October 15, 1982

Babcock and Wilcox Company ATTN: R. A. Alto, Manager Nuclear Power Generation Division P. O. Box 800 Lynchburg, Virginia 24505

Gentlemen:

Subject: Report No. 70-1201/82-17

This refers to the routine safeguards inspection conducted by Mr. R. Goode of this office on September 29-30, 1982, of activities authorized by NRC License No. SNM-1168 at the Commercial Nuclear Fuel Plant and to the discussions of our findings held with you and members of your staff at the conclusion of the inspection.

Areas examined during this inspection included your program for safeguarding special nuclear material under the applicable provisions of Title 10, Code of Federal Regulations, Part 73, "Physical Protection of Plants and Materials" and the specific requirements of license conditions and your approved Security Plan. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, performance tests, and observations by the inspector.

Within the scope of this inspection, no violations or deviations were disclosed.

The material enclosed herewith contains Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the material, with the exception of the report cover page which is an inspection summary, will not be placed in the Public Document Room.

Should you have any questions concerning this letter, we will be glad to discuss them with you.

Sincerely.

A. F. Gibson, Chief Technical Inspection Branch Division of Engineering and Technical Programs

Enclosure: See Page 2

MATERIAL TRANSMITTED HEREWITH CONTAINS 2.790 INFORMATION

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Enclosure:

Inspection Report No.70-1201/82-17 (Exempt from Disclosure)

bcc w/encl: IE/DFFMS/SB NMSS File NMSS/SG

bcc w/Inspection Summary: Document Management Branch Commonwealth of Virginia

bcc w/o encl: License Fee Management Branch

RWGoode: pw 10/4/82

ORMCGuire 10/Ny/82

GPCorye 11/ 10/14/82 AFGibson 10/5/82