

Official copy

SEP 12 1994

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

Gentlemen:

SUBJECT: NOTICE OF VIOLATION
(NRC INSPECTION REPORT NO. 50-390, 391/94-37)

This refers to the NRC team inspection conducted June 6 through June 17, 1994, and July 11-29, 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 enclosed report.

Areas examined during the team inspection are limited to your corrective action program and followup items associated with your corrective action program. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress.

Based on the results of this inspection, certain of your activities appeared to be in violation of NRC requirements, as specified in the enclosed Notice of Violation (Notice).

Additionally, 35 examples of violations were identified and discussed in this report, but they have not been cited because you have identified similar issues recently and documented these in Significant Corrective Action Report (SCAR) WBSA940033.

Prior to the resumption of construction in late 1991, an August 26, 1991, letter from J. Taylor, NRC Executive Director for Operations, to O. Kingsley, President TVA Generating Group, stated that "...corrective actions must be effectively implemented such that, upon completion of construction, all regulatory requirements and TVA commitments specified in the FSAR and other documents are met. It is essential that TVA fully understands that the quality of design and construction must be fully verified and documented in such a manner that the NRC staff can reach a conclusion that the unit meets all requirements and can be operated without undue risk to public health and safety before any unit can be granted an operating license."

The results of our inspection, coupled with your Quality Assurance assessment findings, are of concern to us, considering that your corrective action program deficiencies were a partial cause of your stop work order in 1990. Although our inspection did not identify any direct hardware deficiencies,

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incomplete implementation of your corrective action procedures does raise a question regarding hardware adequacy. Only vigorous compliance with your corrective action procedures can assure that the required quality standards are met. Based on the results of this inspection, the NRC staff is not yet able to conclude that you have achieved this standard.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. You should further indicate what management actions have been taken or are planned to assure improved implementation of your existing corrective action program.

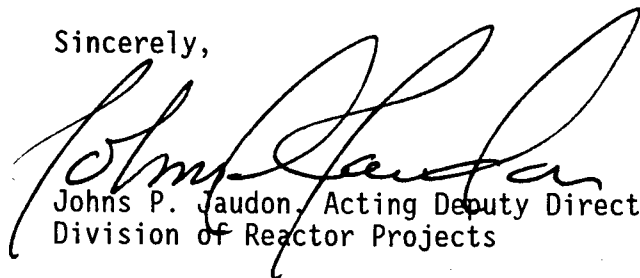
After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

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

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. 96-511.

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

Sincerely,



Johns P. Jaudon, Acting Deputy Director
Division of Reactor Projects

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

Enclosures:

1. Notice of Violation
2. NRC Inspection Report

cc w/encls: (See page 2)

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cc w/encls:

Mr. Craven Crowell, Chairman
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cc w/encls: (See page 4)

Tennessee Valley Authority

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cc w/encls: (Continued)
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Honorable Robert Aikman
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Honorable Garland Lanksford
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bcc w/encls: (See page 5)

bcc w/encl:

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G. A. Hallstrom, RII

NRC Document Control Desk

NRC Resident Inspector

U.S. Nuclear Regulatory Commission

Route 2, Box 700

Spring City, TN 37381

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Yes	No	COPY?	Yes	No	Yes	No
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Yes	No	COPY?	Yes	No	Yes	No
Yes	No	COPY?	Yes	No	Yes	No
SEND	OFC	NRR	NRR	Contractor	Contractor	
TO	NAME	SSanders	SPriest	B.M. Compton	KW Vandyn	
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Per Telery w/PIF
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