



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

March 31, 2008

Docket No. 03013763
Control No. 141744

License No. 37-17987-01

David F. Hartley
General Manager
Homer City Coal Processing Corporation
P.O. Box 47
Homer City, PA 15748

**SUBJECT: HOMER CITY COAL PROCESSING CORPORATION, LICENSE AMENDMENT,
CONTROL NO. 141744**

Dear Mr. Hartley:

By letter dated January 15, 2008, we informed you of the impending Agreement between the U.S. Nuclear Regulatory Commission (NRC) and the Commonwealth of Pennsylvania, whereby, the NRC will relinquish regulatory authority for certain licenses of byproduct, source, and special nuclear material. We also explained that your NRC license, which authorized licensed activities in Pennsylvania and at temporary job sites anywhere in the United States where the NRC maintains jurisdiction (non-Agreement States), required an amendment prior to the transfer. This action is necessary since authorization to conduct licensed activities at temporary job sites in NRC-regulated states will no longer be valid once the Agreement is signed and Pennsylvania assumes regulatory authority.

On January 28, 2008, Joseph S. Dzielski, of your organization informed the NRC that you did not wish to continue the use of licensed material in States that are under NRC jurisdiction. Therefore, your current NRC license has been amended to remove all locations of use and/or storage in non-Agreement States, leaving all other locations (including temporary job sites, if applicable) which authorize work activities in the Commonwealth of Pennsylvania. Enclosed with this letter is the amended license authorizing work activities only in the Commonwealth of Pennsylvania. The license will eventually be converted to a Commonwealth of Pennsylvania license at the time of the next amendment, renewal, or as determined by the Commonwealth.

After the Agreement is effective, you may conduct work at temporary job sites in non-Agreement States pursuant to 10 CFR 150.20 (i.e., reciprocity). However, please be aware that reciprocity is only allowed for a maximum of 180 days in any calendar year and you are required to file NRC Form 241 for reciprocity with the NRC whenever your work brings you into NRC jurisdiction, or into areas of Exclusive Federal Jurisdiction within an Agreement State. The current application fee for reciprocity is \$1,500 per calendar year.

Please review the enclosed document carefully and be sure that you understand and fully implement all the conditions incorporated into the amended license. If there are any errors or questions, please notify Ronald Hamm at the Pennsylvania Department of Environmental Protection, Bureau of Radiation Protection at (717) 787-2480.

D. Hartley
Homer City Coal Processing Corporation

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An environmental assessment for this action is not required, since this action is categorically excluded under 10 CFR 51.22(c)(14).

Thank you for your cooperation.

Sincerely,

Original signed by Tara L. Weidner

Tara L. Weidner
Health Physicist
Medical Branch
Division of Nuclear Materials Safety

Enclosure:
Amendment No. 22

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MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

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| <p style="text-align: center;">Licensee</p> <p>1. Homer City Coal Processing Corporation</p> <p>2. P. O. Box 47 Homer City, Pennsylvania 15748</p> | <p>In accordance with the administrative amendment request dated January 28, 2008,</p> <p>3. License number 37-17987-01 is amended in its entirety to read as follows:</p> <hr/> <p>4. Expiration date December 31, 2014</p> <hr/> <p>5. Docket No. 030-13763 Reference No.</p> |
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| <p>6. Byproduct, source, and/or special nuclear material</p> <p>A. Cesium 137</p> <p>B. Americium 241</p> <p>C. Cesium 137</p> | <p>7. Chemical and/or physical form</p> <p>A. Sealed Sources (Thermo Measure Tech Model 57175C; AECL Model C-168; 3M Company Model 4F6S; Amersham Corporation Model CDC.806; Kay-Ray/Sensall Model 7700 series)</p> <p>B. Sealed Sources (Amersham Corporation Model AMC.17)</p> <p>C. Sealed Sources (AEA Technology/QSA, Inc., Model CDCW556; Isotope Products Laboratories, Inc., Model HEG-137)</p> | <p>8. Maximum amount that licensee may possess at any one time under this license</p> <p>A. No single source to exceed the maximum activity specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission or an Agreement State</p> <p>B. No single source to exceed the maximum activity specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission or an Agreement State</p> <p>C. No single source to exceed the maximum activity specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission or an Agreement State</p> |
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SUPPLEMENTARY SHEET**

