AUG 12 1992 Official caps

Docket Nos. 50-327, 50-328

License Nos. DPR-77, DPR-79

Tennessee Valley Authority
ATTN: Dr. Mark O. Medford, Vice President,
Nuclear Assurance, Licensing & Fuels
3B Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

Gentlemen:

SUBJECT: NOTICE OF VIOLATION

(NRC INSPECTION REPORT NOS. 50-327/92-22 AND 50-328/92-22)

This refers to the routine resident inspection conducted by W. Holland of this office from July 5 - August 1, 1992. 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 (Notice). We are concerned about the first violation because it reflects poor management oversite of housekeeping and a continuing inattention to detail on the part of craft during the conduct f work activities around safety-related equipment. These poor attributes resulted in significant delays in the return of safety-related equipment to operable status.

The second violation represents a continuing problem associated with establishing and implementing configuration control (including verification processes) for safety-related activities. This violation described in the enclosed Notice is similar to a violation contained in the Notice sent to you by our letter dated February 6, 1992. Recurring violations are of particular concern because the NRC expects licensees to learn from their past failures and to take effective corrective actions. Although NRC does not normally consider monetary civil penalties for Severity Level IV violations, the Enforcement Policy states that such penalties may be imposed for Severity Level IV violations that are similar to previous violations for which the licensee did not take effective corrective action. In this case, we have decided not to hold an enforcement conference nor to propose a civil penalty because of ongoing management focus in providing for long term resolution of these problems. In your response to the enclosed Notice, you should document the specific actions taken and any additional actions you

Tennessee Valley Authority

2

plan to prevent recurrence. We will review your response, including your proposed corrective actions, and the results of future inspections to determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In addition, in your response to the second violation, we also request that you address the circumstances which resulted in an untimely NRC notification for events surrounding the potentially inoperable residual heat removal pump. Several opportunities appeared to have existed in which a more timely NRC notification could have been made.

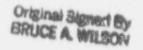
The enclosed Inspection Report also identifies activities that appeared to violate NRC requirements that w'll not be subject to enforcement action because the licensee's efforts in identifying and correcting the violation meet the criteria specified in Secton VII.B of the Enforcement Policy.

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,



Bruce A. Wilson, Chief Reactor Projects Branch 4 Division of Reactor Projects

Enclosures:

Notice of Violation
 NRC Inspection Report

cc w/encls: (See page 3)

cc w/encls: Mr. John B. Waters, Director Tennessee Valley Authority ET 12A 400 West Summit Hill Drive Knoxville, TN 37902

TVA Representative Tennessee Valley Authority Rockville Office 11921 Rockville Pike Suite 402 Rockville, MD 20852

General Counsel Tennessee Valley Authority ET 11H 400 West Summit Hill Drive Knoxville, TN 37902

Mr. J. R. Bynum, Vice President Nuclear Operations Tennessee Valley Authority 3B Lookout Place 1101 Market Street Chattanooga TN 37402-2801

Ms. Marci Cooper, Site Licensing Manager Sequoyah Nuclear Plant Tennessee Valley Authority P. O. Box 2000 Soddy-Daisy, TK: 37379

Mr. Jack Wilson, Sit. 1 President Sequoyah Nuclear Plant Tennessee Valley Authorsy P. O. Box 2000 Soddy-Daisy, TN 37 Mr. M. J. Burzynski, Manager Nuclear Licensing and Regulatory Affairs Tennessee Valley Author'ty 5B Lookout Place 1101 Market Street Chattanooga, TN 37402-2801

Division of Radiological Health T.E.R.R.A. Building, 6th Floor 150 9th Avenue North Nashville, TN 37218-5404

County Judge Hamilton County Courthouse Chattanooga, TN 37402

State of Tennessee

bcc w/encls: (See page 4)

Tennessee Valley Authority

4

bcc w/encls:
J. R. Johnson, RII
G. C. Lainas, NRR
F. J. Hebdon, NRR
P. J. Kellogg, RII
D. E. Labarge, NRR
NRC Document Control Desk

NRC Resident Inspector U.S. Nuclear Regulatory Commission 2600 Igou Ferry Road Soddy-Daisy, TN 37379

*FOR PRE TOUS CONCURRENCE - SEE ATTACHED COPY RII:DRP4A RII:DRP4A RII:DRP4A RII:DRP4A *SSparks *SShaeffer *WHolland *PKellogg 8/ /92 8/ /92 8/ /92 8/ /92 Tennessee Valley Authority

bcc w/encl:

S. D. Ebneter, RII L. A. Reyes, RII J. R. Johnson, RII
G. C. Lainas, NRR
F. J. Hebdon, NRR
P. J. Kellogg, RII
D. E. LaBarge, NRR
NRC Documen. Control Desk

NRC Resident Inspector U.S. Nuclear Regulatory Commission 2600 Igou Ferry Road Soddy-Daisy, TN 37379

RII:DRP4A 767 SSparks 8/6/92

RII: DRP4A WCH 707 SShaeffer 8/6/92

RII: DRP4A WHolland 8/6/92

RII: DEP4A PK#110gg 8/10/92