Tennessee Valley Authority
ATTN: Mr. J. A. Scalice
Chief Nuclear Officer and
Executive Vice President
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

SUBJECT:

NRC INTEGRATED INSPECTION REPORT NO. 50-327/99-08 AND

50-328/99-08

Dear Mr. Scalice:

On January 1, 2000, the NRC completed an inspection at your Sequoyah 1 & 2 reactor facilities. The enclosed report presents the results of this inspection. The results of the inspection were discussed on January 6, 2000, with Mr. M. Bajestani and other members of your staff.

The inspection was an examination of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas the inspection consisted of a selective examination of procedures and representative records, observations of activities, and interviews with personnel. The inspection covered routine resident inspections and a scheduled licensed operator requalification inspection.

Based on the results of these inspections, the NRC identified one issue of low safety significance that has been entered into your corrective action program and is discussed in the summary of findings and in the body of the attached inspection report. The issue involved a violation of NRC requirements, but because of its low safety significance the violation is not cited. If you contest this noncited violation, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region II; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Sequoyah facility.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

Sincerely,

(Original signed by Paul E. Fredrickson)

Paul E. Fredrickson, Chief Reactor Projects Branch 6 Division of Reactor Projects

Docket Nos. 50-327, 50-328 License Nos. DPR-77, DPR-79

Enclosure: NRC Inspection Report

cc w/encl:

Karl W. Singer, Senior Vice President Nuclear Operations Tennessee Valley Authority Electronic Mail Distribution

Jack A. Bailey, Vice President Engineering and Technical Services Tennessee Valley Authority Electronic Mail Distribution

Masoud Bajestani Site Vice President Sequoyah Nuclear Plant Electronic Mail Distribution

General Counsel
Tennessee Valley Authority
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County Executive Hamilton County Courthouse Chattanooga, TN 37402-2801 <u>Distribution w/encl</u>: R. W. Hernan, NRR H. N. Berkow, NRR PUBLIC

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