenda Brooks, Director  
Community Affairs and Government Relations  
Electronic Mail Distribution

Zackary Rad, Licensing Manager  
Electronic Distribution

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Letter to Gary J. Laughlin from Anthony T. Gody dated November 15, 2011

SUBJECT: LOUISIANA ENERGY SERVICES, L.L.C., URENCO USA FACILITY, DOCKET  
NO. 70-3103, AUTHORIZATION TO INTRODUCE URANIUM HEXAFLUORIDE  
INTO CASCADE 1.5

Distribution w/encl:

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M. Widmann, RII

C. Ogle, RII

D. Hartland, RII

J. Calle, RII

C. Taylor, RII

PUBLIC

Construction and Quality Assurance Inspection Reports for Cascade 1.5

Inspection Report Number	ADAMS Accession Number
70-3103/2010-007	ML100900329
70-3103/2011-008	ML1116608861
70-3103/2011-004	ML11301A2180
70-3103/2011-009	(Pending)

Enclosure