



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

PDR
OCT 3 1978

Docket No. 50-367

Northern Indiana Public Service
Company
ATTN: Mr. Eugene M. Shorb
Senior Vice President
5256 Hohman Avenue
Hammond, IN 46325

Gentlemen:

This refers to the inspection conducted by Mr. G. F. Maxwell of this office on September 18, 1978, of activities at Bailly Nuclear Generating Station authorized by NRC Construction Permit No. CPPR-104 and to the discussion of our findings with Mr. R. J. Bohn and others of the Bailly staff at the conclusion of the inspection.

The enclosed copy of our inspection report identifies areas examined during the inspection. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel.

No items of noncompliance with NRC requirements were identified during the course of this inspection.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room, except as follows. If this report contains information that you or your contractors believe to be proprietary, you must apply in writing to this office, within twenty days of your receipt of this letter, to withhold such information from public disclosure. The application must include a full statement of the reasons for which the information is considered proprietary, and should be prepared so that proprietary information identified in the application is contained in an enclosure to the application.

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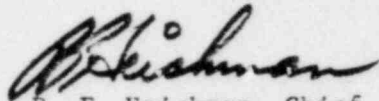
Northern Indiana Public
Service Company

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We will gladly discuss any questions you have concerning this inspection.

Sincerely,



R. F. Heishman, Chief
Reactor Construction and
Engineering Support Branch

Enclosure: IE Inspection
Report No. 50-367/78-06

cc w/encl:
Central Files
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Mr. Dean Hensell, Office
of Assistant Attorney
General