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| 6. Byproduct, source, and/or special nuclear material | 7. Chemical and/or physical form | 8. Maximum amount that licensee may possess at any one time under this license |
| D. Americium 241 | D. Sealed Sources (AEA Technology/QSA, Inc., Model AMNV.997; Isotope Products Laboratories, Inc., Models Am1.NO2, 3021, 3027) | D. No single source to exceed the maximum activity specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission or an Agreement State |

9. Authorized use:

- A. and B. To be used, for measurement of density, level, interface measurements and elemental analysis, in fixed gauging devices that have been registered either with the U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or with an Agreement State and have been distributed in accordance with a Commission or Agreement State specific license authorizing distribution to persons specifically authorized by a Commission or Agreement State license to receive, possess, and use the devices.
- C. and D. In Troxler Electronics Laboratories, Inc., Model 3430 portable gauging devices for measuring physical properties of materials.

CONDITIONS

10. A. Licensed material in items 6.A. and 6.B., may be used or stored only at the licensee's facilities located at 1831 Cherry Run Road, Homer City, Pennsylvania.
- B. Licensed material in items 6.C. and 6.D., may be used or stored at the licensee's facilities located at 1831 Cherry Run Road, Homer City, Pennsylvania, and may be used at temporary job sites of the licensee anywhere in the Commonwealth of Pennsylvania where the Commonwealth maintains jurisdiction for regulating the use of licensed material. Authorization for use of radioactive materials at job sites under exclusive Federal jurisdiction or in Agreement States shall be obtained from the appropriate regulatory agency.
11. Licensed material in items 6.A. and 6.B., shall be used by, or under the supervision of, individuals who have received the training described in application dated December 17, 2004, and have been designated, in writing, by the Radiation Safety Officer. The licensee shall maintain records of individuals designated as users for 3 years following the last use of licensed material by the individual.
12. Licensed material in items 6.C. and 6.D., shall be used by, or under the supervision and in the physical presence of, individuals who have received the training described in the application dated December 17, 2004.

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13. The Radiation Safety Officer for this license is Joseph S. Dzielski.
14. In addition to the possession limits in Item 8, the licensee shall further restrict the possession of licensed material to quantities below the minimum limit specified in 10 CFR 30.35(d) for establishing decommissioning financial assurance.
15. A. Sealed sources shall be tested for leakage and/or contamination at intervals not to exceed six months or at the intervals specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or under equivalent regulations of an Agreement State.
- B. In the absence of a certificate from a transferor indicating that a leak test has been made within the intervals specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or under equivalent regulations of an Agreement State, prior to the transfer, a sealed source received from another person shall not be put into use until tested and the test results received.
- C. Sealed sources need not be tested if they are in storage and are not being used; however, when they are removed from storage for use or transferred to another person and have not been tested within the required leak test interval, they shall be tested before use or transfer. No sealed source shall be stored for a period of more than 10 years without being tested for leakage and/or contamination.
- D. The leak test shall be capable of detecting the presence of 0.005 microcurie (185 becquerels) of radioactive material on the test sample. If the test reveals the presence of 0.005 microcurie (185 becquerels) or more of removable contamination, a report shall be filed with the U.S. Nuclear Regulatory Commission in accordance with 10 CFR 30.50(c)(2), and the source shall be removed immediately from service and decontaminated, repaired, or disposed of in accordance with Commission regulations.
- E. Tests for leakage and/or contamination, limited to leak test sample collection, shall be performed by the licensee or by other persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services. The licensee is not authorized to perform the analysis; analysis of leak test samples must be performed by persons specifically licensed by U.S. Nuclear Regulatory Commission or an Agreement State to perform such services.
- F. Records of leak test results shall be kept in units of microcuries and shall be maintained for 5 years.
16. Sealed sources or source rods containing licensed material shall not be opened or sources removed or detached from source rods or gauges by the licensee, except as specifically authorized.
17. Sealed sources or detector cells containing licensed material shall not be opened or sources removed from source holders by the licensee.

