

OCT 24 1989

Project M-45

MEMORANDUM FOR: Leland C. Rouse, Chief  
Fuel Cycle Safety Branch  
Division of Industrial and  
Medical Nuclear Safety, NMSS

FROM: Peter Loysen, Licensing Project Manager  
Advanced Fuel and Special  
Facilities Section  
Fuel Cycle Safety Branch  
Division of Industrial and  
Medical Nuclear Safety, NMSS

SUBJECT: SUMMARY OF MEETING WITH LOUISIANA ENERGY SERVICES

The NRC staff met with representatives of Louisiana Energy Services (LES) on October 11, 1989, to continue detailed discussions on licensing matters. The topics that LES wished to discuss included Regulatory Guides applicability, meteorology, nuclear criticality safety, plant design certification, and the issue of construction not being essentially complete before issuance of an operating license. In addition, LES wanted to hear about the staff's impressions of the Urenco plants in West Germany and The Netherlands, which we visited recently. A list of meeting attendees is enclosed.

At a meeting held at the Department of State on October 10, 1989, LES stated that they did not intend for Duke Power Company to seek approval of a facility security plan so they could receive and use classified information there. NRC's Division of Security was curious about this statement, since one Urenco document, received by NRC, is destined for a Duke Power employee. When questioned about the matter, LES reiterated that, at least for the present, no facility security plan approval would be sought for Duke Power. LES' intention is that classified design information necessary for a license application will be received, used, and assembled at Fluor-Daniel, which has sought plan approval. LES was reminded that it would take about six months for approval of a facility security plan and about one year for personnel security clearances.

The principal Regulatory Guides (R.G.) that LES plans to use are the applicable parts of R.G. 3.55, Standard Format and Content for the Health and Safety Sections of License Renewal Applications for Uranium Hexafluoride Production, and R.G. 3.25, Standard Format and Content of Safety Analysis Reports for Uranium Enrichment Facilities, the latter of which was to be used in conjunction with a draft proposed 10 CFR Part 52 for domestic licensing of uranium enrichment facilities in 1974. The staff has no objection to LES using these Regulatory Guides as references, but suggested that R.G. 3.25 and especially the draft proposed Part 52 may be obsolete or even conflict with current requirements. Nevertheless, we offered to search for a copy of the draft proposed regulation for completeness of the references.

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LES has recognized that they cannot set up a meteorological tower and begin to collect data in time to provide one year's worth of data with the license application in late 1990. For the application they proposed to use data from the National Weather Service (NWS) station at Shreveport, Louisiana, which is about 50 miles from both of the sites under consideration. The NWS data would later be verified by onsite measurements. The staff considered this proposal to be satisfactory.

LES stated that, for nuclear criticality safety design purposes, they plan to use the report TID-7016 and ANSI standards, and that they would seek an exemption from the requirement of 10 CFR Part 70.24 to provide a criticality monitoring system. We had no objection to this plan, noting that any request for exemption from the regulations must be thoroughly justified.

Fluor-Daniel plans to perform independent calculations and make other determinations to validate information furnished by Urenco. This would amount to a plant design certification by the applicant, thus obviating the need to audit any Urenco reference information in the event of questions about the safety of particular items. We commended LES for taking this approach, although pointing out some difficulty in covering every situation, particularly where classified information might be involved.

On the matter of issuing an operating license while the semi-continuous process of installing centrifuge cascades and other equipment is ongoing under a construction permit, Bob Fonner said that he is looking at the legislative history of the Atomic Energy Act for possible ways to permit the desired practice. He believes other options may also be possible. The problem would not appear to be insurmountable by the staff, but Fonner pointed out that, in any adjudication, the presiding judge or board might have to rule on the matter if it were contended.

At a previous meeting with LES, the staff stated that it expected to prepare a request for information for antitrust review by the end of October. LES questioned whether such a time is still reasonable. Upon later inquiry, it appears that the schedule will be met.

I gave a brief description of our visits to the Urenco plants in West Germany and The Netherlands. The overall impressions of the plants are that, despite some differences in age, innovations, and regulatory requirements, they are carefully thought out, designed, constructed, tested, and operated. Many of the features important for nuclear material safety and safeguards are either inherent in the design of the centrifuge process, required for efficient operation, or built into the balance of the plant. An important element attributed to the success of the plants is the conservative approach to

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improvements. Changes are introduced only in an evolutionary manner after extensive testing to demonstrate reliability as well as improvement. It thus became obvious to us why Urenco is insisting that the technology which will be transferred to Louisiana Energy Services must not be tampered with in the United States.

Original signed by  
Peter Loysen

Peter Loysen, Licensing Project Manager  
Advanced Fuel and Special  
Facilities Section  
Fuel Cycle Safety Branch  
Division of Industrial and  
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Enclosure:  
List of Attendees

Distribution:

Project M-45	PDR	IMSB R/F	NRC File Center	GMcCorkle
NMSS R/F		IMAF R/F	JBecker	MPeterson, GPA
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OFC	: IMAE	: IMAF	: IMAF	: IMSB	:	:	:
NAME	: PLoysen: jc	: FBrown	: JSwift	: LCRouse	:	:	:
DATE	: 10/20/89	: 10/21/89	: 10/24/89	: 10/24/89	:	:	:

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LOUISIANA ENERGY SERVICE  
Attendees  
October 11, 1989

<u>Name</u>	<u>Affiliation</u>
Peter Loysen	NRC/NMSS
Chuck Nilsen	NRC/NMSS
Gary Comfort	NRC/NMSS
Robert L. Fonner	NRC/OGC
Davis Hurt	NRC/NMSS
William R. Mowry	Fluor Daniel
Richard D. Belprez	Fluor Daniel
Jesse B. Swords	Duke Engineering & Services, Inc.
Peter LeRoy	Duke Engineering & Services, Inc.
Lois Telford	NRC/SEC
Bill Shields	Bishop, Cook, Purell and Reynolds
Jerry J. Swift	NRC/NMSS
B. M. Bordenick	NRC/OGC
Bill Griffin	Fluor Daniel
Howard Arnold	LES
Fritz Sturz	NRC/NMSS