

June 2, 2010

Mr. Gary Sanford
Licensing Director
Louisiana Energy Services, L.P.
P.O. Box 1789
Eunice, NM 88231

SUBJECT: APPROVAL OF LOUISIANA ENERGY SERVICES LICENSE AMENDMENT
REQUEST FOR THE NATIONAL ENRICHMENT FACILITY TO CLARIFY
LICENSE REQUIREMENTS FOR ADMINISTRATIVE CONTROL ITEMS RELIED
ON FOR SAFETY AND REMOVAL OF IROFSC6 (LAR 10-04) (TAC NO. L32987)

Dear Mr. Sanford:

On May 2, 2010, Louisiana Energy Services (LES) transmitted a License Amendment Request (LAR-10-04) to clarify license requirements for administrative control items relied on for safety (IROFS) and the removal of IROFSC6. LAR-10-04 was supplemented by letters dated May 16, 2010, May 23, 2010, May 25, 2010, and May 26, 2010. We reviewed the submittal and is enclosing a Safety Evaluation Report of our review. Based on this review, the proposed revisions are acceptable. We request, within 30 days, you provide final page changes for the applicable licensing basis documents as described in your submittal. Upon receipt of these documents, your license will be amended and a copy forwarded to you.

In the amendment request, you proposed a generic approach to addressing support equipment for administrative control IROFS. This generic approach addresses the quality assurance applied to this equipment as well as the requirements of 10 CFR Part 21. This amendment addresses the IROFS needed to support your initial phase of operations (i.e., initial plant operations consistent with Chapter 12 of the Safety Analysis Report (SAR)). We agree with this approach and acknowledge that you will amend Table 3.4-1 of the SAR for additional administrative control IROFS that become effective in subsequent phases of operation.

Also, in the amendment request, you seek approval to remove IROFSC6 and to create a sole IROFS (C22) for accident sequence EC3-1. Based upon our review, we find that IROFSC22 has been demonstrated to have sufficient availability and reliability to perform as a sole IROFS, and we therefore agree with the removal of IROFSC6.

An exception to License Condition (LC) 20 was requested for IROFS38 and C22. This LC pertains to the use of digital instrumentation and controls within IROFS. Based upon our review, an exception to the requirements of LC 20 is granted for IROFS38 and C22. The SD2100 Weighing Amplifier is a component used in IROFS 38 and C22 and has the ability of executing user defined code, but these features are not used at this time. Any change to this component, such as entering code, would require approval by NRC to ensure that the exception to LC20 remains acceptable. In addition, as you proceed through additional phases of operation and additional administrative control IROFS become effective, LC 20 will remain applicable to these new IROFS. Any change involving LC 20 will require approval by NRC.

An environmental assessment for this action is not required, since this action is categorically excluded under Title 10 of the *Code of Federal Regulations* (10 CFR) Section 51.22(c)(11).

G. Sanford

- 2 -

Approval of LAR-10-04 addresses Unresolved Item (URI) 70-3103/2010-006-01 which was documented in Inspection Report 70-3103/2010-006 to track resolution regarding equipment necessary for IROFS C6 and 38 to be able to accomplish their safety functions that was not included in the safety boundaries. This URI is considered closed.

On May 3, 2010, the NRC cited LES in 70-3103/2010-006 Notice of Violation (NOV) for not following an approval process, 10 CFR 70.72(c)(4), for making changes to Chapter 5 of the Safety Analysis Report (SAR). In a letter dated May 27, 2010, LES states that all changes to Chapter 5 of the SAR, since the issuance of the license, have been reviewed. No changes were found that resulted in a reduction to the approved margin of subcriticality safety beyond the examples identified in the U.S. Nuclear Regulatory Commission (NRC) violations. In the same letter, LES provides a commitment that no future changes be made to specific sections of Chapters 3 and 5 of the SAR without prior NRC approval.

To ensure LES maintains reasonable assurance of safety and the adequate protection of public health and safety from the consequences of a criticality accident, NRC staff is imposing the following license condition. This condition is specified in amendment 33 as license condition 30 and will be reevaluated upon disposition of the disputed Violation B from Inspection Report 70-3103/2010-006:

No changes shall be made, without prior NRC approval, to specific sections of the SAR Chapters 3 and 5 that would result in modifying the current values for criticality-based analysis in a less conservative direction. Specific Chapter 3 sections include 3.2.5.2 related to Safe-By Design and Table 3.1-9, "Failure Frequency Index Numbers." Specific Chapter 5 sections include 5.0, 5.1.1 through 5.1.5, 5.2.1.2 through 5.2.1.7, and Tables 5.1.1 and 5.1-2. The above sections contain data and discussions related to safe-by-design, nuclear criticality safety analysis, nuclear criticality safety parameters, commitments, and the margin of safety for subcriticality.

This report completes our efforts on TAC No. L32987. If you have any questions regarding this letter, please contact Mr. Ty Naquin of my staff at (301) 492-3187, or via email at Tyrone.Naquin@nrc.gov.

G. Sanford

- 3 -

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice", a copy of this letter and its enclosures will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agency wide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

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

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

Enclosure:

1. Safety Evaluation Report (redacted)
2. License Amendment 33
3. Safety Evaluation Report

cc:

William Szymanski/DOE
Gary Don Reagan/Hobbs
Cindy Padilla/NMED
Glen Hackler/Andrews
Gary Schubert/Lea County
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
Richard Ratliff/Texas
CO'Claire/Ohio
Joseph Malherek/PC
Gary King/NMAG

Gregory Smith/LES
David Trujillo/Lovington
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John Parker/NMED
Lee Cheney/CNIC
Roger Mulder/Texas
Ron Curry/NMED
Glen Smith/NMAG

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Sincerely,

/RA/

Michael D. Tschiltz, Deputy Director
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
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William Szymanski/DOE	Alton Dunn/Jal	Gregory Smith/LES
Gary Don Reagan/Hobbs	Daniel Stenger/H&H	David Trujillo/Lovington
Cindy Padilla/NMED	Betty Rickman/Tatum	Clint Williamson/LES
Glen Hackler/Andrews	Matt White/Eunice	John Parker/NMED
Gary Schubert/Lea County	Richard Ratliff/Texas	Lee Cheney/CNIC
Michael Marriotte/NIRS	CO’Claire/Ohio	Roger Mulder/Texas
Jon Goldstein/NMED	Joseph Malherek/PC	Ron Curry/NMED
Tannis Fox/NMED	Gary King/NMAG	Glen Smith/NMAG
Lindsay Lovejoy/NIRS		

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