

Jim Austin

TENNESSEE VALLEY AUTHORITY

CHATTANOOGA, TENNESSEE 37401  
6N 38A Lookout Place

Mr. Harold A. Denton, Director  
Office of Nuclear Reactor Regulation  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Mr. Denton:

In the Matter of the Application ) Docket Nos. 50-390  
of the Tennessee Valley Authority ) 50-391

As previously committed in Chairman Dean's January 9 response to your January 3, 1986 letter, I have reviewed the issue of compliance with 10 CFR Part 50, Appendix B, at the Watts Bar Nuclear Plant. To the best of my knowledge and belief the plant is being constructed in conformity with Appendix B. ~~Consequently, TVA's corporate position is that 10 CFR Part 50, Appendix B requirements are being met at the Watts Bar facility.~~

*Another check*

Some members of TVA's Nuclear Safety Review Staff (NSRS) who concluded and informed Commissioner Asseltine at the December 19, 1985 briefing that TVA did not meet Appendix B requirements are still of this opinion. Because of this, TVA's corporate position was determined only after TVA management and an outside consultant team thoroughly reviewed the issues raised by NSRS.

*Appendix B of 10CFR50 requires the control of activities affecting the quality of safety-related structures, systems and components and services*

8901050282 880314  
PDR ADOCK 05000390  
PDR

EXHIBIT 12

for the identification and correction  
of nonconforming items and conditions  
adverse to quality. The ~~existence~~<sup>occurrence</sup>  
of nonconformances or conditions adverse  
to quality, if controlled and corrected,  
does not represent ~~a~~<sup>a</sup> failure to meet the requirements of 10 CFR 50,  
Appendix B.

This position is affirmed by the Atomic Safety and Licensing Appeal Board ruling in December 1983 regarding the quality assurance program at Pacific Gas and Electric Company's Diablo Canyon Nuclear Plant (ALAB-756, 18 NRC 1340 (1983)).

*not required* TVA has established and implemented a Quality Assurance Program as required by 10 CFR Part 50, Appendix B. This program is documented in the TVA Topical Report, TVA-TR75-1, and implemented by written policies, procedures, and instructions. The Quality Assurance Program includes measures for the identification, documentation, and correction of deficiencies. ~~and~~

*no #* Consequently, TVA's corporate position is that 10 CFR Part 50, Appendix B requirements are being met at the Watts Bar facility.

All nonconformances and/or conditions adverse to quality, of which TVA has knowledge, ~~which~~ have been or are scheduled for evaluation, disposition and correction as appropriate. TVA has recently strengthened its <sup>operational</sup> ~~Quality Assurance~~ <sup>preventive</sup> ~~action~~ <sup>processes</sup> and is committed to <sup>improving</sup> ~~the~~ <sup>evaluation</sup> ~~procedures~~ <sup>to</sup> ~~improve~~ <sup>the</sup> ~~the~~ <sup>effectiveness</sup> ~~of~~ <sup>of</sup> ~~corrective/preventive~~ <sup>of</sup> ~~action~~.

In addition to Quality Assurance Program measures for identifying and controlling deficiencies, TVA's NSRS and its Employee Concern Program have aggressively solicited the identification of deficiencies. Concerns identified through NSRS and the Employee Concern Program are being evaluated for potential safety significance. Where substantiated, concerns will be reviewed to determine what corrective action is necessary. TVA's line organization will resolve such concerns (including work stoppage if appropriate), and will report deficiencies as required under NRC regulations, taking action to prevent recurrence, and investigating generic implications.