



September 21, 1998
U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, D.C. 20555-0001

**Subject: NRC GENERIC LETTER 98-03: NMSS LICENSEES' AND CERTIFICATE
HOLDERS' YEAR 2000 READINESS**

The purpose of this letter is to provide Combustion Engineering Inc.'s (CE) response to the Nuclear Regulatory Commission's request for information regarding Year 2000 readiness for licensees or certificate holders for uranium hexafluoride production plants, uranium enrichment plants, and uranium fuel fabrication plants. Generic Letter 98-03 requires three responses. The first response is required within 90 days of the generic letter. The second response is required by December 31, 1998 and the third response is required by July 1, 1999. The third response is required only if CE facilities affected by this letter are not Y2K Ready on or before December 31, 1998. This letter provides the 90 day response.

Requirement 1:

"Within 90 days of the date of this Generic Letter, submit a written response indicating whether you have pursued and are continuing to pursue a Y2K Readiness Program. Present a brief description of the program that has already been completed, is being conducted, or is planned, to ensure Y2K Readiness of the computer systems at your facility. This response should address the program's scope, assessment process, and plans for corrective actions, including schedules for testing and validation. If an addressee chooses not to take the requested action(s), provide a description of any proposed alternative course of action, the schedule for completing the alternative course of action (if applicable), and the safety basis for determining the acceptability of the planned alternative course of action."

Response 1:

CE has pursued and is continuing to pursue a Year 2000 (Y2K) Readiness Program for its nuclear fuel facility similar to that outlined in *Nuclear Utility Year 2000 Readiness*, NEI/NUSMG 97-07. The program addresses potential Y2K problems that impact computer software, hardware and firmware associated with CE's nuclear fuel facility for items that are likely to affect safety or safeguards. The scope of this facility program includes developing an inventory of potentially affected items, performing an assessment of each item to determine if a Y2K problem exists, and, for those items with a potential Y2K problem, providing a recommended course of action for remedying the problem.

CE has completed an inventory of computer related items for its nuclear fuel facility. The assessment of each item identified is scheduled to be complete no later than December 31, 1998. Remediation, testing, and documentation of results is scheduled to be completed by July 1, 1999. The documentation will include a description of the methods (testing) used to determine whether or not a Y2K problem exists. For those items identified as having a potential Y2K problem and

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present a safety or safeguards issue that is likely to cause a regulatory or license non-compliance, recommendations for remedying the problem will be identified including post remediation testing.

CE's program for the above effort at its nuclear fuel facility is documented in ABB Project Plan PP-2008097-FO.

Requirement 2:

"Upon completing your Y2K Readiness Program, or, in any event, no later than December 31, 1998, submit a written response confirming that your facility is Y2K Ready and in compliance with the terms and conditions of your license or certificate, and NRC regulations; or, if your facility is not Y2K Ready by December 31, 1998, then submit a written response that contains a status report of work remaining to be done to become Y2K Ready, including completion schedules. For systems that may affect safety and safeguards, contingency plans to become Y2K Ready and Y2K Compliant should be included in your response."

Response 2:

As described above, the CE fuel facility is planning to complete assessments by December 31, 1998, and be Y2K Ready by July 31, 1999 for systems that may affect safety or safeguards. A status report will be submitted by December 31, 1998.

Requirement 3:

"For facilities that are not Y2K Ready on or before December 31, 1998, submit a written response by July 1, 1999, updating the status and schedule of your Y2K Readiness Program submitted in (2) above. The response should contain a status report of work remaining to be done to become Y2K Ready, including completion schedules. For systems that may affect safety and safeguards, contingency plans to become Y2K Ready and Y2K Compliant should be included in your response."

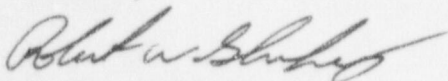
Response 3:

If the facility is not Y2K Compliant for safety and safeguards by July 1, 1999 response three will be submitted by July 1, 1999.

I declare under penalty of perjury that these statements are true and correct to the best of my knowledge.

If there are any questions concerning the above response, please contact Mike Luckenbach at 860/687-8140 or me at 314/937-4691, extension 399.

Sincerely,



Robert W. Sharkey
Director Regulatory Affairs

9-21-98
Dated