NRC CY2004
Annual Assessment Meeting

Watts Bar Nuclear Plant

Spring City, TN

April 18, 2005

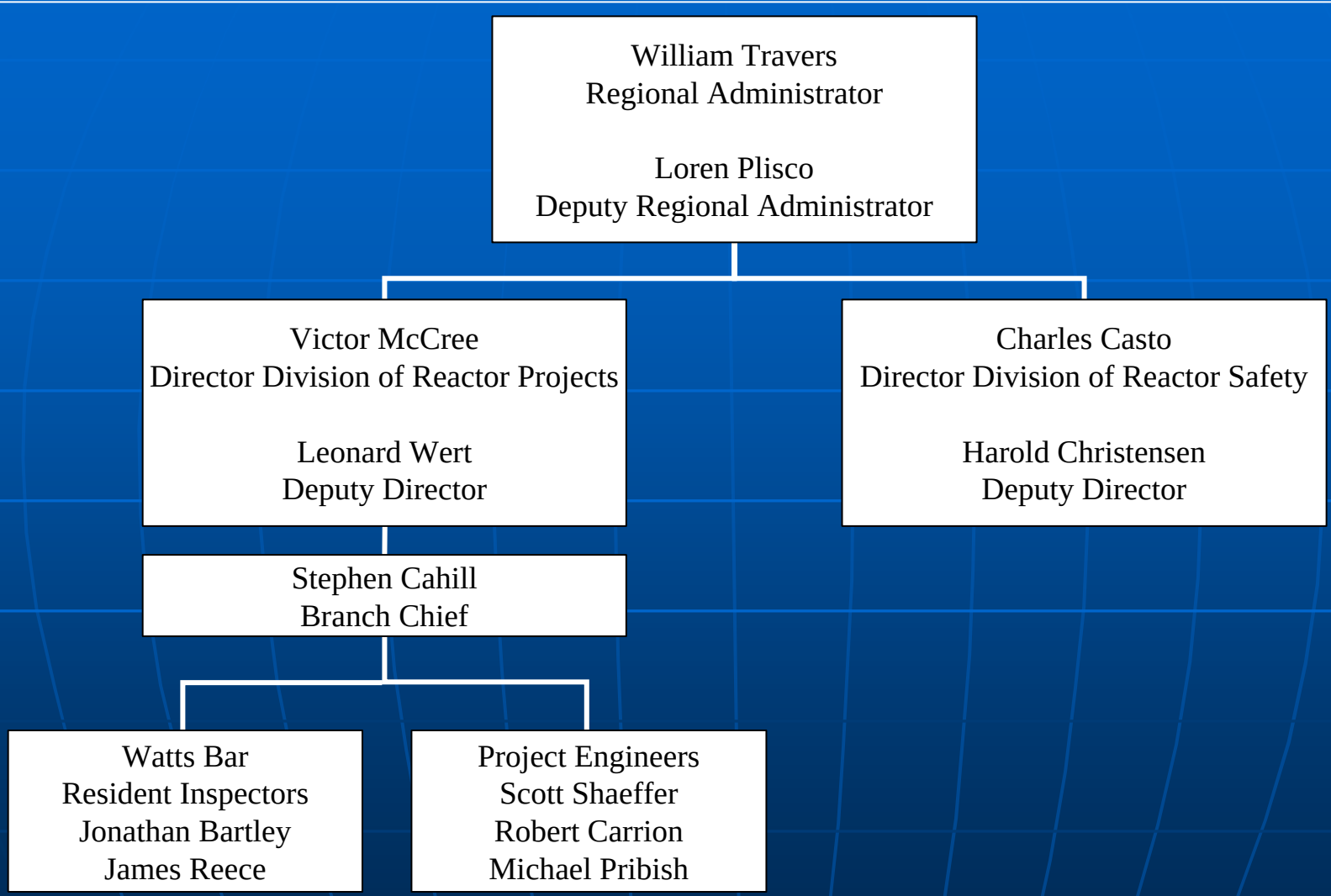
Purpose of Today's Meeting

- A public forum for discussion of Watts Bar performance
- NRC will address Watts Bar performance issues identified in the annual assessment letter
- Watts Bar Management will be given the opportunity to respond to the information in the letter and inform the NRC of new or existing programs to maintain or improve their performance

Agenda

- Introduction
- Review of Reactor Oversight Process (ROP)
- National Summary of Plant Performance
- Discussion of Watts Bar Plant Performance Results
- Watts Bar Management Response and Remarks
- NRC Closing Remarks
- Break
- NRC Available to Address Public Questions

