



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET SW SUITE 23T85
ATLANTA, GEORGIA 30303-8931

SAFEGUARDS INFORMATION

October 20, 2006

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

SUBJECT: SEQUOYAH NUCLEAR PLANT - NRC PHYSICAL SECURITY BASELINE
INSPECTION REPORT 05000327/2006007 AND 050003282006007

Dear Mr. Singer:

On September, 21 2006, the U. S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your Sequoyah Nuclear Plant. The enclosed report documents the inspection findings, which were discussed with Mr. R. Douet, and other members of your staff on September 21, 2006. A final telephone exit was conducted with Mr. D. Kulisek and other members of staff on October 17, 2006.

This inspection examined activities conducted under your license as they relate to and compliance with the Commission's rules and regulations and with the conditions of your license. The inspector reviewed selected procedures and records, observed activities, and interviewed personnel.

This report documents one finding of very low security significance as determined by the Physical Protection Significance Determination Process. The deficiency was promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspector left the site.

The NRC is treating this violation as a non-cited violation (NCV) consistent with Section VI.A.1 of the NRC Enforcement Policy because of the very low security significance of the violation and because it was entered into your corrective action program. If you contest this non-cited 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 20555-001; with copies to the Regional Administrator Region II; the

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Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Sequoyah Nuclear Plant.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system, ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390 a copy of this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system, ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security Related Information-Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390 (b)(1).

Sincerely,

/RA/

Brian R. Bonser, Chief
Plant Support Branch 2
Division of Reactor Safety

Docket No.: 50-327, 50-328
License No: DRP-77, DRP-79

Enclosure: NRC Inspection Report No. 05000327/2006007 and 05000328/2006007
w/Attachment: Supplemental Information (**Safeguards Information**)

cc w/encl:
Ashok S. Bhatnagar
Senior Vice President
Nuclear Operations
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

cc w/o encl: (See page 3)

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cc w/o encl:

Preston D. Swafford
Senior Vice President
Nuclear Support
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402

Larry S. Bryant, Vice President
Nuclear Engineering &
Technical Services
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

Randy Douet
Site Vice President
Sequoyah Nuclear Plant
Tennessee Valley Authority
P. O. Box 2000
Soddy-Daisy, TN 37379

General Counsel
Tennessee Valley Authority
ET 11H
400 West Summit Hill Drive
Knoxville, TN 37902

John C. Fornicola, General Manager
Nuclear Assurance and Licensing
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

(cc w/o encl cont'd - See page 4)

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(cc w/o encl cont'd)
Russell R. Thompson, Acting Manager
Corporate Nuclear Licensing
and Industry Affairs
Tennessee Valley Authority
4X Blue Ridge
1101 Market Street
Chattanooga, TN 37402-2801

Glenn W. Morris, Manager
Licensing and Industry Affairs
Sequoyah Nuclear Plant
Tennessee Valley Authority
P. O. Box 2000
Soddy-Daisy, TN 37384-2000

David A. Kulisek, Plant Manager
Sequoyah Nuclear Plant
Tennessee Valley Authority
P. O. Box 2000
Soddy-Daisy, TN 37384-2000

Lawrence E. Nanney, Director
TN Dept. of Environment & Conservation
Division of Radiological Health
3rd Floor, LNC Annex
401 Church Street
Nashville, TN 37243-1532

County Mayor
Hamilton County Courthouse
Chattanooga, TN 37402-2801

Ann Harris
341 Swing Loop
Rockwood, TN 37854

James H. Bassham, Director
Tennessee Emergency Management Agency
P. O. Box 41502
Nashville, TN 37204-1502

Distribution w/encl: (See page 5)

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Distribution w/encl:
B. Westreich, NSIR
E. McNiel, NSIR

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Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Sequoyah Nuclear Plant.

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Sincerely,
/RA/
Brian R. Bonser, Chief
Plant Support Branch 2
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Docket No.: 50-327, 50-328
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Enclosure: NRC Inspection Report No. 05000327/2006007 and 05000328/2006007
w/Attachment: Supplemental Information (**Safeguards Information**)

cc w/encl:
Ashok S. Bhatnagar
Senior Vice President
Nuclear Operations
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

cc w/o encl: (See page 3)

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OFFICE	RII:DRS	RII:DRS	RII:DRS	RII:DRS	RII:DRP	RII:DRP
SIGNATURE	RA	RA	RA			
NAME	JShehee	BBonser	MWidmann			
DATE	10/19/06	10/20/06	10/20/06	10/ /06		
E-MAIL	YES NO	YES NO	YES NO	YES NO	YES NO	
PUBLIC	YES w/o SGI					

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