

January 2, 1997

Tennessee Valley Authority
ATTN: Mr. Oliver D. Kingsley, Jr.
President, TVA Nuclear and
Chief Nuclear Officer
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

**SUBJECT: (NRC INSPECTION REPORT 50-327/96-12 AND 50-328/96-12)
NOTICE OF VIOLATION**

Dear Mr. Kingsley:

An NRC inspection was conducted December 2 - 6, 1996, at your Sequoyah 1 and 2 reactor facilities. This was an inspection of your implementation of the requirements of 10 CFR 50.65, "Requirements for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants" [the Maintenance Rule]. The enclosed report presents the results of that inspection.

Your program for implementing the requirements of the Maintenance Rule followed the guidance provided in NUMARC 93-01, "Industry Guideline for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated May 1993, which was endorsed in Regulatory Guide 1.160, "Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated January 1995. The inspection concluded that your program was comprehensive and was being effectively implemented.

Strengths were noted in the conduct of Expert Panel Meetings, Probabilistic Risk Assessment (PRA) procedures in support of the Rule, and your self assessments of the program. The team was concerned with the number of radiation monitor functional failures, the effectiveness of the risk matrix and associated procedure for on-line removal of equipment from service, and with walkdown deficiencies identified in the switchyard, non-safety related motor operated valve (MOV) boards, and main feedwater pump turbines.

Based on the results of this inspection, the NRC has determined that a violation of NRC requirements occurred. The violation was not directly related to implementation of the Maintenance Rule, but is of concern because of its similarity to a violation issued in NRC Inspection Report 50-327,328/96-05.

The violation is cited in the enclosed Notice of Violation, and the circumstances surrounding the violation are described in detail in the enclosed report. Please note that you are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to insure compliance with regulatory requirements.

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

Sincerely,

ORIGINAL SIGNED BY:
DAVID M. VERRELLI/FOR

Harold O. Christensen, Chief
Maintenance Branch
Division of Reactor Safety

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

Attachment: Handout on "Sequoyah Nuclear Plant
Maintenance Rule Presentation
December 1996"

Enclosures: 1. Notice of Violation
2. Inspection Report
50-327/96-12,
50-328/96-12

cc w/encls:
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