



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931

March 2, 2005

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

SUBJECT: ANNUAL ASSESSMENT LETTER - SEQUOYAH NUCLEAR PLANT,
INSPECTION REPORT 05000327/2005001, 05000328/2005001

Dear Mr. Singer:

On February 10, 2005, 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 the reactor technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2004. 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 allow you an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities. This performance review and the enclosed inspection plan do not include physical protection information. A separate end-of-cycle performance review letter, designated and marked as "Exempt from Public Disclosure in accordance with 10 CFR 2.390," will include the physical protection review.

Overall, Sequoyah operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for Sequoyah Unit 2 for the most recent quarter, as well as for the first three 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). Sequoyah Unit 1 was also in the licensee Response Column of the NRC's Action Matrix for the first two quarters of the assessment cycle.

However, Sequoyah Unit 1 plant performance for the most recent quarter as well as for the third quarter, was within the Regulatory Response Column of the NRC's Action Matrix, based on one inspection finding of low-to-moderate safety significance. The finding, characterized as White, was associated with the Mitigating Systems Cornerstone and involved a failure of a residual heat removal pump to start on demand in July 2004, when the pump breaker failed to close. We plan to schedule a Supplemental Inspection using NRC Inspection Procedure 95001 in the near future to review this issue.

ML050610628-pkg
ML050610631-ltr
ML050610638-encl

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through September 30, 2006. In addition to baseline inspection activities and the Supplemental Inspection discussed above, the plan currently includes non-ROP inspections of your independent spent fuel storage installation project. 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 inspections in the last nine months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

In accordance with 10 CFR 2.390 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 Steve Cahill at 404-562-4520 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Victor M. McCree, Director
Division of Reactor Projects

Docket Nos. 50-327, 50-328, 72-34
License Nos. DPR-77, DPR-79

Enclosure: Sequoyah Inspection/Activity Plan

cc w/encl: (See page 3)

TVA

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Sequoyah
Inspection / Activity Plan
03/01/2005 - 09/30/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	EB1SSDPC - SAFETY SYSTEM DESIGN & PERF. CAPABILITY		4			
1,2	IP 7111121	Safety System Design and Performance Capability		02/28/2005	03/04/2005	Baseline Inspections
	PB6-SUPP - SUPPLEMENT INSPECTION		1			
1,2	IP 95001	Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area		03/28/2005	03/30/2005	Supplemental Progra
	MTN-HS - HEAT SINK		1			
1,2	IP 7111107B	Heat Sink Performance		03/28/2005	04/01/2005	Baseline Inspections
	PS1-RP - RAD PROTECTION OCCUPATIONAL - WEEK 1		3			
1,2	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		04/25/2005	04/29/2005	Other Routine
1,2	IP 7112101	Access Control to Radiologically Significant Areas		04/25/2005	04/29/2005	Baseline Inspections
1,2	IP 7112102	ALARA Planning and Controls		04/25/2005	04/29/2005	Baseline Inspections
1,2	IP 7112202	Radioactive Material Processing and Transportation		04/25/2005	04/29/2005	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		04/25/2005	04/29/2005	Baseline Inspections
	MTN-ISI - U2 INSERVICE INSPECTION		1			
2	IP 7111108P	Inservice Inspection Activities - PWR		05/02/2005	05/06/2005	Baseline Inspections
	MTNT1160 - 2515/160 U-2: PZR PENETRATION NOZZLES		1			
2	IP 2515/160	Pzr Pene Nozzles & Stm Space Piping Connections in U.S. PWRs [NRC Bulletin 2004-01]		05/02/2005	05/06/2005	Safety Issues
	MTNSGSI - STEAM GENERATOR ISI		1			
2	IP 7111108P	Inservice Inspection Activities - PWR		05/16/2005	05/20/2005	Baseline Inspections
	PS-RP - RAD PROTECTION OCCUPATIONAL - WEEK 2		3			
1,2	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		05/16/2005	05/20/2005	Other Routine
1,2	IP 7112101	Access Control to Radiologically Significant Areas		05/16/2005	05/20/2005	Baseline Inspections
1,2	IP 7112102	ALARA Planning and Controls		05/16/2005	05/20/2005	Baseline Inspections
1,2	IP 7112202	Radioactive Material Processing and Transportation		05/16/2005	05/20/2005	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		05/16/2005	05/20/2005	Baseline Inspections
	PS EP - EP INSPECTION		1			
1,2	IP 7111402	Alert and Notification System Testing		06/20/2005	06/24/2005	Baseline Inspections
1,2	IP 7111403	Emergency Response Organization Augmentation Testing		06/20/2005	06/24/2005	Baseline Inspections
1,2	IP 7111404	Emergency Action Level and Emergency Plan Changes		06/20/2005	06/24/2005	Baseline Inspections
1,2	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		06/20/2005	06/24/2005	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		06/20/2005	06/24/2005	Baseline Inspections
	PI&R - PROBLEM IDENTIFICATION AND RESOLUTION		4			
1,2	IP 71152B	Identification and Resolution of Problems		07/25/2005	07/29/2005	Baseline Inspections
1,2	IP 71152B	Identification and Resolution of Problems		08/08/2005	08/12/2005	Baseline Inspections
	EB1-MODS - MODIFICATIONS/10CFR50.59		4			
1,2	IP 7111102	Evaluation of Changes, Tests, or Experiments		08/22/2005	08/26/2005	Baseline Inspections

