

UNITED STATES NUCLEAR REGULATORY COMMISSION REGION II 245 PEACHTREE CENTER AVENUE NE, SUITE 1200 ATLANTA, GEORGIA 30303-1257

November 17, 2017

Stephen Cowne, Chief Nuclear Officer and Compliance Manager URENCO USA P.O. Box 1789 Eunice, NM 88231

SUBJECT: LOUISIANA ENERGY SERVICES, L.L.C., URENCO USA FACILITY, DOCKET NUMBER 70-3103, AUTHORIZATION TO INTRODUCE URANIUM HEXAFLUORIDE INTO CASCADE 6.3

Dear Mr. Cowne:

On November 8, 2017, the U.S. Nuclear Regulatory Commission (NRC) received your letter requesting authorization to initiate feed inlet and commence operation of Assay 6, Cascade 3 (Cascade 6.3) at the Louisiana Energy Services, URENCO USA Facility located in Eunice, New Mexico (ADAMS Accession Number ML17318A092). This letter confirms the U.S. NRC's authorization (provided verbally on November 9, 2017) to introduce uranium hexafluoride into Cascade 6.3 for normal and re-feed operations. This authorization is pursuant to the provisions of Title 10 of the *Code of Federal Regulations* (10 CFR) Part 70, Paragraph 70.32(k) and 10 CFR 40.41(g) 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 various aspects of Assay 6 in Separation Building Module (SBM)-1005, previous operational readiness reviews performed for other cascades in SBM-1005, and the review of testing results to support operation of Cascade 6.3 completed on November 9, 2017. The results of construction and quality assurance inspections, and previous operational readiness reviews for other cascades in SBM-1005, are documented in several inspection reports listed in the enclosure to this letter (Enclosure). The inspection results for the operational readiness review of Cascade 6.3 will be documented in NRC Inspection Report 70-3103/2017-005, which should be issued no later than February 14, 2018.

The NRC staff determined that the systems, structures, and components designed to support safe operation of Cascade 6.3 were constructed in accordance with the requirements of your license. Specifically, our inspections verified that there was reasonable assurance that: (1) the design, construction, and implementation of items relied on for safety (IROFS) will protect against natural phenomena and the consequences of potential accidents; (2) the Quality Assurance Program was adequately implemented during construction; and (3) the construction of the IROFS was completed in accordance with the documents comprising the license and the Integrated Safety Analysis Summary.

Please note that this authorization does not apply to any Cascades other than Cascade 6.3, and it does not apply to processes or components associated with future phases of facility operations.

In accordance with Title 10 of the Code of Federal Regulations, Section 2.390, "Public Inspections, Exemptions, Requests for Withholding," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html.

Should you have any questions concerning this letter, please contact Mr. Marvin Sykes at 404-997-4629.

Sincerely,

/RA/

Mark S. Lesser, Director Division of Fuel Facility Inspection

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

Enclosure:

List of Inspection Reports for the Construction, Quality Assurance, and Operational Readiness Reviews Supporting the Authorization of Cascade 6.3

cc: (See page 3)

S. Cowne

cc: Butch Tongate, 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

The Honorable Sam D. Cobb, Mayor City of Hobbs 200 E. Broadway Hobbs, NM 88240

Cheryl Chance, Mayor City of Jal P.O. Drawer 340 Jal, NM 88252

Chair Ron R. Black Lea County Board of County Commissioners Lea County Courthouse 100 North Main Avenue, Suite 4 Lovington, NM 88260

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

Santiago Rodriguez, Chief Radiation Controls Bureau NM Environment Department PO Box 5469 Santa Fe, NM 87502-5469

cc: (Cont'd on page 4)

(cc: cont'd) David Sexton, Managing Director UUSA, President and Chief Executive Officer Louisiana Energy Services, LLC URENCO USA P.O. Box 1789 Eunice, NM 88231 Dave.Sexton@Urenco.com

Clint Williamson, Director Community Affairs and Government Relations Louisiana Energy Services, LLC URENCO USA P.O. Box 1789 Eunice, NM 88231 <u>Clint.Williamson@urenco.com</u>

Perry Robinson, Outside General Counsel URENCO USA P.O. Box 1789 Eunice, NM 88231

