Tennessee Valley Authority
ATTN: Mr. Oliver D. Kingsley, Jr.
President, TVA Nuclear and
Chief Nuclear Officer
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

SUBJECT: ALLEGATION NO. RII-95-A-0078

Dear Mr. Kingsley:

The U.S. Nuclear Regulatory Commission recently received information concerning activities at your Sequoyah facility. A description of the concerns is enclosed.

As discussed via telephone on March 27, 1996, between Mr. M. Harding of your staff and Mr. M. Lesser of my staff, we request that you conduct inspections or investigations as necessary to reasonably prove or disprove these concerns and request that you inform us within 45 days of the date of this letter of the resolution of this matter and make records of your completed action available for NRC inspection.

NRC's review of your response will include whether: (a) the individual conducting the investigation was independent of the organization affected by the concern; (b) 'a evaluator was competent in the specific functional area; (c) the evaluation was of sufficient depth and scope; (d) appropriate root causes and generic implications were considered if the concerns were substantiated; and (e) the corrective actions, if necessary, were sufficient.

We request that your response only be sent to the author of this letter with no other copies to the NRC. Please do not submit your response to the Document Control Desk. If your response contains personal privacy, proprietary, or safeguards information, such information shall be contained in a separate attachment, appropriately marked, so that it will not be subject to public disclosure. The affidavit required by 10 CFR 2.790(b) must accompany your response if proprietary information is included.

The enclosure to this letter should be controlled and distribution limited to personnel with a "need to know."

The response requested by this letter and the accompanying enclosure are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. 96-511.

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NOT FOR PUBLIC DISCLOSURE

9604090411 960404 PDR ADOCK 05000327 PDR If you have any questions regarding this matter, please feel free to contact Mr. Oscar DeMiranda, Enforcement and Investigation Coordination Staff, at $(404)\ 331-4193$.

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Sincerely,

(Original signed by J. R. Johnson)

Ellis W. Merschoff, Director Division of Reactor Projects

Enclosure: As stated

cc w/o encl: (See page 2)

cc w/o encl:
M. O. J. Zeringue, Senior Vice Pres.
Nuclear Operations
Tennessee Valley Authority
3B Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

Dr. Mark O. Medford, Vice Pres. Engineering & Technical Services 3B Lookout Place 1101 Market Street Chattanooga, TN 37402-2801

Mr. R. J. Adney, Site Vice Pres. Sequoyah Nuclear Plant Tennessee Valley Authority P. O. Box 2000 Soddy Daisy, TN 37379

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

Mr. P. P. Carier, Manager Corporate Licensing Tennessee Valley Authority 4G Blue Ridge 1101 Market Street Chattanooga, TN 37402-2801 Mr. Ralph H. Shell Site Licensing Manager Sequoyah Nuclear Plant Tennessee Valley Authority P. O. Box 2000 Soddy Daisy, TN 37379

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

Mr. Michael H. Mobley, Dir. Div., of Radiological Health 3rd Floor, L and C Annex 401 Church Street Nashville, TN 37243-1532

County Judge Hamilton County Courthouse Chattanooga, TN 37402

Distributio w/o encl: (See page 4)

Distribution w/encl: M. S. Lesser, RII O. DeMiranda, RII

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