

RE: 9321-N

February 2, 1993

**Certified Mail
Return Receipt Requested**

Mr. James L. Milhoan
Regional Administrator
U.S. NUCLEAR REGULATORY COMMISSION
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76001

RE: License No. SUB-1010; Docket No. 40-8027
Additional Information on Commitment Status

Dear Mr. Milhoan:

This letter is the reply to your letter dated January 15, 1993 requesting further details on the postponement of some commitments addressed in Sequoyah Fuels Corporation's (SFC) letter to you dated December 31, 1992.

A modified implementation schedule for the commitments postponed in our letter will be developed in conjunction with future business plans and the Plan for Completion of Decommissioning (PCD). Each of the commitments will be evaluated to determine the course of action for completion or rescission of the commitment.

The commitments referenced in our letter to you can be classified into two groups:

1. Commitments applicable to the DUF₄ plant
2. Commitments not applicable to the DUF₄ plant

The commitments applicable to the DUF₄ plant are discussed below. The commitments not applicable to the DUF₄ plant primarily relate to equipment which may be decommissioned and will be evaluated and incorporated into the PCD if appropriate. We will discuss future plans for the facility with the NRC on February 10 with further information given on February 16.

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1. Commitments applicable to the DUF₄ plant

- Upgrading the Air Effluent Monitoring System

This commitment can be broken down into two areas - short term and long term upgrades at the Main Process Building (UF₆ plant) and the DUF₄ plant. Short term upgrades at the Main Process Building and the DUF₄ plant have been completed during the past several months. These upgrades included repairs and minor modifications to the air monitoring system.

Long term upgrades were to be more extensive and were to be performed this year. These upgrades were to include an evaluation of the air sampling system at SFC by a consulting firm. These upgrades are currently on hold until long term status of the facility is determined.

- Full implementation of a Conduct of Operations Program
- Establish a procedure hierarchy and upgrades to G-001

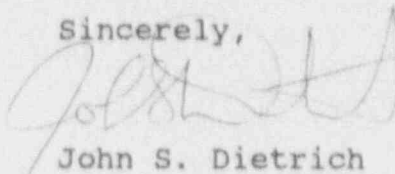
These commitments, Conduct of Operations, and Procedure Hierarchy and G-001 upgrade, have been partially completed. Final completion of the commitments is presently on hold. SFC may rescind these two commitments. Completion of these two commitments will be expensive and will require considerable amount of time to implement. Since SFC may shutdown DUF₄ production by July 31, 1993, by the time these commitments could be completed, shutdown of DUF₄ production may be occurring or about to occur and no benefit would be gained. This money may be better spent on decommissioning related activities.

- Establishing the capability within the Engineering organization to perform safety analyses of engineering projects

This commitment has been partially complete. The engineering staff has received additional training in this area during the past 6 months. However, SFC may rescind this commitment. There are no current plans for any major developmental projects at SFC and radioactive materials and bulk chemicals are being removed from the site and the processes emptied thereby reducing the need for this program. If future work at SFC dictates a need for detailed safety analyses then provisions will be made to support this activity.

Please contact Craig Harlin of my staff at (918) 489-3386 if you have any further questions regarding this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "John S. Dietrich", written over the typed name.

John S. Dietrich
Vice President
Technical Services

JSD/TWR:lh