



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
245 PEACHTREE CENTER AVENUE N.E., SUITE 1200  
ATLANTA, GEORGIA 30303-1200

March 7, 2024

Karen Fili  
President and CEO  
Louisiana Energy Services  
dba Urenco USA (UUSA)  
Urenco USA  
P.O. Box 1789  
Eunice, NM 88231

SUBJECT: URENCO USA - LICENSEE PERFORMANCE REVIEW - NUCLEAR  
REGULATORY COMMISSION INSPECTION REPORT NO. 70-3103/2024-005

Dear Karen Fili:

The U.S. Nuclear Regulatory Commission (NRC) staff in our Region II office, the Office of Nuclear Material Safety and Safeguards (NMSS), and the Office of Nuclear Security and Incident Response (NSIR) completed a periodic review of the URENCO USA, Eunice, New Mexico, enrichment facility's performance in conducting NRC-licensed activities. The performance of URENCO USA was evaluated in the following areas: Safety Operations, Radiological Controls, Facility Support, Safeguards, and Other Areas. The enclosure to this letter provides the results of our review for areas that were being considered as an Area Needing Improvement and constitutes the basis for establishing the NRC oversight program for your facility.

There were a total of two Severity Level II cited violations and seven Severity Level IV, non-cited violations (NCVs) identified during the assessment period. The Severity Level IV violations do not meet the significance threshold for being considered when identifying areas needing improvement at URENCO due to its NRC approved corrective action program. The two Severity Level II violations and four NCVs were identified in the area of Safety Operations; and one NCV each was identified in the areas of Radiological Controls, Facility Support, and Safeguards. Based on our review of activities, an Area Needing Improvement was identified for the performance area of Safety Operations as described in the enclosure. Therefore, the NRC plans to adjust the core inspection program for a Gas Centrifuge Facility (with an NRC approved corrective action program) as described in NRC Inspection Manual Chapter 2600 Appendix B, "NRC Core Inspection Requirements," Table 2," for the period of January 1, 2024, through December 31, 2025, by adding up to 30 hours per year of additional inspection. Because there was no Area Needing Improvement identified in Safeguards, no separate letter will be issued.

The results of our review will be discussed with you at a planned hybrid (both in-person and virtual) public observation meeting tentatively scheduled for May 29, 2024. During the meeting, you will have the opportunity to discuss your facility's performance, in the same areas as those evaluated by the NRC, if you so choose.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html#web-based-adams> (the Public Electronic Reading Room).

Please refer questions and comments regarding your facility's Licensee Performance Review to Mr. Robert E. Williams Jr., Chief, Projects Branch 1, by telephone at 404-997-4664.

Sincerely,



Signed by Masters, Anthony  
on 03/07/24

Anthony D. Masters, Director  
Division of Fuel Facility Inspection

Docket No. 70-3103  
License No. SNM-2010

Enclosure:  
Licensee Performance Review For  
Louisiana Energy Services, LLC (dba) URENCO USA

cc: w/ encl:  
Distribution via LISTSERV  
Chris Schwarz  
[Chris.schwarz@urencos.com](mailto:Chris.schwarz@urencos.com)

SUBJECT: URENCO USA - LICENSEE PERFORMANCE REVIEW (NUCLEAR REGULATORY COMMISSION INSPECTION REPORT 70-3103/2024-005) – March 7, 2024

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## LICENSEE PERFORMANCE REVIEW FOR:

Louisiana Energy Services, LLC (dba) URENCO USA

**ASSESSMENT PERIOD: January 1, 2022 - December 31, 2023**

The following is a summary of the performance of URENCO USA in the conduct of NRC licensed activities.

### PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of plant operations, nuclear criticality safety and fire safety. During the Licensee Performance Review (LPR) assessment period, the following enforcement items were issued in the area of Safety Operations:

