September 21, 2015

Mr. Steven Toelle
Director, Regulatory Affairs
American Centrifuge Operating, LLC
6903 Rockledge Drive
Bethesda, MD 20817-1818

SUBJECT: CLASSIFIED MATTER PROTECTION PLAN FOR THE AMERICAN CENTRIFUGE PROGRAM FACILITY IN PADUCAH, KENTUCKY - TECHNICAL ASSIGNMENT CONTROL NO. L34309

Dear Mr. Toelle:

I am responding to your letter dated February 9, 2015 (AC 15-0003), requesting the U.S. Nuclear Regulatory Commission's (NRC's) review and approval of Classified Matter Protection Plan SP-PGC-0001 (Plan) for the Centrus Energy Corp.'s (Centrus) Paducah Governor's Crossing (PGC) classified facility in Paducah, Kentucky. The PGC is being established to support management of the American Centrifuge program.

The NRC staff conducted an initial review of your submittal and issued a request for additional information (RAI) dated February 27, 2015. By letter dated April 8, 2015 (ACO 15-0009), you provided Centrus' responses to the RAI and a revised Plan. By letter dated April 23, 2015, the NRC staff transmitted its determination that the proposed Plan was acceptable. In its letter, the NRC staff noted that final approval of SP-PGC-0001 was contingent to the completion of the operational readiness review (ORR) of the PGC. The NRC staff, along with Department of Energy (DOE) subject matter experts (SMEs), conducted the first portion of the ORR of the PGC on June 9, 2015. During this portion of the inspection, the NRC staff and DOE SMEs identified several issues at the PGC that were communicated to the PGC staff and managers. These issues needed to be addressed before the facility could be approved for operation. Following confirmation from Centrus that the identified issues had been addressed, the NRC staff and DOE SMEs visited the PGC again on August 19, 2015, to conduct the last portion of the ORR and verify that the issues identified during the June 9, 2015, portion of the ORR had been addressed. On August 25, 2015, the NRC staff issued Inspection Report Number 707003-2015-403 documenting the results of the ORR.

The NRC staff has completed its review of your request. Based on the NRC staff's review of information provided and the results of the ORR of the PGC completed on August 19, 2015, which identified no remaining issues regarding the PGC's compliance with NRC requirements, Classified Matter Protection Plan SP-PGC-0001 is approved. Based on the favorable results of the NRC's ORR, by letter from Mr. Darryl Parsons, NRC Office of Nuclear Security and Incident Response dated August 27, 2015, the NRC granted the PGC a facility security clearance to use, process, store, reproduce, and handle classified matter up to, and including, SECRET-Restricted Data.

This action completes the efforts on Technical Assistance Control number L34309.

In accordance with Title 10 of the *Code of Federal Regulations*, Part 2.390 of the NRC "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records System component of NRC's ADAMS. ADAMS is accessible from the NRC Web site at: http://www.nrc.gov/reading-rm/adams.html (the Public Electronic Reading Room).

If you have any questions regarding this matter, please contact Mr. Osiris Siurano-Perez at 301-415-7827, or via e-mail to Osiris.Siurano-Perez@nrc.gov.

Sincerely,

/RA/

Thomas A. Grice, Chief
Enrichment and Conversion Branch
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

Docket Nos. 70-7003, 70-7004
License Nos. SNM-7003, SNM-2011

cc: Mr. Steven R. Penrod, Vice President
Mr. Jim Lewis, General Manager
Mr. Mario Robles, Regulatory Manager

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Sincerely,

/RA/

Thomas A. Grice, Chief
Enrichment and Conversion Branch
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

Docket Nos. 70-7003, 70-7004
License Nos. SNM-7003, SNM-2011

cc: Mr. Steven R. Penrod, Vice President
Mr. Jim Lewis, General Manager
Mr. Mario Robles, Regulatory Manager

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