



Nuclear Regulatory Commission
Exhibit # - NRC063-00-BD01
Docket # - 07007016
Identified : 7/11/2012

Admitted: 7/11/2012

Withdrawn:

Rejected:

Stricken:

NRC063



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION II

245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

August 23, 2011

David E. Sexton, Chief Nuclear Officer
and Vice President of Operations
Louisiana Energy Services, L.L.C.
P.O. Box 1789
Eunice, NM 88231

**SUBJECT: LOUISIANA ENERGY SERVICES, L.L.C., URENCO USA FACILITY, DOCKET
NO. 70-3103, AUTHORIZATION TO INTRODUCE URANIUM HEXAFLUORIDE
INTO CASCADES 3 AND 4**

Dear Mr. Sexton:

This letter confirms our discussion of August 23, 2011, during which you were informed that the NRC has authorized the introduction of uranium hexafluoride into Cascades 3 and 4 at the Louisiana Energy Services (LES), URENCO USA Facility located in Eunice, New Mexico. This authorization is pursuant to the provisions of Part 70, Paragraph 70.32(k) of Title 10 of the *Code of Federal Regulations* (CFR) that states, "No person may commence operation of a uranium enrichment facility until the Commission verifies through inspection that the facility has been constructed in accordance with the requirements of the license."

This NRC authorization is based on the results of construction and quality assurance inspections of Cascades 3 and 4 described in the inspection reports listed in the enclosure. The NRC staff determined that the systems, structures, and components designed to support safe operation of Cascades 3 and 4 were constructed in accordance with the requirements of your license. Specifically, our inspections provided: (1) reasonable assurance that the design, construction, and implementation of items relied on for safety (IROFS) will protect against natural phenomena and the consequences of potential accidents, (2) verification that the Quality Assurance Program was adequately implemented during construction; and (3) verification that the construction of the IROFS was completed in accordance with the documents comprising the license and the Integrated Safety Analysis.

During our inspections, the NRC staff reviewed and inspected procurement, receipt inspections, installation and testing of the Cascades 3 and 4 centrifuge header piping, upper and lower steelworks and flomels for compliance to Quality Level 1 requirements. The staff also conducted interviews with LES staff and contractor personnel including employees in operations, technical support and management. The publically available inspection reports that describe the construction and quality assurance inspections of Cascades 3 and 4 are accessible through the NRC's public electronic reading room, Agency-wide Document Access and Management System (ADAMS) at http://www.nrc.gov/reading_rm/adams.html, at the accession numbers listed in the enclosure.

D. Sexton

2

Please note that this authorization does not apply to any cascades other than Cascades 3 and 4, and it does not apply to processes or components associated with future phases of facility operations.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," this document may be accessed through ADAMS on the internet at <http://www.nrc.gov/readingrm/adams.html>.

Should you have any questions concerning this letter, please contact Mr. Joselito Calle at (404) 997-4418

Sincerely,

/RA/

Anthony T. Gody, Director
Division of Fuel Facility and Inspection

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

Enclosure:
List of Cascade 3 and 4 Inspection Reports

cc w/encl:
Gary Sanford, Quality and Regulatory
Affairs Director
National Enrichment Facility
P.O. Box 1789
Eunice, NM 88231

Daniel F. Stenger, Counsel
Hogan and Hartson
555 13th Street, NW
Washington, DC 20004

Richard A. Ratliff, PE, LMP
Radiation Program Officer
Bureau of Radiation Control
Department of State Health Services
Division for Regulatory Services
1100 West 49th Street
Austin, TX 78756-3189

cc w/encl: (Cont'd on page 3)

D. Sexton

Please note that this authorization does not apply to any cascades other than Cascades 3 and 4, and it does not apply to processes or components associated with future phases of facility operations.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," this document may be accessed through ADAMS on the internet at <http://www.nrc.gov/readingrm/adams.html>.

