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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA ST., N.W., SUITE 3100
ATLANTA, GEORGIA 30303

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OFFICIAL COPY
[Signature]

JUN 02 1981

Tennessee Valley Authority
ATTN: Mr. H. G. Parris
Manager of Power
500A Chestnut Street Tower II
Chattanooga, TN 37401

Gentlemen:

Subject: Report No. 50-327/81-18

This refers to the routine inspection conducted by Ms. C. D. Perny of this office on May 12-15, 1981, of activities authorized by NRC Operating License No. DPR-77 at the Sequoyah facility and to the discussions of our findings held with M. J. M. McGriff, Assistant Plant Superintendent, at the conclusion of the inspection.

Areas examined during this inspection included your physical security program as implemented under the provisions of Title 10, Code of Federal Regulations, Part 73, "Physical Protection of Plants and Materials", and the specific requirements of your approved Security Plan. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, performance tests, and observations by the inspector.

During the inspection, it was found that certain activities under your license appear to violate NRC requirements. These items and references to pertinent requirements are listed in the Notice of Violation enclosed herewith as Appendix A. Elements to be included in your response are delineated in Appendix A. Details of activities involving safeguards and security measures are exempt from disclosure in accordance with 10 CFR 2.790(d). Therefore, your response should be incorporated in a separate paper and referenced in your reply.

We have examined actions you have taken with regard to previously identified enforcement matters and unresolved items. The status of these items is discussed in the enclosed report.

One new unresolved item resulted from this inspection and is discussed in the enclosed report. This item will be examined during subsequent inspections.

In accordance with Section 2.790(d) of the NRC's "Rules of Practice", Part 2, Title 10, Code of Federal Regulations, activities involving safeguards and security measures are exempt from public disclosure; therefore, the enclosures to this letter with the exception of the report cover page, which is an inspection summary, will not be placed in the Public Document Room.

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Q PDR

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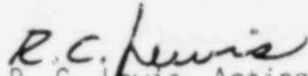
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Tennessee Valley Authority

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Should you have any questions concerning this letter, we will be glad to discuss them with you.

Sincerely,



R. C. Lewis, Acting Director
Division of Resident and
Reactor Project Inspection

Enclosures:

1. Appendix A, Notice of Violation
(Exempt from Disclosure)
2. Inspection Report No. 50-327/81-18
(Exempt from Disclosure)
3. Inspection Summary
(Not Exempt)

cc w/encl:

H. J. Green, Division Director
G. G. Stack, Project Manager
J. M. Ballentine, Plant
Superintendent
J. F. Cox, Supervisor, Nuclear
Licensing Section
M. J. Burzynski, Project Engineer
H. N. Culver, Chief, Nuclear Safety
Review Staff