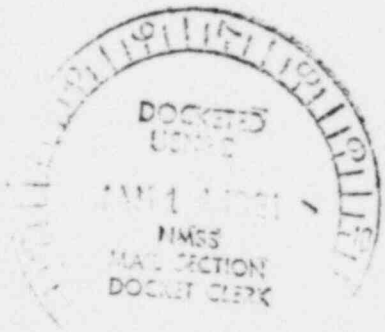
PDR 70-1100

C-E Power Systems
Combustion Engineering, Inc.
1000 Prospect Hill Road
Windsor, Connecticut 06095

Tel 203/688-1911
Telex 99297

POWER SYSTEMS



December 18, 1980

U.S. Nuclear Regulatory Commission
Division of Safeguards
7915 Eastern Ave.
Mail Stop 881-SS
Silver Spring, MD 20910

Attention: Mr. James G. Partlow, Chief
Material Control & Accountability
Licensing Branch

Gentlemen:

Pursuant to discussions held between representatives of Combustion Engineering, Inc., and the NRC on Thursday, November 6, 1980 at the NRC office in Silver Spring, the following describes the approach to be taken for item control of fuel rods during our December 1980 physical inventory.

In preparation for the physical inventory, the fuel rod tray labels, Production Control Location/Content Log, and the original fuel rod cards/pre-list summaries will all be compared against each other. This step will aid us in resolution of any problems and discrepancies prior to the start of the physical inventory, and gives us a reliable data base for inventory purposes. Additionally, Production Control item transfer logs, Accountability item transfer logs, and the NMM item transfer logs will be reconciled as of 11/30/80, assuring completeness of records. These steps are new control steps that will provide confidence in our records and our inventory pre-listings.

During the inventory, two procedures will be employed to provide confidence that the pre-listed inventory information is accurate:

1) Each and every rod in at least five randomly selected trays (minimum of 1,500 rods) will be identified and cross-checked against the appropriate tray listing. Any errors incurred in the checking of this large sample will be resolved pursuant to the requirements of 10 CFR 70.58.

2) In addition, the inventory teams will check every tray by identifying no less than 2.0% of the fuel rods, checking the rod identity numbers stamped on the rod against the tray listing. This is twice the number of rods checked during previous inventories. Any errors incurred in this step will be resolved pursuant to the requirements of 10 CFR 70.58.

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These measures are being initiated to provide significantly better item control and accurate inventory data. The additional control and large sample of cross-checks provides a very high degree of confidence that our information concerning the quantity, location, and identity of fuel rods is accurate and complete.

Additional control measures for the transfer and inventory of discrete items will be implemented as soon as they can be developed. These will be described in future correspondence as they are developed and implemented.

Very truly yours,

F. J. Pianki, General Manager
Nuclear Fuel Manufacturing-Windsor

FJP/GCK/hw

12/30.
Rod Inventory Procedures

DISTRIBUTION:
Docket File
Case File
PDR
SGML r/f 07001100D04M
NMSS r/f
SGPL r/f
JPartlow
PBrightsen
DWeiss
LRouse
HWerner, IE Hdqtrs
JBlaylock
WMartin, Reg I

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Combustion Engineering, Inc.
Nuclear Power Systems - Manufacturing
ATTN: H. V. Lichtenberger
Vice-President - Nuclear Fuel
1000 Prospect Hill Road
Windsor, Conn. 06095

Gentlemen:

This is in response to your submittal of December 18, 1980, describing the procedures to be implemented for item verification of low enriched uranium fuel rods for the physical inventory scheduled to begin the week of December 29, 1980.

Our review of this modified November 21, 1980 submittal concludes that the described approach is acceptable and is in accordance with the provisions of 10 CFR 70.32(c). Accordingly, License Condition 2.1.1 is hereby added to Amendment MPP-4, License No. SNM-1067, effective immediately, to read as follows:

2.1.1 "The licensee shall, for the inventory to be conducted during December 1980, in addition to the requirements of 10 CFR 70.51(f)(1) thru (3) and (4)(i) thru (iv), follow the item control of ~~his~~ the inventory procedures for SNM fuel rods committed to in their letter (TNX) dated December 18, 1980."

As discussed during the November 6, 1980 meeting at NRC Headquarters between representatives of Combustion Engineering, Inc. - Windsor and the NRC, the possibility of a 100% SNM fuel rod count/verification for all future physical inventories is presently being studied.

Sincerely,

/s/

James G. Partlow, Chief
Material Control and Accountability
Licensing Branch

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