- The licensee identified a failure to maintain the risk of a high-consequence event as highly unlikely. Specifically, the licensee failed to implement the appropriate item relied on for safety (IROFS) 50b/c controls such that the risk of a high-consequence accident sequence in the Integrated Safety Analysis (ISA) Summary, involving a construction vehicle crash leading to a high-consequence chemical release, was 'not unlikely.' This finding was tracked as Severity Level II Violation 70-3103/2022007-01. (Agencywide Documents Access and Management System (ADAMS) Accession Number: ML22126A182, ML22341A606, and ML23066A329)
- The licensee identified a failure to maintain the risk of a high consequence event as highly unlikely. Specifically, the licensee failed to maintain independence between IROFS50b and IROFS50c during a barrier breach resulting in a degraded IROFS. This finding was tracked as Severity Level II Violation 70-3103/2022007-02. (ML22126A182, ML22341A606, and ML23066A329)
- The NRC identified a failure to conduct weekly NCS walkthrough inspections of uranium hexafluoride process areas as required. This finding was tracked as Non-Cited Violation (NCV) 07003103/2022002-01. (ML22222A132)
- The NRC identified a failure to submit a 60-day written report as follow-up to EN 55770. This finding was tracked as NCV 07003103/2022003-01. (ML22298A089)
- The licensee identified a failure to implement safety controls while a crane was being operated within the controlled access area. Specifically, the licensee failed to implement IROFS50f and IROFS50g to protect against crane accidents as described in the ISA. This finding was tracked as NCV 07003103/2023003-01. (ML23289A004)
- The NRC identified a failure to establish adequate corrective actions that address the root cause identified in Root Cause Evaluation EV 149740, "Construction Equipment Brought into CAA Prior to IROFS50 Series Declared Operable" with corrective actions to prevent recurrence. This finding was tracked as NCV 07003103/2023003-02. (ML23289A004)

Enclosure

### Program Areas Needing Improvement

- An Area Needing Improvement in Safety Operations is warranted because the licensee was issued two SL-II violations. This meets the inspection manual chapter (IMC) 2604 criteria of “A single safety-significant issue in one or more performance areas” for an Area Needing Improvement.

The Area Needing Improvement will be closed when it is determined that the licensee’s corrective actions and corrective actions to prevent recurrence, are effectively complete for the implementation of all IROFS50 series controls.

### Recommended NRC Inspection Effort

- Additional inspections of up to 30 hours per year will be added during this performance period. The inspections will focus on the underlying programmatic causes of these violations: configuration management, procedural compliance, understanding of and training on procedures, flowdown of license and integrated safety analysis requirements into IROFS implementing procedures (e.g., operating procedures, boundary definition documents, program procedures) and training material, and adequacy of IROFS training.
- On August 24, 2023, the NRC issued the licensee a program adjustment of ~45 hours of additional inspection in plant operations, due to the violations listed above (ML23235A047). The program adjustment included a follow-up inspection on August 28, 2023, to inspect site activities related to IROFS50 series controls. An Area Needing Improvement was not issued at that time following the guidance listed in IMC 2604 which indicates that Areas Needing Improvement should “typically [be] identified during the comprehensive... LPR.” Instead, the program was adjusted to add the follow-up inspection described above, and as stated in IMC 2604 to adjust “the inspection program [to] accurately reflect emergent licensee performance issues that may reveal themselves...”. This inspection resulted in NCV 07003103/2023003-02, discussed above, being issued.
- The recommendation to maintain a 24-month assessment period is based on the results of the supplemental inspection completed last year, and the other inspections that have been performed since the 2022 events that led to escalated enforcement, which provided additional insight into these issues.

### PERFORMANCE AREA: SAFEGUARDS

This area is comprised of material control & accounting, physical protection of special nuclear material, and classified material and information security. During the LPR assessment period, the following enforcement items were issued in the area of Safeguards:

- The NRC identified a NCV in the area of material control and accounting. This finding was tracked as NCV 07003103/2022401-01. (ML22195A285)

### Program Areas Needing Improvement

- No specific Area Needing Improvement was identified in Safeguards.

#### Recommended NRC Inspection Effort

- Maintain the core inspection effort in Safeguards.

#### PERFORMANCE AREA: RADIOLOGICAL CONTROLS

This area is comprised of radiation protection, environmental protection, waste management, and transportation. During the LPR assessment period, the following enforcement items were issued in the area of Radiological Controls:

- The NRC identified a failure to report a radiological spill in accordance with the requirements of 10 CFR 70.50. This finding was tracked as NCV 07003103/2022001-01. (ML22119A057)

#### Program Areas Needing Improvement

- No specific Area Needing Improvement was identified in Radiological Controls.

#### Recommended NRC Inspection Effort

- Maintain the core inspection effort in Radiological Controls.

#### PERFORMANCE AREA: FACILITY SUPPORT

This area is comprised of emergency preparedness, emergency exercise evaluation, and permanent plant modifications. During the LPR assessment period, the following enforcement items were issued in the area of Facility Support:

- The NRC identified a failure to failure to conduct adequate critiques that identified issues with emergency exercise performance. This finding was tracked as NCV 07003103/2022003-02. (ML22298A089)

#### Program Areas Needing Improvement

- No specific Area Needing Improvement was identified in Facility Support.

#### Recommended NRC Inspection Effort

- Maintain the core inspection effort in Facility Support.

#### PERFORMANCE AREA: OTHER AREAS

This area is comprised of special issues.

#### Program Areas Needing Improvement

- No specific Area Needing Improvement was identified in Other Areas.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Other Areas.