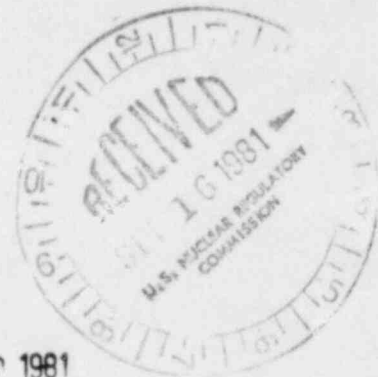


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Pennsylvania Power & Light Company
ATTN: Mr. Norman W. Curtis
Vice President
Engineering and Construction-Nuclear
P.O. Box 1870
Allentown, PA 18105

Gentlemen:

Enclosed is NRC Materials License No. SNM-1878, which authorizes the receipt, possession, inspection, and storage of uranium enriched in the U-235 isotope contained in fuel assemblies.

In addition, the license authorizes the packaging of fuel assemblies for delivery to a carrier. This latter authority enables you to return fuel assemblies to their shipping containers if there is a need to transfer the assemblies to another location, e.g., return to the manufacturer. The delivery of the assemblies to a carrier must be in accordance with 10 CFR Part 71, "Packaging of Radioactive Material for Transport and Transportation of Radioactive Material Under Certain Conditions," copy enclosed. In this regard, your attention is directed to §71.12(b) of Part 71 which provides a general license under specified conditions for the use of certain shipping packages which have been licensed for use by another licensee.

Also enclosed are three copies of Indemnity Agreement No. B-90 for your review, acceptance, and the return of one signed copy.

The Nuclear Regulatory Commission (Commission) uses an electronic data processing system to record the location by licensee, of special nuclear material. This system uses a three-letter Reporting Identification Symbol to identify licensees who submit material transfer reports and periodic material status reports in accordance with §§70.53 and 70.54 of the Commission's Regulations, 10 CFR Part 70. For this purpose, we have assigned to you the following Reporting Identification Symbol: XML. This symbol is to be used in completing the transfer reports and periodic material status reports and should be used in any other correspondence with the NRC relative to such reports. You should also note the requirements of §70.51(b), (c), and (d) regarding records, material control and accounting procedures, and physical inventories. Your cooperation will be appreciated.

Your application for license requested an exemption from the provisions of 10 CFR 70.24. Such an exemption would relieve you from the requirements of having a criticality alarm system. Because of the inherent features associated

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with the storage and inspection of unirradiated fuel, the NRC Staff has determined that you have shown good cause for granting the exemption and that granting such an exemption will not endanger public life or property or the common defense and security and is otherwise in the public interest.

The license conditions were discussed with and agreed to by Mr. Thomas Gangloff representing Pennsylvania Power & Light Company, and Mr. Norman Ketzlach of my staff.

Sincerely,

Original Signed by
Ralph G. Page

R. G. Page, Chief
Uranium Fuel Licensing Branch
Division of Fuel Cycle and
Material Safety

Enclosures:

1. NRC Materials License No. SNM-1878
2. Safety Evaluation Report
3. 10 CFR Part 71
4. Agreement No. B-90

DISTRIBUTION:

Docket 70-2937

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no legal objections
JHL 3/27/81
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RRP
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RFonner
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