

December 2, 1996

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

SUBJECT: PORTSMOUTH OBSERVATION REPORT 70-7002/96006(DNMS)

Dear Mr. Miller:

This refers to the observations and reviews conducted from September 5, 1996 through October 25, 1996, of United States Enrichment Corporation activities at the Portsmouth Gaseous Diffusion Plant. Our observations were discussed with you and Messrs. Dale Allen and Ron Gaston and members of their staffs during, 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 during various shifts.

Based upon the areas observed, the plant staff's operability determinations, for the autoclave o-ring problems, during this observation period were inconsistent with the facility policies and procedures regarding such determinations. Specifically, with no as-found data validating an expected six month o-ring life, the early failure of two autoclave o-rings, and two other autoclaves having separated o-rings, there was no positive basis for operable declaration.

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 NRC Public Document Room. We have also provided the Department of Energy (DOE) a copy of this report for their review.

9612030042 961127
PDR ADOCK 07007002
C PDR

Mr. J. H. Miller

-2-

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

Sincerely,

Original Signed by

Cynthia D. Pederson, Director
Division of Nuclear Materials Safety

Docket No. 70-7002

Enclosure: Observation Report
No. 70-7002/96006(DNMS)

cc w/encl: S. A. Polston, Paducah General Manager
D. I. Allen, Portsmouth General Manager
R. W. Gaston, Portsmouth Nuclear Regulatory
Affairs Manager
R. L. Woolley, Manager, Nuclear Regulatory
Assurance and Policy, USEC
C. B. Sawyer, NMSS

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

bcc w/encl: A. B. Beach, RIII
R. J. Caniano, RIII
B. A. Burgess, RIII
PUBLIC (IE07)

DOCUMENT NAME: R:\INSPRPTS\GDP\PORT\POR96006.DNM

To receive a copy of this document, indicate in the box "C" = Copy without attach/encl "E" = Copy with attach/encl "M" =
No copy

OFFICE	RIII	N	NMSS	E	NMSS	E	RIII	CP	E
NAME	Shear:ib	CLS	Ting	CLS for E-mail	Wick Sawyer by E-mail	Martin	Pederson		
DATE	11/20/96		11/20/96		11/21/96		11/27/96		

OFFICIAL RECORD COPY