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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II

245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

December 13, 2017

EA-17-164

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, UNITS 1 AND 2 – FINAL SIGNIFICANCE DETERMINATION OF GREATER THAN GREEN FINDING, NOTICE OF VIOLATION AND ASSESSMENT FOLLOWUP LETTER, INSPECTION REPORT 05000327/2017490 AND 05000328/2017490

Dear Mr. Shea:

This letter provides you the final significance determination of a security finding that was identified during a baseline security inspection and documented in the U.S. Nuclear Regulatory Commission (NRC) Inspection Report (IR) 05000327/2017407, and 05000328/2017407, dated October 10, 2017. The preliminary significance was characterized as Greater-than-Green.

On October 16, 2017, Tennessee Valley Authority (TVA) acknowledged the finding and advised the NRC of its intent to provide additional information through a written response. The NRC received TVA's written response on November 17, 2017. This letter also acknowledged the finding and preliminary significance and provided additional information regarding details about the licensee's root cause evaluation and corrective actions completed to date. After considering the information developed during the inspection and the additional information submitted by the licensee, the NRC has reached a final significance determination for the finding, as noted in Enclosure 1.

The NRC has also determined that a violation occurred, as noted in Enclosure 2. The circumstances surrounding the violation(s) were described in detail in NRC IR 05000327/2017407 and 05000328/2017407.

In accordance with the NRC Enforcement Policy, this Notice of Violation (Notice) is considered an escalated enforcement action.

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

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The NRC has concluded that the information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in your written response dated November 17, 2017. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position.

The NRC has determined that the finding cited in Enclosure 1 places Sequoyah, Units 1 and 2, in the Regulatory Response Column of the Reactor Oversight Process Action Matrix beginning the Third Quarter of 2017. Therefore, the NRC plans to conduct an additional inspection when you have notified us of your readiness. This additional inspection will be conducted to provide assurance that the root and contributing causes for the performance issues are understood; to provide assurance that the extent-of-condition and extent-of-cause of the performance issues are understood; and to provide assurance that the corrective actions are sufficient to address the root and contributing causes, and prevent recurrence. This letter supplements, but does not supersede, the annual assessment letter issued on March 1, 2017.

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's 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 <https://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 Enclosures will not be made available for public inspection.

Sincerely,

/RA: Laura Dudes for/

Catherine Haney
Regional Administrator

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

Enclosures:

- ~~1. Final Significance Determination~~
- ~~2. Notice of Violation~~

cc: (see page 3)

J. Shea

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cc:

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* See previous page for concurrence

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