

From: "Coriell, Kelly L" <coriellkl@ports.usec.com>
To: "Yawar Faraz (E-mail)" <yhf@nrc.gov>, "Brian Smith (E-mail)"
<bws1@nrc.gov>
Date: 11/19/04 3:02PM
Subject: AET 04-0029 License Amendment Request for the American Centrifuge
LeadCascade Facility, dated 11/19/04

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As previously discussed, attached is USEC Inc.'s submittal for a License Amendment Request for Condition #14 of the Materials License SNM-7003 for your review and approval. The original will be send via the mail.

Thank You!
Kelly L. Coriell
American Centrifuge - Regulatory Engineer
3930 U.S. Route 23 South
Piketon, OH 45661
Phone: 740.897.3859
Fax: 740.897.4541
Pager: 740.289.0008
E-mail: coriellkl@ports.usec.com

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LeadCascade Facility, dated 11/19/04
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Recipients

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twf4_po.TWFN_DO
YHF (Yawar Faraz)
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Reply Requested: No
Return Notification: None

Concealed Subject: No
Security: Standard



November 19, 2004
AET 04-0029

Mr. Jack Strosnider
Director, Office of Nuclear Material Safety and Safeguards
Attention: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

**American Centrifuge Lead Cascade Facility
Docket Number 70-7003
License Amendment Request for the American Centrifuge Lead Cascade Facility**

Dear Mr. Strosnider:

In accordance with 10 *Code of Federal Regulations* 70.32 and 70.72, USEC Inc. (USEC) hereby submits a request for an amendment to the Materials License SNM-7003 (Reference 1) for the American Centrifuge Lead Cascade Facility (Lead Cascade). Materials License, Condition #14 currently states, "This license will expire on the earlier of February 24, 2009, or the date on which the February 17, 2004, Agreement between the U.S. Department of Energy and the United States Enrichment Corporation Concerning the Temporary Lease of Certain Facilities in Support of the American Centrifuge Program, expires, terminates, or is otherwise revoked or relinquished." Due to the wording of this Condition, the Materials License for the Lead Cascade would expire upon approval of a permanent lease between the U.S. Department of Energy and the United States Enrichment Corporation. The permanent lease for the American Centrifuge Program is currently being negotiated between the two parties.

Enclosure 1 contains the Oath and Affirmation. Enclosure 2 of this letter provides a detailed description and justification of the proposed change to the Materials License SNM-7003. Enclosure 3 provides the revised pages requiring NRC's review and approval. Enclosure 4 to this letter contains the Significance Determination.

This License Amendment Request is required to support a permanent lease of facilities from the U.S. Department of Energy in Piketon, Ohio. USEC requests NRC review and approval of this License Amendment Request as soon as practical. The permanent lease will become effective following approval of the amendment; therefore, USEC requests the amendment become effective upon issuance.

USEC Inc.
6903 Rockledge Drive, Bethesda, MD 20817-1818
Telephone 301-564-3200 Fax 301-564-3201 <http://www.usec.com>

Mr. Jack Strosnider
November 19, 2004
AET 04-0029, Page 2

If you have any questions regarding this matter, please contact Peter J. Miner at (301) 564-3470.

Sincerely,

S. A. Toelle

Steven A. Toelle
Director, Nuclear Regulatory Affairs

cc: Y. Faraz, NRC HQ
B. Smith, NRC HQ

Reference 1: NRC Letter (Joseph G. Giitter) to U.S. Enrichment Corporation, Inc. (Steven A. Toelle) dated February 24, 2004 regarding License for the American Centrifuge Lead Cascade Facility - (TAC NOS. L31979 Safety, L31980 Environmental, and L31981 Safeguards).

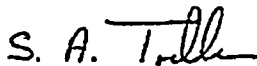
Enclosures: As Stated

Enclosure 1 to AET 04-0029

Oath and Affirmation

OATH AND AFFIRMATION

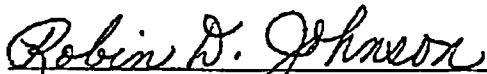
I, Steven A. Toelle, swear and affirm that I am the Director, Nuclear Regulatory Affairs of USEC Inc. (USEC), that I am authorized by USEC to sign and file with the Nuclear Regulatory Commission this License Amendment Request for the American Centrifuge Lead Cascade Facility addressing revisions to the Materials License described in USEC letter AET 04-0029, that I am familiar with the contents thereof, and that the statements made and matters set forth therein are true and correct to the best of my knowledge, information, and belief.



Steven A. Toelle

On this 19th day of November 2004, the individual signing above personally appeared before me, is known by me to be the person whose name is subscribed to within the instrument, and acknowledged that he executed the same for the purposes therein contained.

In witness hereof I hereunto set my hand and official seal.



Robin D. Johnson, Notary Public
State of Maryland, Montgomery County
My commission expires June 1, 2006

Enclosure 2 to AET 04-0029

Detailed Description and Justification of the Proposed Change

Detailed Description and Justification of the Proposed Change

Materials License, Condition #14 currently states, "This license will expire on the earlier of February 24, 2009, or the date on which the February 17, 2004, Agreement between the U.S. Department of Energy and the United States Enrichment Corporation Concerning the Temporary Lease of Certain Facilities in Support of the American Centrifuge Program, expires, terminates, or is otherwise revoked or relinquished."

