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JUL 16 1981

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

Gentlemen:

Subject: Report Nos. 50-566/81-07 and 50-567/81-07

This refers to the routine audit conducted by Mr. R. W. Wright of this office on June 1-5, 1981, of the quality assurance program for design, procurement, and construction of the Yellow Creek facility as authorized by NRC Construction Permit Nos. CPPR-172 and CPPR-173. Our preliminary findings were discussed with Mr. L. S. Cox, Supervisor, Nuclear Licensing Section, at the conclusion of the inspection.

Areas examined during the inspection and our findings are discussed in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

During the inspection, it was found that certain activities under your license appear to violate NRC requirements. This item 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.

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the enclosed report will be placed in the NRC's Public Document Room. If the report contains any information that you believe to be exempt from disclosure under 10 CFR 9.5(a)(4), it is necessary that you: (a) notify this office by telephone within ten days from the date of this letter of your intention to file a request for withholding; and (b) submit within twenty-five days from the date of this letter a written application to this office to withhold such information. If your receipt of this letter has been delayed such that less than seven days are available for your review, please notify this office promptly so that a new due date may be established. Consistent with section 2.790(b)(1), such application must be accompanied by an affidavit executed by the owner of the information which identifies the document or part thereof sought to be withheld, and a full statement of the reasons on the basis of which it is claimed that the information should be withheld from public disclosure. This section further requires the statement to address with specificity the considerations listed in 10 CFR 2.790(b)(4). The information sought to be withheld shall be incorporated as far as possible into a separate part of the affidavit. If we do not hear from you in this regard within the specified periods noted above, the report will be placed in the Public Document Room.

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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

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

Enclosures:

1. Appendix A, Notice of Violation
2. Inspection Report Nos.
50-566/81-07 and 50-567/81-07

cc w/encl:

H. J. Green, Division Director
 J. F. Cox, Supervisor, Nuclear
 Licensing Section
 M. M. Price, Project Manager
 M. A. McBurnett, Project Engineer
 H. N. Culver, Chief, Nuclear Safety
 Review Staff

bcc w/encl:

Central Files
 Local Public Document Room
 Washington Public Document Room
 Nuclear Safety Information Center
 Technical Information Center
 Document Management Branch
 State of Mississippi

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 RWRwright:aw CUpright CEMurphy
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