Region II Organization



NRC Performance Goals

PRIMARY GOALS

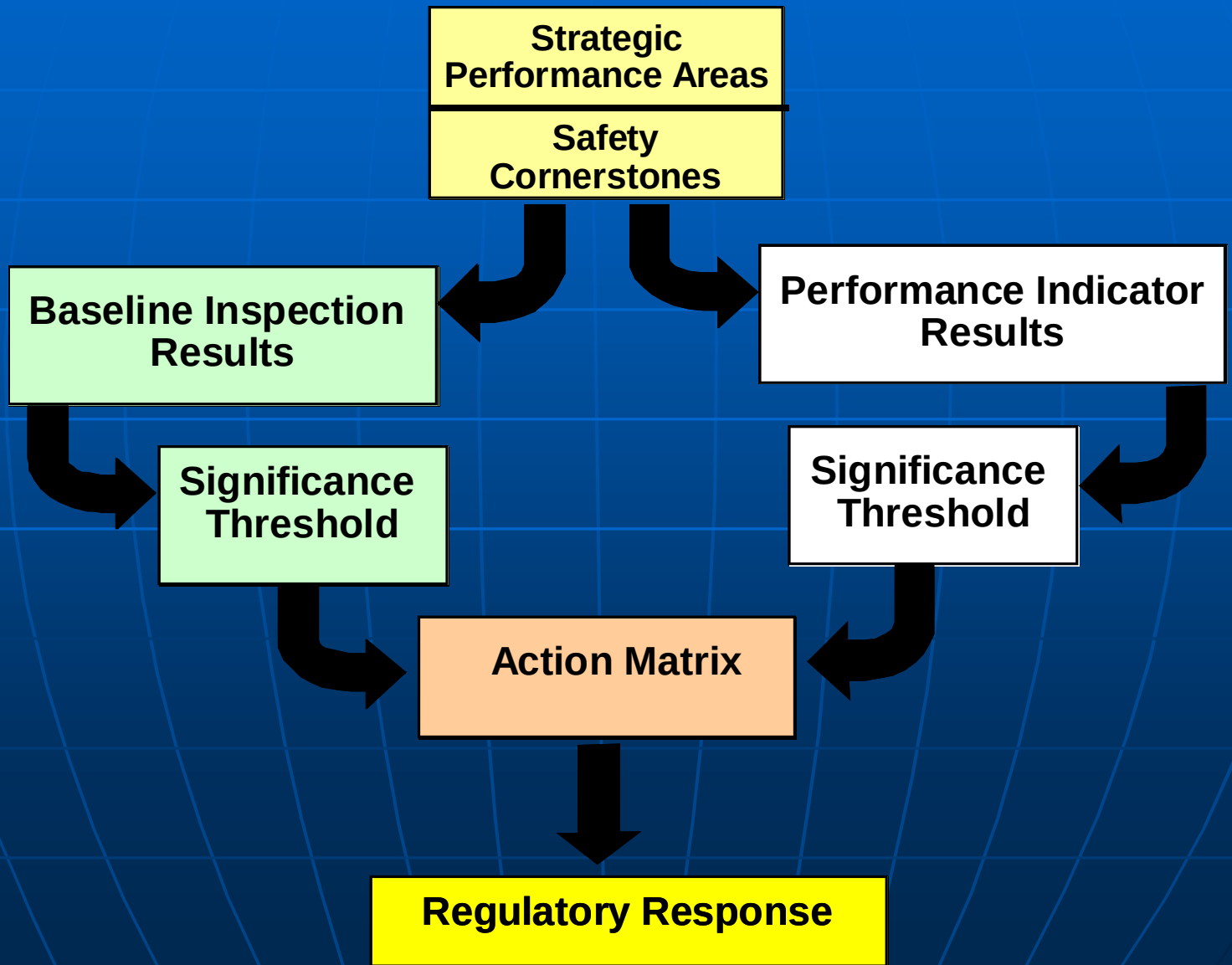
Ensure protection of the public health and safety and the environment

Enhance the secure use and management of radioactive materials

OTHER GOALS

- **Ensure openness in NRC regulatory process**
- **Ensure that NRC actions are effective, efficient, realistic and timely**
- **Ensure excellence in NRC management to carry out the NRC's strategic objective**