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

Enclosure

Sequoyah
Inspection / Activity Plan
03/01/2005 - 09/30/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	EB1-MODS - MODIFICATIONS/10CFR50.59		4			
1,2	IP 7111117B	Permanent Plant Modifications		08/22/2005	08/26/2005	Baseline Inspections
	60855.1 - ISFSI OPERATIONS INSPECTION		1			
1,2	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		10/03/2005	10/07/2005	Other Routine
	EB2-TFP - TFP PRE-INSPECTION VISIT		3			
1,2	IP 7111105T	Fire Protection		10/03/2005	10/07/2005	Baseline Inspections
	EB2-TFP - TRIENNIAL FIRE PROTECTION (TFP) INSP		3			
1,2	IP 7111105T	Fire Protection		10/31/2005	11/04/2005	Baseline Inspections
1,2	IP 7111105T	Fire Protection		11/14/2005	11/18/2005	Baseline Inspections
	MTN-MR - MR EFFECTIVENESS		1			
1,2	IP 7111112B	Maintenance Effectiveness		02/13/2006	02/17/2006	Baseline Inspections
	MTN-ISI - U1 INSERVICE INSPECTION		2			
1	IP 7111108P	Inservice Inspection Activities - PWR		04/10/2006	04/14/2006	Baseline Inspections
	MTN-ISI - U1 STEAM GENERATOR ISI		1			
1	IP 7111108P	Inservice Inspection Activities - PWR		04/17/2006	04/21/2006	Baseline Inspections
	PS1-RP - RP PUBLIC BASELINE		4			
1,2	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		07/24/2006	07/28/2006	Other Routine
1,2	IP 7112101	Access Control to Radiologically Significant Areas		07/24/2006	07/28/2006	Baseline Inspections
1,2	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/24/2006	07/28/2006	Baseline Inspections
1,2	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		07/24/2006	07/28/2006	Baseline Inspections
1,2	IP 7112203	Radiological Environmental Monitoring Program		07/24/2006	07/28/2006	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		07/24/2006	07/28/2006	Baseline Inspections
	OL PREP - INITIAL EXAM PREP		3			
1	V23243	SEQUOYAH/EXAM AT POWER FACILITIES		08/28/2006	09/01/2006	Not Applicable
	PS2-EP - EP EXERCISE		3			
1,2	IP 7111401	Exercise Evaluation		08/28/2006	09/02/2006	Baseline Inspections
1,2	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/28/2006	09/02/2006	Baseline Inspections
1,2	IP 71151	Performance Indicator Verification		08/28/2006	09/02/2006	Baseline Inspections
	MNT-ISI - REACTOR HEAD EXAMINATION		1			
2	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-02)		09/04/2006	09/08/2006	Safety Issues
	OL EXAM - INITIAL EXAM		3			
1	V23243	SEQUOYAH/EXAM AT POWER FACILITIES		09/18/2006	09/22/2006	Not Applicable