

FCOB:RFC

JUN 22 1994

Docket No. 70-1201  
License No. SNM-1168

B&W Fuel Company  
Commercial Nuclear Fuel Plant  
ATTN: Mr. C.W. Carr  
Plant Manager  
P.O. Box 11646  
Lynchburg, VA 24506-1646

Dear Mr. Carr:

SUBJECT: INSPECTION NO. 70-1201/94-201

The Nuclear Regulatory Commission conducted a routine inspection of your facility's material control and accounting (MC&A) safeguards program on May 16 - May 20, 1994. The scope and results of the inspection are summarized in Enclosure 1 and the areas examined during the inspection are detailed in Enclosure 2.

The inspection consisted of selective examinations of procedures and representative records, interviews with personnel and observations of activities in progress. At the conclusion of the inspection, the findings were discussed with you and members of your staff.

The inspection findings indicate that certain activities appeared to violate NRC requirements. Although the failure to meet these requirements has not significantly decreased the effectiveness of the safeguards program, it does reflect some weaknesses. Accordingly, a Severity Level V violation has been imposed. The violation, references to pertinent requirements and details to be addressed in your response are described in Enclosure 3.

In addition to the violation, several inspector follow-up items (IFIs) were opened, two of which relate to statistical aspects of your MC&A program. These IFIs along with observations made during this and previous inspections suggest the need for additional support in the statistical area. This concern was expressed by the inspectors during the inspection. In addition to your reply to the above mentioned violation, we request that you provide a separate response addressing your plans for improvement in the statistical areas of your MC&A program.

Under the provisions of Section 2.790(d), reports containing information related to a licensee's MC&A program are exempt from public disclosure. Accordingly, Enclosures 2 and 3 will not be placed in the Public Document Room.

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The responses directed by this letter and its enclosures are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, P.L. No. 96-511.

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

Sincerely,

*Original Signed by*

Jerome Roth, Acting Chief  
Operations Branch  
Division of Fuel Cycle Safety  
and Safeguards, NMSS

Enclosures:  
As stated

cc: w/o Enclosures 2&3  
Commonwealth of Virginia

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