



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION III  
801 WARRENVILLE ROAD  
LISLE, ILLINOIS 60532-4351

December 20, 1996

Mr. J. H. Miller  
Vice President - Production  
United States Enrichment Corporation  
Two Democracy Center  
6903 Rockledge Drive  
Bethesda, MD 20817

SUBJECT: PADUCAH OBSERVATION REPORT 70-7001/96006 (DNMS)

Dear Mr. Miller:

This refers to routine safety and safeguard observations conducted during the period October 1 through November 18, 1996, of United States Enrichment Corporation (USEC) activities at the Paducah Gaseous Diffusion Plant. Our observations were discussed with Mr. Steven Polston, General Manager, members of his staff, and the Department of Energy Site Safety Representatives throughout and at the conclusion of the observation period.

Areas reviewed during the observation period are identified in the report. Within these areas, the activities consisted of selective examinations of procedures and representative records, interviews with personnel, and observations.

Based upon the areas observed, weaknesses were noted in your conduct of operations. These weaknesses contributed to apparent Operational Safety Requirement (OSR) and Technical Safety Requirement (TSR) violations. Specifically, some staff did not fully understand and were not proactive in responding to plant conditions which: (1) had the potential for and led to an exceedance of process assay limitations; (2) resulted in safety system actuations following cascade uranium hexafluoride outgassings; and (3) led to the improper reinitiation of an aborted cylinder heating cycle.

In accordance with 10 CFR 2.790 of the Commission's regulations and the Department of Energy - Nuclear Regulatory Commission Memorandum of Understanding for the gaseous diffusion plants, a copy of this letter and the enclosed observation report will be placed in the appropriate NRC Public Document Rooms. We have also provided the Department of Energy (DOE) a copy of this report for their review.

We will gladly discuss any questions you have concerning these observations.

Sincerely,

*Cynthia D. Pederson*  
Cynthia D. Pederson, Director  
Division of Nuclear Materials Safety

9612200070 961216  
PDR ADOCK 07007001  
C PDR

Docket No. 70-7001

Enclosure: Observation Report  
No. 70-7001/96006(DNMS)

See Attached Distribution

J. Miller

-2-

Distribution

cc w/encl:

S. A. Polston, Paducah General Manager  
W. E. Sykes, Paducah Regulatory Affairs Manager  
D. I. Allen, Portsmouth General Manager  
M. L. Horn, Project Manager, NMSS  
Paducah Resident Inspector Office  
Portsmouth Resident Inspector Office

cc w/o encl: J. D. Jackson, DOE