

Department of Energy

Nuclear Energy Oak Ridge Site Office
P.O. Box 2001
Oak Ridge, Tennessee 37831

July 24, 2018

70-7004

Mr. Jacob Zimmerman, Chief
Enrichment and Conversion Branch
Office of Nuclear Material
Safety and Safeguards
MS: 3WFN-13C64
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Dear Mr. Zimmerman:

RETURN OF THE X-112 DATA PROCESSING BUILDING AT THE GAS CENTRIFUGE ENRICHMENT PLANT SITE IN PIKETON, OHIO, AND TRANSITION OF REGULATORY OVERSIGHT AUTHORITY

In the enclosed letter, the Department of Energy (DOE) approved Centrus Energy Corp.'s (Centrus) request for American Centrifuge Operating, LLC (ACO), a subsidiary of Centrus, to return the X-112 Data Processing Building at the Gas Centrifuge Enrichment Plant site in Piketon, Ohio, to DOE. As stated in this letter, the return of this facility is scheduled to occur on July 25, 2018, at 12:01 a.m. Eastern Daylight Time. Keith Everly and Yawar Faraz, U. S. Nuclear Regulatory Commission (NRC), received copies of this approval letter.

The purpose of this letter is to provide notice to you in your capacity as Chief, Enrichment and Conversion Branch, Office of Nuclear Material Safety and Safeguards, NRC, of the return of this premise to DOE and the simultaneous transition of regulatory oversight authority from NRC to DOE for this premise on the scheduled return date and time.

Please contact me at (865) 576-2535 or Randall M. DeVault at (865) 241-8277 if you have any questions.

Sincerely,

Mary C. McCune, Acting Manager
Nuclear Energy
Oak Ridge Site Office

Enclosure and cc's on Page 2

NM5501

**RETURN OF THE X-112 DATA PROCESSING BUILDING AT THE GAS
CENTRIFUGE ENRICHMENT PLANT SITE IN PIKETON, OHIO, AND TRANSITION
OF REGULATORY OVERSIGHT AUTHORITY**

Enclosure:

- Letter from Mary C. McCune to Larry B. Cutlip, "Department of Energy Approval for the Early Return of the X-112 Data Processing Building, Associated Leased Personalty, and Surrounding Grounds," dated July 23, 2018

cc w/o enclosure:

R. DeVault, NE-OR3, NE-ORSO
K. Walling, CC-10, SC-OR
J. Bradburne, PPPO, PORTS
R. Edwards, PPPO, Lex
G. Hellstrom, PPPO, Lex
K. Everly, NRC
Y. Faraz, NRC



Department of Energy

Nuclear Energy Oak Ridge Site Office
P.O. Box 2001
Oak Ridge, Tennessee 37831

July 23, 2018

Mr. Larry B. Cutlip
Senior Vice-President, Field Operations
Centrus Energy Corp.
400 Centrifuge Way
Oak Ridge, Tennessee 37830

Dear Mr. Cutlip:

DEPARTMENT OF ENERGY APPROVAL FOR THE EARLY RETURN OF THE X-112 DATA PROCESSING BUILDING, ASSOCIATED LEASED PERSONALTY, AND SURROUNDING GROUNDS

References:

- Letter from Larry B. Cutlip to Mary C. McCune, "Substitute for Marked-up Lease Map included in Revision 1 to Turnover Requirements (TR) Compliance Reports for the X-112 Data Processing Building at Piketon, Ohio," dated July 12, 2018 (DOE 18-0023) (ECI/OUO)
- Letter from Larry B. Cutlip to Mary C. McCune, "Submittal of Revision 1 to Turnover Requirements (TR) Compliance Reports for the X-112 Data Processing Building at Piketon, Ohio," dated May 22, 2018 (DOE 18-0012) (ECI/OUO)
- Letter from Larry B. Cutlip to Mary C. McCune, "Submittal of Turnover Requirements (TR) Compliance Reports for the X-112 Data Processing Building and the X-1107BP Administrative Pedestrian Portal at Piketon, Ohio," dated November 1, 2017 (DOE 17-0025) (ECI/OUO)
- Letter from Larry B. Cutlip to Mary C. McCune, "Early Return of Certain Facilities Leased by American Centrifuge Operating LLC (ACO) from the Department of Energy (DOE) at the Gaseous Centrifuge Enrichment Plant (GCEP) in Piketon Ohio," dated December 21, 2016 (DOE 16-0020) (OUO)

In the referenced letter dated December 21, 2016, Centrus Energy Corp. (Centrus) requested the Department of Energy's (DOE) approval for American Centrifuge Operating, LLC, a subsidiary of Centrus, to return, among other leased premises, the X-112 Data Processing Building and the X-1107BP Administrative Pedestrian Portal as well as the grounds surrounding the X-112 facility to DOE before the June 30, 2019, expiration date of the "Lease Agreement Between the United States Department of Energy and the United States Enrichment Corporation for the Gas Centrifuge Enrichment Plant" (GCEP Lease).

