



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

March 3, 2004

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 - WATTS BAR NUCLEAR PLANT, REPORT
50-390/2004-01, 50-391/2004-01

Dear Mr. Scalice:

On February 4, 2004, the NRC staff completed its end-of-cycle plant performance assessment of the Watts Bar Nuclear Plant. The end-of-cycle review for Watts Bar involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2003. 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 so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

Overall, Watts Bar 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 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). Therefore, per the NRC Reactor Oversight Process (ROP), we plan to conduct only baseline inspections at Watts Bar through September 30, 2005. We also plan on conducting several non-ROP inspections which include lay-up and preservation of Unit 2 and a safety issue inspection to follow-up on industry issues with Reactor Containment Sump Blockage.

The enclosed inspection plan details the inspections scheduled through September 30, 2005. 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 twelve months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

As you are aware, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness since the terrorist attacks on September

11, 2001. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2004, we plan to continue inspections of Order implementation combined with newly developed portions of the security baseline inspection program.

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) 562-4520 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Stephen J. Cahill, Chief
Reactor Projects Branch 6
Division of Reactor Projects

Docket Nos. 50-390, 50-391
License No. NPF-90 and Construction
Permit No. CPPR-92

Enclosure: Watts Bar Inspection/ Activity Plan

cc w/encl: (See page 3)

TVA

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cc w/encls:

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Watts Bar
Inspection / Activity Plan
03/01/2004 - 09/30/2005

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	End	Inspection Type
	EB1-TFP - TFP PRE-INSPECTION VISIT		4			
1	IP 7111105T	Fire Protection		03/01/2004	03/05/2004	Baseline Inspections
	EB1-TFP - TRIENNIAL FIRE PROTECTION		4			
1	IP 7111105T	Fire Protection		03/29/2004	04/02/2004	Baseline Inspections
1	IP 7111105T	Fire Protection		04/12/2004	04/16/2004	Baseline Inspections
	2515/153 - TI 2515/153 RX CONTAINMT SUMP BLOCKAGE		2			
1	IP 2515/153	Reactor Containment Sump Blockage (NRC Bulletin 2003-01)		06/21/2004	06/25/2004	Safety Issues
	OL PREP - INITIAL EXAM PREP		3			
1	V23213	WATTS BAR/EXAMS AT POWER FACILITIES		07/12/2004	07/16/2004	Not Applicable
	OL EXAM - INITIAL EXAM		5			
1	V23213	WATTS BAR/EXAMS AT POWER FACILITIES		07/26/2004	07/30/2004	Not Applicable
	PS-RP - RP PUBLIC BASELINE		3			
1	IP 7112101	Access Control to Radiologically Significant Areas		08/16/2004	08/20/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		08/16/2004	08/20/2004	Baseline Inspections
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		08/16/2004	08/20/2004	Baseline Inspections
1	IP 7112203	Radiological Environmental Monitoring Program		08/16/2004	08/20/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/16/2004	08/20/2004	Baseline Inspections
	PS-SEC - SECURITY		2			
1	IP 7113001	Access Authorization		10/04/2004	10/08/2004	Baseline Inspections
1	IP 7113002	Access Control		10/04/2004	10/08/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/04/2004	10/08/2004	Baseline Inspections
	OL EP - EP INSPECTION		1			
1	IP 7111402	Alert and Notification System Testing		11/01/2004	11/05/2004	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		11/01/2004	11/05/2004	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		11/01/2004	11/05/2004	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		11/01/2004	11/05/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		11/01/2004	11/05/2004	Baseline Inspections
	OL RQ - REQUAL EXAM		2			
1	IP 7111111B	Licensed Operator Requalification Program		11/15/2004	11/19/2004	Baseline Inspections
	RP BR6 - UNIT 2 SYSTEMS LAYUP INSPECTION		1			
1	IP 92050	Review Of Quality Assurance For Extended Construction Delays		11/15/2004	11/19/2004	Other Routine
	PI&R - PROBLEM IDENTIFICATION AND RESOLUTION		4			
1	IP 71152B	Identification and Resolution of Problems		01/24/2005	01/28/2005	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		02/07/2005	02/11/2005	Baseline Inspections

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

Watts Bar
Inspection / Activity Plan
03/01/2004 - 09/30/2005

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	EB2-MR	- MAINTENANCE RULE	1			
1	IP 711112B	Maintenance Effectiveness		02/07/2005	02/11/2005	Baseline Inspections
	PS-RP	- RP OCCUPATIONAL BASELINE - WEEK 1	2			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/21/2005	03/25/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/21/2005	03/25/2005	Baseline Inspections
1	IP 7112202	Radioactive Material Processing and Transportation		03/21/2005	03/25/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/21/2005	03/25/2005	Baseline Inspections
	PS-RP	- RP OCCUPATIONAL BASELINE - WEEK 2	2			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/04/2005	04/08/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/04/2005	04/08/2005	Baseline Inspections
1	IP 7112202	Radioactive Material Processing and Transportation		04/04/2005	04/08/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/04/2005	04/08/2005	Baseline Inspections
	EB2-MODS	- MODIFICATIONS/10CFR50.59	2			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		05/09/2005	05/13/2005	Baseline Inspections
1	IP 711117B	Permanent Plant Modifications		05/09/2005	05/13/2005	Baseline Inspections
	EB1SSDPC	- SSDPC PRE-INSPECTION VISIT	2			
1	IP 7111121	Safety System Design and Performance Capability		06/13/2005	06/17/2005	Baseline Inspections
	EB1SSDPC	- SAFETY SYSTEM DESIGN & PERF. CAPABILITY	5			
1	IP 7111121	Safety System Design and Performance Capability		07/11/2005	07/15/2005	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		07/25/2005	07/29/2005	Baseline Inspections