



Department of Energy
Oak Ridge Operations
Post Office Box 62
Oak Ridge, Tennessee 37831 -8651

DOE

May 8, 1998

Mr. Steven A. Toelle
Nuclear Regulatory Assurance
and Policy Manager
United States Enrichment Corporation
Two Democracy Center
6903 Rockledge Drive
Bethesda, Maryland 20817

Dear Mr. Toelle:

**HIGHLY ENRICHED URANIUM REFEED OPERATIONAL READINESS ASSESSMENT - VALVE
REPLACEMENT IN THE X-705 SOUTH ANNEX**

By letter dated April 9, 1998, the United States Enrichment Corporation (USEC) notified the Department of Energy (DOE) of its completion an Operational Readiness Assessment (ORA) for the highly enriched uranium (HEU) cylinder valve replacement activities proposed in the X-705 South Annex. In conjunction with the Nuclear Regulatory Commission's (NRC) anticipated approval of USEC's request dated February 3, 1998, members of the DOE Regulatory Oversight staff visited the Portsmouth site to perform an independent assessment of USEC's operational readiness efforts during the week of April 13, 1998. In a letter to USEC dated April 23, 1998, DOE documented five (5) items that needed correction prior to the authorization to begin valve replacement operations. USEC's letter of April 29, 1998, provided adequate resolution of these observations.

By letter dated May 7, 1998, USEC requested DOE's and NRC's authorization to proceed with the temporary conversion of the X-705 South Annex to DOE regulation and to initiate cylinder valve replacement activities on May 11, 1998. USEC anticipates that the X-705 South Annex would be converted back to NRC regulation by July 1, 1998.

DOE has coordinated our approval efforts with the NRC and believes that the proposed dates are acceptable to them. Therefore, DOE hereby grants USEC approval to begin HEU cylinder valve replacement activities in the X-705 South Annex on May 11, 1998. Because of the successful coordination efforts between

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Add RGN III SICB.

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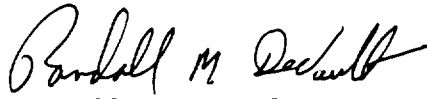
May 8, 1998

USEC, DOE, and NRC, DOE is waiving the requirement for at least ten (10) working days notification prior to our approval.

The authorization basis for this approval is reflected in the enclosed *Operational Readiness Assessment Report for the Replacement of Inoperable Highly Enriched Uranium Cylinder Valves at the Portsmouth Gaseous Diffusion Plant.*

Should there be any questions or comments, please contact me at (423) 576-0802 or David Mardis at (423) 241-4706.

Sincerely,



Randall M. DeVault
Regulatory Oversight Manager
Office of Assistant Manager
for Enrichment Facilities

Enclosure

cc w/enclosure:

P. L. Hiland, NRC, Region III
R. C. Pierson, NRC, White Flint
W. S. Schwink, NRC, White Flint
R. M. George, NE-40, GTN
T. T. Tison, Bechtel Jacobs, MS-7239, K-1550V
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