

JUN 10 1974

Letter from Tennessee Valley Authority, J. E. Gilleland,
dated April 2, 1974 - 50-438 and 50-439

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April 2, 1974

Mr. Norman C. Moseley, Director
Directorate of Regulatory Operations
U.S. Atomic Energy Commission
Region II - Suite 818
230 Peachtree Street, Northwest
Atlanta, Georgia 30303

Dear Mr. Moseley:

On March 6 and 7, 1974, W. A. Crossman and J. K. Rausch of your office visited our Office of Engineering Design and Construction in Knoxville in connection with an audit of quality assurance activities for the proposed Bellefonte Nuclear Plant. During the conference at the conclusion of that visit, questions in two areas were left open.

1. Schedule of Vendor Audits--TVA performed one audit of the NSSS vendor (Babcock & Wilcox Company) in late October 1973. At the time of your inspectors' visit we had awarded contracts for no other major safety related equipment. Subsequently, we have made an award for the Bellefonte turbogenerators to Brown Boveri Corporation which is, of course, major equipment but not safety related. As additional safety related equipment is placed under contract we will develop a vendor audit schedule and provide copies to your office. At this stage in the project, however, we have not developed such a vendor audit schedule.
2. AEC Participation in Typical Vendor Audit--Your representatives indicated that they would like to accompany TVA personnel on a typical vendor audit to observe and evaluate TVA's handling of such activities. We have no objection to this

Mr. Norman C. Moseley

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proposal, but would want to advise the selected vendor in advance as a matter of courtesy. We will notify your office well in advance of the next scheduled vendor audit for Bellefonte safety related equipment.

Sincerely,



J. E. Gilleland

Assistant to the Manager of Power

APR 11 1974