



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**  
REGION II  
SAM NUNN ATLANTA FEDERAL CENTER  
61 FORSYTH STREET, SW, SUITE 23T85  
ATLANTA, GEORGIA 30303-8931

October 2, 2008

Mr. William R. Campbell, Jr.  
Chief Nuclear Officer and Executive Vice President  
Tennessee Valley Authority  
3R Lookout Place  
1101 Market Street  
Chattanooga, TN 37402-2801

**SUBJECT: NOTICE OF ENFORCEMENT DISCRETION (NOED) FOR TENNESSEE VALLEY AUTHORITY REGARDING SEQUOYAH NUCLEAR PLANT, UNITS 1 AND 2 [TAC NO. MD9719 AND MD9720, NOED NO.08-2-001]**

Dear Mr. Campbell:

By letter dated September 26, 2008, Tennessee Valley Authority (TVA) confirmed a September 26, 2008, verbal request that the NRC exercise discretion to not enforce compliance with the actions required in Sequoyah Nuclear Plant, Units 1 and 2 (SQN), Technical Specifications (TS) 3.0.5 Limiting Condition for Operation.

TVA requested that a Notice of Enforcement Discretion (NOED) be granted pursuant to the NRC's policy regarding exercise of discretion for an operating facility, described in Section VII.C of the NRC's Enforcement Policy, to extend the time required by TS 3.0.5.1 to be in at least HOT STANDBY in 6 hours by an additional 36 hours. The discretion, which began on September 26, at 6:55 a.m., would expire on September 27, 2008, at 6:55 p.m., (all times discussed in this letter refer to Eastern Daylight Time).

This letter documents our telephone conversation on September 26, 2008, at 4:04 a.m., when we verbally granted enforcement discretion. Subsequent to the verbal authorization of this enforcement discretion, we understand that the condition causing the need for this enforcement discretion was corrected by you causing you to exit from the actions required in TS 3.0.5 and from this NOED at 2:00 p.m., on September 26, 2008. The basis for our decision to grant the exercising of enforcement discretion is provided in the following discussion.

Your letter documented information previously discussed with the NRC in a telephone conference which occurred on September 26, 2008. The principal NRC staff members who participated in the telephone conference included: Jim Moorman, Deputy Director, Division of Reactor Projects (DRP), Region II (RII); Eugene Guthrie, Chief, Reactor Projects Branch 6 (RPB-6), DRP, RII; Cale Young, Sequoyah Senior Resident Inspector, RPB-6, DRP, RII; Kriss Kennedy, Director, Division of Reactor Safety (DRS), RII; Rudy Bernhard, Senior Reactor Analyst, Engineering Branch 2, DRS, RII; Tom Boyce, Chief, Plant Licensing Branch II-2, Division of Operating Reactor Licensing (DORL), Office of Nuclear Reactor Regulation (NRR); Tracy Orf, Project Manager, Plant Licensing Branch II-2, DORL, NRR; Robert Dennig, Chief, Containment and Ventilation Branch, Division of Safety Systems, NRR; and Brendan Moroney, Sequoyah Project Manager, Plant Licensing Branch II-2, DORL, NRR.

Your staff requested enforcement discretion to preclude having to be in at least HOT STANDBY in 6 hours per TS 3.0.5 due to the B train of control room air conditioning system (CRACS) being inoperable (B main control room (MCR) air handling unit (AHU) had failed) concurrently with the A train CRACS being inoperable solely due to its emergency backup power supply, 1A-A Emergency Diesel Generator (EDG), being inoperable. The 1A-A EDG was inoperable because its associated control power and field flash battery had not yet been returned to operable status after replacement. The licensee determined that the battery had been charged sufficiently to start and operate the 1A-A EDG but not enough to meet the requirements of TS to be declared operable, i.e., the 1A-A EDG was functionally available to perform its intended safety function. The sequence of events follows:

At 5:05 p.m., on September 24, Units 1 and 2 entered TS 3.8.1.1, action (b) for one EDG being inoperable due to the replacement of the 1A-A EDG battery.

At 10:07 p.m., on September 25, the 1A-A EDG battery discharge test was completed and the battery was subsequently placed on a portable charger.

