

JAN 19 1994

Docket No. 70-1113
License No. SNM-1097
EA 94-013

General Electric Company
ATTN: Mr. C. P. Kipp, General Manager
GE Nuclear Energy Production
P. O. Box 780
Wilmington, NC 28402

Gentlemen:

SUBJECT: NRC INSPECTION REPORT NO. 70-1113/93-12

This refers to the inspection conducted by C. H. Bassett of this office on December 28-30, 1993. The inspection included a review of activities authorized for your General Electric Company - Nuclear Energy Production facility. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress.

Based on the results of this inspection, two apparent violations were identified and are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), 10 CFR Part 2, Appendix C. The apparent violations involved the failure to implement criticality safety controls for your rotary pellet presses which resulted in the accumulation of approximately 32 kilograms of uranium and lubricant in the sump of the 7B rotary pellet press on December 21, 1993, and failure to take adequate corrective actions following a criticality safety audit in June of 1989. Accordingly, no Notice of Violation is presently being issued for these inspection findings. Please be advised that the number and characterization of apparent violations described in the enclosed inspection report may change as a result of further NRC review.

An enforcement conference to discuss these apparent violations has been scheduled to be held at the Region II offices at 1:00 p.m. on January 26, 1994. This enforcement conference will be open for public observation in accordance with the Commission's trial program as discussed in the enclosed *Federal Register* Notice (Enclosure 2). The purposes of this conference are to discuss the apparent violations, their causes and safety significance; to provide you the opportunity to point out any errors in our inspection report

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and to provide an opportunity for you to present your proposed corrective actions. In addition, this is an opportunity for you to provide any information concerning your perspective on 1) the severity of the issue, 2) the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and 3) the possible basis for exercising discretion in accordance with Section VII of the Enforcement Policy. You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding these apparent violations is required at this time.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

Should you have any questions concerning this letter, please contact us.

Sincerely,

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J. Philip Stohr, Director
Division of Radiation Safety
and Safeguards

Enclosures:

1. NRC Inspection Report
2. *Federal Register* Notice

cc w/encls:

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(SEE PAGE 3 - FOR ALL CONCURRENCES and bccs)

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