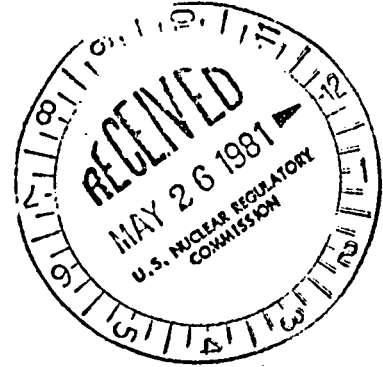




UNITED STATES
 NUCLEAR REGULATORY COMMISSION
 REGION II
 101 MARIETTA ST., N.W., SUITE 3100
 ATLANTA, GEORGIA 30303

MAY 14 1981



Tennessee Valley Authority
 ATTN: H. G. Parris
 Manager of Power
 500A Chestnut Street Tower II
 Chattanooga, TN 37401

IE FILE COPY

Gentlemen:

Subject: Report Nos. 50-390/81-03 and 50-391/81-03

This refers to the routine inspection conducted by Mr. J. McDonald of this office on February 1 thru March 18, 1981, of activities authorized by NRC Construction Permit Nos. CPPR-91 and CPPR-92 for the Watts Bar facility. Our preliminary findings were discussed with Mr. J. E. Wilkins, Project Manager, at the conclusion of the inspection.

Areas examined during the inspection and our findings are discussed in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspectors.

During the inspection, it was found that certain activities under your license appear to violate NRC requirements. These items and references to pertinent requirements are listed in the Notice of Violation enclosed herewith as Appendix A. Elements to be included in your response are delineated in Appendix A.

In addition to the need for corrective action regarding these specific violations, we are concerned about the implementation of your quality assurance program that permitted their occurrence. Consequently, in your reply, you should describe in particular those actions taken or planned to improve the effectiveness of your quality assurance program.

We have examined actions you have taken with regard to previously identified enforcement matters. These are discussed in the enclosed inspection report.

Seven new unresolved items are identified in the enclosed inspection report. These items will be examined during subsequent inspections.

In accordance with Section 2.790 of the NRC "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 Public Document Room. If this report contains any information that you believe to be proprietary, it is necessary that you make a written application within 20 days to this office to withhold such information from public disclosure. Any such application must include the basis

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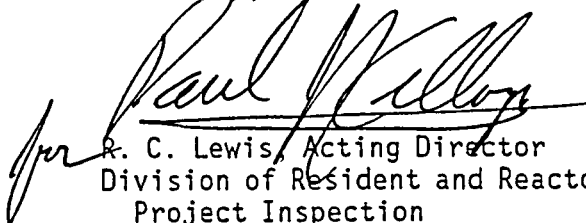
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MAY 14 1981

for claiming that the information is proprietary and the proprietary information should be contained in a separate part of the document. If we do not hear from you in this regard within the specified period, the report will be placed in the Public Document Room.

Should you have any questions concerning this letter, we will be glad to discuss them with you.

Sincerely,


R. C. Lewis, Acting Director
Division of Resident and Reactor
Project Inspection

Enclosures:

1. Appendix A, Notice of Violation
2. Inspection Report Nos. 50-390/81-03
and 50-391/81-03

cc w/encl:

H. J. Green, Division Director
C. C. Mason, Acting Plant
Superintendent
J. E. Wilkins, Project Manager
J. F. Cox, Supervisor, Nuclear
Licensing Section
D. P. Ormsby, Project Engineer
H. N. Culver, Chief, Nuclear Safety
Review Staff