



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

Docket File

Docket Nos. 50-327/328

FEB 03 1988

Mr. S. A. White
Manager of Nuclear Power
Tennessee Valley Authority
6N 38A Lookout Place
1101 Market Street
Chattanooga, Tennessee 37402-2801

Dear Mr. White:

SUBJECT: ANI/MAELU NUCLEAR LIABILITY INSURANCE INSPECTION

Reference: Letter from K. Larson, Facility Engineer, American Nuclear Insurers to D. Marks, Division of Purchasing, TVA, dated December 24, 1987, on same subject

We have received from TVA a report prepared by American Nuclear Insurers (ANI) dated December 24, 1987 which discusses the results of an inspection conducted by the ANI staff. The purpose of the ANI inspection was to assess the nuclear liability risk presented by Sequoyah (SQN) to the nuclear insurance pools.

A major finding of this report was that the ANI staff noted serious deficiencies in the functioning of the Plant Operations Review Committee (PORC) and ANI strongly encouraged the implementation of a number of its recommendations prior to startup of Unit 2. The effectiveness of the PORC as a safety review committee is a major concern to the NRC and must be addressed prior to startup of Unit 2. The ANI report also addresses several other areas related to operational readiness. For example, ANI questioned the standard by which operational readiness is measured and recommended a reevaluation of TVA staff readiness to operate Unit 2 prior to restart.

TVA should evaluate the ANI report concerns on an item-by-item basis, determine what actions are appropriate in relation to operational readiness and the safety of SQN, and delineate a schedule for implementation of corrective actions. Your analysis should be documented and submitted to the NRC as an integral element of your assessment of operational readiness of SQN Unit 2 and is considered a restart assessment item.

Further, the ANI noted the TVA response to a previous inspection was not satisfactory. As part of your submittal to the NRC, include the ANI report of April 1987 and your corrective actions in response to that report.

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PDR ADDCK 05000327
PDR

Mr. S. A. White

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The reporting and/or recordkeeping requirements contained in this letter affect fewer than ten respondents, therefore, OMB clearance is not required under P.L. 96-511.

Sincerely,

Original Signed by
Jane A. Axelrad

Stewart D. Ebnetter, Director
Office of Special Projects

cc: See next page

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