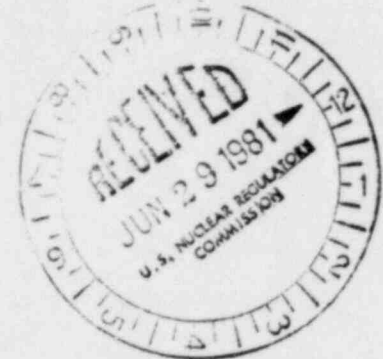


400 Chestnut Street Tower II

June 23, 1981

YCRD-50-566/81-02

YCRD-50-567/81-02



Mr. James P. O'Reilly, Director
Office of Inspection and Enforcement
U.S. Nuclear Regulatory Commission
Region II - Suite 3100
101 Marietta Street
Atlanta, Georgia 30303

Dear Mr. O'Reilly:

YELLOW CREEK NUCLEAR PLANT UNITS 1 AND 2 - SOURCE INSPECTION -
YCRD-50-566/81-02, YCRD-50-567/81-02 - SECOND INTERIM REPORT

The subject deficiency was initially reported to NRC-OIE Inspector M. Thomas on January 20, 1981 in accordance with 10 CFR Part 50.55(e) as NCR YCN QAB 8101. This was followed by our first interim report dated February 19, 1981. Enclosed is our second interim report. We expect to submit our next report by September 4, 1981.

If you have any questions concerning this matter, please get in touch with D. L. Lambert at FTS 857-2581.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

L. M. Mills, Manager
Nuclear Regulation and Safety

Enclosure

cc: Mr. Victor Stello, Jr., Director (Enclosure) ✓
Office of Inspection and Enforcement
U.S. Nuclear Regulatory Commission
Washington, DC 20555

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ENCLOSURE

YELLOW CREEK NUCLEAR PLANT UNITS 1 AND 2

SOURCE INSPECTION

YCRD-50-566/81-02, YCRD-50-567/81-02

10 CFR 50.55(e)

SECOND INTERIM REPORT

Description of Deficiency

On four separate occasions between June and December 1980, employees of TVA's Division of Construction discovered defects in welds by visual examination after the subject material had been released from the vendor shop by TVA's source inspectors.

All of the four occasions were handled as individual nonconformance reports (NCR's). The specific safety implication of each NCR will be addressed in that manner. However, this NCR was written to address the generic implication associated with a breakdown in the quality system at the source inspection level.

Interim Progress

TVA is finalizing the study to determine the generic implications of the condition and develop corrective action.