

MAR - 6 1991

Combustion Engineering, Inc.
ATTN: Mr. J. A. Rode, Plant Manager
Hematite Nuclear Fuel Manufacturing
P. O. Box 107
Hematite, MO 63047

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Dear Mr. Rode:

SUBJECT: U.S. NRC INSPECTION REPORT NO. 70-36/91-201

The Nuclear Regulatory Commission (NRC) conducted a routine inspection of your facility's material control and accounting safeguards program on February 11-14, 1991. The scope and results of the inspection are summarized in the Inspection Report Summary (Enclosure 1). Areas examined during the inspection are described in the Inspection Report Details (Enclosure 2).

The inspection consisted of selective examination of procedures and representative records, interviews with personnel, and observations of activities in progress. At the conclusion of the inspection, the findings were discussed with you and members of your staff. Within the scope of this inspection, no violations or deviations were identified.

Under the provisions of Section 2.790(d), reports containing information related to a licensee's material control and accounting program are exempt from public disclosure. Accordingly, the enclosed Inspection Report Details will not be placed in the Public Document Room.

Should you have any questions concerning this letter, please contact us.

Sincerely,

Original Signed by
Theodore S. Sherr

Theodore S. Sherr, Chief
Domestic Safeguards Branch
Division of Safeguards and
Transportation, NMSS

Enclosures:
As stated

cc: w/encl.
H. E. Eskridge
C. R. Waterman
A. E. Scherer
J. F. Conant
C. B. Brinkman

Distribution:

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The information on this page is considered to be appropriate
for public disclosure pursuant to 10 CFR 2.790(d).

U.S. NUCLEAR REGULATORY COMMISSION

OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS

Report No: 70-36/91-201
License No: SNM-33
Safeguards Group: III
Licensee: Combustion Engineering, Inc.
P.O. Box 107, Highway P
Hematite, Missouri 63047
Inspection at: Hematite, Missouri
Inspection Conducted: February 11 through 14, 1991

Inspectors:

G. B. Nelson
G. B. Nelson, MC&A Physical Scientist
Physical Security and MC&A Licensing
and Inspection Section
Domestic Safeguards Branch

03-04-91
Date Signed

R. I. Milstein
R. I. Milstein, MC&A Physical Scientist
Physical Security and MC&A Licensing
and Inspection Section
Domestic Safeguards Branch

03-04-91
Date Signed

Approved by:

D. J. Kasun
D. J. Kasun, Section Leader
Physical Security and MC&A Licensing
and Inspection Section
Domestic Safeguards Branch

3-6-91
Date Signed

SUMMARY

Scope: The inspection consisted of a routine unannounced MC&A safeguards inspection in the areas of internal controls, measurement systems, records and reports, and management meetings-entrance and exit interviews. Inspection procedures used were 85405, 85407, 85415, and 30703.

Results: Within the areas inspected, no violations, deviations, or declining performance were identified. One open item from a previous inspection was continued, and a new follow-up item was opened.

ENCLOSURE 1

9103440402

REGION 3 INSPECTION FEE SUMMARY REPORT
MANHOURS EXPENDED PER COMPLETED INSPECTION
QUARTERLY SUMMARY - OPERATING FACILITIES
PERIOD COVERING: 09/22/91 TO 12/28/91
MATERIALS LICENSES

SNK1-33

FACILITY NAME: COMBUSTION ENGINEERING, IN

TOTAL FEE	\$ 5750.00
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*** PLEASE NOTE: A RATE OF \$116/\$123 WAS USED TO CALCULATE THE FEES FOR DATES ON OR AFTER 6/24/1995