



EXHIBIT IX

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

JUN 16 1980

SSINS 6300

MEMORANDUM FOR: F. P. Gillespie, Chief  
Material Control and Accountability Section

FROM: E. L. Clay, Safeguards Engineer

SUBJECT: GE PHYSICAL INVENTORY VERIFICATION

A preinventory preparation trip to GE Wilmington, North Carolina, was made on June 3-4, 1980. During this trip, several preliminary physical inventory verification ideas were put into operation. The RII contact for this inspection will be Rick Folick (141-1-919-343-5658).

1. Tentative schedule of events related to this physical inventory are as follows:

7/21 - 22/80	Spot RII measurements van at GE site
7/21/80	UF <sub>6</sub> Production to stop
7/28 - 8/10/80	Plant shutdown for physical inventory (2 weeks)
7/28 - 8/2/80	Inventory preparations by GE (measuring and sealing items for inventory)
8/3/80	RII selection of NDA standards from PI listing
8/4/80	All RII inspectors onsite at 0800 hours
8/4/80	HP and Safety Training at 0800 hours

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8/5 - 6/80	Weigh and sample boats and trays of UO <sub>2</sub> pellets
8/4 - 8/80	NDA verification of PI by RII inspectors
8/10/80	Plant to resume operations at 2300 hours

2. Each RII inspector must receive 3-4 hours of HP and Safety related training. This training will be scheduled for all inspectors as a group. Art Kaplan is handling this and is tentatively scheduled to occur on the morning of August 4, 1980.
3. Items on inventory subject to verification are anticipated to be:
  - a. UO<sub>2</sub> powder - 5,000 5-gallon cans
  - b. Scrap SNM - 2,000 5-gallon cans
  - c. UO<sub>2</sub> pellets - 2,000 boats and trays
4. The assignment of inventory teams and the location of each team is as follows:
  - a. Pellet Area - E. Clay
  - b. Scrap Pads - G. Todd
  - c. Blending and Press Preparation Area - D. Jones
  - d. Stacker Storage Area - J. Bates
  - e. Sample Preparation - J. Hodges
5. All SNM will be verified by check weighing and NDA with a RII SAM-II unit. This verification will include good UO<sub>2</sub> powder, 5-gallon cans of scrap on pad, and UO<sub>2</sub> pellets. Verification of UO<sub>2</sub> pellets will consist

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of weighing and sampling boats and trays.

6. GE will furnish manpower to move, and sample as needed, all SNM containers for each NDA team. Each inspection team will work for at least 40 hours during the period from August 4, 1980 to a half day on August 8, 1980. It is very important that all item verification be completed during this period since GE cannot assure item quarantine after August 8, 1980.
7. Since GE NDA equipment is set up for enrichment checks only, each inspection team will use RII equipment. Each RII SAM-II verification unit will be set up by E. Clay and tailored to the individual area of its use.
8. A computerized inventory listing by Station Location and Material Type will be available on August 3, 1980. Since a one day notice for additional computer listings is required, each inspector needing additional listings for his particular area should request such a listing at least 48 hours before it is intended to be used.
9. Each NDA team will be supported with sufficient license manpower to gross weigh and sample each item analyzed. Samples of standards will be pulled for each basically different enrichment analyzed by each team. Any container whose NDA analysis varies from the standard by more than 15% will also be sampled. Some duplicate samples will be required, each inspector should discuss this type of sampling with E. Clay. An approximate 10 gram sample will be pulled from each container sampled. The integrity of all RII samples must be protected by the inspector.

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A breakdown of the 1979 PI is enclosed to provide an example of selections of items for standards and sampling.

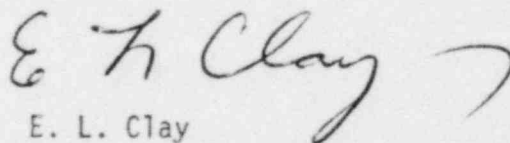
10. RII inspectors will place an NRC sticker on each container verified.
11. RII inspectors will execute NRC sample labels for each container sampled or quarantined for sampling.
12. The NRC measurements van will be located at the southeast corner of the FMO building. Inspection teams may use this vehicle during verification operations. GE has developed a new procedure for "Van Operations" (P&P 140-21, Rev. 3). RII inspectors are expected to follow this procedure as appropriate to their verification effort.
13. GE has a new sealing procedure for items to be shown on this current inventory listing. GE has stated that NRC Headquarters has given verbal approval to perform "Inventory Sealing" for this inventory. The new measurement protection technique requires that each container that has not been tamper-safed for this inventory, be checkweighed, NDA with a SAM-II unit for enrichment only, and identified by placement of a color coded "Inventory Seal" on each container.

This GE NDA enrichment check must agree with a previously made measurement to within the following tolerances:

- a. 0.032% U-235 for less than 2% U-235
- b. 0.050% U-235 for greater than 2% U-235

For this inventory, RII inspection teams will run into items that are "Tamper-safed" in the normal manner and items which are "Inventory Sealed". If there are potential discrepancies in container sealings, the inspector should be cognizant of possible violations of sealing procedures.

14. Each inspector is expected to provide input data for the inspection report following this inspection. All data should be neatly written for incorporation into the inspection report without further typing. A copy of a typical data sheet (8½ x 11") for reporting this required data is enclosed.
15. Each inspector will perform a statistical evaluation of the data obtained during this verification. This evaluation data will also be incorporated into the inspection report and should be neatly written. A typical data sheet, containing evaluation formulas to be used for this statistical evaluation, is enclosed.
16. All details of physical inventory verification analysis will be controlled as 2.790 information.



E. L. Clay  
Safeguards Engineer  
Material Control and Accountability  
Section

Enclosures:

1. Data sheet, UO<sub>2</sub> Pellets  
Trays and Boats (August 1979)
2. Data sheet, Good UO<sub>2</sub>  
Powder (August 1979)
3. Data sheet, Scrap  
(Pads 428 & 432)  
(August 1979)