

PDR

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

SEP 7 1979



SGML:RLJ  
70-1100

Combustion Engineering, Inc.  
Nuclear Power Systems  
ATTN: H. V. Lichtenberger  
Vice President - Nuclear Fuel  
Nuclear Power Systems Division  
1000 Prospect Hill Road  
Windsor, Connecticut 06095

Gentlemen:

This is in partial response to your letter of August 7, 1979 to Mr. D. Weiss, NRC License Fee Management Branch. It is our understanding that Mr. Weiss has been in telephone communication with Combustion Engineering - Windsor personnel to confirm his agreement with your contention that an additional license fee, as requested in his letters of June 22 and August 6, 1979, is not required.

We should like to differ from the inference contained in the first sentence of the second paragraph of your previously referenced August 7, 1979 letter, i.e., "Combustion Engineering, Inc. did not receive a response to its January 5, 1979 letter." A similar statement is also contained in the last paragraph of the same letter.

It is correct to say no specific written response was made to the January 5, 1979 letter. However, as pointed out by you in your June 6, 1979 letter to us, third paragraph - first two sentences, "My letter of January 5, 1979 requested a thirty day leeway be allowed in starting semi-annual inventories. Several discussions have been held between members of our respective staffs in an attempt to clarify or resolve this request." We point this out so as not to mislead the casual reader into reasoning that your January 5, 1979 letter was ignored.

In further reference to your August 7, 1979 letter and to confirm a telephone conversation between your Mr. Tom Bowie and the NRC's R. L. Jackson on August 15, 1979, our July 6, 1979 letter regarding flexibility for starting Special Nuclear Material inventories is not an automatic exception to the requirements of 10 CFR 70.51(e)(3) as implied in your August 7, 1979 letter. Our July 6, 1979 letter does state that "Licensees desiring to take advantage of the increased flexibility in inventory scheduling should make appropriate changes in Chapter 5 of their Fundamental Nuclear Material Control Plan and submit revised pages in accordance with the provisions of 70.32(c)." (Changes made pursuant to 70.32(c) are fee exempt).

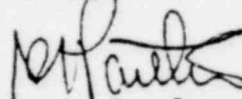
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In the case of Combustion Engineering - Windsor Item B of our July 6, 1979 letter, pertaining to LEU inventory scheduling flexibility, would apply.

As discussed with Mr. Bowie in the previously mentioned August 15, 1979 telephone conversation, Combustion-Windsor's FNMC Plan, Page 5.1, Section 5.1, second sentence, would be revised to reflect your request contained in your January 5, 1979 letter to conduct inventories normally during the periods of June 15 to August 15 and December 15 to February 15. Without the submittal of the proper revised FNMC Plan page, Combustion Engineering - Windsor will be obligated by License Condition 5.5 of Amendment MPP-3 of your License No. SNM-1067 to begin the next physical inventory "on or before December 19, 1979." License Condition 5.5 is as stated in our letter to you dated June 13, 1979.

Should you have questions or comments, please contact us.

Sincerely,



James G. Partlow, Chief  
Material Control & Accountability  
Licensing Branch  
Division of Safeguards