



May 17, 2016
ACO 16-0018

ATTN: Document Control Desk
Mr. Scott Moore, Acting Director
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

**American Centrifuge Lead Cascade Facility
Docket Number 70-7003; License Number SNM-7003**

License Amendment Request – Revision to License Application for the American Centrifuge Lead Cascade Facility and Request for Approval to Downgrade Licensed Activities to Limited Operations – Security-Related Information

INFORMATION TRANSMITTED HEREWITH IS PROTECTED FROM PUBLIC DISCLOSURE AS CONFIDENTIAL COMMERCIAL OR FINANCIAL INFORMATION AND/OR TRADE SECRETS PURSUANT TO 10 CFR 2.390(d)(1)

Dear Mr. Moore:

Purpose

The purpose of this letter is to request in accordance with 10 *Code of Federal Regulations* (CFR) 70.34 the U.S. Nuclear Regulatory Commission (NRC) review and approve the proposed amendment to the American Centrifuge Lead Cascade Facility (Lead Cascade) License Application to revise Table 1.2-2, “Authorized Uses of NRC-Regulated Materials”. Additionally, American Centrifuge Operating, LLC (ACO) requests to downgrade license activities to Limited Operations for purposes of an appropriate 10 CFR Part 171 annual fee determination.

Background

On March 2, 2016 (Reference 1), ACO notified the NRC, in accordance with 10 CFR 70.38 (d) (2), of Centrus Energy Corp.’s decision to permanently cease operation at the Lead Cascade and to terminate the Lead Cascade’s Materials License (SNM-7003) following decontamination and decommissioning activities.

Discussion

This License Amendment Request removes enrichment as an authorized activity at the Lead Cascade. This request also serves as an application to downgrade for purposes of an appropriate 10 CFR Part 171 annual fee determination for the remaining Lead Cascade NRC licensed activities from

~~Document transmitted herewith contains
Security-Related Information — Withhold Under 10 CFR 2.390~~
When separated from the Enclosure 1, this cover letter is uncontrolled

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the Gas Centrifuge Enrichment Demonstration fee category to a category that appropriately reflects its remaining limited operations.

To support this change in category, ACO notes that all centrifuges have been de-inventoried and are at rest. Gas inventory in process headers has also been evacuated. Finally, the feed cart has been shut down and declared inoperable to prevent any future UF₆ addition. No further gas centrifuge enrichment demonstration operations will be conducted.

The proposed changes will revise License Application Table 1.2-2 to remove enrichment from the authorized uses of NRC-regulated materials at the Lead Cascade.

Enclosure 1 to this letter provides a more detailed description, justification for the proposed change, and ACO's determination that the proposed change associated with this request is not significant.

Enclosure 2 of this letter contains the proposed changes to Table 1.2-2 of the License Application for the Lead Cascade.

Enclosure 1 contains Security-Related Information; therefore, ACO requests this enclosure be withheld from public disclosure pursuant to 10 CFR 2.390(d)(1).

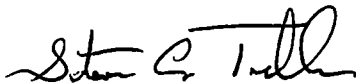
Action

ACO respectfully requests NRC review and approval of the proposed changes contained within Enclosure 2 and removal from the Gas Centrifuge Enrichment Demonstration fee category and placement into the Limited Operations fee category. ACO notes that an analogous request was submitted and approved for the Paducah Gaseous Diffusion Plant (Reference 2).

Contact

If you have any questions regarding this matter, please contact me at (301) 564-3250 or John Corrado at (740) 897-2887.

Sincerely,



Steven A. Toelle
Director, Regulatory Affairs

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Enclosures: As Stated

cc (without enclosures unless otherwise noted):

J. Downs, NRC HQ
T. Grice, NRC HQ
K. Kline, NRC HQ
L. Pitts, NRC Region II (Enclosures)
O. Siurano-Perez, NRC HQ (Enclosures)
M. Sykes, NRC Region II
T. Vukovinsky, Region II

References:

1. Letter ACO 16-0010 from S.A. Toelle to NRC regarding Notification of Cessation of Principal Activities at the American Centrifuge Lead Cascade Facility, dated March 02, 2016
2. Letter GDP 14-0001 from S.A. Toelle to NRC regarding Certificate Amendment Request – SAR Table 1-4, Authorized Uses of NRC-Regulated Materials, and Application to Downgrade, dated January 17, 2014

Enclosure 2 of ACO 16-0018

**Proposed Changes to Table 1.2-2 of the
License Application for the American Centrifuge Lead Cascade Facility**

**Information contained within
does not contain
Export Controlled Information**

**Reviewer: J. Lockwood
Date: 05/09/2016**

Table 1.2-2
Authorized Uses of NRC-Regulated Materials

Material Class	Authorized Use
A. Source Material, Element 92	<ol style="list-style-type: none">1. Enrichment of uranium up to 10 percent enrichment by weight ^{235}U2. Receipt, storage, inspection, and acceptance sampling of cylinders containing uranium3. Filling and storage of cylinders of natural uranium and uranium depleted in ^{235}U4. Cleaning and inspection of cylinders used for the storage and transport of source material5. Storage of process wastes containing uranium and other contaminants and decay products6. Process, characterize, package, or store low-level radioactive and mixed wastes7. Radiation protection, process control and environmental sample collection, analysis, and operation checks8. Maintenance, repair, and replacement of process equipment9. Heating cylinders and feeding contents into the centrifuge process10. Transfer between cylinders

Table 1.2-2 (continued)
Authorized Uses of NRC-Regulated Materials

Material Class	Authorized Use
B. Special Nuclear Material	<ol style="list-style-type: none">1. Filling and storage of cylinders containing uranium enriched up to 10 percent by weight ^{235}U2. Nondestructive testing and analyses of process streams3. Cleaning and inspection of cylinders used for the storage and transport of special nuclear material4. Storage of process wastes containing uranium and other contaminants and decay products5. Process, characterize, package, or store low-level radioactive and mixed wastes6. Radiation protection, process control and environmental sample collection, analysis, instrument calibration, and operation checks7. Maintenance, repair, and replacement of process equipment8. Heating cylinders and feeding contents into the centrifuge process