



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

August 30, 2004

Tennessee Valley Authority  
ATTN.: Mr. K. 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 4, 2004, the NRC staff completed its mid-cycle plant performance assessment of the Watts Bar Nuclear Plant. The mid-cycle review for Watts Bar involved the participation of all technical divisions in evaluating performance for the first half of the calendar year 2004 assessment cycle. The process included a review of 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 will allow you an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities. This performance review and the enclosed inspection plan do not include physical protection information. A separate mid-cycle performance review letter, designated and marked as "Proprietary Information in accordance with 10 CFR 2.390(d)(1)," will include the physical protection review and a resultant inspection plan.

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, per the NRC Reactor Oversight Process, we plan to conduct only baseline inspections at your facility through March 31, 2006. We also plan on conducting several inspections which are not part of the routine baseline inspection program. These inspections include lay-up and preservation of Unit 2 and a safety issue review of your response to Generic Letter 89-13, "Service Water System Problems Affecting Safety-Related Equipment," based on lessons learned from the Davis-Besse vessel head degradation event. This review is being performed at a sampling of nuclear power plants across the country.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2006. 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 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) 562-4520 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

Stephen J. Cahill, Chief  
Reactor Projects Branch 6  
Division of Reactor Projects

Docket Nos. 50-390, 50-391  
License Nos. NPF-90 and Construction  
Permit No. CPPR-92

Enclosure: Watts Bar Inspection/Activity Plan

cc w/encl: (See page 3)

TVA

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cc w/encls:

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