



Westinghouse Electric Company LLC
Hematite Decommissioning Project
3300 State Road P
Festus, MO 63028
USA

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Direct tel: 314-810-3368
Direct fax: 636-937-6380
E-mail: hackmaek@westinghouse.com
Our ref: HEM-09-107
Date: September 22, 2009

Subject: Reply to Notice of Violation (License No. SNM-00033, Docket No. 070-00036)

References: 1) NRC Inspection Report 070-00036/08-02(DNMS) - Westinghouse Electric Company (Hematite) and Notice of Violation, July 23, 2009
2) Request for Extension for Response to Violation 070-00036/2008002-1, August 18, 2009

Dear Sirs:

Pursuant to the provisions of 10 CFR 2.201, Westinghouse Electric Company LLC (WEC) herein provides a response to your letter of July 23, 2009 (Reference 1), regarding your inspection of the Hematite Decommissioning Project (HDP) conducted November 17, 2008 through June 24, 2009. WEC's request for an extension in responding to this Notice of Violation was granted in Reference 2.

The Attachment herein provides the reply to the violation of NRC requirements specified in the Notice of Violation.

I hereby affirm that the statements made in this response are true and correct to the best of my knowledge and belief. Should you have any questions or require additional information, please contact Gerard F. Couture, Licensing Manager, of my Staff at (803) 647-2045.

Sincerely,

E. Kurt Hackmann
Director, Hematite Decommissioning Project

Attachment: Westinghouse Response to Notice of Violation

cc: Regional Administrator, NRC Region III
J. J. Hayes, NRC/FSME/DWMEP/DURLD
S. A. Reynolds, NRC Region III/DNMS
J. W. Smetanka, Westinghouse
W. G. Snell, NRC Region III/DNMS/MCID
E. J. Gilstrap, MDNR

JE07
FSME

Westinghouse Response to Notice of Violation

Westinghouse Response to Notice of Violation

1. ACKNOWLEDGEMENT OF THE VIOLATION

The violation is correct as stated.

2. REASON FOR THE VIOLATION

In the Fall of 2008 while performing radiological surveys, WEC determined that there was potential for a greater amount of U-235 to be present in the process buildings than was previously understood. Because this U-235 estimate was based on very preliminary data using very conservative assumptions, it was the intent of HDP to validate and evaluate the data further using appropriate procedures and methodologies to ensure a valid, technically sound estimate of the amount of U-235 in the process buildings. HDP immediately determined there was no safety concern; significant special nuclear material handling operations had ceased years prior. During this time, routine communications were commonplace between HDP and NRC representatives and NRC was advised of the estimate based upon the conservative assumptions. Following one of these discussions it was decided that a formal notification would be made to NRC based on the conservative U-235 values. However, the formal notification was not made within 24 hours of the initial NRC discussion.

3. CORRECTIVE ACTION TAKEN AND RESULTS ACHIEVED

Effective March 2, 2009, HDP implemented procedure HDP-PR-LI-001, Regulatory Reporting, which defines regulatory reporting requirements. It is currently being used in conjunction with the HDP corrective action process to ensure that each issue raised is evaluated against the reporting requirements and that the proper action is taken.

On February 26, 2009, a training session on the Regulatory Reporting procedure and the reporting requirements was conducted for HDP licensing personnel. The purpose of this training was to familiarize employees with the procedure and to reinforce regulatory reporting requirements.

These actions have been taken to ensure that HDP employees are aware of reporting requirements and that NRC is properly informed with regard to issues requiring regulatory notification.

4. ACTIONS TO PREVENT RECURRENCE

Procedure HDP-PR-LI-001, Regulatory Reporting will continue to be used in conjunction with the HDP corrective action process to ensure that issues raised are evaluated against a

consistent set of reporting requirements and to ensure that reportable events are identified in a timely manner and that the appropriate action is taken.

On September 6, 2009, the HDP Project Director advised key HDP staff that, heretofore, the principles of "Keys to Successful Interaction" (from William Borchardt's presentation "Enduring Values for Effective Regulation" to the 2009 ANS Utility Working Conference, August 4, 2009) would be used to guide interactions between HDP and the NRC.

5. DATE WHEN FULL COMPLIANCE WILL BE ACHIEVED

Full compliance was achieved on September 6, 2009, upon completion of training for licensing department personnel on procedure HDP-PR-LI-001, and the Project Director's pronouncement of "Keys to Successful Interaction".