

SAFETY EVALUATION REPORT

APPROVAL OF LICENSE AMENDMENT REQUEST 13-03, REQUEST TO MODIFY MATERIALS LICENSE SNM-2015, DOCKET NUMBER 070-7015, LICENSE CONDITION NO. 13, OF AREVA ENRICHMENT SERVICES

1.0 INTRODUCTION

On November 19, 2013, AREVA Enrichment Services, LLC (AES) submitted License Amendment Request (LAR) 13-03 to the U.S. Nuclear Regulatory Commission (NRC) Materials License Special Nuclear Materials (SNM) SNM-2015 license condition (LC) No. 13 to address the process for making changes to the license application documents using guidance provided in Regulatory Guide (RG) 3.74 published in January 2012. In its letter, AES provided a detailed description, justification for the proposed change, and determination that the proposed amendment to its License associated with their request is not significant. AES also provided a proposed LC for the Materials Licenses.

2.0 BACKGROUND

On December 29, 2011, the NRC issued RG 3.74, "Guidance for Fuel Cycle Facility Change Processes" (Agencywide Documents Access and Management System [ADAMS] Accession Number ML100890016). This RG addresses the change process under Title 10 of the *Code of Federal Regulations* (10 CFR) 70.72 and provides guidance on its implementation. It also provides an acceptable method for making changes to licensing basis documents which are not authorized under 10 CFR 70.72. This method involves the licensee requesting an amendment to their license.

3.0 AES REQUEST

AES proposed to modify LC No. 13 of Materials License SNM-2015 to address the process for evaluating and implementing changes to license application documents. AES used guidance provided in RG 3.74 as the basis for proposing the change.

The proposed change replaces LC No. 13 of Materials License SNM-2015 with the following proposed modification:

The AES Eagle Rock Enrichment Facility (EREF) license application was submitted on December 30, 2008. Supplemental transmittal letters were submitted on April 23, 2009, April 30, 2010, and May 16, 2011. The license application contained the following documents:

- EREF Safety Analysis Report (SAR)
- EREF Environmental Report (ER)
- EREF Physical Security Plan (PSP)
- EREF Fundamental Nuclear Material Control Plan (FNMCP)
- EREF Quality Assurance Program Description (QAPD)
- EREF Emergency Plan (EP)
- EREF Standard Practice Procedure Plan (SPPP)

Following NRC review of the license application and completion of an Atomic and Safety Licensing Board Hearing, Materials License SNM-2015 was issued to AES on October 12, 2011.

In January 2012, the NRC issued RG 3.74 which provides guidance for fuel cycle facility change processes. Regulatory Guide 3.74 provides both guidance on the 10 CFR 70.72 change process and for managing changes to the license application documents that are outside the provisions of 10 CFR 70.72. As described in RG 3.74 C.5.a, licensees may make changes to their licensing basis without prior NRC approval, as specified in the following regulations:

- EPs - 10 CFR 70.32(i)
- Safeguards Contingency Plans - 10 CFR 70.32(g)
- PSPs - 10 CFR 70.32(e)
- Plans for the Physical Protection of SNM in Transit - 10 CFR 70.32(d)
- Security Practices and Procedures - 10 CFR 95.19
- Other Material Control Procedures - 10 CFR 70.32(c)(1)(iii)

These regulations also provide the criteria for when licensees must obtain NRC prior approval for implementation of changes. Evaluations are performed when changes have the potential to “decrease the effectiveness” of the affected documentation. These regulations also prescribe the licensee reporting requirements to the NRC for changes that do not require prior NRC approval.

In September 2012, AES met with NRC staff to discuss application of the AES “Special Authorization” for making changes that was incorporated into the AES License as LC No.13. Materials License SNM-2015, LC No. 13 describes the process for making changes to the license application documents and provides the criteria for determining when NRC prior approval of a change is required.

In September 2013, the NRC approved AES’s request to modify LC No. 13. Changes to the EREF ER are subject to the provisions of 10 CFR 51.60(b) which provides the threshold criteria for supplementing the ER to reflect any significant environmental changes. For the EREF QAPD, Chapter 19 of the QAPD provides instructions on evaluating and implementing changes to the QAPD.

There is no change control provision delineated in the AES license for the SAR which is considered a licensing application document. Therefore, this amendment proposes to modify LC No. 13 accordingly and to implement the process for evaluating, implementing, and making changes to the SAR using the guidance in RG 3.74.

4.0 AES IMPLEMENTATION OF THE CHANGE

This proposed amendment to the AES License is administrative in nature. License Condition No. 13 is being revised to replace the term “license application” with the term “SAR”. The SAR is the only AES license application document not subject to a change control or process that allows the licensee to make certain changes to the SAR without the need for prior approval. Other license application documents either have their own associated regulation for change control or have approved provisions for changes within the document, i.e., the QAPD. In addition, the timeframe for submitting a summary of changes to the SAR made without NRC prior approval is being proposed with revision from “within three months of implementing the change,” to “every six months.”

For the license application documents below, the applicable change process regulation for implementation of changes is identified in current regulations:

- EP 10 CFR 70.32(i)
- PSP 10 CFR 70.32(d) & (e)
- FNMCP 10 CFR 70.32(c)(1)(iii)
- SPPP 10 CFR 95.19

Changes to the SAR will be evaluated using the criteria established and described in the proposed LC No. 13. Changes to the SAR and their associated evaluations will be documented as required by procedure. Records of such changes will be maintained, including technical justification and management approval, in dedicated records which are available for NRC inspection upon request. AES will submit a summary of such changes that were made that did not require NRC prior approval to the NRC every six months.

5.0 DISCUSSION AND EVALUATION

The proposed modification to Materials License SNM-2015, LC No. 13 follows the guidance provided by the staff in RG 3.74. The staff agrees with the determination that the proposed changes to LC No. 13 are administrative only and provide clarity for evaluation and implementation of changes to the SAR. The term "license application" will be replaced with the term "SAR". The term SAR is also consistent with the terminology used by the licensee to describe and maintain the safety evaluation in the license application. Given that this proposed change is administrative and uses terms consistent with AES processes and documentation, the staff finds that it is acceptable.

The timeframe for submitting a summary of changes made to the SAR without NRC prior approval is consistent with what has been previously approved by the NRC and is in agreement with the one-year period provided in the guidance. The staff therefore finds this modification to also be acceptable

AES considers that the proposed modification to Materials License SNM-2015, LC No. 13 is acceptable for the following reasons:

1. The change is administrative in nature.
2. The proposed language is consistent with previously approved NRC guidance.
3. No 10 CFR 70.61 performance requirement is impacted.

6.0 CONCLUSION

The NRC staff considered the information provided by AES's letter, dated November 19, 2013, and concludes that the proposed amendment would not decrease the effectiveness of AES programs or plans contained in the License Application and Supporting Documents. The NRC staff concludes that the proposed LC appropriately addresses changes to the licensing basis documents for AES to determine if prior NRC approval would be required. In addition, the NRC staff concludes that AES's proposed LC meets the guidance in RG 3.74, "Guidance for Fuel Cycle Facility Change Processes". The NRC staff also concludes that the process for tracking changes to the licensing basis documents, the timeliness required for updating the onsite documentation, and the timeframe for reporting changes to the NRC are reasonable and consistent with the process for making changes to the safety program as described in 10 CFR

70.72. The NRC staff also concludes that the commitment to perform and document the evaluation of changes is acceptable. Therefore, the NRC staff finds that AES's proposed LC for making changes to the licensing basis documents is acceptable and, as such, AES' request should be approved.

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