



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

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April 4, 2002

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

Safeguards Information removed

SUBJECT: NRC INSPECTION REPORT 50-390/2002-006 AND 50-391/2002-006

Dear Mr. Scalice:

On March 21, 2002, the NRC completed an inspection at your Watts Bar Nuclear Plant, Units 1 and 2. The enclosed report documents the inspection findings which were discussed on March 21, 2002, with Mr. D. Kulisek and other members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

Based on the results of this inspection, the NRC identified an issue of very low safety significance which was determined to involve a violation of NRC requirements. However, because of its very low safety significance and because it was entered into your corrective action program, the NRC is treating it as a non-cited violation (NCV), in accordance with Section VI.A.1 of the NRC Enforcement Policy. If you deny the NCV in the enclosed report, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555-0001; with copies to the Regional Administrator, Region II; the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555-0001; and the NRC Resident Inspector at the Watts Bar facility.

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be 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).

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: NRC Inspection Report 50-390/2002-006;
50-391/2002-006
(contains Safeguards Information)

cc w/encl:
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cc w/Summary of Findings:
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(cc w/Summary of Findings cont'd - See page 3)

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SUMMARY OF FINDINGS

IR 05000390, 391/2002-006, 02/06-03/21/2001, Tennessee Valley Authority, Watts Bar Nuclear Plant, Unit 1 and 2. Physical protection.

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The inspection was conducted by resident inspectors. The inspection identified one Green finding which was a Non-Cited Violation. The significance of most findings is indicated by their color (Green, White, Yellow, Red) using Inspection Manual Chapter (IMC) 0609 "Significance Determination Process" (SDP). Findings for which the SDP does not apply are indicated by "NO Color" or by the severity level of the applicable violation. The NRC's program for overseeing the safe operation of commercial nuclear power reactors is described at its Reactor Oversight Process website.

Cornerstone: Physical Protection

Green. The inspectors identified a non-cited violation for failure to ensure that Safeguards Information is protected against unauthorized disclosure in accordance with 10 CFR 73.21.

This issue was identified as more than minor because failure to properly control Safeguards Information could lead to disclosure of critical components of the licensee's security strategy to unauthorized individuals, which can have an actual or credible impact on safety. Additionally, inadequate protection of Safeguards information from unauthorized disclosure can be viewed as a precursor to a more significant event. Using the Physical Protection SDP and identifying this finding as a vulnerability in safeguards systems or plans, without an intrusion, and with fewer than two similar findings in four quarters, the inspectors determined that this finding had very low safety significance.

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ENCLOSURE NOT INCLUDED
(CONTAINS **SAFEGUARDS**
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