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CONTAINS 2.790 INFORMATION
UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA ST., N.W., SUITE 3100
ATLANTA, GEORGIA 30303

SEP 15 1980

In Reply Refer To
RII:JWB
70-1201/80-10

Babcock and Wilcox Company
ATTN: Mr. W. F. Heer, Manager
Virginia Operations, Nuclear Materials
and Manufacturing Division
Commercial Nuclear Fuel Plant
P. O. Box 800
Lynchburg, VA 24505

Gentlemen:

This refers to the inspection conducted by J. W. Bates of this office on August 19-21, 1980, of activities authorized by License No. SNM-1168 at Commercial Nuclear Fuel Plant and to the discussions of our findings held with W. F. Heer at the conclusion of the inspection.

Areas examined during this inspection included your program for nuclear material control and accountability under the applicable provisions of Title 10, Code of Federal Regulations, Part 70, "Special Nuclear Material", and specific license conditions. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, performance tests, and observations by the inspector.

Within the scope of this inspection, no items of noncompliance were disclosed.

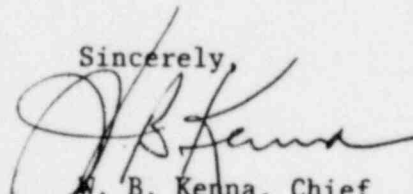
We have examined actions you have taken with regard to previously identified enforcement matters. These are discussed in the enclosed inspection report.

One new unresolved item resulted from this inspection and is discussed in the enclosed report. This item will be examined during subsequent inspections.

In accordance with Section 2.790(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, activities involving safeguards and security measures are exempt from public disclosure; therefore, the enclosed inspection report with the exception of the report cover page, which is an inspection summary, will not be placed in the Public Document Room.

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

Sincerely,


W. B. Kenna, Chief
Safeguards Branch

Enclosure: (See Page 2)

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SEP 13 1980

Babcock and Wilcox Company

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Enclosures:

1. Inspection Report No. 70-1201/80-10
(Exempt from Disclosure)
2. Inspection Summary
(Not Exempt)