

May 27, 2010

MEMORANDUM TO: Michael D. Tschiltz, Deputy Director
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

THRU: Brian W. Smith, Chief **/RA/**
Uranium Enrichment Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

FROM: Tyrone D. Naquin, Project Manager **/RA/**
Uranium Enrichment Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

SUBJECT: MAY 4, 2010, MEETING SUMMARY: LOUISIANA ENERGY
SERVICES PUBLIC MEETING

At 9:00 a.m., on May 4, 2010, U.S. Nuclear Regulatory Commission (NRC) staff met with management staff from Louisiana Energy Services (LES) in Rockville, Maryland, to discuss a license amendment request for the National Enrichment Facility to clarify license requirements for administrative control items relied on for safety boundaries (LAR 10-04).

I am attaching the Meeting Summary for your use. This summary contains no proprietary or classified information.

CONTACT: Ty Naquin, NMSS/FCSS
(301) 492-3187

Docket No.: 70-3103
License No.: SNM-2010

Enclosures:

1. LES Meeting Summary
2. LES Presentation

cc:

William Szymanski/DOE
Gary Don Reagan/Hobbs
Cindy Padilla/NMED
Clint Williamson/LES
Michael Marriotte/NIRS
Jon Goldstein/NMED
Tannis Fox/NMED
Lindsay Lovejoy/NIRS

Alton Dunn/Jal
Daniel Stenger/H&H
Betty Rickman/Tatum
Matt White/Eunice
CO'Claire/Ohio
Joseph Malherek/PC
Gary King/NMAG

Gregory Smith/LES
David Trujillo/Lovington
Glen Hackler/Andrews
John Parker/NMED
Roger Mulder/Texas
Ron Curry/NMED
Glen Smith/NMAG

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MLesser/Reg II	TGody/Reg II	JHenson/RegII	RHannah/RegII
DSeymour/RegII	WMaier/RegIV	CTaylor/Reg II	JLedford/RegII
LES Website-YES			

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OFC	UEB	UEB	UEB	FFLD
NAME	TNaquin:	TRichmond	BSmith	MTschiltz
DATE	05/12/10	05/12/10	05/26/10	05/26/10

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Summary of
Louisiana Energy Services Public Meeting

Date: May 4, 2010

Place: U.S. Nuclear Regulatory Commission (NRC), Headquarters
Executive Boulevard Building
Rockville, Maryland 20852

Attendees: See Attachment 1

Purpose:

The purpose of this meeting was to discuss the content of a license amendment request (LAR) received from Louisiana Energy Services (LES) on May 3, 2010. The request is to clarify the requirements for the boundaries of their administrative control items relied on for safety (IROFS).

Discussion:

Mr. Gregory Smith provided cursory remarks on the status of URENCO USA, to include cascade completion and other construction progress. A presentation on the subject amendment request was provided by LES and is enclosed. Mr. Dave Sexton provided the primary dialogue on the content of the LAR. He stated the purpose of the LAR was to address boundary definitions for administrative IROFS, and the intent was to bring support equipment into the boundary, and apply management measures to this equipment. The support equipment itself would not be an IROFS. Mr. Sexton addressed licensing basis documents that are modified by this action, and marked up pages of the Safety Analysis Report (SAR) and the Quality Assurance Program Description (QAPD) were provided in the submittal. Mr. Brian Smith inquired about the effect of this amendment on other licensing basis documents. He further stated the agency needs to understand what is meant by applying management measures to confirm the attributes of support equipment. Mr. Sexton stated the Boundary Definitions Documents, which are unique for each IROFS, must be evaluated against the SAR and QAPD.

Mr. Brian Smith asked about specific IROFS, some of which are addressed in the LAR. He asked if IROFSC6 will remain as is for now, because the LAR does not address its removal. Mr. Sexton stated for now, IROFSC6 would remain, but that the plan forward was to add a new IROFSC22, and then delete IROFSC6. He stated again that the idea of the LAR is to bring support equipment into the boundary of the IROFS, but not to make it an IROFS. He gave an example, that attributes of monitoring equipment would be controlled through calibration and suggested it was an enhancement to the Integrated Safety Analysis (ISA). Mr. Gregory Smith stated the reason for submitting the amendment was to put things into place to tie LES to procedures and hopefully satisfy the root of the NRC's concern that attention to process would degrade over time. He stated that LES had not been as reactive to NRC concerns in regards to certain licensing actions previously submitted, and that the intent was to address agency issues as much as possible. He further stated that the amendment was at about the limit of how far LES would be able to modify their position.

