



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

December 18, 1996

Mr. James H. Miller  
Vice President, Production  
U. S. Enrichment Corporation  
2 Democracy Center  
6903 Rockledge Drive  
Bethesda, Maryland 20817

SUBJECT: CHANGES TO PORTSMOUTH COMPLIANCE PLAN DUE DATES FOR NCS  
RELATED ISSUES (TAC NO. L32004) AND AN HEU RELATED ISSUE  
(TAC NO. L32005); CHANGE TO PADUCAH COMPLIANCE PLAN DUE  
DATE FOR FIRE PUMP REFURBISHMENT (TAC NO. L32002)

Dear Mr. Miller:

This letter is in response to your Portsmouth certificate amendment requests dated October 31, 1996 (GDP 96-0190) and November 4, 1996 (GDP 96-0192), and your Paducah amendment request dated October 31, 1996 (GDP 96-0191). We have also reviewed your letter of December 13, 1996, responding to our letter to you of December 10, 1996, in which we requested additional information concerning the Portsmouth amendment requests.

In your October 31, 1996, Portsmouth certificate amendment request, you propose to extend the scheduled completion date for Compliance Plan Issue 8, involving completion of formal nuclear criticality safety approvals (NCSAs) and nuclear criticality safety evaluations (NCSEs), from November 30, 1996, to January 31, 1997. Related completion dates in Compliance Plan Issues 9, 23, 24, 30 and 32, which are dependent on completion of the NCSAs and NCSEs, would be extended to February 28, 1997.

The high-enriched uranium (HEU) issue at Portsmouth involves extension of the required date for disposition of all discrete items of HEU materials (except for a de minimis quantity across all leased areas not to exceed 999 grams of U-235), not associated with the suspension and refeed programs, from November 15, 1996, to February 28, 1997. The extension is required to enable transfer of DOE-owned HEU standards material (now contained in 2S cylinders stored in DOE-controlled space in the X-345 Building) into Russian sample cylinders, which have not yet arrived, in support of the Russian Transparency Program.

Under your proposal, the DOE standards material would first be transferred into smaller Hoke tubes, and then returned to DOE-controlled space; subsequently, the Russian sample cylinders could be filled by transferring material from the Hoke tubes. All transfers would occur in the X-710 Building, which is USEC-leased space. The Hoke tubes would be moved into the X-710 Building and transferred into the Russian cylinders at a rate which would maintain compliance with USEC's future NRC-allowed HEU limit of 999 grams U-235 (safeguards Category III limits).

9612230343 961218  
PDR ADOCK 07007001  
C PDR

**NRC FILE CENTER COPY**

ADP: NRC/FC/73 TB 33 1/0

Delite:LA

NF05

It is our understanding that USEC has ceased performing transfer work and intends not to resume transfers until NRC takes action on the requested amendment because the current November 15 deadline has passed, and because moving a filled DOE 2S cylinder into USEC leased space would cause USEC to exceed its future HEU limit. As discussed below, we do not believe this delay is necessary.

The Paducah amendment request asks for approval to extend the Compliance plan completion date for certain fire pump refurbishment work from October 31, 1996, to November 22, 1996. Since this date has passed, we see no reason to act on this request.

The NRC, DOE, and USEC agreed to a transition period extending to March 3, 1997, before the certificates of compliance become effective, in order to allow an orderly transition to NRC regulatory requirements. During this transition period, USEC operations remain under the oversight of DOE. Therefore, we have no objection to your proceeding with your plans concerning both Portsmouth issues described here, provided you do so in accordance with all applicable DOE requirements. Accordingly, we have determined that no action on the part of NRC is necessary with respect to these amendment requests at this time. However, since greater than Category III amounts of HEU will not be permitted in leased space after March 2, 1997, we strongly encourage you to schedule associated transfer of HEU so that it will be completed no later than February 15, 1997, to provide a contingency against unforeseen schedule slippage.

The certificates of compliance for the GDPs will become effective March 3, 1997, when NRC assumes regulatory jurisdiction. At that time, any Compliance Plan action item that has become due, but has not been completed, will constitute a non-compliance subject to NRC enforcement action.

Should you have any question concerning these matters, please contact Mr. Dan E. Martin of my staff at (301) 415-7254.

Sincerely,

Original Signed By

Elizabeth Q. Ten Eyck, Director  
Fuel Cycle Safety and Safeguards, NMSS

DISTRIBUTION:

Dockets 70-7001 & 70-7002  
FCSS r/f  
DAHoadley

SPB r/f

NRC File Center  
GShear, RIII

PUBLIC  
CCox, RIII

NMSS r/f  
KO'Brien, RIII

P:\USEC.DEM

*\* See Previous Concurrence*

OFC	SPB	C	SPB	C	OGC		FCSS
NAME	DMartin		RPierson	*			ETen Eyck
DATE	12/18/96		12/18/96				12/18/96

C = COVER

E = COVER & ENCLOSURE  
OFFICIAL RECORD COPY

N = NO COPY

It is our understanding that USEC has ceased performing transfer work and intends not to resume transfers until NRC takes action on the requested amendment because the current November 15 deadline has passed, and because moving a filled DOE 2S cylinder into USEC leased space would cause USEC to exceed its future HEU limit. As discussed below, we do not believe this delay is necessary.

The Paducah amendment request asks for approval to extend the Compliance plan completion date for certain fire pump refurbishment work from October 31, 1996, to November 22, 1996. Since this date has passed, we see no reason to act on this request.

The NRC, DOE, and USEC agreed to a transition period extending to March 3, 1997, before the certificates of compliance become effective, in order to allow an orderly transition to NRC regulatory requirements. During this transition period, USEC operations remain under the oversight of DOE. Therefore, we have no objection to your proceeding with your plans concerning both Portsmouth issues described here, provided you do so in accordance with all applicable DOE requirements. Accordingly, we have determined that no action on the part of NRC is necessary with respect to these amendment requests at this time. However, in order to ensure an orderly transition as of March 3, 1997, we strongly encourage you to schedule transfer work involving greater than Category III amounts of HEU so that it will be completed no later than about February 15, 1997, to provide some contingency against unforeseen schedule slippage.

The certificates of compliance for the GDPs will become effective March 3, 1997, when NRC assumes regulatory jurisdiction. At that time, any Compliance Plan action item that has become due, but has not been completed, will constitute a non-compliance subject to NRC enforcement action.

Should you have any question concerning these matters, please contact Mr. Dan E. Martin of my staff at (301) 415-7254.

Sincerely,

Elizabeth Q. Ten Eyck, Director  
Fuel Cycle Safety and Safeguards, NMSS

DISTRIBUTION:

Dockets 70-7001 & 70-7002  
FCSS r/f  
DAHoadley

SPB r/f

NRC File Center  
GShear, RIII

PUBLIC  
CCox, RIII

NMSS r/f  
KO'Brien, RIII

P:\USEC.DEM

OFC	SPB	C	SPB	C	OGC	C	FCSS
NAME	D. Martin		B. Pierson		K. Winters		ETen Eyck
DATE	12/17/96		12/17/96		12/17/96		

C = COVER

E = COVER & ENCLOSURE  
OFFICIAL RECORD COPY

N = NO COPY