



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

March 11, 2009

Mr. Ashok S. Bhatnagar
Senior Vice President
Nuclear Generation Development and Construction
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

**SUBJECT: ANNUAL ASSESSMENT LETTER – WATTS BAR NUCLEAR PLANT UNIT 2
(NRC INSPECTION REPORT 05000391/2009601)**

Dear Mr. Bhatnagar:

On February 10, 2009, the NRC staff completed its performance review of the Watts Bar Nuclear Plant Unit 2 construction project. Our technical staff reviewed inspection results for the period from January 1 through December 31, 2008. 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.

Overall, activities conducted under the Watts Bar Nuclear Unit 2 construction permit for this assessment period, as they relate to safety and compliance with the Commission's rules and regulations, with the conditions of your construction permit, and with fulfillment of Unit 2 regulatory framework commitments, were adequate. Our inspections indicated that your construction program and procedure development along with project staffing were sufficiently implemented to support ongoing construction activities. Management and QA oversight were adequate commensurate with the level of activities. The corrective action program implementation activities, including initiation, classification, disposition, and trending were deemed satisfactory. In conclusion, project performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, was adequate based on the above inspection conclusion, all inspection findings being classified as severity level IV, and no substantive cross-cutting issues being identified. Therefore, we do not plan to expand our inspection activities beyond what is specified by Inspection Manual Chapter (IMC) 2517.

We continue to develop the construction inspection plan as the details of your project schedule become available. For the remainder of 2009 we plan to perform inspections specified in IMC 2512, Light Water Reactor Inspection Program – Construction Phase. In addition we plan to perform inspections in the following areas: Problem Identification and Resolution (PI&R), Corrective Action Programs (CAPs), Special Programs (SPs), open items and generic communications. At this time, we have not finalized the details of the schedule for most of these inspection activities due to uncertainties or lack of detail in the Watts Bar Unit 2 project schedule. We plan to give your staff ample notification of specific upcoming inspection activities as their schedule becomes available in order to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be 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).

Please contact me at (404) 562-6347 with any questions you may have regarding this letter or our planned inspections.

Sincerely,

/RA/

Robert C. Haag, Chief
Construction Projects Branch 3
Division of Construction Projects

Docket No. 50-391
Construction Permit No: CPPR-92

cc: (See next page)

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Letter to Ashok S. Bhatnagar from Robert C. Haag dated March 11, 2009

SUBJECT: WATTS BAR NUCLEAR PLANT UNIT 2 CONSTRUCTION - NRC INTEGRATED
INSPECTION REPORT 05000391/2008010

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