Should you have any questions concerning this letter, please contact Mr. Joselito Calle at (404) 997-4418

Sincerely,
/RA/
Anthony T. Gody, Director
Division of Fuel Facility and Inspection

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

Enclosure:
List of Cascade 3 and 4 Inspection Reports

cc w/encl:
Gary Sanford, Quality and Regulatory
Affairs Director
National Enrichment Facility
P.O. Box 1789
Eunice, NM 88231

Daniel F. Stenger, Counsel
Hogan and Hartson
555 13th Street, NW
Washington, DC 20004

Richard A. Ratliff, PE, LMP
Radiation Program Officer
Bureau of Radiation Control
Department of State Health Services
Division for Regulatory Services
1100 West 49th Street
Austin, TX 78756-3189

cc w/encl: (Cont'd on page 3)

* see previous concurrence

X PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE X NON-SENSITIVE

ADAMS: X Yes ACCESSION NUMBER: ML112351133 X SUNSI REVIEW COMPLETE X FORM 665 ATTACHED

OFFICE	RII:DFFI	RII:DFFI	NMSS	CCI		
SIGNATURE	/RA/	/RA/	AGody for	JYeroken for		
NAME	CTaylor*	JCalle*	JKinneman*	COgle*		
DATE	8/23/11	8/23/11	8/23/11	8/23/11	8/ /2011	8/ /2011
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

D. Sexton

3

(cc w/encl: cont'd)
Raj Solomon, Deputy Secretary
New Mexico Department of Environment
Office of the Secretary
1190 St. Francis Drive
P. O. Box 26110
Santa Fe, NM 87502-0157

Matt White, Mayor
City of Eunice
P.O. Box 147/1106 Ave J
Eunice, NM 88231

Gary Don Reagan, Mayor
City of Hobbs
200 E. Broadway
Hobbs, NM 88240

Michael Ortiz, Chief
Radiation Controls Bureau
Field Operations Division
Environmental Department
Harold S. Runnels Building
1190 St. Francis Drive, Room S 2100
P.O. Box 26100
Santa Fe, NM 87502-0157

Alton Dunn, Mayor
City of Jal
P.O. Drawer 340
Jal, NM 88252

Commissioner Gregory H. Fuller
Chairman
Lea County Board of County Commissioners
Lea County Courthouse
100 North Main, Suite 4
Lovington, NM 88260

Gregory Smith, President and Chief Executive Officer
Louisiana Energy Services, L.L.C.
Electronic Mail Distribution

Gary Sanford, Quality & Regulatory
Affairs Director
Louisiana Energy Services, L.L.C.
Electronic Mail Distribution

cc w/encl: (Cont'd on page 4)

D. Sexton

4

(cc w/encl: cont'd)

Perry Robinson, General Counsel
Louisiana Energy Services, L.L.C.
Electronic Mail Distribution

Brenda Brooks, Director
Community Affairs and Government Relations
Electronic Mail Distribution

D. Sexton

5

Letter to David E. Sexton from Anthony T. Gody dated August 23, 2011

SUBJECT: LOUISIANA ENERGY SERVICES, L.L.C., URENCO USA FACILITY, DOCKET
NO. 70-3103, AUTHORIZATION TO INTRODUCE URANIUM HEXAFLUORIDE
INTO CASCADES 3 AND 4

Distribution w/encl:

J. Kinneman, NMSS

B. Smith, NMSS

T. Naquin, NMSS

T. Hiltz, NMSS

T. Gody, RII

E. Cobey, RII

C. Ogle, RII

D. Hartland, RII

J. Calle, RII

C. Taylor, RII

PUBLIC

Construction and Quality Assurance Inspection Reports for Cascade 3 and 4

Inspection Report Number	ADAMS Accession Number
70-3103/2009-002	ML091770643
70-3103/2010-007	ML100900329
70-3103/2010-010	ML101480080
70-3103/2010-013	ML102320298
70-3103/2010-015	ML103560272
70-3103/2011-006	ML11090A037
70-3103/2011-008	ML111660886
70-3103/2011-011	Pending