



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
631 PARK AVENUE
KING OF PRUSSIA, PENNSYLVANIA 19406

22 MAY 1980

Docket No. 70-1100

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

Gentlemen:

Subject: Inspection 70-1100/80-03

This refers to the inspection conducted by Mr. I. Cohen of this office on April 28 - May 1, 1980 of activities authorized by NRC License No. SNM-1067 and to the discussions of our findings held by Mr. Cohen with Mr. T. Bowie of your staff at the conclusion of the inspection.

Areas examined during this inspection are described in the Office of Inspection and Enforcement Inspection Report which is enclosed with this letter. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

Our inspector also verified the steps you had taken to correct the Items of Non-compliance brought to your attention in letters dated December 13, 1979 and March 26, 1980. We have no further questions regarding your actions at this time.

Based on the results of this inspection, it appears that one of your activities was not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A. This item of noncompliance has been categorized into the levels as described in our correspondence to you dated December 31, 1974. This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office, within twenty (20) days of your receipt of this notice, a written statement or explanation in reply including: (1) corrective steps which have been taken by you and the results achieved; (2) corrective steps which will be taken to avoid further items of noncompliance; and (3) the date when full compliance will be achieved.

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In accordance with Section 2.790(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, documentation of findings of your control and accounting procedures for safeguarding special nuclear materials and your facility security procedures are exempt from disclosure; therefore, the enclosures to this letter, and your response to this letter will not be placed in the Public Document Room and will receive limited distribution.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,



Walter G. Martin, Chief
Safeguards Branch

Enclosures:

1. Appendix A, Notice of Violation (Contains 2.790 Information)
2. Office of Inspection and Enforcement Inspection
Report Number 70-1100/80-03 (Contains 2.790 Info)