TENNESSEE VALLEY AUTHORITY

CHATTANOOGA TENNESSEE 37401

400 Chestnut Street Tower II

June 22,5 1982

U.S. Nuclear Regulatory Commission Region II Attn: Mr. James P. O'Reilly, Regional Administrator 101 Marietta Street, Suite 3100 Atlanta, Georgia 30303

Dear Mr. O'Reilly:

YELLOW CREEK NUCLEAR PLANT UNITS 1 AND 2 - QUALITY ASSURANCE AUDIT M80-7 DEFICIENCIES 2, 3, 5, AND 14 - SEVENTH INTERIM REPORT

The deficiencies 2, 3, and 5 were initially reported to NRC-OIE Inspector M. Thomas on September 23, 1980, in accordance with 10 CFR 50.55(e). A first interim report was submitted on October 23, 1980. After that time, construction quality assurance audit deficiency 14 was also considered to be a significant condition adverse to quality. This was followed by our interim reports dated November 25, 1980, March 20, September 24, and December 2, 1981, and February 22, 1982.

TVA has elected to defer construction activities for this project. Deferral does not mean that the project will be cancelled but that TVA is minimizing its expenditures and construction efforts until such time that TVA has sufficient information to indicate whether the project should be completed or cancelled. Therefore, we will not be submitting a final report for this nonconformance until a final decision is made regarding this project.

If you have any questions concerning this matter, please get in touch with R. H. Shell at FTS 858-2688.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

L. M. Mills, Manager Nuclear Licensing

cc: Mr. Richard C. DeYoung, Director Office of Inspection and Enforcement U.S. Nuclear Regulatory Commission Washington, DC 20555

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