Reactor Oversight Process



Examples of Baseline Inspections

• Equipment Alignment	~92 hrs/yr
• Triennial Fire Protection	~200 hrs every 3 yrs
• Operator Response	~125 hrs/yr
• Emergency Preparedness	~80 hrs/yr
• Rad Release Controls	~100 hrs every 2 yrs
• Worker Radiation Protection	~100 hrs/yr
• Corrective Action Program	~250 hrs every 2 yrs
• Corrective Action Case Reviews	~60 hrs/yr

Performance Thresholds

Safety Significance

Green: Very low safety issue

White: Low-to-moderate safety issue

Yellow: Substantial safety issue

Red: High safety issue

NRC Inspection Efforts

Green: Only Baseline Inspections

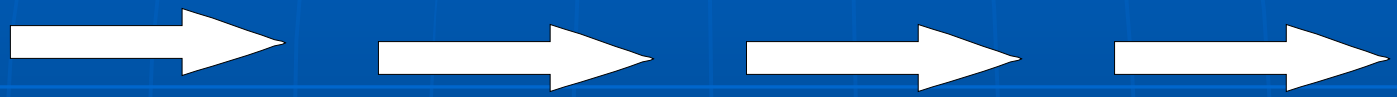
White: May increase NRC oversight

Yellow: Increased NRC oversight

Red: Increased NRC oversight and other NRC actions

Action Matrix Concept

Licensee Response	Regulatory Response	Degraded Cornerstone	Multiple/Rep. Degraded Cornerstone	Unacceptable Performance



Increasing Safety Significance

Increasing NRC Inspection Efforts

Increasing NRC/Licensee Management Involvement

Increasing Regulatory Actions

National Summary of Plant Performance

Status at End of CY 2004

Licensee Response	78
Regulatory Response	21
Degraded Cornerstone	0
Multiple/Repetitive Degraded Cornerstone	3
Unacceptable	0
Total	102*

*Davis-Besse is under a special inspection process

Watts Bar CY2004 Inspection Activities

Approx. 4100 hours of inspection related activities, including:

- Licensed operator requalification inspection
- Radiation protection inspections
- Maintenance inspection
- Triennial Fire protection inspection
- Emergency preparedness inspections
- Reactor operator initial exam
- Unit 2 Systems layup inspection

Watts Bar CY2004 Assessment Results

At the time the Assessment Letter was issued on March 2, 2005:

- All performance indicators were Green
- All Unit 1 inspection findings for CY 2004 were classified as very low safety significance (Green)
- Unit 1 performance was considered within the Licensee Response Column of the NRC's Action Matrix

Watts Bar CY2004 Assessment Results

We subsequently issued a final significance determination letter and notice of violation on April 11, 2005:

- Issue involving silt clogging of a back-up raw cooling water line to the 1A Charging Pump discovered by TVA in November 2004
- We identified an inspection finding for inadequate corrective action on previous silt problems that did not prevent this clog
- Finding was unresolved while the NRC determined safety significance and allowed TVA to supply additional information. Issue was determined to be a White Finding (issue with low to moderate safety significance).
- Unit 1 performance now considered within the Regulatory Response Column of the NRC's Action Matrix effective from the 4th Quarter of CY 2004

Watts Bar Annual Assessment Outcome Summary

- TVA operated Watts Bar in a manner that preserved public health and safety
- All cornerstone objectives were met
- NRC had planned baseline inspections at Watts Bar for the remainder of CY 2005 as well as:
  - Routine Unit 2 Lay-up inspections
  - Steam generator replacement preparation inspections
- We will now also perform a Supplemental Inspection of TVA's root cause evaluation on the White finding (schedule is being planned)

Watts Bar CY2005
Planned Inspection Activities

- Resident inspector daily inspections
- Radiation protection inspections
- Maintenance inspection
- Emergency preparedness inspections
- Problem identification and resolution inspection
- Engineering modification inspection
- Safety system design and performance inspection
- Supplemental Inspection for the White Finding

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Watts Bar Management Response and Remarks

Contacting the NRC

- Report an emergency
  - (301) 816-5100 (call collect)
- Report a safety concern:
  - (800) 695-7403
  - Allegation@nrc.gov
- General information or questions
  - www.nrc.gov
  - Select “What We Do” for Public Affairs

Reference Sources

- Reactor Oversight Process
  - http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html
- Public Electronic Reading Room
  - http://www.nrc.gov/reading-rm.html
- Public Document Room
  - 1-800-397-4209 (Toll Free)