



Department of Energy

Nuclear Energy Oak Ridge Site Office
P.O. Box 2001
Oak Ridge, Tennessee 37831

May 14, 2018

Ms. Marilyn Diaz, Acting Chief
Enrichment and Conversion Branch
Office of Nuclear Material
Safety and Safeguards
MS: T4B16
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Dear Ms. Diaz:

**NOTIFICATION OF THE RETURN OF THE X-220R PUBLIC WARNING SYSTEM,
THE X-2202 GCEP ROADS (PARTIAL) AND THE COMMON AREA UNDER THE
X-1007HWB HOT WATER BUILDING AT THE GAS CENTRIFUGE ENRICHMENT
PLANT SITE IN PIKETON, OHIO, TO THE DEPARTMENT OF ENERGY AND
SIMULTANEOUS TRANSITION OF REGULATORY OVERSIGHT AUTHORITY
FROM THE NUCLEAR REGULATORY COMMISSION TO THE DEPARTMENT OF
ENERGY**

In the enclosed letter, the Department of Energy (DOE) approved Centrus Energy Corp.'s request for American Centrifuge Operating, LLC, a subsidiary of Centrus, to return the X-220R Public Warning System and the X-2202 GCEP Roads (partial) and the transfer of the X-1007HWB Hot Water Building at the Gas Centrifuge Enrichment Plant site in Piketon, Ohio, to DOE. The return and transfer of these facilities is scheduled to occur on May 18, 2018, at 12:01 a.m. Keith Everly and Yawar Faraz, U. S. Nuclear Regulatory Commission (NRC), received copies of this approval letter. The purpose of this letter is to provide notice to you in your capacity as Acting Chief, Enrichment and Conversion Branch, Office of Nuclear Material Safety and Safeguards, NRC of the return and transfer of these facilities to DOE and the simultaneous transition of regulatory oversight authority from NRC to DOE for these facilities on the scheduled return date and time.

Please contact me at (865) 576-2535 or Randall M. DeVault at (865) 241-8277 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Mary C. McCune".

Mary C. McCune, Acting Manager
Nuclear Energy
Oak Ridge Site Office

NOTIFICATION OF THE RETURN OF THE X-220R PUBLIC WARNING SYSTEM, THE X-2202 GCEP ROADS (PARTIAL) AND THE COMMON AREA UNDER THE X-1007HWB HOT WATER BUILDING AT THE GAS CENTRIFUGE ENRICHMENT PLANT SITE IN PIKETON, OHIO, TO THE DEPARTMENT OF ENERGY AND SIMULTANEOUS TRANSITION OF REGULATORY OVERSIGHT AUTHORITY FROM THE NUCLEAR REGULATORY COMMISSION TO THE DEPARTMENT OF ENERGY

Enclosure:

- Letter from Mary C. McCune to Larry B. Cutlip, "Early Return of the X-220R Public Warning System, the X-2202 GCEP Roads (Partial) and the Common Area under the X-1007HWB Hot Water Building as well as Other Lease Activities that Complement Early Returns Previously Approved by the Department of Energy under the *Lease Agreement Between the United States Department of Energy and the United States Enrichment Corporation for the Gas Centrifuge Enrichment Plant* Dated December 7, 2006," dated May 14, 2018

cc wo/enclosure:

R. DeVault, NE-OR3, NE-ORSO
K. Walling, CC-10, SC-OR
J. Bradburne, PPPO, PORTS
R. Edwards, PPPO, LEX
G. Hellstrom, PPPO, LEX
K. Everly, NRC
Y. Faraz, NRC



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Oak Ridge, Tennessee 37831

May 14, 2018

Mr. Larry B. Cutlip
Vice-President, Field Operations
Centrus Energy Corp.
400 Centrifuge Way
Oak Ridge, TN 37830

Dear Mr. Cutlip:

EARLY RETURN OF THE X-220R PUBLIC WARNING SYSTEM, THE X-2202 GCEP ROADS (PARTIAL), AND THE COMMON AREA UNDER THE X-1007HWB HOT WATER BUILDING AS WELL AS OTHER LEASE ACTIVITIES THAT COMPLEMENT EARLY RETURNS PREVIOUSLY APPROVED BY THE DEPARTMENT OF ENERGY UNDER THE LEASE AGREEMENT BETWEEN THE UNITED STATES DEPARTMENT OF ENERGY AND THE UNITED STATES ENRICHMENT CORPORATION FOR THE GAS CENTRIFUGE ENRICHMENT PLANT

References:

- Letter from Larry B. Cutlip to Mary C. McCune, "Submittal of Revision 1 to Turnover Requirements (TR) Compliance Reports for the X-220R Public Warning System, the X-2202 GCEP Roads (Partial) and the X-1007HWB Hot Water Building at Piketon, Ohio," dated October 13, 2017 (DOE 17-0023) (ECI/OUO)
- Letter from Mary C. McCune to Larry B. Cutlip, "Department of Energy Approval for the Transfer of Replica Mass Standard Cylinders," dated September 27, 2017
- Letter from Larry B. Cutlip to Mary C. McCune, "Submittal of Turnover Requirements (TR) Compliance Reports for the X-220R Public Warning System, the X-2202 GCEP Roads (Partial) and the X-1007HWB Hot Water Building at Piketon, Ohio," dated September 5, 2017 (DOE 17-0019) (ECI/OUO)
- Letter from Larry B. Cutlip to Mary C. McCune, "Early Return of the X-220R Public Warning System and the X-2202 GCEP Roads (Partial) and Other Lease Activities that Complement Early Returns Previously Approved by the Department of Energy (DOE)," dated July 12, 2017 (DOE 17-0013) (OUO)
- Letter from Larry B. Cutlip to Mary C. McCune, "Early Return of Certain Facilities Leased by American Centrifuge Operating, LLC (ACO) from the Department of Energy (DOE) at the Gaseous Centrifuge Enrichment Plant (GCEP) in Piketon Ohio," dated December 21, 2016 (DOE 16-0020) (OUO)

