

TENNESSEE VALLEY AUTHORITY

CHATTANOOGA, TENNESSEE 37401  
400 Chestnut Street Tower II

August 7, 1981

Mr. Harold R. Denton, Director  
Office of Nuclear Reactor Regulation  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555



Dear Mr. Denton:

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

Tennessee Valley Authority (TVA) has reviewed our operating licenses (OL) for the Sequoyah Nuclear Plant units 1 and 2 (DPR-77 and DPR-79) to ensure that the applicable portion of special nuclear material licenses SNM-1716 and SNM-1863 were incorporated since the SNM licenses were terminated upon receipt of the OL's.

It appears that our OL's do not contain specific exemptions to the requirement for a criticality monitoring system for the fuel storage area as defined in 10 CFR 70.24.

An exemption to the requirements of 10 CFR 70.24 had been included in the SNM licenses.

We recognize that this requirement is not applicable for fuel storage underwater but we are concerned about its applicability to the storage of unirradiated fuel in the new fuel storage vaults.

We request you review the requirement of 10 CFR 70.24 and advise us of its applicability to our OL.

If you have questions related to this matter, please get in touch with P. J. Hammons of my staff at FTS 857-2584.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

*L. M. Mills*  
L. M. Mills, Manager  
Nuclear Regulation and Safety

Sworn to and subscribed before me  
this 7<sup>th</sup> day of August 1981

*Paulette H. White*  
Notary Public  
My Commission Expires 9-5-84

*Boz  
5/10*