



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET SW SUITE 23T85
ATLANTA, GEORGIA 30303-8931**

August 11, 2003

SAFEGUARDS INFORMATION

Tennessee Valley Authority
ATTN: Mr. J. A. Scalice
Chief Nuclear Officer and
Executive Vice President
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

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**SUBJECT: SEQUOYAH NUCLEAR POWER PLANT - NRC SAFEGUARDS INSPECTION
REPORT 05000327/2003007 AND 05000328/2003007**

Dear Mr. Scalice:

On June 27, 2003, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at your Sequoyah Nuclear Power Plant, Units 1 and 2. The enclosed inspection report documents the inspection findings, which were discussed on June 27, 2003, with Mr. D. Koehl and other members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with an Order issued on February 25, 2002, which required your site to implement specific measures related to security of your facility. The inspection used Temporary Instruction 2515/148, "Inspection of Nuclear Reactor Safeguards Interim Compensatory Measures," to verify implementation of the Order as clarified in your responses dated March 18, July 3, September 3, and September 24, 2002. The inspection also included evaluations of other selected areas of the security program including performance indicators, access control, intrusion detection and assessment system testing, and aspects of contingency response. Within these areas, the inspection consisted of selected examination of procedures and records, observation of activities, and interviews with personnel.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, without the enclosed Safeguards Information, will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of

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

Sincerely,

/RA/

Anne T. Boland, Chief
Plant Support Branch
Division of Reactor Safety

Docket Nos.: 50-327 and 50-328
License Nos.: DPR-77 and DPR-79

Enclosure: Inspection Report 05000327/2003007 and 05000328/2003007
w/Attachment: Supplemental Information
(Contains Safeguards Information)

cc w/encl: See Page 3

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U.S. NUCLEAR REGULATORY COMMISSION

REGION II

Docket Nos.: 50-327, 50-328

License Nos.: DPR-77, DPR-79

Report No.: 05000327/2003007, 05000328/2003007

Licensee: Tennessee Valley Authority (TVA)

Facility: Sequoyah Nuclear Plant, Units 1 and 2

Location: Sequoyah Access Road
Soddy-Daisy, TN 37379

Dates: June 23-27, 2003

Inspectors: Lee R. Miller, Senior Operations Engineer
Donald B. Forbes, Physical Security Inspector
Jerry D. Ennis, Physical Security Inspector
William M. Sartor, Senior Emergency Preparedness Inspector

Approved by: Anne T. Boland, Chief
Plant Support Branch
Division of Reactor Safety

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SUMMARY OF FINDINGS

IR 05000327/2003007, 05000328/2003007; 6/23-27/03; Sequoyah Nuclear Plant, Units 1 and 2; Temporary Instruction (TI) 2515/148, Verification of Compliance with Interim Compensatory Measures Order.

The report covered an announced inspection by two regional physical security inspectors, an emergency preparedness inspector, and a reactor operations inspector. Two issues, the significance of which is to be determined, were identified. Pending further review, these issues are characterized as unresolved items. The NRC's program for overseeing the safe operation of commercial nuclear power reactors is described in NUREG-1649, "Reactor Oversight Process," Revision 3, dated July 2000.

A. Inspector-Identified and Self-Revealing Findings

Cornerstone: Physical Security

- The inspectors identified an unresolved item concerning the licensee's implementation of Interim Compensatory Measure B.1.c of the February 25, 2002 Order. (Section II.C)
- The inspectors identified an unresolved item concerning the licensee's implementation of Interim Compensatory Measure B.5.b of the February 25, 2002 Order. (Section VI.B)

B. Licensee-Identified Violations

None

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