



**UNITED STATES**  
**NUCLEAR REGULATORY COMMISSION**

REGION II  
SAM NUNN ATLANTA FEDERAL CENTER  
61 FORSYTH STREET, SW, SUITE 23T85  
ATLANTA, GEORGIA 30303-8931

March 9, 2006

Mr. Russell B. Starkey, Jr.  
Vice President - Operations  
United States Enrichment Corporation  
Two Democracy Center  
6903 Rockledge Drive  
Bethesda, MD 20817

SUBJECT: NRC INSPECTION REPORT NO. 70-7001/2006-001

Dear Mr. Starkey:

This refers to the inspection conducted from December 18, 2005 through February 22, 2006, at the Paducah Gaseous Diffusion Plant. The purpose of the inspection was to determine whether activities authorized by the certificate were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection on February 22, 2006, the NRC inspector discussed the findings with members of your staff.

As a result of the inspection, the enclosed NRC Forms 591FF, Safety Inspection Report, are being issued. The enclosed forms indicate that no violations were identified during the inspection period.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Should you have any questions concerning this letter, please contact us.

Sincerely,

*/RA/*

Jay L. Henson, Chief  
Fuel Facility Inspection Branch 2  
Division of Fuel Facility Inspection

Docket No. 70-7001  
Certificate No. GDP-1

Enclosure: NRC Form 591FF Parts 1 and 3

cc w/encl: (See page 2)

R. B. Starkey, Jr.

3

cc w/encl:

S. Penrod, Paducah General Manager

S. R. Cowne, Paducah Regulatory Affairs Manager

W. Jordan, Portsmouth General Manager

S. A. Toelle, Director, Nuclear Regulatory Affairs, USEC

R. M. DeVault, Regulatory Oversight Manager, DOE

G. A. Newtown, Paducah Site Office, DOE

Dewey Crawford, Department of Public Health, Commonwealth of Kentucky

Distribution w/encl:

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ADAMS: X Yes      ACCESSION NUMBER: \_\_\_\_\_

OFFICE	RII:DFFI	RII:DFFI	RII:DFFI	RII:DFFI	RII:EICS		
SIGNATURE	MLT/by email	DH 3/9/06					
NAME	MThomas	DHartland					
DATE	3/8/2006						
E-MAIL COPY?	YES	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY

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**SAFETY INSPECTION REPORT  
AND COMPLIANCE INSPECTION**

1. LICENSEE/LOCATION INSPECTED:  United States Enrichment Corporation 6903 Rockledge Drive Bethesda, MD 20817  INSPECTION REPORT(S): 2006-001		2. NRC/REGIONAL OFFICE  <b>U.S. Nuclear Regulatory Commission</b> <b>Region II, Division of Fuel Facilities Inspection</b> <b>61 Forsyth Street, Suite 23T85</b> <b>Atlanta, GA 30303</b>	
3. DOCKET NUMBER(S): 70-7001	4. LICENSEE NUMBER(S): GDP-1	5. DATE(S) OF INSPECTION: 12/18/05 - 02/22/06	

**LICENSEE:**

This routine resident inspection consisted of an examination of activities conducted under your certificate as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your certificate. Areas examined during the routine inspection are identified. Within these areas, the inspection consisted of a selected examination of procedures and representative records, observations of activities in progress, and interviews with personnel.

- 1. Based on the inspection findings, no violations were identified.
- 2. Previous violation(s) closed. See list of items opened, closed and discussed in item 6 of NRC Form 591FF Part 2.
- 3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, NUREG-1600, to exercise discretion, were satisfied.

\_\_\_\_\_ Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):

- 4. During this inspection certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited. The attached NOTICE OF VIOLATION may be subject to posting in accordance with 10 CFR 19.11.  
  
(Violations and Corrective Actions)

Licensee's Statement of Corrective Actions for Item 4, above.

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested.

Title	Printed Name	Signature	Date
LICENSEE'S REPRESENTATIVE	Not Applicable		
NRC INSPECTOR(S)	Mary L. Thomas	<i>/RA/ D. Hartland for</i>	3/9/06

**SAFETY INSPECTION REPORT  
AND COMPLIANCE INSPECTION**

1. LICENSEE

**United States Enrichment Corporation  
6903 Rockledge Drive  
Bethesda, MD 20817**

2. NRC/REGIONAL OFFICE

**U.S. Nuclear Regulatory Commission  
Region II, Division of Fuel Facilities Inspection  
61 Forsyth Street, Suite 23T85  
Atlanta, GA 30303**

REPORT NUMBER(S): 2006-01

3. DOCKET NUMBER(S):

70-7001

4. LICENSE NUMBER(S):

GDP-1

5. DATE(S) OF INSPECTION:

12/18/05 - 02/22/06

6. INSPECTOR(S):

M. L. Thomas

7. INSPECTION PROCEDURES USED:

IP 88100, IP 88102, IP 88103, IP 92700

**Executive Summary****Summary of Plant Status**

- The certificatee performed routine operations throughout the inspection period. Plant load was decreased to 1545 megawatts and product assay was increased to 4.95 percent in accordance with the production schedule.

**Plant Operations**

- The inspector observed routine operations in the cascade buildings and area control rooms, the feed vaporization facilities, product and tails withdrawal facilities, and the central control facility. The operations staff were alert and generally knowledgeable of the current status of equipment associated with their assigned facilities.
- The certificatee experienced several operational challenges with respect to the C-337A to C-315 vapor transfer project such that the project had to be suspended until the issues were resolved. All issues were resolved in a safe manner.
- During a walkdown of the Cell Remote Manual Shutdown and Direct Current (DC) Power Distribution Systems, the inspector observed several breakers labeled as "spare" in the "on" position. These breakers were located in both the DC distribution panels and the cell motor control centers, and the main breakers for these panels/centers were closed; thus, the breakers were energized. The certificatee de-energized the breakers and entered the finding in its corrective action program.

(Continued)

- During the above walkdown, the inspector also observed several pieces of equipment and systems that had been either disconnected from operating process equipment or valved out and abandoned-in-place but had not been tagged as such. None of the observations resulted in a significant safety concern. The certificatee entered the finding into its corrective action program.

#### **Maintenance and Surveillance**

- During the observation of maintenance and surveillance activities, the inspector verified one or more of the following: activities observed were performed in a safe manner; testing was performed in accordance with procedures; measuring and test equipment was within calibration; Technical Safety Requirement (TSR) Limiting Conditions for Operations were entered, when appropriate; removal and restoration of the affected components were properly accomplished; test and acceptance criteria were clear and conformed with the TSR and the Safety Analysis Report; and any deficiencies or out-of-tolerance values identified during the testing were documented, reviewed, and resolved by appropriate management personnel.

#### **Items Opened, Closed, and Discussed**

<u>Item Number</u>	<u>Status</u>	<u>Description</u>
Event Report 42165	Updated	Bulletin 91-01 report, improper spacing of waste drums. This event was updated on February 13, 2006, upon discovery of two additional waste drums that exceeded the allowable gram limit for spacing exempt. The drums were spaced and placed in a temporary storage area.
Event Report 42238	Retracted	Safety equipment failure, steam discovered leaking from autoclave. This event was retracted on January 18, 2006, following a successful autoclave high pressure decay test.