



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

PDR

NOV 15 1978

Docket No. 70-36

Combustion Engineering, Inc.
ATTN: Mr. H. V. Lichtenberger
Vice President - Manufacturing
Nuclear Power Systems
Windsor, CT 06095

Gentlemen:

This refers to the inspection conducted by Messrs. C. C. Peck and W. L. Fisher of this office on October 10-13, 1978, of activities at Hematite, Missouri authorized by NRC Special Nuclear Material License No. SNM-33 and to the discussion of our findings with Mr. J. A. Rode and members of his staff at the conclusion of the inspection.

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.

No items of noncompliance with NRC requirements were identified during the course of this inspection.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room, except as follows. If this report contains information that you or your contractors believe to be proprietary, you must apply in writing to this office, within twenty days of your receipt of this letter, to withhold such information from public disclosure. The application must include a full statement of the reasons for which the information is considered proprietary, and should be prepared so that proprietary information identified in the application is contained in an enclosure to the application.

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

Sincerely,

W. L. Fisher
for A. B. Davis, Chief
Fuel Facility and Materials
Safety Branch

Enclosure: IE Inspection
Report No. 70-36/78-08

cc w/encl:
Mr. J. A. Rode, Plant
Manager
Central Files
Reproduction Unit NRC 20b
PDR
NSIC