

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

SUBJECT: CONFIRMATORY ORDER MODIFYING LICENSE

Dear Mr. Scalice:

The Commission has issued the enclosed Confirmatory Order Modifying License (Order) for the Tennessee Valley Authority (TVA) Sequoyah Nuclear Plant, Units 1 and 2. This Order confirms TVA's commitment, as stated in your letter dated June 25, 1997, to complete implementation of Thermo-Lag 330-1 fire barriers corrective actions by June 30, 1999. This commitment was reaffirmed in your letter of consent to a confirmatory order dated May 13, 1998.

You should proceed with implementation of these corrective actions in accordance with your proposed schedule.

A copy of this Order is being filed with the Office of the Federal Register for publication.

Sincerely,

/s/

Ronald W. Hernan, Senior Project Manager
 Project Directorate II-3
 Division of Reactor Projects - I/II
 Office of Nuclear Reactor Regulation

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Docket No. 50-327 and 50-328

Enclosure: Order

cc w/encl: See next page

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NAME	RHernan <i>RH</i>	BClayton <i>BC</i>	FHebdon <i>FH</i>	JZwolinski	RHeffling
DATE	6/1/98	6/1/98	6/8/98	6/9/98	6/11/98

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OFC	#1 6/11 ADPR(A)	D:MRR
NAME	BBoger <i>B</i>	SCollins
DATE	6/15/98	6/15/98

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

June 18, 1998

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

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Sincerely,

A handwritten signature in cursive script that reads "Ronald W. Hernan".

Ronald W. Hernan, Senior Project Manager
Project Directorate II-3
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket Nos. 50-327 and 50-328

Enclosure: Order

cc w/encl: See next page

SEQUOYAH NUCLEAR PLANT

Mr. J. A. Scalice
Tennessee Valley Authority

cc:
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Vice President
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Senior Resident Inspector
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Soddy Daisy, TN 37379

Mr. Michael H. Mobley Director
Division of Radiological Health
3rd Floor, L and C Annex
401 Church Street
Nashville, TN 37243-1532

County Executive
Hamilton County Courthouse
Chattanooga, TN 37402-2801

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

In the Matter of

Tennessee Valley Authority

Sequoyah Nuclear Plant, Units 1 and 2

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Docket Nos. 50-327 and 50-328

CONFIRMATORY ORDER MODIFYING LICENSE

EFFECTIVE IMMEDIATELY

I.

Tennessee Valley Authority (TVA, or the Licensee) is the holder of Facility Operating License Nos. DPR-77 and DPR-79, which authorizes operation of Sequoyah Nuclear Plant, Units 1 and 2 located in Hamilton County, Tennessee.

II.

The staff of the U.S. Nuclear Regulatory Commission (NRC) has been concerned that Thermo-Lag 330-1 fire barrier systems installed by licensees may not provide the level of fire endurance intended and that licensees that use Thermo-Lag 330-1 fire barriers may not be meeting regulatory requirements. During the 1992 to 1994 timeframe, the NRC staff issued Generic Letter (GL) 92-08, "Thermo-Lag 330-1 Fire Barriers" and subsequent requests for additional information that requested licensees to submit plans and schedules for resolving the Thermo-Lag issue. The NRC staff has obtained and reviewed all licensees' corrective plans and schedules. The staff is concerned that some licensees may not be making adequate progress toward resolving the plant-specific issues, and that some implementation schedules may be either too tenuous or too protracted. For example, several licensees informed the NRC

staff that their completion dates had slipped by 6 months to as much as 3 years. For plants that have completion action scheduled beyond 1997, including Sequoyah Nuclear Plant, Units 1 and 2, the NRC staff has met with the licensees to discuss the progress of the licensees' corrective actions and the extent of licensee management attention regarding completion of Thermo-Lag corrective actions. In addition, the NRC staff discussed with licensees the possibility of accelerating their completion schedules.

