



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

May 30, 2001

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 50-390/2001-01 AND 50-391/2001-01

Dear Mr. Scalice:

On May 2, 2001, 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) and inspection results for the period from April 2, 2000, to March 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 so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections which 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, we plan to conduct only the baseline inspections at your facility through May 31, 2002, as well as continue to inspect the layout and preservation of Unit 2 safety-related equipment on an annual basis.

In addition, prior to this assessment period, on February 7, 2000, the staff issued a Notice of Violation and Proposed Imposition of Civil Penalty - \$110,000 to TVA, in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," NUREG-1600. This Severity Level II violation involved employment discrimination contrary to the requirements of 10 CFR 50.7, "Employee Protection," in that TVA did not select a former employee to a competitive position in the corporate chemistry organization in 1996, due, at least in part, to his engagement in protected activities. On January 22, 2001, TVA denied the violation. Subsequent to this assessment period, on May 4, 2001, the staff issued an Order sustaining the violation and imposing the civil penalty. TVA's response to the Imposition Order remains pending.

The enclosed inspection plan details the scheduled inspections that will occur through May 31, 2002. This 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.

For your information, the NRC is in the process of aligning the inspection and assessment cycle with the calendar year. In order to transition to a calendar year (CY) cycle (January 1 - December 31), the current inspection and assessment cycle will consist of only three quarters (i.e., the second, third and fourth calendar quarters of CY 2001). As a result, for this transition period, the number of inspection activities has been modified accordingly and a mid-cycle review letter and accompanying inspection plan will not be issued.

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/NRC/ADAMS/index.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. 50-390, 50-391
License No. NPF-90 and Construction
Permit No. CPPR-92

Enclosure: Watts Bar Nuclear Plant Inspection/Activity Plan

cc w/encl: (See page 3)

TVA

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cc w/encl:

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Unit Number	Inspection Activity	Title	Nc. of Staff on Site	Planned Dates Start End	Inspection Type
1	MB MR - MAINTENANCE RULE		1	06/04/2001 06/08/2001	Baseline Inspections
	IP 711112B	Maintenance Rule Implementation			
1	MB HS - HEAT SINK		1	06/25/2001 06/29/2001	Baseline Inspections
	IP 7111107B	Heat Sink Performance			
1	MB MODS - MODS AND 50.59		3	07/23/2001 07/27/2001	Baseline Inspections
	IP 7111102	Evaluation of Changes, Tests, or Experiments			
1	PB6LAYUP - UNIT 2 SYSTEM LAYUP		1	09/17/2001 09/21/2001	Other Routine
	IP 92050	Review Of Quality Assurance For Extended Construction Delays			
1	PS-RP - RADIATION PROTECTION		1	10/01/2001 10/05/2001	Baseline Inspections
	IP 7112101	Access Control to Radiologically Significant Areas			
1	EB-SSDI - SSDI PRE-INSPECTION VISIT		1	10/15/2001 10/19/2001	Baseline Inspections
	IP 7111121	Safety System Design and Performance Capability			
1	PS-SEC - SECURITY		1	10/22/2001 10/26/2001	Baseline Inspections
	IP 7113001	Access Authorization Program (Behavior Observation Only)			
1	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizati		10/22/2001 10/26/2001	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/22/2001 10/26/2001	Baseline Inspections
1	EB-SSDI - SSDI		5	11/05/2001 11/09/2001	Baseline Inspections
	IP 7111121	Safety System Design and Performance Capability			
1	OLEP - EMERGENCY PREPAREDNESS		2	11/05/2001 11/09/2001	Baseline Inspections
	IP 7111401	Exercise Evaluation			
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		11/05/2001 11/09/2001	Baseline Inspections
1	IP 71151	Performance Indicator Verification		11/05/2001 11/09/2001	Baseline Inspections
1	PB6AWP - ADVERSE WEATHER PROTECTION		1	11/13/2001 11/16/2001	Baseline Inspections
	IP 7111101	Adverse Weather Protection			
1	EB-SSDI - SSDI		5	11/26/2001 11/30/2001	Baseline Inspections
	IP 7111121	Safety System Design and Performance Capability			
1	PS-RP - RADIATION PROTECTION		1	12/03/2001 12/07/2001	Baseline Inspections
	IP 7112103	Radiation Monitoring Instrumentation			
1	IP 71151	Performance Indicator Verification		12/03/2001 12/07/2001	Baseline Inspections
1	PB6FLOOD - FLOOD PROTECTION MEASURES		1	01/28/2002 01/31/2002	Baseline Inspections
	IP 7111106	Flood Protection Measures			
1	PS-SEC - SECURITY		3	02/11/2002 02/15/2002	Baseline Inspections
	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Str			
1	PS-RP - RADIATION PROTECTION		2	02/25/2002 03/01/2002	Baseline Inspections
	IP 7112101	Access Control to Radiologically Significant Areas			
1	IP 7112102	ALARA Planning and Controls		02/25/2002 03/01/2002	Baseline Inspections

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

Inspection / Activity Plan
06/01/2001 - 05/31/2002

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
1	IP 7112202	Radioactive Material Processing and Transportation		02/25/2002	03/01/2002	Baseline Inspections
	PS-SEC - SECURITY		1			
1	IP 7113001	Access Authorization Program (Behavior Observation Only)		05/06/2002	05/10/2002	Baseline Inspections
1	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizati		05/06/2002	05/10/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		05/06/2002	05/10/2002	Baseline Inspections
	PS-RP - RADIATION PROTECTION		1			
1	IP 7112102	ALARA Planning and Controls		05/20/2002	05/24/2002	Baseline Inspections

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This report shows only on-site and announced inspection procedures.