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UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION II
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ATLANTA, GEORGIA 30303-8931

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December 18, 2002

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 PLANT - NRC SPECIAL INSPECTION
REPORT 50-327/2002-007 AND 50-328/2002-007

Dear Mr. Scalice:

This refers to the special inspection of a security event that was conducted on September 13 and November 18-19, 2002, at the Sequoyah facility. The enclosed report documents the inspection findings which were discussed on November 19, 2002, with Mr. Dennis Koehl and other members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. The inspector reviewed selected procedures and records, observed activities, and interviewed personnel.

Based on the results of this inspection, the inspectors identified one finding of very low safety significance (Green). The issue was determined to involve a violation of NRC requirements. However, due to its very low safety significance, and because it has been entered into your Corrective Action Program, the NRC is treating the issue as a non-cited violation (NCV), in accordance with Section VI.A.1 of the NRC's Enforcement Policy. If you deny this NCV, you should provide a response with the basis of your denial, within 30 days of the date of this inspection report, to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555-0001; with copies to the Regional Administrator, Region II; the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555-0001; and the NRC Resident Inspector at the Sequoyah facility.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams/index.html> (the Public Electronic Reading Room). Due to the sensitive security nature of the Report Details, they are being withheld pursuant to 10 CFR 2.790(d).

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2

Should you have any questions concerning this letter, please contact me at 404-562-4653.

Sincerely,

/RA/ Stephen Cahill for

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

Docket Nos. 50-327, 50-328
License Nos. DPR-77, DPR-79

Enclosure: NRC Inspection Report
w/Attachment

cc w/encl: See Page 3

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3

cc w/encl:

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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.: 50-327 and 328/2002-07

Licensee: Tennessee Valley Authority

Facility: Sequoyah Nuclear Plant, Units 1 and 2

Location: Sequoyah Access Road
Soddy-Daisy, TN 37379

Dates: September 13 and November 18-19, 2002

Inspector: Jon H. Wallo
Physical Security Inspector

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

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SUMMARY OF FINDINGS

IR 05000327-02-07, IR 05000328-02-07, Event Follow-up on 9/13 and 11/18-19/2002, Tennessee Valley Authority, Sequoyah Nuclear Plant, Units 1 and 2.

The inspection was conducted by a physical security inspector. The significance of most findings is indicated by their color (Green, White, Yellow, Red) using Inspection Manual Chapter 0609 "Significance Determination Process" (SDP). The NRC's program for overseeing the safe operation of commercial nuclear power reactors is described at its Reactor Oversight Process website at <http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html>.

A. Inspector Identified Findings and Self-Revealing Findings

Cornerstone: Safeguards

Green. A non-cited violation was identified for the licensee's failure to comply with Section 5.3.1 of the Physical Security Plan and Section 3.3 B of Security Instruction No. 1, in that on September 13, 2002, security officers failed to perform a physical search of an individual who had previously alarmed the explosives detector, prior to allowing the individual access to the protected area.

The finding was of very low safety significance in that, using the Physical Protection Significance Determination Process, it was identified as a vulnerability in access control, without a malevolent act, and without two similar findings in four quarters.

B. Licensee Identified Violations

None

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