TVA was one of the licensees with which the NRC staff held meetings. At the May 30, 1997, meeting, the NRC staff reviewed with TVA the schedule of Thermo-Lag corrective actions for the Sequoyah units described in the handout presented to the NRC during that meeting. Based on the information provided during the meeting, as well as a subsequent letter dated June 25, 1997, the NRC staff has concluded that the schedules presented by TVA are reasonable. This conclusion is based on (1) the amount of installed Thermo-Lag, (2) the complexity of the plant-specific fire barrier configurations and issues, (3) the need to perform certain plant modifications during outages as opposed to those that can be performed while the plant is at power, and (4) integration with other significant, but unrelated issues that TVA is addressing at its plant. In order to remove compensatory measures such as fire watches, it has been determined that resolution of the Thermo-Lag corrective actions by TVA must be completed in accordance with current schedules. By letter dated April 29, 1998, the NRC staff notified TVA of its plan to incorporate TVA's schedule commitment into a requirement by issuance of an order and requested consent from the Licensee. By letter dated May 13, 1998, TVA provided its consent to issuance of a Confirmatory Order.

III.

The Licensee's commitment as set forth in its letter of May 13, 1998, is acceptable and is necessary for the NRC to conclude that public health and safety are reasonably assured.

To preclude any schedule slippage and to assure public health and safety, the NRC staff has determined that the Licensee's commitment in its May 13, 1998, letter be confirmed by this Order. The Licensee has agreed to this action. Based on the above, and the Licensee's consent, this Order is immediately effective upon issuance.

IV.

Accordingly, pursuant to sections 103, 161b, 161i, 161o, 182, and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.202 and 10 CFR Part 50, IT IS HEREBY ORDERED, effective immediately, that:

The Tennessee Valley Authority (TVA) shall complete final implementation of Thermo-Lag 330-1 fire barrier corrective actions at the Sequoyah Nuclear Plant, Units 1 and 2 as described in the TVA submittal dated June 25, 1997. Walkdowns, evaluations, and upgrades will be completed by June 30, 1999.

The Director, Office of Nuclear Reactor Regulation, may relax or rescind, in writing, any provisions of this Confirmatory Order upon a showing by the Licensee of good cause.

V.

Any person adversely affected by this Confirmatory Order, other than the Licensee, may request a hearing within 20 days of its issuance. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time must be made in writing to the Director, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, and include a statement of good cause for the extension. Any request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Attention: Rulemaking and Adjudications Staff, Washington, D.C. 20555. Copies of the hearing request shall also be sent to the Director, Office of Nuclear

Reactor Regulation, U. S. Nuclear Regulatory Commission, Washington, D. C. 20555, to the Deputy Assistant General Counsel for Enforcement at the same address, to the Regional Administrator, NRC Region II at the Atlanta Federal Center, 23 T85, 61 Forsyth Street, SW., Atlanta, Georgia 30303-3415, and to the Licensee. If such a person requests a hearing, that person shall set forth with particularity the manner in which his/her interest is adversely affected by this Order and shall address criteria set forth in 10 CFR 2.714(d).

If a hearing is requested by a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any such hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Confirmatory Order should be sustained.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section IV above shall be final 20 days from the date of this Order without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section IV shall be final when the extension expires if a hearing request has not been received. An answer or a request for hearing shall not stay the immediate effectiveness of this Order.

FOR THE NUCLEAR REGULATORY COMMISSION


Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this 18th day of June 1998

June 15, 1998

Reactor Regulation, U. S. Nuclear Regulatory Commission, Washington, D. C. 20555, to the Deputy Assistant General Counsel for Enforcement at the same address, to the Regional Administrator, NRC Region II at the Atlanta Federal Center, 23 T85, 61 Forsyth Street, SW., Atlanta, Georgia 30303-3415, and to the Licensee. If such a person requests a hearing, that person shall set forth with particularity the manner in which his/her interest is adversely affected by this Order and shall address criteria set forth in 10 CFR 2.714(d).

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FOR THE NUCLEAR REGULATORY COMMISSION
Original signed by
Samuel J. Collins
Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this day of June 1998

* See previous Concurrence

OFC	PM:PD II-3	LA:PD II-3	PD:PD II-3	D:DRPE(A)*	OGC
NAME	RHernan*	BClayton*	FHebdon*	JZwolinski*	RHoefling*
DATE	6/1/98	6/1/98	6/8/98	6/8/98	6/11/98
OFC	ADPR(A)	D:NRB			
NAME	BBoger	SCollins			
DATE	6/15/98	6/15/98			

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Samuel J. Collins**

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this day of June 1998

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