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Reidinger TRM
File 070-00036

July 27, 1995
ML-95-025

Docket No. 70-36
License No. SNM-33

Mr. Robert C. Pierson, Chief
Licensing Branch
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Materials Safety and Safeguards
U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, D.C. 20555

Subject: Hematite Evaluation of Safety Program Against BTP Guidance

Dear Mr. Pierson:

Part I of the Hematite SNM-33 license application contains a commitment (Section 1.6(f)) to evaluate the Hematite safety program against the "Guidance On Management Controls/Quality Assurance, Requirements for Operation, Chemical Safety, and Fire Protection for Fuel Cycle Facilities", Federal Register, March 21, 1989, as modified with respect to fire safety per "Guidance on Fire Protection for Fuel Cycle Facilities", Federal Register, August 10, 1992. In response to that commitment, a thorough evaluation of our safety program against the BTP guidance has been performed. This letter is provided to meet the commitment to propose license conditions within one year of renewal approval as a result of that evaluation.

In addition to the tasks associated with the performance of hazard analyses, for which a schedule has been submitted, areas for improvement having only minor safety significance were identified. Most of these areas will be addressed as part of, or in conjunction with, the plant wide hazard analyses. For this reason, we are proposing changes to the license application relating to performance of the hazard analyses. In light of the safety program evaluation, the proposed license commitments, the existing commitments of the recent license renewal (e.g., the ongoing hazard analysis commitment and others), and the uncertain potential for regulatory reform concerning Part 70, no further license conditions are deemed necessary or appropriate at this time. Enclosure I contains further explanation in this r

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Enclosure I provides the results of the evaluation of the safety program with respect to the Branch Technical Positions. As indicated therein, several pages of the application have been revised. Enclosure II provides the list of affected pages. Enclosure III provides a complete listing of the effective pages of the renewal application. Enclosure IV provides the application pages affected by these changes; changes are indicated by a bar in the right-hand margin. Six (6) copies are enclosed herewith for your use.

If you have any further questions regarding this matter, please contact me at your convenience (203-285-5261).

Sincerely,

COMBUSTION ENGINEERING, INC.



Mark A. Michelsen
Nuclear Licensing

cc: S. Soong (NRC)
J. Jacobson (Region III)

COMBUSTION ENGINEERING, INC.
HEMATITE NUCLEAR FUEL MANUFACTURING FACILITY
EVALUATION OF BRANCH TECHNICAL POSITIONS

Part I of the Hematite SNM-33 license application contains a commitment (Section 1.6(f)) to evaluate the Hematite safety program against the "Guidance On Management Controls/Quality Assurance, Requirements for Operation, Chemical Safety, and Fire Protection for Fuel Cycle Facilities", Federal Register, March 21, 1989, as modified with respect to fire safety per "Guidance on Fire Protection for Fuel Cycle Facilities", Federal Register, August 10, 1992. This document provides results of that evaluation of the Branch Technical Positions (BTP).

BTP ON REQUIREMENTS FOR OPERATION

The Hematite license application contains a commitment to perform hazard analyses for the Hematite facility. Those hazard analyses are currently ongoing (note that CE has heretofore referred to these as Integrated Safety Assessments, but has decided to defer to the current industry terminology). The guidance of the BTP on Requirements for Operation will be considered during those hazard analyses. Specifically, the following will be included in hazard analyses for equipment important to safety:

1. operational parameters important to safety, and limiting specifications for these parameters;
2. documentation of the basis for important-to-safety requirements for operation; and
3. programs for testing, calibration, and inspection of all instrumentation and control systems important to safety to assure their reliability.

Part I Section 1.6(e) of the license application has been revised to incorporate a commitment to include requirements for operation in hazard analyses.

BTP ON FIRE PROTECTION

Fire protection is currently a part of the overall Hematite safety program. The guidance of this BTP is, of course, sound safety practice. Much of that guidance is, however, not appropriate as license commitments. In addition to CE's own organizational responsibilities, fire protection reviews are performed by CE's insurance representatives. Combustion Engineering has already developed a Pre-Fire Plan, which is part of the plant's emergency implementing procedures. Combustion Engineering has also determined that a fire hazards Analysis of the Hematite facility would be beneficial, but a license commitment for such is not warranted. CE intends to include fire hazards analysis as part of the hazard analyses discussed above.

Although not specifically offered as a license condition, it should be noted that CE is in the process of staffing a resident industrial safety engineer at the Hematite facility. Among his duties will be overall implementation of the Hematite fire safety program.

