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 NO. 50-390/94-85 AND 50-391/94-85

Gentlemen:

This refers to the inspection conducted by J. Coley of this office on December 12-16 and December 20-23, 1994. The inspection included a review of activities authorized for your Watts Bar facility. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress.

The enclosed Inspection Report identifies activities that violated NRC requirements that will not be subject to enforcement action because the licensee's efforts in identifying and/or correcting the violation meet the criteria specified in Section VII.B. of the Enforcement Policy.

We are concerned with an issue, discussed in the enclosed inspection report, involving inappropriate quality control related to inspection hold points. Based on a telephone call between TVA and NRC on December 29, 1994, we understand that the problem was not an isolated instance and that corrective action has been taken. We expect that there be procedural adherence in all areas, but we believe that you should set the highest standards for procedural adherence in the area of quality assurance and control.

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.

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Should you have any questions concerning this letter, please contact us.

Sincerely,

Original Signed By: J. P. Jaudon

Johns P. Jaudon, Deputy Director TVA Construction Division of Reactor Projects

Docket Nos. 50-390, 50-391 License Nos. CPPR-91, CPPR-92

Enclosure: NRC Inspection Report

cc w/encl:
Dr. Mark O. Medford, Vice President
Engineering and Technical Services
Tennessee Valley Authority
3B Lookout Place
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Mr. D. E. Nunn, Vice President New Plant Completion Tennessee Valley Authority 3B Lookout Place 1101 Market Street Chattanooga, TN 37402-2801

Mr. J. A. Scalice Site Vice President Watts Bar Nuclear Plant Tennessee Valley Authority Route 2, P. O. Box 2000 Spring City, TN 37381

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

Mr. P. P. Carier, Manager Corporate Licensing 4G Blue Ridge 1101 Market Street Chattanooga, TN 37402-2801

Mr. B. S. Schofield Site Licensing Manager Watts Bar Nuclear Plant Tennessee Valley Authority P. O. Box 2000 Spring City, TN 37381

TVA Representative Tennessee Valley Authority 11921 Rockville Pike Suite 402 Rockville, MD 20852

Honorable Robert Aikman County Executive Rhea County Courthouse Dayton, TN 37321

Honorable Garland Lanksford County Executive Meigs County Courthouse Decatur, TN 37322

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

(cc w/encl cont'd - See page 3)

Ms. Danielle Droitsch Energy Project The Foundation for Global Sustainability P. O. Box 1101 Knoxville, TN 37901

Mr. Bill Harris Route 1, Box 26 Ten Mile, TN 37880

<u>Distribution w/encl</u>:

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NRC PUBLIC

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