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

November 9, 2015

Mr. Joseph W. Shea
Vice President, Nuclear Licensing
Tennessee Valley Authority
1101 Market Street, LP 3D-C
Chattanooga, TN 37402-2801

SUBJECT: SEQUOYAH NUCLEAR PLANT — U.S. NUCLEAR REGULATORY
COMMISSION INSPECTION OF UNIT 1 AND 2 CYBER SECURITY
MILESTONES – INSPECTION REPORT NO. 05000327/2015404 AND
05000328/2015404

Dear Mr. Shea:

On September 25, 2015, the U.S. Nuclear Regulatory Commission (NRC) completed the onsite activities associated with the inspection at your Sequoyah Nuclear Plant, Units 1 and 2. On September 25, 2015, the NRC inspectors discussed the preliminary results of this inspection with Mr. P. Pratt, Tennessee Valley Authority (TVA) Sequoyah Nuclear, Unit 1 and 2, Plant Manager, and other members of your staff. The NRC inspectors performed an exit meeting via telephone on November 3, 2015, to discuss the final results of the inspection. The results of this inspection are documented in the enclosed report.

The inspection examined activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations, and with the conditions of your license related to the implementation of interim cyber security milestones. The inspection of Unit 1 and 2 was conducted in accordance with NRC Temporary Instruction 2201/004, "Inspection of Implementation of Interim Cyber Security Milestones 1–7," issued January 1, 2015.

The NRC has identified five findings that were evaluated under the significance determination process as having very low security significance (Green). The NRC has determined that four of these findings were violations of NRC requirements. However, because of their very low safety significance, and because they were entered into your corrective action program, the NRC is treating four findings as non-cited violations, consistent with Section 2.3.2 of the NRC Enforcement Policy.

Each of the issues above were discussed at the security issues forum (SIF) meeting on October 21, 2015. Based on the meeting, the NRC is not taking enforcement action for three violations because they meet the criteria established in an NRC Memorandum from Barry C. Westreich, Director, Cyber Security Directorate, Office of Nuclear Security and Incident

~~Enclosure(s) transmitted herewith contain(s) SUNSI. When separated from Enclosure(s), this transmittal document is decontrolled.~~

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Response, to each regional office and Director, Division of Reactor Safety, Subject: Enhanced Guidance for Licensee Near-Term Corrective Actions to Address Cyber Security Inspection Findings and Licensee Eligibility for "Good-Faith" Attempt Discretion, dated July 1, 2013 (ADAMS Accession Number ML13178A203). Upon completion of all corrective actions, you are requested to provide written notification to the NRC's Regional office as to the method, and date of closure, for the identified issue(s) discussed in the enclosed report.

If you contest the violations or significance of the findings discussed in the report, you should provide a response within 30 days of the date of this inspection report (IR) with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region II; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at TVA Sequoyah Nuclear Plant, Units 1 and 2. If you disagree with a cross-cutting assignment in this report, you should provide a response within 30 days of the date of this IR with the basis for your disagreement, to the Regional Administrator, Region II; and the NRC resident inspector at the TVA Sequoyah Nuclear Plant, Unit 1 and 2.

In accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding" of the NRC's "Agency Rules of Practice and Procedure," 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 the NRC's Agencywide Documents Access and Management System (ADAMS); accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

However, the material enclosed herewith contains Security-Related Information in accordance with 10 CFR 2.390(d)(1), and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the Enclosure will not be made available electronically for public inspection in the NRC Public Document Room, or from the PARS component of NRC's ADAMS. If you choose to provide a response and security-related information is necessary to provide an acceptable response, please mark your entire response "Security-Related Information—Withhold from Public Disclosure under 10 CFR 2.390," in accordance with 10 CFR 2.390(d)(1), and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,

/RA/

Scott M. Shaeffer, Chief
Engineering Branch 2
Division of Reactor Safety

Docket Nos. 50-327 and 50-328
License Nos. DPR-77 and DPR-79

Enclosure:
NRC IR 05000327 and 328//2015404
w/ Attachment: Supplementary Information
(OUO)

cc: (See page 3)

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J. Shea

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 Engineering Branch 2
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 ADAMS: Yes ACCESSION NUMBER: _____ SUNSI REVIEW COMPLETE FORM 665 ATTACHED

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NAME	R. FANNER	P. BRAATEN	C. CHENOWETH	D. TERRYWARD	A. BLAMEY	M FERNANDEZ	L. JONES
DATE	11/9/2015	11/4/2015	11/5/2015	11/9/2015	11/9/2015	11/4/2015	11/6/2015
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO
OFFICE	RII:DRS/EB2						
SIGNATURE	SMS						
NAME	S. SHAEFFER						
DATE	11/ 9/2015	11/ /2015	11/ /2015	11/ /2015	11/ /2015	11/ /2015	11/ /2015
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J. Shea

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cc:

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Tennessee Valley Authority
Sequoyah Road
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Letter to Joseph W. Shea from Scott M. Shaeffer dated November 9, 2015.

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