



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

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

August 31, 2007

Tennessee Valley Authority  
ATTN: Mr. William R. Campbell  
Chief Nuclear Officer and  
Senior Vice President  
6A Lookout Place  
1101 Market Street  
Chattanooga, TN 37402-2801

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN - WATTS  
BAR NUCLEAR PLANT

Dear Mr. Campbell:

On August 16, 2007, the NRC staff completed its performance review of the Watts Bar Nuclear Plant for the first half of the calendar year 2007 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous twelve months. 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 performance review and the enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Exempt from Public Disclosure in Accordance with 10 CFR 2.390" will include the physical protection review and a resultant inspection plan.

Overall, Watts Bar Unit 1 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for Watts Bar Unit 1 for the most recent quarter was in 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 reactor oversight process (ROP) baseline inspections at your facility. In addition to the ROP baseline inspections, we plan to conduct a non-baseline inspection involving the reactor vessel head penetration nozzles.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2009. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well 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 end-of-cycle review.

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).

The NRC is currently evaluating the scope and frequency of all baseline inspection procedures. If the results of the evaluation, or any other circumstances, cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (404) 562-4550 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

***/RA/***

Tilda Y. Liu, Acting Chief  
Reactor Projects Branch 6  
Division of Reactor Projects

Docket Nos.: 50-390, 50-391

License Nos.: NPF-90 and Construction Permit No. CPPR-92

Enclosure: Watts Bar Inspection/Activity Plan

cc w/encl: (See page 3)

cc w/encl:

Ashok S. Bhatnagar  
Senior Vice President  
Nuclear Generation Development  
and Construction  
Tennessee Valley Authority  
Electronic Mail Distribution

Preston D. Swafford  
Senior Vice President  
Nuclear Support  
Tennessee Valley Authority  
Electronic Mail Distribution

Walter M. Justice, II, Interim Vice President  
Nuclear Engineering & Technical Services  
Tennessee Valley Authority  
Electronic Mail Distribution

Michael D. Skaggs  
Site Vice President  
Watts Bar Nuclear Plant  
Tennessee Valley Authority  
Electronic Mail Distribution

General Counsel  
Tennessee Valley Authority  
Electronic Mail Distribution

John C. Fornicola, General Manager  
Nuclear Assurance  
Tennessee Valley Authority  
Electronic Mail Distribution

Robert H. Bryan, Jr., General Manager  
Licensing & Industry Affairs  
Tennessee Valley Authority  
Electronic Mail Distribution

Beth A. Wetzel, Manager  
Corporate Nuclear Licensing and  
Industry Affairs  
Tennessee Valley Authority  
4X Blue Ridge  
1101 Market Street  
Chattanooga, TN 37402-2801

James D. Smith, Acting Manager  
Licensing and Industry Affairs  
Watts Bar Nuclear Plant  
Tennessee Valley Authority  
Electronic Mail Distribution

Michael J. Lorek, Plant Manager  
Watts Bar Nuclear Plant  
Tennessee Valley Authority  
Electronic Mail Distribution

Masoud Bajestani  
Vice President  
Watts Bar Unit 2  
Watts Bar Nuclear Plant  
Tennessee Valley Authority  
P.O. Box 2000  
Spring City, TN 37381

County Executive  
Rhea County Courthouse  
375 Church Street, Suite 215  
Dayton, TN 37321-1300

County Mayor  
P. O. Box 156  
Decatur, TN 37322

Lawrence E. Nanney, Director  
TN Dept. of Environment & Conservation  
Division of Radiological Health  
Electronic Mail Distribution

Ann Harris  
341 Swing Loop  
Rockwood, TN 37854

James H. Bassham, Director  
Tennessee Emergency Management  
Agency  
Electronic Mail Distribution