DEPARTMENT OF ENERGY APPROVAL FOR THE EARLY RETURN OF THE X-112 DATA PROCESSING BUILDING, ASSOCIATED LEASED PERSONALTY, AND SURROUNDING GROUNDS

In fulfillment of the requirement to meet certain "Turnover Requirements" as identified in Section 4.4 of the GCEP Lease, Centrus prepared and submitted Turnover Requirements (TR) Compliance Reports for both leased premises in the referenced letter dated November 1, 2017.

Subsequent to this submittal and following discussions with both the DOE Nuclear Energy Oak Ridge Site Office (NE-ORSO) and the DOE Portsmouth/Paducah Project Office, Centrus decided to place its request for the return of the X-1107BP Administrative Pedestrian Portal on hold while proceeding with the return of the X-112 Data Processing Building. As a result, Centrus submitted a revised TR Compliance Report for the X-112 Data Processing Building in the referenced letter dated May 22, 2018.

DOE's review of this revised TR Compliance Report revealed that the Lease Status Map which was referenced in the report inaccurately depicted the return of both the X-112 facility and the X-1107BP Administrative Pedestrian Portal. Therefore, Centrus corrected this error by submitting a substitute Lease Status Map in the referenced letter dated July 12, 2018, depicting the return of only the X-112 facility and surrounding grounds as described in TR No. 1 in the revised TR Compliance Report. Please note that the "unnamed road" mentioned in this revised TR Compliance Report as to be "returned with X-2202, Additional Subleased GCEP/ACP Roads," was actually returned with the partial return of the X-2202 GCEP Roads on May 18, 2018.

DOE has completed its review of Centrus' request and supporting documentation related to the early return of the X-112 Data Processing Building and surrounding grounds as submitted in the May 22, 2018, and July 12, 2018, letters. As a result of this review, DOE finds that the GCEP Lease requirements for the return of the X-112 facility, associated leased personalty, and surrounding grounds have been met.

Based on this determination, therefore, DOE NE-ORSO, as GCEP Lease Administrator, approves the early return of the X-112 Data Processing Building and associated leased personalty. In addition, DOE approves the early return of the grounds surrounding the X-112 facility as shown on the substitute map labeled Drawing No. DX-LS-1214-A, Revision 43, which Centrus submitted to DOE NE-ORSO in the referenced letter dated July 12, 2018.

DOE is ready to accept the return of the subject leased premises, associated leased personalty, and the grounds surrounding the X-112 facility as depicted on the Lease Status Map DX-LS-1214-A, Revision 43, on July 25, 2018, at 12:01 a.m. Eastern Daylight Time. Transition of regulatory oversight from the Nuclear Regulatory Commission will occur at the same time. DOE's willingness to accept the early return of this leased premise shall not be interpreted as setting precedent for future returns.

Mr. Larry B. Cutlip

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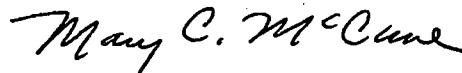
July 23, 2018

**DEPARTMENT OF ENERGY APPROVAL FOR THE EARLY RETURN OF THE X-112
DATA PROCESSING BUILDING, ASSOCIATED LEASED PERSONALTY, AND
SURROUNDING GROUNDS**

Following the return of the X-112 facility, DOE will revise Exhibit A of the GCEP Lease to reflect the return of this premise. Centrus shall amend Exhibit B of the GCEP Lease to remove any leased personalty associated with the aforescribed return.

Please contact me at (865) 576-2535 or Randall M. DeVault at (865) 241-8277 if you have any questions.

Sincerely,



Mary C. McCune, Acting Manager
Nuclear Energy
Oak Ridge Site Office

cc:

R. DeVault, NE-OR3, NE-ORSO
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