



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

September 2, 2008

Mr. William R. Campbell, Jr.
Chief Nuclear Officer and Executive Vice President
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

**SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN –
SEQUOYAH NUCLEAR STATION UNITS 1 AND 2**

Dear Mr. Campbell:

On August 14, 2008, the NRC staff completed its performance review of the Sequoyah Nuclear Station Units 1 and 2 for the first half of the calendar year 2008 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 security information. A separate letter designated and marked as "Official Use Only – Security Related Information" will include the Physical Protection/Security cornerstone performance review and resultant inspection plan.

Plant performance for the most recent quarter, at Sequoyah Units 1 and 2, 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 reactor oversight process (ROP) baseline inspections at your facility. We also plan on conducting several non-ROP inspections, which involve: site specific implementation of B.5.b phase 2 and 3 mitigation strategies (Temporary Instruction (TI) 2515/171); reactor coolant system dissimilar metal butt welds (TI 2515/172); emergency diesel generator technical specification requirements (TI 2515/176); emergency response organization drill/exercise performance indicator program review (TI-2515/175); operator licensing examinations; and the Independent Spent Fuel Storage Installation. In addition, TI 2515/173, Review of the Implementation of the Industry Ground Water Protection Voluntary Initiative, will be performed at your facility prior to August 30, 2010. In the near term, we will contact you to assess your readiness for this inspection and then finalize our schedule accordingly.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through December 31, 2009. 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 nine 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) 562-4662 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Eugene F. Guthrie, Chief
 Reactor Projects Branch 6
 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)

PUBLICLY AVAILABLE
 NON-PUBLICLY AVAILABLE
 SENSITIVE
 NON-SENSITIVE
 ADAMS: Yes
 ACCESSION NUMBER: _____
 SUNSI REVIEW COMPLETE

OFFICE	RII:DRP	RII:DRP	RII:DRP			
SIGNATURE	/RA/	/RA/	/RA By Guthie/			
NAME	EGuthrie	JBaptist	LGarner			
DATE	8/26/2008	8/26/2008	8/26/2008			
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

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Letter to William R. Campbell, Jr. from Eugene F. Guthrie, dated September 2, 2008

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN –
SEQUOYAH NUCLEAR STATION, UNITS 1 AND 2

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