



Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

0058181

03-RCA-0020

OCT 28 2002

Mr. Nicholas Ceto
Hanford Project Manager
U.S. Environmental Protection Agency
712 Swift Boulevard, Suite 5
Richland, Washington 99352

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EDMC

Dear Mr. Ceto:

NOTICE OF POTENTIAL TO MISS HANFORD FEDERAL FACILITY AGREEMENT AND CONSENT ORDER (TRI-PARTY AGREEMENT) MILESTONE M-34-18A, "COMPLETE REMOVAL OF SPENT NUCLEAR FUEL EQUIVALENT TO 957 METRIC TONS HEAVY METAL FROM THE K-WEST BASIN"

This letter serves as formal notification that the Tri-Party Agreement Milestone M-34-18A may not be met by the scheduled date. This milestone requires RL to "Complete removal of spent nuclear fuel equivalent to 957 metric tons heavy metal from the K-West Basin" by December 31, 2002.

While the U.S. Department of Energy, Richland Operations Office (RL) staff has kept EPA apprised of the status of M-34-18A during regularly scheduled interagency meetings, this letter provides formal notification that the milestone is in jeopardy. The removal of fuel from the K West Basin is behind schedule due to equipment problems that occurred earlier in the year and delays due to process upsets. Fluor Hanford, Inc. has significantly improved the response to problems and the implementation of corrective actions. In fact, the project has been able to recover 25 days of baseline schedule over the past 84 days. While the recovery plan has been effective in regaining schedule, the project remains 37 days behind the baseline schedule. As of October 11, 2002, the subsequent target and interim production milestones, M-34-27-T01 and M-34-28, respectively, do not appear to be in jeopardy.

RL will continue to closely track project activities and will update your staff regarding the milestone on a regular basis. If you have any questions, please contact Ellen Dagan, of my staff, on (509) 376-3811 or Steve Veitenheimer, Director, Office of Spent Nuclear Fuels, on (509) 373-9725.

Sincerely,

Joel Hebdon, Director
Regulatory Compliance and Analysis Division

RCA:EBD

cc: See page 2

Mr. Nicholas Ceto
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100-KR-2 Administrative Record