



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

August 29, 2003

SAFEGUARDS INFORMATION

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

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**SUBJECT: WATTS BAR NUCLEAR POWER PLANT - NRC SAFEGUARDS INSPECTION
REPORT 05000390/2003006**

Dear Mr. Scalice:

On July 18, 2003, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at your Watts Bar Nuclear Power Plant, Unit 1. The enclosed inspection report documents the inspection findings, which were discussed on July 18, 2003, with Mr. Lagergren and other members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with an Order issued on February 25, 2002, which required your site to implement specific measures related to security of your facility. The inspection used Temporary Instruction 2515/148, "Inspection of Nuclear Reactor Safeguards Interim Compensatory Measures," to verify implementation of the Order as clarified in your responses dated March 18, July 3, and September 3, 2002. The inspection also included evaluations of other selected areas of the security program including performance indicators, access control, intrusion detection and assessment system testing, and aspects of contingency response. Within these areas, the inspection consisted of selected examination of procedures and records, observation of activities, and interviews with personnel.

Based on the results of this inspection two unresolved items were identified for which the significance has not yet been determined. In addition, a licensee-identified violation, unrelated to the implementation of the compensatory measures, which was determined to be of very low safety significance is listed in Section 40A7 of this report. If you contest this non-cited violation, you should provide a response within 30 days of the date of this inspection report, with the

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basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator Region II; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Watts Bar site.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, without the enclosed Safeguards Information, 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/reading-rm/adams.html> (the Public Electronic Reading Room).

Should you have any questions concerning this letter, please contact us.

Sincerely,

/RA/

Anne T. Boland, Chief
Plant Support Branch
Division of Reactor Safety

Docket Nos.: 50-390
License Nos.: NPF-90

- Enclosures: 1. Inspection Report 05000390/2003006,
Non-Safeguards Summary of Findings
2. Inspection Report 05000390/2003006
w/Attachment: Supplemental Information
(**Contains Safeguards Information**)

cc w/encls: See Page 3

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ENCLOSURE 1

U.S. NUCLEAR REGULATORY COMMISSION

REGION II

Docket Nos.: 50-390

License Nos.: NPF-90

Report No.: 05000390/2003006

Licensee: Tennessee Valley Authority (TVA)

Facility: Watts Bar Nuclear Plant, Unit 1

Location: 1260 Nuclear Plant Road
Spring City, TN 37381

Dates: July 14-18, 2003

Inspectors: Lee R. Miller, Senior Operations Engineer
Donald B. Forbes, Physical Security Inspector
Jerry D. Ennis, Physical Security Inspector
James L. Kreh, Emergency Preparedness Inspector

Approved by: Anne T. Boland, Chief
Plant Support Branch
Division of Reactor Safety

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SUMMARY OF FINDINGS

IR 05000390/2003006; 7/14-18/03; Watts Bar Nuclear Plant, Unit 1; Temporary Instruction (TI) 2515/148, Verification of Compliance with Interim Compensatory Measures Order.

The report covered an announced inspection by two regional physical security inspectors, an emergency preparedness inspector, and a reactor operations inspector. Two issues, the significance of which is to be determined, were identified. Pending further review, these issues are characterized as unresolved items. The NRC's program for overseeing the safe operation of commercial nuclear power reactors is described in NUREG-1649, "Reactor Oversight Process," Revision 3, dated July 2000.

A. Inspector-Identified and Self-Revealing Findings

Cornerstone: Physical Security

- The inspectors identified an unresolved item concerning the licensee's implementation of Interim Compensatory Measure B.1.c of the February 25, 2002 Order. (Section II.C)
- The inspectors identified an unresolved item concerning the licensee's implementation of Interim Compensatory Measure B.5.b of the February 25, 2002 Order. (Section VI.B)

B. Licensee-Identified Violations

A violation of very low significance, which was identified by the licensee, has been reviewed by the inspectors. Corrective actions taken or planned by the licensee have been entered into the licensee's corrective action program. The violation and corrective action tracking number are listing in Section VII.D of this report.

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