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UNITED STATES NUCLEAR REGULATORY COMMISSION REGION I 631 PARK AVENUE KING OF PRUSSIA, PENNSYLVANIA 19406

Docket No. 70-820

AUG 27 1980

United Nuclear Corporation ATTN: Mr. C. E. Bowers President UNC Recovery Systems Wood River Junction, Rhode Island 02894

Gentlemen:

Subject: Inspection No. 70-820/80-08

This refers to your letter dated July 28, 1980, in response to our letter dated July 1, 1980.

We have reviewed the information you presented in the subject letter. After careful evaluation we conclude that the classification as noncompliance of deficiency level is correct. The basic reason for this is the fact that Nuclear and Industrial Safety Authorization No. RO 297 gave improper instructions as to the posted limit under which the material in the UNC-2600 container inner containers could be stored.

During the inspector's review of the warehouse storage, your representative defined the 10 kilogram limit on the posting for storage of UNC-2600 containers in positions 3-W-1 through 3-W-7 to be the nuclear safety limit referred to by the authorization. The representative did not define the limit to be the statement on the posting that, "unlisted containers require separate NIS approval".

The posted limit referred to by the authorization, and being used, was the 10 kilograms of U-235 limit for material in UNC-2600 containers stored in positions 3-W-1 through 3-W-7. Therefore, posting of the Authorization No. RO 297 would not provide the proper limit. The proper limit based on 175 grams U-235 per square foot and an assigned area of 48 square feet should have been 8.4 kilograms of U-235.

In view of the fact that you no longer store any special nuclear materials in the warehouse in the inner containers of the UNC-2600 container and you will not in the future, action to correct this item of noncompliance is not necessary.

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United Nuclear Corporation

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Your cooperation with us is appreciated.

Sincerely,

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George H. Smith, Chief Fuel Facility and Materials Safety Branch

cc: R. J. Gregg, Manager, Quality Assurance D. M. Schultz, Manager, Compliance

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