At approximately 10:50 p.m., on September 25, the B train MCR AHU failed during starting due to a faulted motor.

At 10:55 p.m., on September 25, the B train of CRACS was declared to be inoperable due to the failure of the B train MCR AHU to function. With the redundant (B) train out of service and the A CRACS train's backup emergency power supply inoperable (1A-A EDG), TS 3.0.5 was entered.

At 5:07 a.m., on September 26, the 1A-A EDG battery was aligned to the 125 volt DC distribution system and charger after charging current from the portable charger decreased to less than 2 amperes, the point at which the high level equalize may be terminated. The 1A-A EDG was considered functionally available but inoperable per TS.

At 2:00 p.m., on September 26, the 1A-A EDG was declared operable after its battery passed its TS required surveillance test. The NOED was exited.

Based on the information provided in the telephone conversation on September 26, 2008, and in your letter dated September 26, 2008, the NRC has determined that Criterion B.2.1.1.a of NRC Inspection Manual Part 9900, "Technical Guidance, Operation – Notice of Enforcement Discretion," was met. The NRC reviewed your written request for enforcement discretion dated September 26, 2008, and verified consistency between your oral and written requests. The NRC's basis for this discretion considered: (1) the compensatory measures to administratively control and protect vital plant equipment and to ensure that plant equipment could perform its design function for the duration of the enforcement discretion period; (2) the availability of offsite electrical power; and (3) the qualitative risk assessment which considered that the risk was bound by the risk associated with the TS 3.7.15.a allowed outage time, 30 days, for one train of CRACS being out of service, since the A train CRACS had its normal offsite power available and the 1A-A EDG was functionally able to start and provide emergency backup power to the train, if necessary.

During the phone call, the staff based their decision to exercise enforcement discretion, in part, on a qualitative versus a quantitative assessment of risk. In the written request, your staff provided a different quantitative risk analysis results than discussed during the verbal request.

The new information supported the qualitative risk assessment's conclusion that the exercise of discretion would result in acceptable plant risk. This new risk analysis indicated that the incremental conditional core damage probability (ICCDP) for the proposed 36 hour extension is 5.03E-08, and the incremental conditional large early release probability (ICLERP) for the proposed 36 hour extension is 2.28E-9. These values are both less than the 5.0E-7 and 5.0E-8 guidance thresholds, respectively, in Inspection Manual Part 9900 Technical Guidance.

On the basis of the NRC staff's evaluation of your request, we have concluded that granting this NOED is consistent with the Enforcement Policy and staff guidance and has no adverse impact on public health and safety. Therefore, as we communicated to your staff at 4:04 a.m., on September 26, 2008, we exercised discretion to not enforce compliance with TS 3.0.5 to place both units in at least HOT STANDBY within the next 6 hours while the 1A-A EDG remains functionally available to perform its intended safety function of supplying power to the A CRACS train and the A CRACS train remained available on off-site power for the period of time from 6:55 a.m., on September 26, to 6:55 p.m., on September 27, 2008.

In addition, as discussed on September 26, 2008, the NRC staff agrees with your staff's determination that a follow-up TS amendment is not needed. The NRC staff finds that a TS amendment (either a one-time or permanent amendment) is not necessary, in this case, because: (1) the circumstances surrounding the noncompliance are unlikely to re-occur, i.e., the NOED involves a single request for extending the period of time the units could operate before being placed in HOT STANDBY when an EDG is inoperable per plant TSs but is functionally available to perform its intended safety function of supplying power to a CRACS train; and (2) the information in this NOED approval letter provides sufficient and complete documentation of the bases for the exercise of discretion.

As stated in the Enforcement Policy, action will be taken, to the extent that violations were involved, for the root cause that led to the noncompliance for which this NOED was necessary.

Sincerely,

***/RA By Victor McCree For/***

Luis A. Reyes  
Regional Administrator

Docket Nos.: 50-327, 50-328  
License Nos.: DPR-77, DPR-79

cc: (See next page)

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**/RA By Victor McCree For/**

Luis A. Reyes  
Regional Administrator

Docket Nos.: 50-327, 50-328  
License Nos.: DPR-77, DPR-79  
cc: (See next page)

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X NON-SENSITIVE ADAMS:  Yes

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