

JUN 23 1983

Babcock and Wilcox Company
ATTN: Mr. R. A. Alto, Manager
Virginia Operations, Utility
Power Generation Division
Commercial Nuclear Fuel Plant
P. O. Box 800
Lynchburg, VA 24505

Gentlemen:

SUBJECT: REPORT NO. 70-1201/83-07

This refers to the routine safeguards inspection conducted by Mr. E. L. Clay of this office on May 16-20, 1983, of activities authorized by NRC License No. SNM-1168 at Commercial Nuclear Fuel facility and to the discussions of our findings held with Mr. L. T. Lee, Manager, Manufacturing at the conclusion of the inspection.

Areas examined during this inspection included your program for nuclear material control and accountability under the applicable provisions of Title 10, Code of Federal Regulations, Part 70, "Special Nuclear Material," and specific license conditions. 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.

In accordance with Section 2.790(d) of the NRC's "Rules of Practice", Part 2, Title 10, Code of Federal Regulations, activities involving safeguards and security measures are exempt from public disclosure; therefore, the enclosed report with the exception of the cover page, which is an inspection summary, will not be placed in the Public Document Room.

Upon completion of our analyses of samples selected from your inventory, we will write you again with respect to our findings and conclusions.

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

Sincerely,

J. Philip Stohr, Director
Division of Emergency Preparedness
and Materials Safety Programs

Enclosure:
Inspection Report No. 70-1201/83-07
(Exempt from Disclosure)

JUN 28 1983

bcc w/Inspection Summary:
Commonwealth of Virginia

bcc w/encl:
Document Management Branch
Chief of Safeguards Branch, DSRSI
Chief, Division of Safeguards
Licensing Branch, 881SS

bcc w/o encl:
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EL21 *[Signature]* Wcmc
6/26/83

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GPC *[Signature]* Coryell
6/28/83

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ED *[Signature]* McAdams
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JP *[Signature]* Stohr
6/28/83