



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

August 26, 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

**SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
SEQUOYAH NUCLEAR PLANT DOCKET NOS. 50-327, 50-328**

Dear Mr. Scalice:

On August 6, 2002, the NRC staff completed its mid-cycle plant performance assessment of the Sequoyah Nuclear Plant. In accordance with NRC Inspection Manual Chapter 0305 "Operating Reactor Assessment Program", the mid-cycle review involved the participation of all technical divisions in evaluating the performance of your Sequoyah facility for the first half of the current assessment cycle, January 1 - 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 which may conflict with your plant activities.

Plant performance for the most recent quarter 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, we plan to conduct only baseline inspections at your facility through September 30, 2003. On August 20, 2002, we met with your staff to discuss your plans on constructing an independent spent fuel storage installation at Sequoyah. As discussed in this meeting, we plan to conduct inspections of this facility based on your progress, and will inform you of the inspections as they are scheduled.

The enclosed inspection plan details the inspections scheduled through September 30, 2003. 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 last six months of the inspection plan is tentative and may be revised at the end-of-cycle review. In addition, the NRC is in the process of finalizing a Temporary Instruction that will be used to review implementation of the Interim Compensatory Measures required by the Agency's Security Order to all commercial nuclear power plants, dated February 25, 2002. Schedules have not yet been finalized, but it is anticipated that these inspections will begin within the next calendar quarter. Once finalized, the details will be communicated by separate correspondence.

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 the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at 404-562-4530 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Paul E. Fredrickson, Chief
Reactor Projects Branch 6
Division of Reactor Projects

Docket Nos.: 50-327, 50-328
License Nos.: DPR-77, DPR-79

Enclosure: Sequoyah Nuclear Plant Inspection/ Activity Plan

cc w/encl: (See page 3)

cc w/encl:

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