



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

NOV 08 1990

PDR

Docket No. 99900001/90-01

Mr. P. W. Ihde, President
Babcock & Wilcox Fuel Company
Post Office Box 10935
Lynchburg, Virginia 24506-0935

Dear Mr. Ihde:

This letter addresses the inspection of your facility at Lynchburg, Virginia conducted by Messrs. R. L. Cilimberg and L. L. Campbell of this office on October 15-19, 1990, and the discussions of their findings with Mr. W. L. Tibbs and other members of your staff at the conclusion of the inspection.

The purpose of the inspection was to determine if the fabrication, testing, and examination of fuel assembly end fittings at the Babcock & Wilcox Fuel Company's Commercial Nuclear Fuel Plant (CNFP) that were supplied to CNFP by the Kearsarge Metallurgical Corporation (KMC) are in accordance with nuclear utility and CNFP requirements. Areas examined during the NRC inspection and our findings are discussed in the enclosed report. This inspection consisted of an examination of procedures and representative records, visual examination of end fittings, interviews with personnel, and observations by the inspectors.

During this inspection it was found that the implementation of your QA program failed to meet certain NRC requirements. While the supply of the KMC fittings was found to be well documented and controlled by CNFP and KMC, the inspectors determined that CNFP's Quality Assurance (QA) program did not adequately address the processing and retention of radiographic records supplied by KMC. Additionally, one lower end fitting examined by the inspectors was found to be in nonconformance with CNFP receipt inspection requirements. The specific findings and references to the pertinent requirements are identified in the enclosures to this letter.

Please provide us within 30 days from the date of this letter a written statement containing: (1) a description of steps that have been or will be taken to correct these items identified in the enclosures; (2) a description of steps that have been or will be taken to prevent recurrence; and (3) the dates your corrective actions and preventive measures were or will be completed. We will consider extending the response time if you can show good cause for us to do so.

The response requested by this letter is not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

9011290100 901108
PDR QA999 EMVBW
99900001 PDC

IE09
11

NOV 08 1990

Mr. R. H. Ihde

- 2 -

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room.

Sincerely,



Uldis Potapovs, Acting Chief
Vendor Inspection Branch
Division of Reactor Inspection
and Safeguards
Office of Nuclear Reactor Regulation

Enclosures:

1. Appendix A - Notice of Nonconformance
2. Appendix B - Inspection Report 99900001/90-01