

May 6, 1998

Mr. Robert W. Sharkey, Director
Regulatory Affairs
Combustion Engineering, Inc.
3300 State Road P
Hematite, MO 63047

SUBJECT: CRITICALITY SAFETY PROGRAM UPDATE (TAC NO. L31062)

Dear Mr. Sharkey:

This acknowledges receipt of your letter of March 31, 1998, transmitting a copy of the semiannual status report of Combustion Engineering's (CE's) Criticality Safety Program Update (CSPU) covering the period from October 1, 1997 to March 31, 1998.

The CSPU plan was submitted on September 20, 1996, and is designed to formalize and strengthen the nuclear criticality safety program at the Hematite, Missouri site. In that plan, CE committed to submit a quarterly progress report on the implementation of the CSPU. As agreed by the Nuclear Regulatory Commission (NRC), in a letter dated November 6, 1997, the reporting frequency was changed to a semiannual basis.

We note from your March letter that the CSPU is on schedule. This letter also requested confirmation that the Integrated Safety Assessment (ISA) performed under your present methodology, (i. e., following the Guidelines for Hazard Evaluation Procedures by American Institute of Chemical Engineers Second Edition with Worked Examples) (AIChE handbook) will be acceptable under the pending revisions to 10 CFR Part 70. NRC previously endorsed the use of the methods described in the AIChE handbook in draft NUREG-1513, "Integrated Safety Analysis Guidance Document." NRC continues to endorse the methods described in the AIChE handbook. CE should recognize, however, that the application of specific methods needs to be justified by the licensee to ensure that the methods used for each ISA task, and the basis for selection of each method are consistent with the criteria described in NUREG-1513 for selection of ISA methods. As you know, the NRC is in the process of developing proposed revisions to 10 CFR Part 70 to require ISAs and is preparing a Standard Review Plan to provide the acceptance criteria for reviewing ISAs. The staff currently expects that additional guidance will be available by the end of 1998 in conjunction with the rulemaking.

Your cooperation in keeping us informed of your progress on the CSPU is appreciated.

Sincerely,
Original signed by:
Michael F. Weber, Chief
Licensing Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

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Sincerely,

A handwritten signature in cursive script, reading "Michael F. Weber", is written over the typed name.

Michael F. Weber, Chief
Licensing Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

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