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18. The licensee shall conduct a physical inventory every six months, or at other intervals approved by the U.S. Nuclear Regulatory Commission, to account for all sources and/or devices received and possessed under the license. Records of inventories shall be maintained for 5 years from the date of each inventory and shall include the radionuclides, quantities, manufacturer's name and model numbers, and the date of the inventory.
19. A. Each gauge shall be tested for the proper operation of the on-off mechanism (shutter) and indicator, if any, at intervals not to exceed 6 months or at such longer intervals as specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission pursuant to 10 CFR 32.210 or the equivalent regulations of an Agreement State.
- B. Notwithstanding the periodic on-off mechanism (shutter) and indicator test, the requirement does not apply to gauges that are stored, not being used, and have the shutter lock mechanism in a locked position. The gauges exempted from this periodic test shall be tested before use.
20. The following services shall not be performed by the licensee: installation, initial radiation surveys, relocation, removal from service, dismantling, alignment, replacement, disposal of the sealed source and non-routine maintenance or repair of components related to the radiological safety of the gauge (i.e., the sealed source, the source holder, source drive mechanism, on-off mechanism (shutter), shutter control, shielding). These services shall be performed only by persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services.
21. The licensee may initially mount a gauge if permitted by the certificate of registration issued by the U.S. Nuclear Regulatory Commission or an Agreement State and under the following conditions:
- A. The gauge must be mounted in accordance with written instructions provided by the manufacturer;
- B. The gauge must be mounted in a location compatible with the "Conditions of Normal Use" and "Limitations and/or Other Considerations of Use" in the certificate of registration issued by the U.S. Nuclear Regulatory Commission or an Agreement State;
- C. The on-off mechanism (shutter) must be locked in the off position, if applicable, or the source must be otherwise fully shielded;
- D. The gauge must be received in good condition (i.e., package was not damaged); and
- E. The gauge must not require any modification to fit in the proposed location.

Mounting does not include electrical connection, activation or operation of the gauge. The source must remain fully shielded and the gauge may not be used until it is installed and made operational by a person specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such operations.

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22. A. The licensee may maintain, repair, or replace device components that are not related to the radiological safety of the device and that do not result in the potential for any portion of the body to come into contact with the primary beam or in increased radiation levels in accessible areas.
- B. The licensee may not maintain, repair, or replace any of the following device components: the sealed source, the source holder, source drive mechanism, on-off mechanism (shutter), shutter control, or shielding, or any other component related to the radiological safety of the device, except as provided otherwise by specific condition of this license.
23. Prior to initial use and after installation, relocation, dismantling, alignment, or any other activity involving the source or removal of the shielding, the licensee shall assure that a radiological survey is performed to determine radiation levels in accessible areas around, above, and below the gauge with the shutter open. This survey shall be performed only by persons authorized to perform such services by the U.S. Nuclear Regulatory Commission or an Agreement State.
24. The licensee shall operate each device containing licensed material within the manufacturer's specified temperature and environmental limits such that the shielding and shutter mechanism of the source holder are not compromised.
25. The licensee shall assure that the shutter mechanism, for each device containing licensed material, is locked in the closed position during periods when a portion of an individual's body may be subject to the direct radiation beam. The licensee shall review and modify, as appropriate, its "lock-out" procedures whenever a new device is obtained to incorporate the device manufacturer's recommendations.
26. Each portable nuclear gauge shall have a lock or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position. The gauge or its container must be locked when in transport or storage, or when not under the direct surveillance of an authorized user.
27. Any cleaning, maintenance, or repair of the gauges that requires detaching the source or source rod from the gauge shall be performed only by the manufacturer or by other persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services.
28. A. If the licensee uses unshielded sealed sources extended more than 3 feet below the surface, the licensee shall use surface casing that extends from the lowest depth to 12 inches above the surface and other appropriate procedures to reduce the probability of the source or probe becoming lodged below the surface. If it is not feasible to extend the casing 12 inches above the surface, the licensee shall implement procedures to ensure that the cased hole is free of obstruction before making measurements.
- B. If a sealed source or a probe containing sealed sources becomes lodged below the surface and it becomes apparent that efforts to recover the sealed source or probe may not be successful, the licensee shall notify the U.S. Nuclear Regulatory Commission and submit the report required by 10 CFR 30.50(b)(2) and (c). The licensee shall not abandon the sealed source or probe without obtaining the Commission's prior written consent.

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29. The licensee is authorized to transport licensed material in accordance with the provisions of 10 CFR Part 71, "Packaging and Transportation of Radioactive Material."
30. Except as specifically provided otherwise in this license, the licensee shall conduct its program in accordance with the statements, representations, and procedures contained in the documents, including any enclosures, listed below. The U.S. Nuclear Regulatory Commission's regulations shall govern unless the statements, representations, and procedures in the licensee's application and correspondence are more restrictive than the regulations.
- A. Application dated November 19, 2004 (ML043420232)
 - B. Application dated December 17, 2004



For the U.S. Nuclear Regulatory Commission

Date March 31, 2008By ***Original signed by Tara L. Weidner***

Tara L. Weidner
Medical Branch
Division of Nuclear Materials Safety
Region I
King of Prussia, Pennsylvania 19406