Docket No. 70-36 License No. SNM-33

Combustion Engineering, Inc. ATTN: Dr. P. L. McGill, Vice President Nuclear Fuel 1000 Prospect Hill Road Windsor, CT 0695-0500

Gentlem n:

In your September 30, 1988, letter, you discussed the construction of additional manufacturing space at the Hematite facility. By letter dated October 31, 1988, NRC expressed no objection to Combustion Engineering (CE) initiating construction of the additional space provided that soil survey results were submitted to NRC for review prior to constructing any flooring. On December 20, 1988, CE submitted those soil survey results.

Or January 24, 1989, Oak Ridge Associated Universities, conducted an independent survey and submitted the results to the NRC on February 16, 1989 (copy enclosed). Based on the survey results, residual contamination is less than the Option 1 limit of (30 pCi/gm) for enriched uranium as stated in the Branch Technical Position. Therefore, the staff has no objection to the construction of the pelletizing and warehouse flooring.

Sincerely,

Original Signed By

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

Enclosure: As stated

cc w/encl: Mr. A. E. Scherer, Director Nuclear Licensing

Mr. J. A. Rode, Plant Manager Hematite Fuel Manufacturing Mr. C. B. Brinkman, Manager Washington Nuclear Operations

Mr. H. E. Eskridge, Supervisor Licensing, Safety and Accountability

Distribution w/encl.

Docket 70-36

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