

DESIGNATED ORIGINAL

MAY 16 1985

SGFF:DRJ  
70-36

MAY 29 1985

C-E Power Systems  
Combustion Engineering, Inc.  
ATTN: Mr. H. Eskridge, Supervisor  
Nuclear Licensing Safety  
and Accountability  
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Hematite, Missouri 63047

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Gentlemen:

The purpose of this letter is to clarify that certain licensees, subject to the provisions of new 10 CFR Part 74, must continue to follow their existing Part 70 Fundamental Nuclear Material Control (FNMC) Plan, as required by Condition 2.1 of the Safeguards Amendment to their SNM license until a new Part 74 FNMC Plan is approved and implemented.

Your current FNMC Plan was approved in the context of 10 CFR Part 70 and approval relied upon certain provisions of Part 70 that were not recapitulated in the license for the full effectiveness of the Plan. Because of this, it is now necessary to issue a license condition to incorporate the omitted Part 70 requirements to be in effect until a new FNMC Plan is approved and implemented pursuant to 10 CFR 74.31(b). At that time your Safeguards Amendment will be revised in its entirety and reissued, and the following condition will be deleted. Thus, the condition added by this letter will serve to maintain the status quo until the new Plan is implemented.

Accordingly, we are hereby issuing new License Condition 2.1.1 to Amendment MPP-3 of License No. SNM-33, effective immediately, to read as follows:

- 2.1.1 Notwithstanding 10 CFR 74.31(c), the material control and accounting procedures for all low enriched uranium subject to the existing FNMC Plan, as identified in Condition 2.1, shall continue to include all requirements in 10 CFR 70.51, 70.57, and 70.58 that were applicable prior to March 27, 1985, except as noted in other conditions in this Amendment.

This matter was discussed between your Mr. H. Eskridge and our Mr. R. L. Jackson during a phone conversation on May 15, 1985, and was mutually agreed upon.

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C PDR

