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FEB 28 1994

Docket Nos. 50-327, 50-328
License Nos. DPR-77, DPR-79
EA No. 94-030

Tennessee Valley Authority
ATTN: Dr. Mark O. Medford
Vice President, Technical Support
3B Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

Gentlemen:

SUBJECT: NOTICE OF VIOLATION
(NRC INSPECTION REPORT NOS. 50-327/94-04 AND 50-328/94-04)

This refers to the routine resident inspection conducted by W. Holland of this office from January 9 through February 10, 1994. The inspection included a review of activities authorized for your Sequoyah facility. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed inspection report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress.

Based on the results of the inspection, certain of your activities appeared to violate NRC requirements as described in the enclosed Notice of Violation. We are concerned about continuing problems that are being identified in control of configuration at Sequoyah. Your lack of effective corrective actions for past problems in this area indicates that Sequoyah management has been ineffective in communication of expectations to your line personnel in this area. In addition, several issues identified in an Operational Readiness Assessment Team inspection report are identified as violations in this report.

Also, based on results of the inspection, apparent violations were identified and are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), 10 CFR Part 2, Appendix C. The apparent violations involved inadequate monitoring and/or control of the Unit 1 reactor coolant system inventory during shutdown conditions from September through December of 1993. This event is of concern because several of your administrative control processes appeared to fail and did not provide barriers to prevent this occurrence. Accordingly, no Notice of Violation is presently being issued for

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these inspection findings. Please be advised that the number and characterization of the apparent violations described in the enclosed inspection report may change as a result of further NRC review.

An enforcement conference to discuss this apparent violation has been scheduled for March 10, 1994, in the NRC Region II office. The purposes of this conference are to discuss the apparent violation, its cause and safety significance; to provide you the opportunity to point out any errors in our inspection report; to provide an opportunity for you to present your proposed corrective actions; and to discuss any other information that will help us determine the appropriate enforcement action in accordance with the Enforcement Policy. You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding the apparent violation is required at this time.

In accordance with Section 2.790(a) of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC's Public Document Room.

The responses directed by this letter and its enclosures are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Should you have any questions concerning this letter, please contact us.

Sincerely,

(Original signed by E. Merschoff)

Ellis W. Merschoff, Director
Division of Reactor Projects

Enclosures:

1. Notice of Violation
2. Inspection Report

cc w/encls: (See page 3)

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