BTP ON CHEMICAL SAFETY

CE has evaluated its safety program with respect to this BTP. Existing policies, programs and procedures, including Emergency Procedures, are deemed to be adequate with respect to chemical safety. No license conditions with respect to chemical safety are necessary or appropriate, but chemical safety will be included as part of the plant wide hazard analyses. Also, it is our intent to comply with applicable OSHA regulations pertaining to chemical safety.

BTP ON MANAGEMENT CONTROLS/QUALITY ASSURANCE

CE has evaluated its safety program with respect to this BTP. Specifically, the need for additional or revised license conditions regarding the organization, safety committee, administrative and general plant procedures, the surveillance, test, and inspection program, the internal and external audit program, and training programs has been assessed. Although performance of the hazards analyses will likely identify improvements to be made in some of these areas, it has been determined that no additional or revised license conditions are necessary as these areas are adequately covered by the existing license. Many additional commitments and revisions relating to this BTP were made during the license renewal process.

License Application Changes

As previously mentioned, CE proposes changes to the license application to include consideration of Requirements for Operation in the hazards analyses. Part I Section 1.6(e) of the application has been revised accordingly. Changes to that section also include elimination of the completed commitment to submit a schedule for conduct of hazard analyses (integrated safety assessments) for the plant. The commitment to perform hazard analyses for new or significantly modified plant processes has been preserved.

The commitment in Part I Section 1.6(f) concerning evaluation of the safety program against the BTPs has also been deleted since it is satisfied by this letter.

COMBUSTION ENGINEERING, INC.
HEMATITE NUCLEAR FUEL MANUFACTURING FACILITY
LIST OF AFFECTED PAGES

Combustion Engineering, Inc. is updating its license application for the Hematite Nuclear Fuel Manufacturing Facility (License No. SNM-33). The pages of the application affected by this amendment request is provided in Enclosure IV.

The license application pages affected are as follows:

List of Affected Pages

<u>Delete Page</u>			<u>Add Page</u>		
<u>Page No.</u>	<u>Rev.</u>	<u>Date</u>	<u>Page No.</u>	<u>Rev.</u>	<u>Date</u>
1-6	0	3/21/94	1-6	1	7/27/95
1-7	0	4/20/94	1-7	1	7/27/95

COMBUSTION ENGINEERING, INC.
HEMATITE NUCLEAR FUEL MANUFACTURING FACILITY
LICENSE APPLICATION
LIST OF EFFECTIVE PAGES
Date: 7/27/95

Combustion Engineering, Inc., provides changes to the Hematite license application. The following is a comprehensive List of Effective Pages, summarizing the latest applicable submittal dates for each page of the application.

<u>Pages</u>	<u>Revision</u>	<u>Date</u>	<u>Pages</u>	<u>Revision</u>	<u>Date</u>
<u>License Application Title Page</u>			<u>Chapter 2</u>		
<u>Table of Contents</u>			2-1	1	1/28/95
i	0	1/28/94	2-2	1	1/28/95
through			2-3	0	4/20/94
viii			2-4	0	4/20/94
ix	1	10/24/94	2-5	1	1/28/95
x	0	1/28/94	2-6	0	6/14/94
xi	0	1/28/94	2-7	0	1/28/95
xii	1	10/24/94	2-8	0	4/20/94
<u>Part I Title Page</u>			through		
<u>Chapter 1</u>			2-10		
1-1	0	3/21/94	2-11	0	6/14/94
1-2	1	2/27/95	2-12	0	4/20/94
1-3	0	3/21/94	2-13	0	4/20/94
through			2-14	1	1/28/95
1-4			<u>Chapter 3</u>		
1-5	0	6/14/94	3-1	1	1/28/95
1-6	1	7/27/95	3-2	0	6/14/94
1-7	1	7/27/95	3-3	0	4/20/94
			3-4	0	3/21/94
			3-5	0	6/14/94
			3-6	0	3/21/94
			3-7	0	3/21/94
			3-8	0	4/20/94
			3-9	0	6/14/94

<u>Pages</u>	<u>Revision</u>	<u>Date</u>
3-10	0	6/14/94
3-11	0	4/20/94
3-12	0	3/21/94
through 3-13		

Chapter 4

4-1	0	1/28/94
4-2	0	1/28/94
4-3	0	6/14/94
4-4	0	1/28/94
through 4-6		
4-7	0	4/20/94
through 4-10		
4-10a	0	4/20/94
4-11	0	1/28/94
through 4-18		
4-19	1	1/28/95
4-20	0	4/20/94
through 4-23		
4-23a	0	4/20/94
4-24	0	1/28/94
through 4-26		
4-27	0	4/20/94
through 4-28		

