



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

25 AUG 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 70-1100/80-06

This refers to the routine inspection conducted by Mr. I. Cohen of this office on July 22-24, 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 and to subsequent telephone discussions between Mr. Cohen and Mr. Bowie on July 29 and 30.

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.

Based on the results of this inspection, it appears that certain of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A. These items of noncompliance have 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.

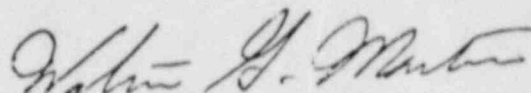
In accordance with Section 2.790(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, documentation of your control and accounting procedures for safeguarding special nuclear materials and your facility security measures for physical protection are deemed to be commercial or financial information within the meaning of 10 CFR 9.5(a)(4) and shall be subject to disclosure only in accordance with the provisions of 10 CFR 9.12; therefore, the enclosures to this letter will not be placed in the Public Document Room and will receive limited distribution.

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25 AUG 1980

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 70-1100/80-06 (Contains 2.790 Information)