

J. P. Stohr

Babcock & Wilcox

a McDermott company

Utility Power Generation Division
Commercial Nuclear Fuel Plant

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June 18, 1984

United States Nuclear Regulatory Commission
Region II
101 Marietta Street, N.W.
Suite 3100
Atlanta, GA 30303

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

References: (1) SNM-1168, Docket 70-1201
(2) Inspection Report No. 70-1201/84-02

Gentlemen:

This letter addresses the findings noted in Inspection Report No. 70-1201/84-02 received May 29, 1984. The inspection was performed by Mr. R. H. Albright of your office on April 17-20, 1984, and the violation was discussed in a telephone conversation on May 17, 1984.

During the course of the inspection, one item of non-compliance was identified.

VIOLATION: License Condition No. 9 requires that licensed material be used in accordance with statements, representations and conditions contained in Section V, VI and VII of the licensee's application dated February 27, 1981 and supplements dated January 29, July 12, December 6 and December 16, 1982 and January 28 and February 24, 1983.

Section V, Conditions, subsection 5.0 Administrative, paragraph 5.3 specifies that the Facilities Control Section shall be the reporting chain for the person trained in health physics and the Health-Safety Foreman.

Contrary to the above, starting April 4, 1984, the licensee failed to conform to the Health-Safety organization reporting requirements in that the licensee implemented a reorganization which changed the reporting chain of the health physicist and the Health-Safety Foreman to the Regulatory Control Manager instead of the Facilities Control Manager.

This is a Severity Level V violation (Supplement VI).

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VIOLATION: (continued)

Response: 1. Admission or Denial of the Alleged Violation

We acknowledge the validity of the facts contained in the Notice of Violation.

2. Reasons for Violation

Business organizations are dynamic in nature, and it is a necessary requisite of good business management to act in response to changes in business conditions as they arise in order to properly fulfill management responsibilities, and provide for effective operation of plant safety functions.

3. Corrective Steps Taken & Results Achieved

Revised pages of license SNM-1168 which reflect the organizational changes were submitted for NRC approval May 4, 1984. These changes are consistent with the need and intent of providing adequate separation between safety and production functions to assure proper and safe operation of the plant.

4. Corrective Steps Which Will Be Taken to Avoid Further Violation

In recognition of the need to make organization changes while simultaneously assuring that the assignment of Health and Safety functions rests with individuals capable of discharging the assigned responsibilities, we will be submitting a license amendment request authorizing the Safety Review Board to rule on such matters, with specific limitations imposed.

5. Date When Full Compliance Will Be Achieved

Full compliance will be achieved upon satisfaction of any questions NRC Licensing may have on the reorganization amendment which was submitted May 4, 1984.

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The information contained herein is true and correct to the best of our knowledge and belief.

If questions arise during your review, please feel free to contact either Mr. J. T. Ford or myself.

Sincerely,

BABCOCK & WILCOX COMPANY
COMMERCIAL NUCLEAR FUEL PLANT


D. W. Zeff, Manager
Materials & Facilities

DWZ:cmr

cc: R. A. Alto
W. L. Coleman
J. T. Ford
R. H. Ihde
J. P. Watters