Mr. Sexton stated that LES's position was that the events associated with these IROFS are low-risk. As an example, he discussed the slow progression of the accident sequence associated with IROFS 38. He stated that, in the case of any of the overfilling accident sequences, the failure of the fill of the cylinder to follow trend would result in shutdown of the operation. Mr. Dan Dorman discussed accident sequence EC3-1, and the associated IROFSC6, saying the staff was not under the impression, from the reading of IROFSC6, that enrichment was controlled by the Plant Control System (PCS), until the discovery during the Operational Readiness Review. It had always been assumed the enrichment was controlled by manipulation of manual valves. Mr. Dave Sexton stated the independent (second) operator verifies the input of the first operator and went on to say that the LES ISA team reviewed the EC3-1 accident sequence to evaluate it being a credible event and it appeared not to be. Furthermore, historical data, i.e., the European operating experience, appears to bear that out. Mr. Dorman stated during the original evaluation, the potential failure modes for the PCS did not identify that the positioning of the control valve was via the PCS. Mr. Sexton stated he believed the evaluation was consistent throughout and the mechanical stop would limit enrichment. Mr. Mike Tschiltz asked if there were any cases of over-enrichment in the European operating experience. Mrs. Sexton stated he thought there had been no over enrichments, but there had been no criticalities.

Mr. Gregory Smith stated the need to find a way to transition the facility from construction into operation; to find a solution that both LES and the NRC could agree to. There was discussion regarding a letter LES sent in to the agency that was received May 4, 2010, the day of this meeting that provided supplemental information for their backfit claim. Mr. Gregory Smith stated there is general disagreement by LES and NRC on what was approved in the original license, and that was the reason for the supplemental letter. Mr. Perry Robinson spoke of some of the affidavits submitted with the letter, where former employees attest to a different perspective than NRC on what was reviewed and approved during original licensing. Mr. Tschiltz initiated that license requirements need to be met.

There was more discussion of the IROFS in question, and the accident sequences associated. Mr. Gregory Smith asked how LES and the agency could resolve the impasse. Mr. Tschiltz asked what was gained by avoiding the inclusion of the PCS into the definition of the IROFS boundary. Mr. Robinson stated the Nuclear Quality Assurance requirements of Appendix B to Part 50 and License Condition 20 of the LES license would then be applicable to the PCS. Mr. Dorman stated that LES's over commitment in the area of Quality Assurance is well above any expectation that Fuel Cycle Safety and Safeguards would require. Mr. Gregory Smith said he understood, but was not prepared at this time to rewrite both the QAPD and ISA and are trying to target certain issues for now.

Mr. Tschiltz stated that with receipt of the backfit supplemental correspondence, agency resources will be required to evaluate the additional correspondence. Mr. Gregory Smith stated that submitting the backfit claim was the only recourse for LES. Mr. Robinson inquired about the NRC response to the claim, and stated that if the staff responds that the claim is not a backfit, but rather a compliance issue, the agency should not hold up the start of LES operations. There was discussion of ways to make progress, to include adding an additional IROFS following agency and LES discussion. The meeting ended at 11:40 a.m.

Attachments:

1. Attendees List
2. LES Presentation on LAR 10-04

Attendees List

Cathy Haney, NRC HQ
Trish Holahan, NRC HQ
Dan Dorman, NRC HQ
Michael D. Tschiltz, NRC HQ
Brian W. Smith, NRC HQ
Eric Oesterle, NRC HQ
Tyrone D. Naquin, NRC HQ
Rex Wescott, NRC HQ
Sabrina Cleavenger, NRC HQ
Damaris Arroyo, NRC HQ
Deborah Seymour, NRC Region II
Cynthia Taylor, NRC Region II
Denise Edwards, NRC Region II
Gregory OD Smith, LES
Garry Sanford, LES
Dave Sexton, LES
Perry Robinson, LES