



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

March 2, 2018

Stephen Cowne, Chief Nuclear Officer
and Compliance Manager
Louisiana Energy Services, L.L.C.
P.O. Box 1789
Eunice, NM 88231

SUBJECT: LOUISIANA ENERGY SERVICES, L.L.C., URENCO USA FACILITY –
LICENSEE PERFORMANCE REVIEW OF LICENSED ACTIVITIES (NRC
INSPECTION REPORT 70-3103/2018-001)

Dear Mr. Cowne:

The U.S. Nuclear Regulatory Commission (NRC) staff in our Region II Office and the Office of Nuclear Material Safety and Safeguards completed a periodic review of Louisiana Energy Services, L.L.C., URENCO USA's (UUSA) inspection results and facility performance in conducting NRC-licensed activities. The review covered the period from January 1, 2016, through December 31, 2017. The performance of UUSA was evaluated in the following performance areas: Safety Operations, Radiological Controls, Facility Support, and Other Areas. The enclosure to this letter provides the results of our review and constitutes the basis for establishing the NRC oversight program for your facility. The details regarding the Safeguards portion of the review are documented in a separate letter marked "Official Use Only– Security-Related Information" due to the sensitive nature of the information.

The staff determined that UUSA has continued to conduct its activities safely and securely, and in a manner that protects public health and the environment. Based on our review of activities, no areas needing improvement were identified in the performance areas of Safety Operations, Radiological Controls, Facility Support, and Other Areas. Therefore, the NRC plans to conduct the core inspection program for a gas centrifuge fuel facility as described in NRC Inspection Manual Chapter (IMC) 2600, "Fuel Cycle Facility Operational Safety and Safeguards Inspection Program," for the review period of January 1, 2018, to December 31, 2019.

Throughout the implementation of the inspection program and the review of plant events in this performance review period, the inspectors identified examples of repetitive compliance issues consisting of failure to request NRC approval for changes to the licensing basis and failure to implement administrative safety controls. While these issues did not result in escalated enforcement actions and did not raise to the level of an area needing improvement as defined in NRC Inspector Manual Chapter 2604, "Licensee Performance Review," the NRC staff determined that these issues could be indicative of weaknesses in the correction action program (CAP). The inspection staff also identified issues with the implementation of CAP procedures in the Safeguards area, but these will be documented in a separate letter marked "Official Use Only– Security-Related Information" due to the sensitive nature of the information.

Inspection Manual Chapter (IMC) 2600, lists "As Needed," procedures used in support of implementation of the inspection program and these procedures are to be performed as necessary, or at the frequency designated in that inspection procedure. Inspection Procedure (IP) 88161, "Corrective Action Program Implementation at Fuel Facilities," was used to certify the UUSA Corrective Action Program and is one of the procedures recognized by IMC 2600. Once the CAP has been determined to be effective, IP 88161 requires that an inspection of that program be performed on a biennial basis.

In light of the examples identified during inspections and the biennial inspection program requirement, the NRC will adjust the core inspection program in the upcoming performance review period to conduct an inspection of your CAP in accordance with IMC-2600, Appendix B, Table 2, Inspection Procedure 88161, "Corrective Action Program Implementation at Fuel Cycle Facilities." The CAP inspection scope will consider all performance areas covered under the NRC core inspection program. The purpose of this inspection is to verify that the program is implemented in accordance with the program elements described in your Quality Assurance Program Description, as incorporated by reference in Special Nuclear Material License SNM-2010. The inspection will validate that the program is effectively implemented to identify, prioritize, evaluate, and correct safety issues. The inspection results will also inform future NRC decisions for the disposition of violations of regulatory requirements.

On June 22, 2015, the NRC issued Generic Letter (GL) 2015-01, "Treatment of Natural Phenomena Hazards in Fuel Cycle Facilities" to: (1) request that licensees submit information to demonstrate compliance with regulatory requirements regarding the treatment of natural phenomena events in the facilities' integrated safety assessments and (2) determine if additional NRC regulatory action was necessary to ensure compliance with the licensing basis and existing NRC regulations. The NRC completed its review of licensee information and conducted inspections on-site in accordance with Temporary Instruction 2600/016, "Inspection Activities Associated with NRC Generic Letter 2015-01." On June 21, 2017, the NRC closed GL 2015-01 for LES with no further regulatory action based on the staff evaluation and the results of the inspection (ADAMS Accession No. ML17164A226).

The results of our Licensee Performance Review will be discussed with you at a meeting open to the public on April 26, 2018, via webinar. During the meeting, you will have an opportunity to discuss your performance in the same major areas as evaluated by the NRC.

