



September 9, 1995

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

Philip Ting, Chief
Operations Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS
U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555

Subject: **NRC RECOMMENDATIONS CONCERNING CHEMICAL SAFETY**

Reference: NRC (P. Ting) letter to CE (S. B. Junkrans), dated July 12, 1995

Dear Mr. Ting:

The Reference letter requested a 60 day response to the NRC's recommendations regarding our chemical safety program. We disagree with your interpretation of the referenced MOU and do not believe that the NRC has jurisdiction over OSHA's PSM standard. However CE is strongly committed to our safety programs and will give consideration to your safety recommendations. Enclosure (1) to this letter responds to those recommendations.

We do have several outstanding actions remaining from our PHA on the ammonia system. The remaining actions are scheduled to be complete by 4/31/96. Several of those actions are related to our near term plans to connect a second ammonia storage tank. The existing PHA will be revisited for potential changes as part of bringing the second tank on line.

If you require any further information, please contact me or Mr. Hal Eskridge of my staff at (314) 937-4691.

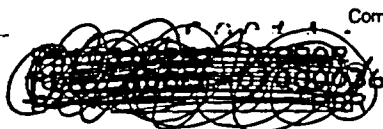
Cordially yours,

Robert W. Sharkey
Manager, Regulatory Compliance

cc: John Jacobson, NRC Region III
Sean Soong, NMSS
RC-347

ABB Combustion Engineering Nuclear Fuel

S-27
NFOA
11



Combustion Engineering, Inc.

Post Office Box 107
3300 State Road P
Hematite, MO 63047

Telephone (314) 937-4691
(314) 296-5640
Fax (314) 937-7955

Response to NRC's Recommendations Concerning Chemical Safety

1. Develop a program to track the status of actions recommended by the Process Hazards Analysis (PHA). Ensure that senior management approves any schedule changes (detail 3).

Response: The completion schedule for these actions has been updated and will be monitored by the plant Safety Committee:

2. Determine whether the use of dissimilar metals in the ammonia regulator valve line creates a galvanic corrosion problem (detail 3).

Response: CE has reviewed the issue of dissimilar metals in the ammonia regulator valve line. There is no fluid electrolyte which could result in galvanic corrosion.

3. Ensure that the pathway to the ammonia system emergency shutoff valve remains unobstructed (detail 3).

Response: Heightened management awareness of the need to maintain access to the ammonia system emergency shutoff valve and frequent plant tours by senior management personnel will ensure the valve remains unobstructed.

4. Review all ammonia handling and storage equipment to ensure that it meets the applicable guidance set forth in ANSI K 61.1-1989, "Safety Requirements for the Storage and Handling of Anhydrous Ammonia."

Response: The guidance of ANSI K 61.1-1989 was used as reference during the system evaluation of the process hazards analysis (PHA), and continues to be used as such during implementation of the PHA Team recommended action items.

5. Identify those process control interlocks related to nuclear criticality safety and process safety and establish a program to perform a periodic functional test.

Response: The issue of process control interlocks and the need to perform functional testing based upon their safety significance is addressed during the performance of process hazard analyses, for which a schedule has been submitted to and approved by the NRC.

6. Develop alarm response procedures for the uranium conversion process (Oxide Building) (detail 4).

Response: Alarm response procedures for the conversion process are under development. The adequacy of procedures will be reviewed as part of the process hazard analysis of the conversion process.

7. Develop formal quality controls over programming changes to the Oxide Building Process Control System (detail 4).

Response: The management of controls over programming changes are documented in internal procedures. The adequacy of change control for Oxide will be reviewed during the Hazards Analysis.

8. Develop a list and establish a formal preventive maintenance program for all criticality safety components. Include those components that are important to chemical safety (ammonia system) (detail 5).

Response: Our letter of August 9, 1995, addressed the issue of maintenance of criticality safety controls. Safety controls and their need for maintenance is addressed as part of the process hazard analysis.

9. Develop a spare parts program that includes appropriate policy statements and implementing guidance. Centralize the storage location of all spare parts (detail 5).

Response: CE has plans for improving spare parts control and storage for commercial reasons; this is not a safety issue.

10. Develop a policy to address the performance, documentation and supervisory review of surveillance checks (detail 5).

Response: The procedures governing these check will be reviewed and updated as necessary.

11. Develop a "Management of Change" policy that covers the review and approval process and documentation (procedures, drawings, etc.) updating (detail 6).

Response: A Management of Change program exists. The essential elements of the program are contained in the SNM-33 license application. It is implemented by plant procedures.

12. Evaluate the potential fire hazards and storage requirements associated with the Tri-butyl Phosphate (TBP)- Hexane waste (detail 7).

Response: The waste has been placed in same type container in which it was received. This container is stored in a low fire hazard area, in which there is a low level of personnel activity.

13. Develop a policy for labeling and the use and upkeep of "operator aids" (detail 7).

Response: The use of "operator aids" will be reviewed as part of the process hazard analysis of each process area. Aids which are deemed to be beneficial will be more formally implemented. In addition, a site wide procedure is currently being drafted for use of "advisory tags".

14. Determine whether current policy on use of gum in controlled areas is consistent with good health physics practices (detail 7).

Response: Gum chewing is not a significant pathway for exposure to uranium. Therefore, the use of gum in the controlled area is consistent with good health physics practices.

15. Develop a policy for periodic senior plant management tours of all areas of the plant to ensure that management expectations are being met in the field (detail 9).

Response: The practice of frequent tours of the plant by senior plant management currently exists.