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CONTAINS 2.790(d) SAFEGUARDS INFORMATION

## SAFEGUARDS INFORMATION

NOV 17 1981

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



Gentlemen:

Subject: Report Nos. 50-327/81-38 and 50-328/81-47

This refers to the routine safeguards inspection conducted by Mr. D. E. Moore of this office on October 19-23, 1981, of activities authorized by NRC Operating License Nos. DPR-77 and DPR-79 for the Sequoyah Nuclear Plant facility and to the discussion of our findings held with Mr. J. M. McGriff of your staff 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 inspectors.

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.

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.

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

Sincerely,

*Kellogg*

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

WARNING: SAFEGUARDS INFORMATION  
SECTION 147 ATOMIC ENERGY ACT 1954.  
VIOLATIONS OF THE PROTECTION  
REQUIREMENTS OF 10 CFR 73.21  
SUBJECT TO CIVIL OR CRIMINAL SANCTIONS.

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Enclosures: See Page 2

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REVIEWED BY:

D. R. McGUIRE

(NAME)

NRC R-II

(ORGANIZATION)

(SIGNATURE)

1/25/82

(DATE)

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Q PDR

Tennessee Valley Authority

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Enclosures:

1. Appendix A, Notice of Violation  
(Exempt from Disclosure)
2. Inspection Report Nos. 50-327/81-38  
and 50-328/81-47  
(Exempt from Disclosure)
3. Inspection Summary  
(Not Exempt)

cc w/encl:

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

bcc w/encl:

NRC Resident Inspector  
Document Management Branch

bcc w/Inspection Summary:

State of Tennessee

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RCLewis

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DMcGuire

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AMcGuire

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RII

JOlshinski

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