



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

March 2, 2006

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: ANNUAL ASSESSMENT LETTER - SEQUOYAH NUCLEAR PLANT (NRC
INSPECTION REPORT 05000327/2006001, 05000328/2006001)

Dear Mr. Singer:

On February 9, 2006, the NRC staff completed its performance review of the Sequoyah Nuclear Plant. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2005. 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 enclosed inspection plan do not include physical protection information. A separate letter, designated and marked as Official Use Only - Security-Related Information", will include the physical protection review and resultant inspection plan.

Overall, Sequoyah Units 1 and 2 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, was within the Licensee Response column of the NRC's Action Matrix. We base this conclusion on the fact that all inspection findings were classified as having very low safety significance (Green) and all PIs indicated performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct reactor oversight process (ROP) baseline inspections at your facility. We also plan on conducting several non-ROP inspections which include a routine independent spent fuel storage installation (ISFSI) operations inspection, inspections of planned upgrades to the Unit 2 containment sump, and reactor pressure vessel head and penetration nozzle examination inspections on Unit 2.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through September 30, 2007. The inspection plan is provided 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 nine months of the inspection plan are tentative and may be revised at the mid-cycle review. Although our intent is to maintain the enclosed inspection plan fixed for the first nine months, a need may arise to conduct one or more

unanticipated inspections prior to issuing an updated inspection plan with the 2006 assessment cycle mid-cycle letter. If an inspection of this type becomes necessary, we will notify you of the planned inspection dates as soon as possible to resolve as much as we can, any scheduling and personnel availability conflicts you may have.

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 this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at 404-562-4550 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA by Scott M. Shaeffer Acting for/

Malcolm T. Widmann, 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: (See page 3)

cc w/encl:

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