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**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

January 13, 2011

Mr. R. M. Krich
Vice President, Nuclear Licensing
Tennessee Valley Authority
3R Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

SUBJECT: SEQUOYAH NUCLEAR PLANT - NRC SECURITY INSPECTION REPORT
05000327/2010404 AND 05000328/2010404

Dear Mr. Krich:

On December 16, 2010, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at your Sequoyah Nuclear Plant. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed on December 16, 2010, with Mr. S. Young 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 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. Additionally, a licensee-identified violation which was determined to be of very low safety significance is listed in this report. However, because of the very low safety significance and because they are entered into your corrective action program, the NRC is treating these violations as non-cited violations (NCVs) consistent with Section 2.3.2 of the NRC Enforcement Policy. The finding had no cross-cutting aspect. If you contest these non-cited violations, 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.

The findings were both NRC identified and licensee identified.

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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 or from the NRC's document system, 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).

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 05000327/2010404 AND 05000328/2010404
w/Attachment: Supplemental Information **(OUO)**

cc w/encl.: (See page 3)

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cc w/Encl:
cc w/Inspection Summary:
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