September 22, 1997

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: NRC INTEGRATED INSPECTION REPORT 50-327/97-08 AND 50-328/97-08
AND NOTICE OF VIOLATION

Dear Mr. Kingsley:

This refers to the inspection conducted on July 6 through August 23, 1997 at the Sequoyah facility. The enclosed report presents the results of this inspection.

During the inspection period, your conduct of activities at the Sequoyah facility were generally characterized by acceptable operations, based on routine control room observations and a downpower evolution. One exception was noted with the realignment of the vital battery discussed in NRC Inspection Report 50-327,328/97-13. Maintenance was considered to be good with exceptions for not properly installing a transformer core ground on the main transformer resulting in Unit 2 being taken off-line and the poor material condition of the control air system which caused a runback on both units and a reactor trip on Unit 1. Engineering was considered to be good including the 10 CFR 50.59 program, improvements in the root cause program for equipment failures, and improvements in Problem Evaluation Reports written for equipment reliability problems. Overall plant support was considered to be good.

Based on the results of this inspection, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in the subject inspection report. The violation involved multiple stroking of a containment isolation valve and subsequently declaring the valve operable without appropriate corrective action. Although this violation meets criteria for a non-cited violation, it is one of several problems recently identified associated with implementing inservice testing requirements. Accordingly, a broad review of your program is warranted.

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TVA You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements. In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice." a copy of this letter, its enclosures, and your response will be placed in the NRC Public Document Room (PDR). Sincerely. (Original signed by M. S. Lesser) Mark S. Lesser, Chief Reactor Projects Branch 6 Division of Reactor Projects Docket Nos.: 50-327, and 50-328 License Nos: DPR-77 and DRP-79 Enclosures: 1. Notice of Violation 2. Integrated Inspection Report cc w/encls: (See page 3)

cc w/encls: Mr. O. J. Zeringue Senior Vice President Nuclear Operations Tennessee Valley Authority 6A Lookout Place 1101 Market Street Chattanooga. TN 37402-2801

Mr. J. A. Bailey Vice President Engineering and Technical Services 6A Lookout Place 1101 Market Street Chattanooga, TN 37402-2801

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Mr. J. T. Herron Plant Manager Sequoyah Nuclear Plant Tennessee Valley Authority P. O. Box 2000 Soddy-Daisy, TN 37379

Director Division of Radiological Health 3rd Floor, L and C Annex 401 Church Street Nashville, TN 37243-1253

County Executive Hamilton County Courthouse Chattanooga, TN 37402-2801

Mr. R. H. Shell, Manager Licensing and Industry Affairs Sequoyah Nuclear Plant Tennessee Valley Authority Soddy-Daisy, TN 37379

Distribution w/encls: (See page 4)

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