

TENNESSEE VALLEY AUTHORITY

CHATTANOOGA, TENNESSEE 37401

400 Chestnut Street Tower II

October 12, 1979

Director of Nuclear Reactor Regulation  
Attention: Mr. L. S. Rubenstein, Acting Chief  
Light Water Reactors Branch No. 4  
Division of Project Management  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555

Dear Mr. Rubenstein:

In the Matter of the Application of ) Docket Nos. 50-327  
Tennessee Valley Authority ) 50-328

In your letter to H. G. Parris dated September 21, 1979, it was stated that the NRC did not agree with the position that TVA could provide its own independent review of the Section XI program. It was also stated that TVA was not exempt from the requirements of 10 CFR Part 50, Section 50.55a(g)(4) concerning the ASME Boiler and Pressure Vessel Code. Since it was the NRC's position that TVA could not provide its own inspection services on the basis that it is a federal agency, TVA was required to institute a third party inspection system for the Sequoyah Nuclear Plant.

The preservice inspection work for unit 1 is essentially complete, and we do not believe it is practical to bring in a third party at this time. The NRC has been auditing the unit 1 inspection work as it has been progressing. TVA has been working under the exception noted in the answer to Q5.19 dated November 27, 1974, of the Sequoyah Final Safety Analysis Report.

We will use the third party inspector for future preservice inspection work for Sequoyah unit 2 and future inservice inspection and testing for both units 1 and 2.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

L. M. Mills, Manager  
Nuclear Regulation and Safety

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