

May 10, 2006

EA-06-109

Mel M. Mickelson
Environmental/Safety Supervisor
SG Solutions
444 West Sanford Avenue
West Terre Haute, IN 47885

SUBJECT: NRC INSPECTION REPORT NO. 030-33506/06-001 (DNMS) AND NOTICE OF VIOLATION - SG SOLUTIONS

Dear Mr. Mickelson:

This refers to the inspection conducted on March 23, 2006, at the West Terre Haute, Indiana facility with continuing in-office review through May 8, 2006. The results of the inspection were discussed with you during a telephone call on May 10, 2006. This inspection was an examination of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

Based on the results of this inspection, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. The violation involved the licensee's failure to obtain NRC consent, in writing, prior to a change in ownership. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at www.nrc.gov; select **What We Do, Enforcement**, then **Enforcement Policy**. The violation is cited in the enclosed Notice of Violation (Notice).

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. "For your consideration and convenience, an excerpt from NRC Information Notice 96-28, "SUGGESTED GUIDANCE RELATING TO DEVELOPMENT AND IMPLEMENTATION OF CORRECTIVE ACTION," is enclosed. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Sincerely,

/RA/

John R. Madera, Chief
Materials Inspection Branch

Docket No. 030-33506
License No. 13-26571-01

Enclosures:

1. Notice of Violation
2. Excerpt from IN 96-28

cc w/encl: R. Payonk

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DATE	5/ 9 /06		5/10/06		5/10/06			

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NOTICE OF VIOLATION

SG Solutions
West Terre Haute, Indiana

Docket No. 030-33506
License No. 13-26571-01

During an NRC inspection conducted on March 23, 2006, with continuing in-office review through May 8, 2006, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 30.34(b) requires that no license issued or granted pursuant to the regulations of this part or, Parts 31 through 39, nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntarily, directly or indirectly, through transfer of control of any license to any other person, unless the Commission, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing.

Contrary to the above, on January 14, 2005, Wabash River Energy Ltd. transferred control of License No. 13-26571-01 to Wabash Valley Power, resulting in the new corporate name SG Solutions, and the Commission had not been provided full information about the transfer or given its consent to the transfer in writing.

This is a Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, SG Solutions is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555, with a copy to the Regional Administrator, Region III, 2443 Warrenville Road, Suite 210, Lisle, IL 60532 within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken to avoid further violation; and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>, to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 10th day of May 2006