

SAFEGUARDS INFORMATION

JAN 5 1993

Docket Nos. 50-327, 50-328
License Nos. DPR-77, DRK-79
EA No. 92-251

Tennessee Valley Authority
ATTN: Dr. Mark O. Medford
Vice President, Nuclear
Assurance, Licensing & Fuels
3B Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

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Gentlemen:

SUBJECT: NRC INSPECTION REPORT NOS. 50-327/92-37 AND 50-328/92-37

This refers to the inspection conducted by Ms. Orysia M. Masnyk of this office on December 7-11, 1992. The inspection included a review of activities authorized for your Sequoyah facility. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed inspection report.

Areas examined during the inspection were identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress.

Based on the results of this inspection, four apparent violations were identified and are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), 10 CFR Part 2, Appendix C (57 FR 5791, February 18, 1992). These four apparent violations address or relate to the failure to protect Safeguards Information, failure to take adequate corrective actions to prevent recurrence, and the failure to provide to the NRC, in the Safeguards Quarterly Log, information concerning the failure to protect Safeguards Information. Accordingly, no Notice of Violation is presently being issued for these inspection findings. Please be advised that the number and characterization of apparent violations described in the enclosed inspection report may change as a result of further NRC review.

An enforcement conference to discuss these apparent violations has been scheduled for January 13, 1993. The purposes of this conference are to discuss the apparent violations, their causes and safety significance; to provide you the opportunity to point out any errors in our inspection report; to provide an opportunity for you to present your proposed corrective actions; and to discuss any other information that will help us determine the appropriate enforcement action in accordance with the Enforcement Policy. In addition, we expect you to address the generic aspects of this problem as they apply to your Safeguards Information program. You will be advised by separate

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correspondence of the results of our deliberations on this matter. No response regarding these apparent violations is required at this time.

The material enclosed herewith contains Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the material will not be placed in the Public Document Room.

Should you have any questions concerning this letter, please contact us.

Sincerely,

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J. Philip Stohr, Director
Division of Radiation Safety
and Safeguards

Enclosure:
NRC Inspection Report
(Safeguards Information)

cc w/encl:
J. R. Bynum, Vice President
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R. Feuch, Vice President
Sequoyah Nuclear Plant
Tennessee Valley Authority
P. O. Box 2000
Soddy-Daisy, TN 37379

Mark J. Burzynski, Manager
Nuclear Licensing and
Regulatory Affairs
Tennessee Valley Authority
5B Lookout Place
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Chattanooga, TN 37402-2801

cc w/Inspection Summary:
J. B. Waters, Chairman
Tennessee Valley Authority
ET 12A
400 West Summit Hill Drive
Knoxville, TN 37902

(cc w/Inspection Summary cont'd - See page 3)

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(cc w/Inspection Summary cont'd)

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Site Licensing Manager
Sequoyah Nuclear Plant
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Soddy-Daisy, TN 37379

TVA Representative
Rockville Office
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General Counsel
Tennessee Valley Authority
ET 11H
400 West Summit Hill Drive
Knoxville, TN 37902

County Judge
Hamilton County Courthouse
Chattanooga, TN 37402

Michael H. Mobley, Director
Division of Radiological Health
3rd Floor, L and C Annex
401 Church Street
Nashville, TN 37243-1532

bcc w/Inspection Summary:

E. Merschorf, RII
J. Johnson, RII
P. J. Kellogg, RII
J. B. Brady, RII
B. Bordenick, OGC
D. E. LaBarge, NRR
G. Lainas, NRR
F. Hebdon, NRR
Document Control Desk (RIDS IE04), 016

NRC Resident Inspector
U.S. Nuclear Regulatory Comm.
2600 Igou Ferry
Soddy-Daisy, TN 37379

bcc w/encls:
NRR/DRIS/SB

concurrences see page 4:

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W. T. For.
RII:DRSS
DMW
MASNYK:JC
12/29/92

RII:DRSS
MCGUIRE
12/3/92

RII:DRSS
DMW
COLLINS
12/31/92

RII:DRP
B. W. G.
KELLOGG
12/31/92

RII:UCS
EPJ
JENKINS
01/4/93

RII:ORA
Q
EVANS
01/1/93

RII:DRSS
B. W.
MALLET
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RII:DRSS
STOHR
01/5/93

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