With this letter, the DOE approves Centrus Energy Corp.'s (Centrus) request as detailed in the referenced letters to return the following leased premises: the X-220R Public Warning System, the X-2202 GCEP Roads (Partial), and the common area under the X-1007HWB Hot Water Building. The partial return of the X-2202 GCEP Roads consists of three areas described by

EARLY RETURN OF THE X-220R PUBLIC WARNING SYSTEM, THE X-2202 GCEP ROADS (PARTIAL), AND THE COMMON AREA UNDER THE X-1007HWB HOT WATER BUILDING AS WELL AS OTHER LEASE ACTIVITIES THAT COMPLEMENT EARLY RETURNS PREVIOUSLY APPROVED BY THE DEPARTMENT OF ENERGY UNDER THE *LEASE AGREEMENT BETWEEN THE UNITED STATES DEPARTMENT OF ENERGY AND THE UNITED STATES ENRICHMENT CORPORATION FOR THE GAS CENTRIFUGE ENRICHMENT PLANT*

Centrus in the referenced July 12, 2017, letter as (1) an area surrounding the X-1020 Emergency Operations Center, (2) "the road between the X-112 and [X-1007] Fire Station," and (3) a "section of Perimeter Road included in X-2202 which has been closed to traffic for years." All three areas are depicted in a marked-up lease map that is an attachment to the referenced July 12 letter.

In addition, DOE approves the transfer of the capital improvement identified as the X-1007HWB Hot Water Building from Centrus to DOE as discussed in the referenced July 12, 2017, letter. DOE approved the transfer of the Replica Mass Standard cylinders, which was part of Centrus' request in the July 12 letter, in the referenced letter dated September 27, 2017.

Please note that Centrus submitted both an original and revised TR Compliance Report in the referenced letters dated September 5, 2017, and October 13, 2017. Each of these TR Reports addresses the common area under the X-1007HWB instead of the facility. As both Centrus and DOE are aware, the X-1007HWB Hot Water Building is a Centrus-owned capital improvement that is being transferred, rather than returned, to DOE. Consequently, the transfer of this building does not require a TR Compliance Report.

In the series of referenced correspondence, Centrus did not make a formal request to return the common area under the X-1007HWB Hot Water Building; it only requested approval to transfer the facility located on the area. Therefore, for clarification purposes, DOE considers the TR Compliance Report for the common area under the X-1007HWB structure to be both a request to return and a fulfillment of the DOE requirement for Centrus to submit a TR Compliance Report *for the early return of leased premises under the "Lease Agreement Between the United States Department of Energy and the United States Enrichment Corporation for the Gas Centrifuge Enrichment Plant" (GCEP Lease).*

DOE is ready to accept the return of the subject leased premises and the transfer of X-1007HWB Hot Water Building on May 18, 2018, at 12:01 a.m. Following this return and transfer, the DOE Portsmouth/Paducah Project will assume programmatic responsibility and ownership of these leased premises and facility. Transition of regulatory oversight from Nuclear Regulatory Commission will occur at the same time. DOE's willingness to accept the early return of these leased premises shall not be interpreted as setting precedent for future returns.

Following the return of the subject leased premises, DOE will revise Exhibit A of the GCEP Lease to reflect the return of these premises. In addition, the DOE Portsmouth/Paducah Project Office will update the Master Binding Facility agreement as required by the return of the subject leased premises.

Larry B. Cutlip

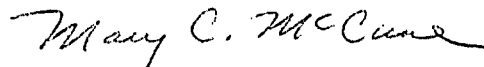
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May 14, 2018

**EARLY RETURN OF THE X-220R PUBLIC WARNING SYSTEM, THE X-2202 GCEP
ROADS (PARTIAL), AND THE COMMON AREA UNDER THE X-1007HWB HOT
WATER BUILDING AS WELL AS OTHER LEASE ACTIVITIES THAT
COMPLEMENT EARLY RETURNS PREVIOUSLY APPROVED BY THE
DEPARTMENT OF ENERGY UNDER THE LEASE AGREEMENT BETWEEN THE
UNITED STATES DEPARTMENT OF ENERGY AND THE UNITED STATES
ENRICHMENT CORPORATION FOR THE GAS CENTRIFUGE ENRICHMENT PLANT**

Please contact me at (865) 576-2535 or Randall M. DeVault at (865) 241-8277 if you have any questions.

Sincerely,



Mary C. McCune, Acting Manager
Nuclear Energy
Oak Ridge Site Office

cc:

A. Beldio, NNSA-HQ
R. DeVault, NE-OR3, NE-ORSO
K. Walling, CC-10, SC-OR
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