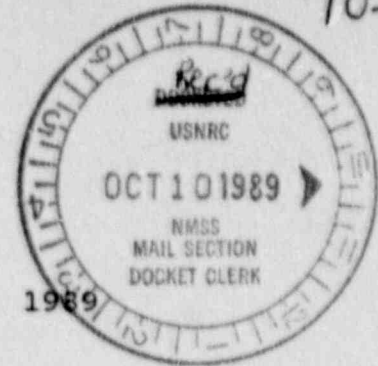
PDR: letter only  
70-734August 25, 1989  
696-1435

Mr. Donald J. Kasun, Acting Chief  
Domestic Safeguards and Regional  
Oversight Branch  
Division of Safeguards and Transportation,  
NMSS  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Mr. Kasun:

This is in response to your letter of August 12, 1989, in which you requested three items of information. The items requested are being provided as follows:

- 1) Contract between Public Service Company of Colorado (PSC) and Nuclear Fuel Services (NFS) (referred to in item 3 of GA's letter dated July 25, 1989)

Since this is a contract between PSC and NFS, we have asked PSC to provide you that information directly. A copy of a letter to PSC dated August 23, 1989, making the request is enclosed.

- 2) General Atomics' (GA) agreement with PSC on this matter

There are no agreements on this arrangement with PSC. Through conversations with PSC's staff, GA was aware that there was an effort with NFS and the NRC for special arrangements concerning measurement of this material. GA's opinions were not solicited. It was only after the exemption was granted by the NRC and the shipments made to NFS that we learned that PSC intended to hold GA responsible for measurement differences which would be identified several years into the future. Had GA known PSC's position prior to shipment, GA would have raised its concerns with PSC and the NRC and required a resolution before making any shipments to NFS.

8910160130 890825  
PDR ADCK 07000734  
C PIC

1/0  
DFB

3) Copies of recent correspondence related to this matter

Copies of the following correspondence are enclosed:

- Letter from PSC to GA (PFG-0107) dated July 13, 1989
- Telcon notes - GA/PSC dated July 7, 1989
- Letter from PSC to GA (PFG-0105) dated June 21, 1989
- Minutes of meeting among PSC, GA and VPA, June 15, 1989
- Letter from GA to PSC (GFP-0224) dated June 1, 1989
- Letter from PSC to GA (PFG-0099) dated May 10, 1989, with enclosure (letter from the NRC to Nuclear Fuel Services dated May 5, 1989)

As this matter is of urgent concern to GA, we will appreciate your prompt attention. If you have further questions concerning this issue, please contact me at (619) 455-2823 or Bob Noren at (619) 455-3217.

Very truly yours,

*Keith E. Asmussen*

Keith E. Asmussen, Manager  
Licensing, Safety and  
Nuclear Compliance

Enclosures

DOCKET NO. 70-734

CONTROL NO. 25988

DATE OF DOC. August 25, 1989

DATE RCVD. October 10, 1989

FCAF \_\_\_\_\_ PDR  ltr. only

FCAF \_\_\_\_\_ LPDR \_\_\_\_\_

I & E REF.

SAFEGUARDS

FCTC 1 OTHER \_\_\_\_\_

DATE 10/10/89 INITIAL SAC