



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

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

August 30, 2005

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 -  
SEQUOYAH NUCLEAR PLANT

Dear Mr. Singer:

On August 4, 2005, the NRC staff completed its performance review of the Sequoyah Nuclear Plant for the first half of the calendar year 2005 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, Sequoyah operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Sequoyah Unit 1 plant performance for the most recent quarter as well as for the first three quarters of the assessment cycle, was within the Regulatory Response Column of the NRC's Action Matrix, based on one inspection finding of low-to-moderate safety significance. The White finding was associated with the Mitigating Systems Cornerstone and involved a failure of a residual heat removal pump breaker in July 2004. We completed all of the requirements of the NRC Action Matrix for the White finding, including a Supplemental Inspection in March 2005 (Inspection Report 05000327/2005008) using NRC Inspection Procedure 95001. This inspection found your corrective actions to be thorough and appropriate. We concluded the finding would only remain open in the NRC Action Matrix for four quarters which would end with this assessment period as of June 30, 2005.

Sequoyah Unit 2 plant performance for all four quarters of the assessment cycle 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 reactor oversight process baseline inspections at your facility through March 31, 2007. We also plan on conducting several other inspections which, although routine, are not part of the normal baseline inspection program. These inspections include an independent spent fuel storage installation (ISFSI) operations inspection and a Unit 2 reactor pressure vessel head and penetration nozzle examination.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2007. 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)562-4520 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. 50-327 and 50-328  
License Nos. DPR-77 and DPR-79

Enclosure: Sequoyah Inspection/Activity Plan

cc w/encl:

TVA

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