



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

August 31, 2006

Tennessee Valley Authority
ATTN: Mr. Karl W. Singer
Chief Nuclear Officer and
Executive 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. Singer:

On August 2, 2006, the NRC staff completed its performance review of the Watts Bar Nuclear Plant for the first half of the calendar year 2006 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 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 Regulatory Response Column of the NRC's Action Matrix of Inspection Manual Chapter 305, "Operating Reactor Assessment Program," due to a White inspection finding in the Barrier Integrity Cornerstone. The White inspection finding is related to the failure to implement shutdown procedures which resulted in multiple actuations of pressurizer power operated relief valves. The White finding was identified in the third quarter of calendar year 2005. In accordance the NRC's Action Matrix, a White inspection finding reflected performance at a level requiring increased regulatory response. On June 2, 2006, in accordance with the NRC's Action Matrix, a supplemental inspection was completed using Inspection Procedure 95001, "Inspection for One or Two White Inputs In a Strategic Performance Area." Supplemental Inspection Report 05000390/2006010 documented that the licensee's problem identification and root cause analysis was **acceptable** and that completed and proposed corrective actions adequately addressed the results of the root cause evaluation. A regulatory performance meeting was held on August 29, 2006 with the licensee to discuss the performance deficiency and corrective actions associated with the White inspection finding.

Because the NRC has completed its planned regulatory actions for this White inspection finding, we plan to conduct reactor oversight process (ROP) baseline inspections at your facility. In addition, we plan to conduct non-ROP inspections involving containment sump blockage, Steam Generator Replacement, Reactor Vessel Head Penetration Nozzles, verification of the Mitigating Systems Performance Index, and Unit 2 Lay-up.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2008. The inspection plan is provided to minimize the resource impact on your staff and 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 twelve months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

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).

If circumstances arise which 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/

Malcolm T. Widmann, 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)

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☐ PUBLICLY AVAILABLE ☐ NON-PUBLICLY AVAILABLE ☐ SENSITIVE ☐ NON-SENSITIVE

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Letter to Karl W. Singer from Malcolm T. Widmann dated August 31, 2006.

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BAR NUCLEAR PLANT

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