In accordance with Title 10 of the *Code of Federal Regulations* Section 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this letter and its enclosure will be made available for public inspection at the NRC Public Document Room and accessible electronically through the ADAMS in the NRC Library at <http://www.nrc.gov/reading-rm/adams.html>.

Please refer questions and comments regarding your licensee performance review to Mr. Omar López-Santiago, Chief, Projects Branch 1, who can be reached by telephone at 404-997-4703.

Sincerely,

/RA/

Mark S. Lesser, Director
Division of Fuel Facility Inspection

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

Enclosure:
Licensee Performance Review

cc: (See page 3)

cc:

Butch Tongate, Cabinet Secretary
New Mexico Department of Environment
Office of the Secretary
1190 St. Francis Drive
P.O. Box 26110
Santa Fe, NM 87502-0157

Matt White, Mayor
City of Eunice
P.O. Box 147/1106 Ave J
Eunice, NM 88231

The Honorable Sam D. Cobb, Mayor
City of Hobbs
200 E. Broadway
Hobbs, NM 88240

Cheryl Chance, Mayor
City of Jal
P.O. Drawer 340
Jal, NM 88252

Chair Ron R. Black
Lea County Board of County Commissioners
Lea County Courthouse
100 North Main Avenue, Suite 4
Lovington, NM 88260

Daniel F. Stenger, Counsel
Hogan and Hartson
555 13th Street, NW
Washington, DC 20004

Santiago Rodriguez, Chief
Radiation Controls Bureau
NM Environment Department
PO Box 5469
Santa Fe, NM 87502-5469

David Sexton, Managing Director UUSA,
President and Chief Executive Officer
Louisiana Energy Services, LLC
URENCO USA
P.O. Box 1789
Eunice, NM 88231
Dave.Sexton@Urenco.com

cc: (Cont'd on page 4)

(cc: cont'd)

Lisa Hardison, Manager
Communications & Public Relations
Louisiana Energy Services, LLC
URENCO USA
P.O. Box 1789
Eunice, NM 88231
lisa.hardison@ureenco.com

Perry Robinson, Outside General Counsel
URENCO USA
P.O. Box 1789
Eunice, NM 88231

Richard A. Ratliff, PE, LMP
Radiation Program Officer
Bureau of Radiation Control
Department of State Health Services
Division for Regulatory Services
1100 West 49th Street
Austin, TX 78756-3189

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J. Rivera Ortiz, RII
 K. Kirchbaum, RII
 K. Sturzebecher, NMSS
 L. Suggs, RII
 M. Kotzalas, NMSS
 M. Lesser, RII
 O. López-Santiago, RII
 Public

☒ PUBLICLY AVAILABLE☐ NON-PUBLICLY AVAILABLE ☐ SENSITIVE ☒ NON-SENSITIVEADAMS: ☒ Yes

ACCESSION NUMBER: ML18064A074

☒ SUNSI REVIEW COMPLETE☒ FORM 665 ATTACHED

OFFICE	RII:DFFI	RII:DFFI	HQ:NMSS	HQ:NMSS	HQ:NMSS
SIGNATURE	/RA/	/RA/	/via email/	/RA/	/RA/
NAME	KKirchbaum	OLópez-Santiago	CErlanger	MKotzalas	JZimmerman
DATE	2/27/2018	2/27/2018	2/28/2018	2/28/2018	2/28/2018
E-MAIL COPY?	YES NO	(YES) NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY: G:\DFFI\ASSESS LPR\2018\LES LPR Public Ltr 2018.docx

**LICENSEE PERFORMANCE REVIEW FOR
LOUISIANA ENERGY SERVICES, L.L.C., URENCO USA
ASSESSMENT PERIOD: JANUARY 1, 2016 to DECEMBER 31, 2017**

The following is a summary of the performance of Louisiana Energy Services, L.L.C., URENCO USA in the conduct of Nuclear Regulatory Commission (NRC) licensed activities.

OPERATIONS

PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of plant operations, nuclear criticality safety, and fire protection.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Safety Operations.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Safety Operations.

PERFORMANCE AREA: RADIOLOGICAL CONTROLS

This area is comprised of radiation protection, environmental protection, waste management, and transportation.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Radiological Controls.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Radiological Controls.

PERFORMANCE AREA: FACILITY SUPPORT

This area is comprised of maintenance and surveillance, training, emergency preparedness, and permanent plant modifications and included licensing activities.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Facility Support.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Facility Support.

PERFORMANCE AREA: OTHER AREAS

This area is comprised of special issues.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Other Areas.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Other Areas. An inspection of the Corrective Action Program will be performed to verify the program is being implemented to properly identify, track, and correct items of safety significance in accordance with the program elements described in your Quality Assurance Program Description, as incorporated by reference in Special Nuclear Material License SNM-2010.