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DOCKET NO: 70-36

LICENSEE: Combustion Engineering, Inc. (CE)
Hematite, Missouri

SUBJECT: SAFETY EVALUATION REPORT, AMENDMENT APPLICATION DATED MARCH 22, 1989, RE: STARTUP AND TEST OF NEW PELLET PRODUCTION LINES AND USE OF ADDITIONAL WAREHOUSE SPACE

Background

On September 30, 1988, CE informed the NRC of the intent to construct additional manufacturing space at the Hematite facility. This new manufacturing space is a large extension that joins together two existing facilities, the pellet plant (Building 255) and the recycle area (Building 240). A major portion of the new manufacturing space will be dedicated to the use of two new pellet production lines. The remainder of the building is to be used for additional utilities, offices, and material storage. In addition to the construction of this manufacturing space, the September 30, 1988, letter included a discussion of the expansion of the shipping, receiving, and storage areas. By letter dated October 31, 1988, NRC expressed no objection to CE initiating construction of the additional space provided that soil survey results were submitted for NRC review prior to constructing any flooring. CE submitted those results on December 20, 1988, and on January 24, 1989, Oak Ridge Associated Universities conducted an independent confirmatory survey. Accordingly, on February 24, 1989, CE was informed that there was no objection to the construction of the flooring for the pelletizing and warehouse areas. CE has since completed this construction and is presently installing the pellet production lines. In the subject application, CE requests authorization to startup and test the new pellet production lines with depleted uranium and to use the additional warehouse space for storage of licensed material.

Discussion

The new pellet production lines are housed in Building 254 and consist of blending, pressing, sintering, grinding, and packaging operations. At this time, the licensee requests authorization to startup and test these lines with depleted uranium. This testing phase will allow CE the opportunity to make any necessary adjustments and resolve any mechanical problems with the new process. By using depleted uranium, no controls are necessary for nuclear criticality safety. Similar activities have been conducted in existing facilities, and the radiation safety controls from the license have been extended to Building 254 and are adequate.

Building 256-2, an extension of the current warehouse Building 256-1, will be utilized to store licensed material. The activities that will be authorized have been conducted in existing facilities. Therefore, radiation safety and nuclear criticality safety controls from the license will be extended to Building 256-2 and are adequate.

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NRC staff prepared an Environmental Assessment for the proposed activities at CE. Based on that assessment, a Finding of No Significant Impact was made pursuant to 10 CFR Part 51. The Finding was published in the Federal Register on May 24, 1989.

Conclusion/Recommendation

This licensing action authorizes the startup and testing phase only with depleted uranium. CE's application dated May 1, 1989, which requested authorization for full production with enriched uranium, has not been approved by the Commission.

The staff concludes that the proposed activities will have no adverse effect on the public health and safety or the environment. Approval of the amendment application is recommended.

The Region III Principal Inspector has no objection to this proposed action.

Original Signed By:

George H. Bidinger for
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Original Signed By:

Approved by:

George H. Bidinger, Section Leader

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