



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

August 27, 2003

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**

Dear Mr. Scalice:

On August 5, 2003, the NRC staff completed its mid-cycle plant performance assessment of the Sequoyah Nuclear Plant. The mid-cycle review for Sequoyah involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the first half of the current assessment cycle, January 1 - December 31, 2003. 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 that may conflict with your plant activities.

Plant performance for the most recent quarter remained within the Licensee Response Column of the NRC's Action Matrix for Unit 1 and the Regulatory Response Column for Unit 2. Entry into the Regulatory Response Column for Unit 2 was based upon one PI in the Initiating Events Cornerstone (Unplanned Scrams per 7000 Critical Hours) that crossed the White threshold in the fourth quarter of 2002. The degradation of this PI is considered to be of very low safety significance. Per our letter dated January 21, 2003, we informed you that, as a result of the White PI, we would conduct Supplemental Inspection Procedure 95001 in order to better understand the causes contributing to the increase of unplanned scrams and your planned corrective actions. We completed that inspection as documented in NRC Inspection Report 50-328/2003-008 dated July 21, 2003. In that report, we concluded that your problem identification, root cause and extent of condition evaluation, and corrective actions for the White PI were adequate. We also conducted a Regulatory Performance Meeting, as required by the NRC Action Matrix, with Mr. R. Purcell of your staff on July 15, 2003 to discuss your actions in response to the White PI. Based on the results of these activities, we plan no further actions in response to the White PI.

The enclosed inspection plan details the inspections scheduled through September 30, 2004. It includes inspections for the construction of the Independent Spent Fuel Storage Installation (ISFSI) and a Special Inspection to follow-up on a recent security event that occurred during this period. 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 inspections in the last six months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

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 this inspection plan, we will contact you to discuss the change as soon as possible. Please contact Stephen J. Cahill at 404-562-4520 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Victor M. McCree, Acting Director
Division of Reactor Projects

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

Enclosure: Sequoyah Inspection/Activity Plan

cc w/encl: (See page 3)

TVA

3

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4

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