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

JUN 5 1979

*SGML:RLJ
70-1113

General Electric Company
ATTN: Mr. A. L. Kaplan, Manager
Licensing and Compliance Audits
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Wilmington, North Carolina 28401

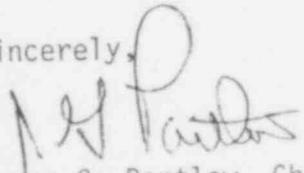
Gentlemen:

This is in response to your letters of April 2, 4 and May 4, 1979 which were argmented by discussions held at NRC Headquarters between General Electric - Wilmington and Division of Safeguards personnel on April 4, 20 and May 31, 1979.

We have reviewed your submittal, "Application Amendment S-8 For Physical inventory of UO₂ Pellets and Certain Containers of SNM," dated April 2, 1979 together with modifications 1 and 2 submitted April 4 and May 4, 1979, respectively. We have determined that the application does not meet the requirements of 10 CFR 70.51(e)(4), 10 CFR 70.51(f)(2)(iii), 10 CFR 70.51(f)(3)(ii), and 10 CFR 70.53(b). Your application is deficient in that it does not provide for: 1) the remeasurement, at the time of physical inventory, of all material for which the validity of previously made measurements has not been assured by tamper-safing and 2) the calculation, reconciliation and reporting of material unaccounted for within 30 calendar days after the start of the physical inventory. Accordingly, your request for approval of the application is hereby denied.

We understand that you have arranged to meet with Mr. R. F. Burnett on June 8, 1979 to discuss this matter.

It has been established that the attachments to your letters of April 2 and 4 and May 4, 1979 contain information of a type specified in 10 CFR 2.790(d). Accordingly, pursuant to Section 2.790(d)(1), such information is deemed to be commercial or financial information within the meaning of 10 CFR 9.5(a)(4) and shall be subject to disclosure only in accordance with the provisions of 10 CFR 9.12.

Sincerely,

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