

APPENDIX Q

**James M. Taylor, NRC Executive Director for Operations,
to Oliver D. Kingsley, Jr., President Generating Group
Tennessee Valley Authority**

August 26, 1991



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

August 26, 1991

Docket Nos. 50-390 and 50-391
License Nos. CPPR-91 and CPPR-92
EA 91-019

Mr. Oliver D. Kingsley, Jr.
President, Generating Group
Tennessee Valley Authority
6N 38A Lookout Place
1101 Market Street
Chattanooga, Tennessee 37402-2801

Dear Mr. Kingsley:

Subject: WATTS BAR CONSTRUCTION ACTIVITIES (NRC Inspection Report Nos. 50-390/90-30, 50-391/90-30, 50-390/90-31, and 50-391/90-31)

On April 12, 1991 an enforcement conference was held in the U.S. Nuclear Regulatory Commission (NRC) Region II Office to discuss issues related to construction activities at the Watts Bar Nuclear Plant (WBNP). At that conference Mr. D. A. Nauman, Senior Vice President, Nuclear Power, Tennessee Valley Authority (TVA) and his staff made a lengthy presentation to Stewart Ebnetter, Regional Administrator, NRC Region II and other members of the NRC staff which concluded that past TVA efforts to correct programmatic deficiencies at WBNP addressed primarily the symptoms of the problems rather than their root causes. The presentation also outlined in general terms the steps TVA is taking to correct that situation as well as some of the methodology that will be used to judge the success of those corrective actions.

On numerous occasions over the years, the NRC has heard various TVA management teams describe both the weaknesses in past corrective action programs and the intent to address root causes in future programs. Nevertheless, major problems have apparently continued uncorrected. Because of these continuing concerns the NRC staff requested and received a commitment from TVA at a January 15, 1991, meeting that the NRC staff would be involved in the decision to restart any construction activity at WBNP. The summary of that meeting is contained in a January 18, 1991, letter sent by NRC Region II to you. At this point, only positive results from the programs outlined at the enforcement conference will cause the NRC staff to agree that restart of construction activities at WBNP is appropriate.

Because the continuing problems at WBNP are of very significant concern to the NRC, a significant civil penalty would normally be proposed. However, I am not persuaded that such an action can help bring about the necessary changes any more readily than the multitude of program changes TVA has unsuccessfully implemented at WBNP since the shutdown of its nuclear program in 1985. Therefore, after consultation with the Commission, enforcement discretion will be exercised in this case and neither a Notice of Violation nor a civil penalty will be proposed.

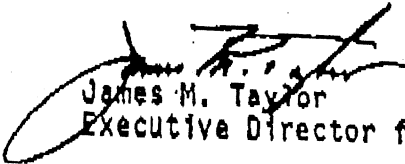
Mr. Oliver D. Kingsley, Jr.

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The absence of a civil penalty and Notice of Violation should not be taken to indicate that the NRC staff expects anything less than complete correction of the problems in the work control and corrective action programs at WBNP. Further, even if the NRC staff should agree, at some date subsequent to this letter, that the restart of construction at WBNP is appropriate, the agreed upon corrective actions must be effectively implemented such that, upon completion of construction, all regulatory requirements and TVA commitments specified in the FSAR and other documents are met. It is essential that TVA fully understands that the quality of design and construction must be fully verified and documented in such a manner that the NRC staff can reach a conclusion that the unit(s) meet all requirements and can be operated without undue risk to public health and safety before any unit(s) can be granted an operating license. In order to provide that necessary level of assurance your future performance will require substantial improvement.

The enclosed Appendix summarizes the NRC staff's concerns. TVA's corrective actions for the specific problems will be reviewed in future inspections. Should you have any questions concerning this letter or the attached Appendix, please contact the NRC Region II Regional Administrator.

Sincerely,


James M. Taylor
Executive Director for Operations

Enclosure:
Appendix

