

TENNESSEE VALLEY AUTHORITY

CHATTANOOGA, TENNESSEE 37401

400 Chestnut Street Tower II

July 13, 1981

Mr. James P. O'Reilly, Director
Office of Inspection and Enforcement
U.S. Nuclear Regulatory Commission
Region II - Suite 3100
101 Marietta Street
Atlanta, Georgia 30303

Dear Mr. O'Reilly:

WATTS BAR NUCLEAR PLANT UNITS 1 AND 2 - NRC-OIE REGION II REPORT 50-390/81-08,
50-391/81-08 - TVA RESPONSE

The subject report dated April 28, 1981, requested information concerning management attention to handling of nonconformance reports for all TVA nuclear plants under construction. Enclosed is the requested information.

If you have any questions, please get in touch with D. L. Lambert at
FTS 857-2581.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

L. M. Mills, Manager
Nuclear Regulation and Safety

Enclosure

cc: Mr. Victor Stello, Director (Enclosure) ✓
Office of Inspection and Enforcement
U.S. Nuclear Regulatory Commission
Washington, DC 20555



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ENCLOSURE
WATTS BAR NUCLEAR PLANT UNITS 1 AND 2
INVESTIGATION INTO ALLEGED MISHANDLING OF NCR'S
AT ALL TVA NUCLEAR PLANTS UNDER CONSTRUCTION
REPORT NO. 50-390/81-08, 50-391/81-08
TVA RESPONSE

TVA shares the NRC's concerns relative to the initiating and processing of nonconformance reports (NCR's) for plants not being designed or constructed. In lieu of just performing an audit to give assurance that the incidents of improper handling described in this NRC report are an isolated case, TVA has taken or will take the following actions:

1. TVA Office of Engineering and Construction (OEDC) OEDC QA-4, "Determining, Reporting, and Correcting Conditions Adverse to Quality," was revised April 22, 1981 to provide varying levels of emphasis to conditions adverse to quality (CAQ) based on the severity of conditions. The definition of significant per Criterion XVI of Appendix B to 10 CFR 50 was clarified and strengthened to ensure significant items are properly identified.
2. Line management is being instructed to reemphasize to all personnel associated with safety-related activities the requirement to promptly identify and process CAQ's via existing divisional procedures.
3. The OEDC QA Staff will review all audits conducted by OEDC organizations -- OEDC QA, E&DES, and CONST -- between June 1, 1980, and May 31, 1981, to determine if they contain any trends or generic conditions relative to significant conditions adverse to quality.
4. OEDC QA will conduct a special audit on the handling, processing, and reviewing of CAQ's. The results of item 3 will have an important effect on the scope of this audit.

It is anticipated that the above activities will be completed by December 31, 1981.