

UNITED STATES NUCLEAR REGULATORY COMMISSION REGION III 799 ROOSEVELT ROAD GLEN ELLYN, ILLINOIS 60137

SEP 1 3 1979

Docket No. 70-36

Combustion Engineering, Inc.
ATTN: Mr. H. V. Lichtenberger
Vice President, Manufacturing
Nuclear Power Systems
P.O. Box 500
Windsor, CT 06095

Gentlemen:

This refers to the inspection conducted by Messrs. A. G. Finley, W. J. McGonnagle and J. P. Patterson of this office on June 25-29, 1979, of activities at the Combustion Engineering, Hematite Plant, as authorized by NRC License SNM-33 and Title 10, Code of Federal Regulations, Part 70.

This letter and accompanying report represent Section II of Report No. 70-36/79-04. This part of the report describes the results of non-destructive analyses using the Region III Mobile Laboratory on certain items selected by the inspection team for inventory verification. In addition, gross weighings obtained on these items were compared with your inventory item tag values. Statistical evaluation of this portion of your June 25, 1979, physical inventory discloses no errors or differences that would significantly alter our conclusion concerning the special nuclear material content of this portion of your total inventory.

An explanation of our verification is contained in the enclosure to this letter.

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

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

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

Sincerely,

J. A. Hind, Chief Safeguards Branch

Enclosure: IE Inspection Report

No. 70-36/79-04

cc w/encl:

Mr. J. A. Rode, Plant Manager

Central Files

Reproduction Unit NRC 20b

cc w/o encl:

PDR

NSIC