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

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PUBLICLY AVAILABLE

□ NON-PUBLICLY AVAILABLE □ SENSITIVE

NON-SENSITIVE

FORM 665 ATTACHED

ADAMS: Xes ACCESSION NUMBER: ML17321A004 Xes SUNSI REVIEW COMPLETE

OFFICE	RII:DFFI	RII:DFFI	RII:DFFI		
SIGNATURE	/RA/ via email	/RA/ via email	/RA/		
NAME	KKirchbaum	JRivera	MSykes		
DATE	11/ 9 /2017	11/09/2017	11/ 17/2017		
E-MAIL COPY	YES NO	YES NO	YES NO		

OFFICIAL RECORD COPY DOCUMENT NAME: G:\DFFI\PROJECTS BRANCH 1\LES - URENCO\2017\CASCADE 6.3 AUTHORIZATION LETTER.DOCX

List of Inspection Reports for the Construction, Quality Assurance, and Operational Readiness Reviews Supporting the Authorization of Cascade 6.3

Report	ADAMS	Inspection Area(s)	
Number	Accession	,	
	Number		
2006001	ML070190661	Quality Assurance Program and Geotechnical/Foundation Activities	
2007001	ML071440430	Quality Assurance	
2007002	ML072280647	Quality Assurance, Geotechnical/Foundation Activities, and Structural Concrete Activities	
2007003	ML073060571	Quality Assurance, Structural Concrete Activities, 10 CFR Part 21 Inspection-Facility Construction, and Safety Function Interfaces	
2007004	ML080670475	Quality Assurance	
2008001	ML081160345	Quality Assurance, 10 CFR Part 21 Inspection-Facility Construction, Structural Concrete Activities (SBM), and Structural Steel and Support Activities (SBM)	
2008002	ML081930118	Quality Assurance, Safety Function Interfaces, Geotechnical and Foundation Activities (SBM), Structural Concrete Activities (SBM-1001), Structural Steel and Support Activities, and Structural Welding	
2008003	ML083040618	Quality Assurance (SBM-1001), 10 CFR Part 21- Facility Construction, Geotechnical and Foundation Activities, Structural Concrete Activities, Structural Steel and Support Activities (SBM), Structural Welding (SBM- 1001)	
2008004	ML083540709	Quality Assurance (SBM)	
2008005	ML090610203	Quality Assurance	
2008006	ML090790642	Quality Assurance	
2009001	ML090850669	Quality Assurance	
2009002	ML091770643	Nuclear Welding General (SBM), Structural Welding General, Geotechnical and Foundation Activities, Structural Concrete Activities (SBM), Structural Steel and Support Activities, and Quality Assurance (SBM-1001)	
2009003	ML092730612	Quality Assurance, Structural Concrete Activities, and Structural Steel and Support Activities	
2009004	ML093511013	Electrical Components and Systems	
2009006	ML092820188	Quality Assurance (SBM)	
2009007	ML100271177	Quality Assurance (SBM)	
2010001	ML101810503	Quality Assurance, Geotechnical and Foundation Activities, Structural Concrete Activities, Structural Steel and Support Activities, and Instrumentation and Control Systems	
2010002	ML102700390	Quality Assurance (SBM), Geotechnical and Foundation Activities (SBM- 1003), Structural Concrete Activities (SBM-1001 and SBM-1003), and Mechanical Components (Cascades 5 and 6)	
2010003	ML103510562	Quality Assurance, 10 CFR Part 21- Facility Construction, and Structural Concrete Activities (SBM-1001)	
2010004	ML110130336	Maintenance Observations (Cascade 2)	
2010005	ML100850424	Quality Assurance, Electrical Components and Systems (SBM-1001), Geotechnical and Foundation Activities (SBM-1001), Structural Concrete Activities (SBM-1001), and Structural Concrete Activities (SBM-1001)	
2010007	ML100900329	Quality Assurance (SBM-1001), Mechanical Components (SBM-1001)	