Chapter 5

5-1	0	1/14/94
through 5-3		
5-4	0	4/20/94

<u>Pages</u>	<u>Revision</u>	<u>Date</u>
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Chapter 6

6-1	0	10/29/93
through 6-3		

Chapter 7

7-1	1	10/24/94
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Chapter 8

8-1	0	6/14/94
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Part II Title Page

Chapter 9

9-1	0	11/24/93
through 9-15		
9-16	1	1/28/95
9-17	0	11/24/93
through 9-19		
9-20	1	1/28/95

Chapter 10

10-1	0	1/14/94
through 10-23		

<u>Pages</u>	<u>Revision</u>	<u>Date</u>
<u>Chapter 11</u>		
11-1	0	4/20/94
11-2	1	1/28/95
11-3	1	1/28/95
11-4	1	1/28/95
11-5	1	1/28/95
11-6	0	4/20/94
11-7	0	4/20/94
11-8	1	1/28/95
through		
11-10		
11-11	0	4/20/94
11-12	0	4/20/94
11-13	1	1/28/95
through		
11-16		
11-17	0	4/20/94
through		
11-21		
11-22	1	1/28/95
through		
11-24		
11-25	0	4/20/94
through		
11-28		
11-29	0	3/21/94
through		
11-33		
11-34	1	1/28/95
<u>Chapter 12</u>		
12-1	0	3/21/94
through		
12-4		
12-5	0	4/20/94
12-6	0	3/21/94
through		
12-12		

<u>Pages</u>	<u>Revision</u>	<u>Date</u>
12-13	0	4/20/94
through		
12-15		
12-16	0	3/21/94
through		
12-17		
<u>Chapter 13</u>		
13-1	0	3/21/94
13-2	0	4/20/94
13-3	0	3/21/94
through		
13-25		
<u>Chapter 14</u>		
14-1	0	1/28/94
through		
14-97		
<u>Chapter 15</u>		
15-1	0	1/14/94
through		
15-12		
15-13	0	4/20/94
15-13a	0	4/20/94
15-14	0	4/20/94
15-15	0	4/20/94
15-16	0	1/14/94
through		
15-19		
15-20	0	4/20/94
15-20a	0	4/20/94
15-21	0	1/14/94
through		
15-23		
15-24	0	4/20/94
15-24a	0	4/20/94
15-25	0	1/14/94
through		
15-119		

<u>Pages</u>	<u>Revision</u>	<u>Date</u>
15-119a	0	10/24/94
15-120	0	1/14/94
through 15-269		
15-270	0	4/20/94
15-270a	0	4/20/94
15-271	0	1/14/94
through 15-292		
15-293	0	4/20/94
15-294	0	1/14/94
through 15-299		
15-300	0	4/20/94
15-301	0	1/14/94
through 15-309		

**Enclosure IV to
ML-95-025**

**COMBUSTION ENGINEERING, INC.
HEMATITE NUCLEAR FUEL MANUFACTURING FACILITY
AFFECTED PAGES**

July 1995

- (d) At 2 year intervals from the date of NRC approval of this renewal application, the licensee shall update the demonstration sections of the renewal application to reflect the licensee's current operations. The updates to the application shall, as a minimum, include information for the health and safety section of the application as required by 10 CFR 70.22(a) through 70.22(f) and 70.22(I) and operational data and information on environmental releases as required by 70.21. In lieu of an update at the end of the 10-year renewal period, the licensee may file a renewal application on or before ten years from the date of NRC approval of this renewal application.
- (e) Combustion Engineering shall perform Integrated Safety Assessments (ISAs; also termed hazard analyses) for plant processes. A schedule for such has been submitted to and approved by the NRC. New or significantly modified plant processes (as determined by the Manager, Regulatory Compliance) shall include such hazard analyses. The guidance of the Branch Technical Position on Requirements for Operation (from the "Guidance On Management Controls/Quality Assurance, Requirements for Operation, Chemical

Safety, and Fire Protection for Fuel Cycle Facilities", Federal Register, March 21, 1989) will be considered during those hazard analyses. Specifically, the following will be included in hazard analyses for equipment important to safety:

1. operational parameters important to safety, and limiting specifications for these parameters;
2. documentation of the basis for important-to-safety requirements for operation; and
3. programs for testing, calibration, and inspection of all instrumentation and control systems important to safety to assure their reliability.

(f) (deleted)

(g) Documentation of validation of the calculational methods of Section 4.2.3 of the license application shall be provided via application for amendment to the license within 18 months after the date of NRC approval of the renewal application.