



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

March 4, 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

SUBJECT: ANNUAL ASSESSMENT LETTER - SEQUOYAH NUCLEAR PLANT  
(REPORT 50-327/02-01 AND 50-328/02-01)

Dear Mr. Scalice:

On February 5, 2002, the NRC staff completed its end-of-cycle plant performance assessment of the Sequoyah Nuclear Plant. 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 from April 1 through December 31, 2001. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility. This will provide you with the opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

As discussed in our previous annual assessment letter dated May 30, 2001, this inspection and assessment cycle consisted of three quarters (i.e., the second, third, and fourth quarters of calendar year 2001) instead of the usual four quarters. This change was implemented in order to align the inspection and assessment cycle with the calendar year beginning on January 1, 2002.

Overall, Sequoyah operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first two quarters of the assessment cycle, was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through March 31, 2003.

The enclosed inspection plan details the inspections scheduled through March 31, 2003. 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 due to their ongoing and continuous nature. The last six months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

With respect to the terrorist attacks on the World Trade Center and the Pentagon, immediately following the attacks, the NRC issued safeguards advisories recommending that nuclear power plant licensees go to the highest level of security, and all promptly did so. With continued uncertainty about the possibility of additional terrorist activities, the Nation's nuclear power plants, including Sequoyah, remain at a high level of security. On February 25, 2002, the NRC issued an Order to all nuclear power plant licensees, requiring them to take certain additional interim compensatory measures to address the generalized high-level threat environment. These additional compensatory requirements will provide the NRC with reasonable assurance that public health and safety and the common defense and security continue to be adequately protected in the current generalized high-level threat environment. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs. To date, we have monitored the Tennessee Valley Authority's actions in response to the terrorist attacks through a series of audits. With the issuance of the Order, in addition to the inspections described in the enclosed plan, we will evaluate Sequoyah's compliance with these interim requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made 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.html> (the Public Electronic Reading Room).

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 me at 404-562-4530 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*//RA//*

Paul E. Fredrickson, Chief  
Reactor Projects Branch 6  
Division of Reactor Projects

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

Enclosure: Sequoyah Nuclear Plant Inspection/Activity Plan

cc w/encl: (See page 3)

cc w/encl:  
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**Sequoyah**  
**Inspection / Activity Plan**  
**03/04/2002 - 03/31/2003**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>EB1-FP - FP - INSPECTION</b>		<b>4</b>			
1, 2	IP 7111105T	Fire Protection		03/25/2002	03/29/2002	Baseline Inspections
	<b>PB6-FP - FLOOD PROTECTION</b>		<b>1</b>			
1, 2	IP 7111106	Flood Protection Measures		04/01/2002	04/05/2002	Baseline Inspections
	<b>EB2-ISI - INSERVICE INSPECTION</b>		<b>1</b>			
2	IP 7111108	Inservice Inspection Activities		04/22/2002	04/26/2002	Baseline Inspections
	<b>EB2SGISI - STM GEN - INSERVICE INSPECTION</b>		<b>1</b>			
2	IP 7111108	Inservice Inspection Activities		05/13/2002	05/15/2002	Baseline Inspections
	<b>PS-SEC - SECURITY</b>		<b>1</b>			
1, 2	IP 7113001	Access Authorization Program (Behavior Observation Only)		06/24/2002	06/28/2002	Baseline Inspections
1, 2	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizatio		06/24/2002	06/28/2002	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		06/24/2002	06/28/2002	Baseline Inspections
	<b>PS-RP - RADIATION PROTECTION AT MUSCLE SHOALS</b>		<b>1</b>			
1, 2	IP 7112203	Radiological Environmental Monitoring Program		07/10/2002	07/12/2002	Baseline Inspections
	<b>PS-RP - RADIATION PROTECTION</b>		<b>3</b>			
1, 2	IP 7112101	Access Control to Radiologically Significant Areas		08/19/2002	08/23/2002	Baseline Inspections
1, 2	IP 7112103	Radiation Monitoring Instrumentation		08/19/2002	08/23/2002	Baseline Inspections
1, 2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		08/19/2002	08/23/2002	Baseline Inspections
1, 2	IP 7112203	Radiological Environmental Monitoring Program		08/19/2002	08/23/2002	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		08/19/2002	08/23/2002	Baseline Inspections
	<b>OL-EP - EMERGENCY EXERCISE</b>		<b>2</b>			
1, 2	IP 7111401	Exercise Evaluation		09/30/2002	10/04/2002	Baseline Inspections
1, 2	IP 7111404	Emergency Action Level and Emergency Plan Changes		09/30/2002	10/04/2002	Baseline Inspections
1, 2	IP 71151	Performance Indicator Verification		09/30/2002	10/04/2002	Baseline Inspections
	<b>PS-SEC - SECURITY</b>		<b>1</b>			
1, 2	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Strategie		10/07/2002	10/11/2002	Baseline Inspections
	<b>PB6-AWP - FREEZE PROTECTION</b>		<b>1</b>			
1, 2	IP 7111101	Adverse Weather Protection		11/04/2002	11/08/2002	Baseline Inspections
	<b>EB2-MR - MAINTENANCE RULE</b>		<b>1</b>			
1, 2	IP 7111112B	Maintenance Rule Implementation		11/12/2002	11/16/2002	Baseline Inspections
	<b>OL-PREP - INITIAL EXAM PREP</b>		<b>3</b>			
1	V23180	SEQUOYAH/EXAMS AT POWER FACILITIES		11/18/2002	11/22/2002	Not Applicable
	<b>OL-EXAM - INITIAL EXAM</b>		<b>3</b>			
1	V23180	SEQUOYAH/EXAMS AT POWER FACILITIES		12/02/2002	12/06/2002	Not Applicable

This report does not include INPO and OUTAGE activities.  
This report shows only on-site and announced inspection procedures.

**Sequoyah**  
**Inspection / Activity Plan**  
**03/04/2002 - 03/31/2003**

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	<b>EB1-SSDI - SSDI - PRE-INSPECTION VISIT</b>		<b>1</b>			
1, 2	IP 7111121	Safety System Design and Performance Capability		01/13/2003	01/17/2003	Baseline Inspections
	<b>PB6-FP - FLOOD PROTECTION</b>		<b>1</b>			
1, 2	IP 7111106	Flood Protection Measures		01/13/2003	01/17/2003	Baseline Inspections
	<b>EB1-SSDI - SSDI - INSPECTION</b>		<b>4</b>			
1, 2	IP 7111121	Safety System Design and Performance Capability		02/10/2003	02/14/2003	Baseline Inspections
	<b>EB1-SSDI - SSDI - INSPECTION</b>		<b>4</b>			
1, 2	IP 7111121	Safety System Design and Performance Capability		02/24/2003	02/28/2003	Baseline Inspections
	<b>EB2-ISI - INSERVICE INSPECTION</b>		<b>1</b>			
1	IP 7111108	Inservice Inspection Activities		03/24/2003	03/28/2003	Baseline Inspections