Due to the wording of this Condition, the Materials License for the Lead Cascade would expire upon approval of a permanent lease between the U.S. Department of Energy and the United States Enrichment Corporation. The permanent lease for the American Centrifuge Program is currently being negotiated between the two parties and will become effective following approval of the amendment.

In accordance with 10 CFR 70.72, it has been determined that NRC's review and approval is required for the proposed change to Condition #14. The proposed language for this change is as follows, "This license will expire on the earlier of February 24, 2009, or the date on which the Agreement between the U.S. Department of Energy and the United States Enrichment Corporation for the Lease of Facilities used for the American Centrifuge Lead Cascade Facility (including any modification, extension, or replacement of the Lease) expires, terminates, or is otherwise revoked or relinquished."

This proposed change removes the language tied to the temporary lease between the two parties and does not extend the expiration beyond February 24, 2009.

Enclosure 3 to AET 04-0029

Proposed Changes Requiring NRC Review and Approval

**MATERIALS LICENSE
SUPPLEMENTARY SHEET**

License Number
SNM-7003

Docket or Reference Number
70-7003

- d. Withheld information from Environmental Report dated February 11, 2003, as revised by letters dated November 6, 2003, and November 10, 2003
- e. Decommissioning Funding Plan (non-proprietary) dated November 6, 2003
- f. Decommissioning Funding Plan's Proprietary Tables dated November 3, 2003
- g. Security Program dated November 3, 2003, as revised by letters dated December 4, 2003, and January 6, 2004
- h. Fundamental Nuclear Material Control Plan dated November 3, 2003
- i. Quality Assurance Program Description dated June 18, 2003

11. Introduction of UF₆ in the American Centrifuge Lead Cascade Facility shall not occur until the Commission completes an operational readiness and management measures verification review to verify that management measures that ensure compliance with the performance requirements of 10 CFR 70.61 have been implemented and confirms that the facility has been constructed and will be operated safely and in accordance with the requirements of the license. USEC Inc. shall provide the Commission with 60 days advance notice of its plan to introduce UF₆ in the American Centrifuge Lead Cascade Facility.

12. USEC Inc. is hereby granted the special authorizations and exemptions identified in Chapter 1, Section 1.2.3.E of the American Centrifuge Lead Cascade Facility Safety Evaluation Report, dated January 2004.

13. The Portsmouth Gaseous Diffusion Plant Emergency Plan shall be revised to appropriately address the American Centrifuge Lead Cascade Facility and the Emergency Plan Implementing Procedures encompassing these topics shall be implemented at least 120 days prior to the introduction of UF₆ in the American Centrifuge Lead Cascade Facility.

14. This license will expire on the earlier of February 24, 2009, or the date on which the February 17, 2004, Agreement between the U.S. Department of Energy and the United States Enrichment Corporation for Concerning the Temporary Lease of Certain Facilities in Support of the American Centrifuge Program, Lead Cascade Facility (including any modification, extension, or replacement of the Lease) expires, terminates, or is otherwise revoked or relinquished. For

15. The licensee shall not introduce UF₆ in the American Centrifuge Lead Cascade Facility until the decommissioning funding mechanism has been accepted by the NRC and executed by the licensee. In addition, no later than every three years the licensee shall update the Decommissioning Funding Plan and provide it to the NRC for review.

FOR THE NUCLEAR REGULATORY COMMISSION

Date: 2/24/04

By: Joseph G. Glitter
Joseph G. Glitter
Special Projects and Inspection Branch
Division of Fuel Cycle Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Enclosure 4 to AET 04-0029

Significance Determination

Significance Determination

License Amendment Request for the American Centrifuge Lead Cascade Facility

Due to the wording of License Condition #14 of the Materials License SNM-7003 for the American Centrifuge Lead Cascade Facility, the license for the Lead Cascade Facility would expire upon approval of a permanent lease between the U.S. Department of Energy (DOE) and the United States Enrichment Corporation. The proposed change removes the verbiage tied to the temporary lease between the two parties and does not extend the expiration beyond February 24, 2009.

The proposed change does not change the items relied on for safety or the Integrated Safety Analysis (ISA) Summary; therefore, the change does not increase the probability of occurrence or consequences of previously evaluated accidents, nor provide new or different types of accident scenarios as contained within the ISA Summary for the Lead Cascade Facility. This proposed change does not provide or impact requirements of how radiological material, hazardous or toxic chemicals are handled or controlled; therefore, this change does not reduce the margins of safety, nor decrease the effectiveness of any programs or plans contained in the ISA Summary, such that adequate protection of the health and safety of plant personnel or members of the public cannot be provided. The proposed change will not increase the possibility of release of protected information or loss of special nuclear material; therefore, the change does not result in any undue risk to public health and safety; common defense and security; and the environment. The proposed change will not change the type or increase the amounts of any effluents that could be released off-site. As the proposed change will not create new or unusual sources of radioactive material, the change will not increase dose or exposure to plant personnel or members of the public. The proposed change does not have any impacts on refurbishment activities of the Lead Cascade Facility; and there is no new or unusual sources of hazardous substances, waste, and new waste streams will not be created based upon this proposed change.