

R3/D2[#]-24

OCT 17 1984

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. T. J. Madedo and B. W. Stapleton of this office on September 11-14, 1984, of activities at the Combustion Engineering Hematite Plant authorized by NRC Special Nuclear Materials License No. SNM-33 and to the discussion of our findings with Mr. J. A. Rode 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 a selective examination of procedures and representative records, observations, and interviews with personnel. In addition, the results of the analysis of six samples are included in this report.

During this inspection, certain of your activities appeared to be in noncompliance with NRC requirements, as specified in the enclosed Appendix. A written response is required. In addition, inspection results indicated that the licensee's Material and Accountability program should be improved by an increased level of attention to detail. This matter is discussed in Section 3 of the enclosed report. We request that you address this matter in writing within 30 days of your receipt of this letter and include the steps taken or planned to address this matter.

This report concludes an inspection which was initiated on July 26, 1984. Results of the first phase of the inspection were documented in our Inspection Report dated August 28, 1984, which you have received.

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

DD-12

ATTACHMENT CONTAINS
10 CFR 2.790 (d) INFORMATION

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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, the enclosure to this letter, our report of this inspection, and your response to the noncompliance identified in the enclosure to this letter will not be placed in the Public Document Room. Therefore, your statement of corrective action regarding the noncompliance identified in the enclosure should be submitted as a separate enclosure to your transmittal letter.

The responses directed by this letter (and the accompanying Notice) are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

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

Sincerely,

W. L. Axelsson, Chief
Nuclear Materials Safety
and Safeguards Branch

Enclosures:

- 1. Appendix, Notice of Violation
- 2. Inspection Report No. 70-36/84-02(DRSS) (Part 2.790(d) Information)

cc w/encls:

J. A. Rode, Plant Manager
DMB/Document Control Desk (RIDS)

RIII *JRM*
Madeda/rr
10/16/84
10/14/84

RIII *JS*
Stapleton
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~~RIII
Ridgway~~

JRM
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Axelsson

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