

October 27, 1994

DCD/DCB

Combustion Engineering, Inc.
ATTN: Mr. R. W. Sharkey
Manager, Regulatory Compliance
3300 State Road P
Hematite, MO 63047

SUBJECT: SPECIAL INSPECTION OF LICENSEE'S IMPLEMENTATION OF STRIKE PLANS
INSPECTION NO. 070-00036/94002

Dear Mr. Sharkey:

This refers to the special safety inspection conducted by Mr. G. M. France, III of this office on August 11 through September 1, 1994, of activities authorized by NRC Special Nuclear Material License No. SNM-33, and to the discussion of his findings with you and your staff concerning the adequacy of your strike contingency plan in maintaining plant operations as required.

The enclosed copy of our inspection report identifies areas examined during the inspection. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel.

During this inspection, certain of your activities were found to be in violation of NRC requirements, as specified in the enclosed Notice. A written response is required.

In addition to the violation identified in the Notice of Violation, a non-cited violation was identified concerning the moisture content of Special Nuclear Material in storage. Since the finding was considered an administrative or procedure violation with minor health and safety significance and was corrected during the inspection, the NRC will exercise discretion and consider this to be a non-cited violation in accordance with 10 CFR Part 2, Appendix C, VII (B) (2). No response is required regarding the non-cited violation.

Other concerns, especially the incidents surrounding the erbium oxide process, and the storage of combustible contaminated materials, if unattended, could cause a programmatic weakening of your ALARA program. These concerns were identified in the report as Inspection Follow-up Items that need additional management attention. The actions that you may take or plan to take to resolve these concerns will be reviewed during a future inspection.

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Mr. R. W. Sharkey

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In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter, the enclosures, and your response to this letter will be placed in the NRC Public Document Room.

The response directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1990, PL 96-511.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,

Original Signed By

Gary L. Shear, Chief
Fuel Cycle and Decommissioning Branch

Docket No. 070-00036
License No. SNM-33

Enclosures: 1. Notice of Violation
2. Inspection Report No. 070-00036/94002

cc w/encls: R. S. Siudek, President, ABB CE Nuclear Fuel
S. B. Junkrans, Vice President, Fuel Operations
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DATE	10/25/94		10/27/94		10/27/94		

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