



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
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ATLANTA, GEORGIA 30303-8931**

March 4, 2003

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
50-390/2003-01, 50-391/2003-01**

Dear Mr. Scalice:

On February 5, 2003, 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, 2002. 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, we plan to conduct only baseline inspections at Watts Bar through March 31, 2004. However, we will continue to inspect the lay-up and preservation of Unit 2, we will perform a safety issue inspection to follow-up on industry issues with reactor head penetrations delineated in NRC Bulletin 2002-02, "Reactor Pressure Vessel Head and Vessel Head Penetration Nozzle Inspection Programs," and we will perform a review of the implementation of the Interim Compensatory Measures required by the NRC Security Order dated February 25, 2002.

The enclosed inspection plan details the inspections scheduled through March 31, 2004. 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 six months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness. 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 2003, we plan to continue these inspections, conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

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
03/01/2003 - 03/31/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	OL RQ - REQUAL INSPECTION		1			
1	IP 7111111B	Licensed Operator Requalification		03/03/2003	03/05/2003	Baseline Inspections
	PI&R - IDENTIFICATION AND RESOLUTION OF PROBLEM		4			
1	IP 71152	Identification and Resolution of Problems		04/14/2003	04/18/2003	Baseline Inspections
	PI&R - IDENTIFICATION AND RESOLUTION OF PROBLEM		4			
1	IP 71152	Identification and Resolution of Problems		04/28/2003	05/02/2003	Baseline Inspections
	EB1SSDPC - SSDPC PRE-INSPECTION VISIT		1			
1	IP 7111121	Safety System Design and Performance Capability		06/02/2003	06/05/2003	Baseline Inspections
	EB2-HS - HEAT SINK		1			
1	IP 7111107B	Heat Sink Performance		06/02/2003	06/06/2003	Baseline Inspections
	EB1SSDPC - SAFETY SYS DESIGN & PERF CAPABILITY		7			
1	IP 7111121	Safety System Design and Performance Capability		06/23/2003	06/27/2003	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		07/07/2003	07/11/2003	Baseline Inspections
	PS-SEC - SECURITY - TI/ICM		3			
1	IP 2515/148	Inspection of Nuclear Reactor Safeguards - Interim Compensatory Measures		07/14/2003	07/18/2003	Safety Issues
	PS-RP - RADIATION PROTECTION		3			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/21/2003	07/25/2003	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/21/2003	07/25/2003	Baseline Inspections
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		07/21/2003	07/25/2003	Baseline Inspections
1	IP 7112203	Radiological Environmental Monitoring Program		07/21/2003	07/25/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		07/21/2003	07/25/2003	Baseline Inspections
	EB2-ISI - INSERVICE INSPECTION-U1		1			
1	IP 7111108P	Inservice Inspection Activities - PWR		09/29/2003	10/03/2003	Baseline Inspections
	S/G-ISI - S/G INSERVICE INSPECTION-U1		1			
1	IP 7111108P	Inservice Inspection Activities - PWR		10/06/2003	10/10/2003	Baseline Inspections
	2515/150 - TI 2515/150 REV1		1			
1	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-02)		10/07/2003	10/10/2003	Safety Issues
	OL-EP - EMERGENCY EXERCISE		2			
1	IP 7111401	Exercise Evaluation		11/05/2003	11/06/2003	Baseline Inspections
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		11/05/2003	11/06/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		11/05/2003	11/06/2003	Baseline Inspections
	PB6LAYUP - UNIT 2 SYSTEM LAYUP INSPECTION		1			
1	IP 92050	Review Of Quality Assurance For Extended Construction Delays		11/17/2003	11/21/2003	Other Routine
	EB2-MR - MAINTENANCE RULE		1			
1	IP 7111112B	Maintenance Effectiveness		12/08/2003	12/11/2003	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
03/01/2003 - 03/31/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	PB6-FP - FLOOD PROTECTION		1			
1	IP 7111106	Flood Protection Measures		01/12/2004	01/16/2004	Baseline Inspections
	EB1FP - TFP PRE-INSPECTION VISIT		4			
1	IP 7111105T	Fire Protection		03/01/2004	03/05/2004	Baseline Inspections
	EB1-FP - TRIENNIAL FIRE PROTECTION		4			
1	IP 7111105T	Fire Protection		03/22/2004	03/26/2004	Baseline Inspections
	OL PREP - INITIAL EXAM PREP		2			
1	V23213	WATTS BAR/EXAMS AT POWER FACILITIES		03/29/2004	04/02/2004	Not Applicable