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NUCLEAR REGULATORY COMMISSION
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May 18, 2000

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

SUBJECT: ANNUAL ASSESSMENT LETTER - SEQUOYAH NUCLEAR PLANT (REPORT NOS. 50-327/00-09 AND 50-328/00-09)

On May 4, 2000, the NRC staff completed its end-of-cycle plant performance assessment of Sequoyah. The end-of-cycle review for Sequoyah involved the participation of all technical divisions in evaluating performance indicators (PIs) and inspection results for the period May 30, 1999, to April 1, 2000. The purpose of this letter is to inform you of our assessment on your safety performance during this period.

Overall, Sequoyah operated in a manner that preserved public health and safety. Sequoyah fully met all cornerstone objectives. Plant performance for the most recent quarter was within the regulatory response column of the NRC's Action Matrix, because of one inspection finding of low-to-moderate safety significance (White), identified in the Initiating Events cornerstone. The inspection finding involved a turbine building railroad bay flooding event near the 6.9 kV unit switchboards which created an increased potential for a loss of offsite power. All performance indicators indicated performance at a level requiring no additional NRC oversight (Green).

We conducted a supplemental inspection of your investigation into the flooding event and concluded that your root cause analysis of the event focused on a temporary modification which routed the discharge from the bus duct coolers into the storm drainage system adjacent to the turbine building railroad bay door. Although your root cause analysis did not address the inconsistency between the existing storm drainage system and the original design standards, the installation of curbs around the 6.9 kV electrical cabinets provides increased assurance that plant equipment will be protected from future flooding events and thus reduces the risk of a loss of offsite power from a recurrence of flooding within the turbine building railroad bay. The inspection concluded that this finding is no longer outside of the licensee response band, and no further inspection of this issue is planned.

This letter advises you of our planned inspection effort resulting from the Sequoyah end-of-cycle review. We plan to conduct only baseline inspections at your facility for the remainder of the inspection cycle. The enclosed inspection plan details the scheduled inspections during the period April 2, 2000, to March 31, 2001. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved

in advance of inspector arrival onsite. Routine resident inspections are not listed because of their ongoing and continuous nature. The last six months of the inspection plan is tentative and will be revised at the mid-cycle review meeting.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room (PDR). More detailed information that provides the basis for this assessment is available at the following NRC website:

<http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html>

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact Paul Fredrickson at (404) 562-4530 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Loren R. Plisco, Director
Division of Reactor Projects

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

Enclosure: Sequoyah Inspection/Activity Plan

cc w/encl: See page 3

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