

R3/D2-#10

AUG 18 1981

81-02

Docket No. 70-36

Combustion Engineering, Inc.  
ATTN: Mr. H. V. Lichtenberger  
Vice President  
Manufacturing  
Nuclear Power Systems  
Windsor, CT 06095

Gentlemen:

This refers to the routine safeguards inspection conducted by Messrs. J. P. Patterson of this office, D. J. Holody of Region I office and M. Auerbach of Inspection and Enforcement's Headquarters office on July 20-23, 1981, of activities at Combustion Engineering's Hematite Plant authorized by NRC Special Nuclear Material License No. SNM-33 and to the discussion of our findings with Mr. J. A. Rode, Plant Manager and members of his staff at the conclusion of the inspection.

The enclosed copy of our inspection report identifies areas examined during the inspection. Within these areas, the inspection consisted of observing the semiannual physical inventory and as part of inventory verification, the selection of 82 samples submitted to the U.S. Department of Energy's, New Brunswick Laboratory for analysis. Other areas involved included selective examination of procedures and representative records, observations, and interviews with personnel.

No items of noncompliance with NRC requirements were identified during the course of this inspection.

Areas examined during this inspection concern a subject matter which is exempt from disclosure according to Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Consequently, our report of this inspection will not be placed in the Public Document Room.

ATTACHMENT CONTAINS  
PART 2.790(d) INFORMATION

00-3

Information in this record was deleted  
in accordance with the Freedom of Information  
Act, exemptions 4  
FOIA 2004-0234

AUG 18 1981

An addendum to the enclosed inspection report will be issued upon receipt of analytical result from the New Brunswick Laboratory. The addendum will include the results of our statistical verification of your SNM inventory.

The necessary action to comply with the two verbal commitments, made as a result of the previous inspection, Report No. 70-36/80-05, were reviewed by the inspection team, and we have no further questions regarding these two items.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,

*C. E. Norelius*

C. E. Norelius, Director  
Division of Engineering and  
Technical Inspection

Enclosure: IE Inspection Report  
No. 70-36/81-02  
(Part 2.790(d) Information)

cc w/encl:  
J. A. Rode, Plant Manager  
DMB/Document Control Desk (RIDS)

ATTACHMENT CONTAINS  
PART 2.790(d) INFORMATION

RIII *JAP*  
Patterson/so  
8/7/81

RIII  
*[Signature]*  
Creed  
8/13/81

RIII  
*[Signature]*  
Greger  
8/13/81

RIII  
*[Signature]*  
Norelius  
8/17

RIII  
*[Signature]*  
Peck  
8/17/81

U.S. NUCLEAR REGULATORY COMMISSION  
OFFICE OF INSPECTION AND ENFORCEMENT

REGION III

Report No. 70-36/81-02

Docket No. 70-36

License No. SNM-33

Licensee: Combustion Engineering, Inc.  
Nuclear Power Systems  
Windsor, CT 06095

Facility Name: Hematite Fuel Fabrication Plant

Inspection At: Hematite, MO

Inspection Conducted: July 20-23, 1981

Inspectors: *J. P. Patterson*  
J. P. Patterson  
Region III

8/12/81

*J. P. Patterson for*  
D. J. Holody  
Region I

8/12/81

*J. E. Auerbach*  
M. Auerbach  
I&E, HQ

8/12/81

Approved By: *J. R. Creed*  
J. R. Creed, Acting Chief  
Safeguards Section

8/12/81

Inspection Summary

Inspection on July 20-23, 1981 (Report No. 70-36/81-02)

Areas Inspected: Routine announced inspection of physical inventory, inventory verification, facility organization, and measurement and statistical controls. The inspection involved 75 inspector-hours onsite by three NRC inspectors.

Results: The licensee was found to be in compliance with NRC requirements in the four areas examined during the inspection.