Report Number	ADAMS Accession Number	Inspection Area(s)	
2010008	ML101170813	Quality Assurance (SBM-1001, Cascade 1)	
2010009	ML101300087	Reactive inspection to evaluate the Commercial Grade Dedication Program	
2010010	ML101480080	Quality Assurance (Cascades 2 and 3 in SBM-1001)	
2010012	ML102020385	Quality Assurance (Cascades 2 and 3 in SBM-1001)	
2010013	ML102320298	Quality Assurance (Cascades 3 in SBM-1001)	
2010015	ML103560272	Quality Assurance (Cascades 1,2, and 3), Geotechnical and Foundation Activities (SBM-1003), Structural Concrete Activities (SBM-1003), Mechanical Components (Cascade 3), and Electrical Components and Systems (Assay Line 2)	
2011002	ML111190268	Quality Assurance (SBM-1003 and SBM-1001 Extension), Structural Steel and Supports Activities (SBM-1003), and Mechanical Components	
2011003	ML112070634	Quality Assurance (Assay 2)	
2011004	ML11301A218	Quality Assurance, Structural Concrete Activities (SBM 1003) and Instrumentation and Control Systems	
2011005	ML12030A239	Quality Assurance, Safety Function Interfaces and 10 CFR Part 21 Inspection - Facility Construction	
2011006	ML11090A037	Quality Assurance (Cascade 3, SBM-1001) Mechanical Components (Cascade 3)	
2011008	ML111660886	Quality Assurance (Cascade 4 in SBM-1001) and Mechanical Components (Cascade 4)	
2011009	ML11342A131	Quality Assurance (Cascades 1.5 and 1.6 in SBM-1001), Structural Concrete Activities (SBM-1003), and Mechanical Components (Cascade 1.5, 1.6, 1.7, 1.8, 2.1, and 2.5)	
2011011	ML11263A098	Quality Assurance (Cascades 3 and 4)	
2011012	ML113410075	Quality Assurance (Cascades 1.7 and 1.8) and Mechanical Components (Cascades 1.7, 1.8, 2.1, 2.2, 2.3, and 2.4)	
2011013	ML12025A286	Quality Assurance (Cascade 1.6 and 1.7 in SBM-1001) and Structural Steel Welding and Mechanical Components (Cascades 1.7 and 1.8)	
2012002	ML12121A579	Safety Operations (Review of Item Relied on for Safety (IROFS) C23 for Cascade 1.8, and 2.1 thru 2.8) and Construction (Cascade 1.7)	
2012003	ML12188A105	Safety Operations (Review of IROFS C23 for Cascade 1.9, 1.10 and 1.11) and Geotechnical/Foundation (SBM-1003)	
2012004	ML12304A009	Safety Operations (IROFS C23 Review for TC 21 centrifuges in Cascade 3.1) and Structural Steel (SBM-1003)	
2012005	ML13030A027	Quality Assurance and Safety Operations (IROFS C23 Review for Cascades 3.3, 3.4, 3.5, and 3.6)	
2013002	ML13116A175	Safety Operations (IROFS C23 Review of TC 12 for Cascades 1.1 through 1.7), Safety Operations (IROFS C23 Review of TC 21 for Cascades 3.7, 3.8, and 3.9), and Geotechnical Foundation (SBM-1005)	
2013003	ML13210A291	Safety Operations (IROFS C23 Review of TC 21 for Cascades 3.10, 3.11, 3.12, and 4.1) and Structural Concrete (SBM-1005)	
2013004	ML13305A074	Safety Operations (IROFS C23 Review of TC 21 for Cascades 4.2, 4.3 and 4.5)	

Report Number	ADAMS Accession Number	Inspection Area(s)
2013005	ML14031A285	Safety Operations (IROFS C23 Review of TC 21 for Cascades 4.6, 4.7 and 4.8), Structural Concrete (SBM-1005), and Structural Steel and Support Activities (SBM-1005)
2013006	ML13214A141	Quality Assurance (SBM-1005) and Safety Function Interfaces (SBM- 1005)
2014002	ML14115A022	Safety Operations (IROFS C23 Review of TC 21 for Cascades 4.9, 4.10, and 4.11)
2014003	ML14202A003	Safety Operations (IROFS C23 Review of TC 21 for Cascade 4.12)
2014005	ML15029A031	Quality Assurance (SBM-1005) and Safety Operations (Operational Readiness Review for SBM-1005)
2015002	ML15111A280	Plant Operations of SBM-1005 and Safety Operations (IROFS C23 Review of TC 21 for Cascade 5.1 through 5.4)
2015003	ML15210A003	Safety Operations (IROFS C23 Review of TC 21 for Cascade 5.5 through 5.8)
2015004	ML15301A020	Safety Operations (IROFS C23 Review of TC 21 for Cascade 5.9, 5.10, and 6.1)
2015006	ML15058A712	Structural Concrete Activities (SBM-1005)
2017002	ML17115A005	Safety Operations (IROFS C23 Review of TC 21 for Cascade 5.12)
2017005	Pending	Safety Operations (IROFS C23 Review of TC 21 for Cascade 6.3)