



~~OFFICIAL USE ONLY – SECURITY RELATED INFORMATION~~

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

January 6, 2010

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

SUBJECT: SEQUOYAH NUCLEAR PLANT - NRC SECURITY INSPECTION REPORT
05000327/2009405AND 05000328/2009405

Dear Mr. Swafford:

On December 10, 2009, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at your Sequoyah Nuclear Plant. The purpose of this inspection was to evaluate whether corrective actions associated with the Alternative Dispute Resolution Process (ADR) imposed by the NRC Order dated January 5, 2009 were completed. In addition we completed an inspection of URI (Unresolved Issue) 2008201-01, Underground Penetrations. The enclosed inspection report documents the inspection results, which were discussed on December 10, 2009, with Mr. C. Church and other members of your staff.

This inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

This report documents one finding of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process). The finding is NRC identified. The deficiency was corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspectors left the site. However, because of the very low security significance and because it was entered into your corrective action program, the NRC is treating this violation as a non-cited violation (NCV) consistent with Section VI.A.1 of the NRC Enforcement Policy. If you contest this violation, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555-0001; with copies to the Regional Administrator Region II; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, D.C. 20555-0001; and the NRC Resident Inspector at the Sequoyah Nuclear Plant.

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system, ADAMS. ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security-Related Information-Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1).

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

Sincerely,

/RA/

Michael E. Ernstes, Chief
Plant Support Branch 2
Division of Reactor Safety

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

Enclosure: NRC Security Inspection Report 05000327/2009405 AND 05000328/2009405
w/Attachment: Supplemental Information (**OFFICIAL USE ONLY – SECURITY
RELATED INFORMATION**)

cc w/encl.: (See page 3)

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