



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA STREET, N.W.
ATLANTA, GEORGIA 30303

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In Reply Refer To:
RII:JRH
50-553/78-7
50-554/78-7

NOV 14 1978

Tennessee Valley Authority
Attn: Mr. N. B. Hughes
Manager of Power
830 Power Building
Chattanooga, Tennessee 37401

Gentlemen:

This refers to the inspection conducted by Mr. J. R. Harris of this office on October 18-20, 1978, of activities authorized by NRC Construction Permit Nos. CPPR-162 and CPPR-163 for the Phipps Bend 1 and 2 facilities, and to the discussion of our findings held with Mr. J. C. Cofield at the conclusion of the inspection.

Areas examined during the inspection and our findings are discussed in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspectors.

Within the scope of this inspection, no items of noncompliance were disclosed.

In accordance with Section 2.790 of the NRC's "Rules of Practice", Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you (or your contractor) believe to be proprietary, it is necessary that you make a written application within 20 days to this office to withhold such information from public disclosure. Any such application must include a full statement of the reasons on the basis of which it is claimed that the information is proprietary, and should be prepared so that proprietary information identified in the application is contained in a separate part of the document. If we do not hear from you in this regard within the specified period, the report will be placed in the Public Document Room.

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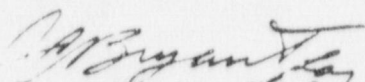
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Tennessee Valley Authority

-2-

Should you have any questions concerning this letter, we will be glad to discuss them with you.

Sincerely,



C. E. Murphy, Chief
Reactor Construction and
Engineering Support Branch

Enclosure: Inspection Report Nos.
50-553/78-7 and 50-554/78-7

cc w/encl:
Mr. J. F. Cox
W9D214
400 Commerce Avenue
Knoxville, Tennessee 37902

Mr. W. P. Kelleghan, Project Manager
Phipps Bend Nuclear Plant
P. O. Box 2000
Surgoinsville, Tennessee 37873