UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

October 1, 2010

Mr. Preston D. Swafford
Chief Nuclear Officer and Executive Vice President
Tennessee Valley Authority
3R Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

SUBJECT: BROWNS FERRY NUCLEAR STATION UNITS 1, 2 AND 3 – NOTIFICATION OF NRC DEVIATION TO THE REACTOR OVERSIGHT PROCESS ACTION MATRIX INVOLVING TRANSITION TO COLUMN 4 OF THE ACTION MATRIX

Dear Mr. Swafford:

The purpose of this letter is to inform you of the NRC's intention to deviate from the prescribed regulatory actions required by the Reactor Oversight Process (ROP) Action Matrix for Browns Ferry Nuclear Station (BFNS). Enclosed is a copy of the memorandum approved by the Executive Director for Operations, R. W. Borchardt, to deviate from the ROP Action Matrix for a maximum of one quarter. This letter supplements, but does not supersede, our Mid-Cycle letter issued on September 1, 2010, which also discussed the NRC's plans to conduct additional inspections, above the baseline inspection program, to evaluate the effectiveness of your performance improvement efforts.

The enclosed memorandum includes the background and basis for our decision to deviate from the ROP Action Matrix. It also contains our deviation closure criteria, including a performance assessment to determine the applicable Action Matrix response column following the completion of the 95002 supplemental inspection in October 2010.

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 you have any questions regarding this letter or the enclosed memorandum, please contact Mr. Eugene Guthrie at (404) 997-4662.

Sincerely,

/RA By V. McCree For/

Luis A. Reyes
Regional Administrator

Docket Nos.: 50-259, 50-260, 50-296
License Nos.: DPR-33, DPR-52, DPR-68

Enclosure: As stated

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NAME	DArnett	EGuthrie	LWert	CMiller	VMcCree		
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September 29, 2010

MEMORANDUM TO: R. W. Borchardt
Executive Director for Operations

THRU: Eric J. Leeds, Director ***/RA/***
Office of Nuclear Reactor Regulation

FROM: Luis A. Reyes ***/RA/***
Regional Administrator

SUBJECT: REQUEST FOR DEVIATION FROM THE REACTOR OVERSIGHT PROCESS ACTION MATRIX FOR BROWNS FERRY UNITS 1, 2 & 3

This memorandum requests your approval to deviate from the regulatory actions prescribed by the Reactor Oversight Process (ROP) Action Matrix. The Action Matrix includes a range of licensee and NRC actions for varying levels of licensee performance. As of September 30, 2010, the quantity and significance of performance indicators and inspection findings at Browns Ferry Units 1, 2, and 3, would normally support the NRC actions specified in the Multiple/Repetitive Degraded Cornerstone column of the Action Matrix. However, I believe the actions prescribed by the Degraded Cornerstone column are more appropriate for the demonstrated level of safety performance at this facility. Inspection Manual Chapter 0305 "Operating Reactor Assessment Program," acknowledges that there may be rare instances in which the actions prescribed by the Action Matrix may not be appropriate. Therefore, the purpose of this memorandum is to discuss the need to deviate from the actions required by the Action Matrix for Browns Ferry Units 1, 2, and 3 for a maximum of one quarter in which a 95002 inspection will be completed and a follow-up assessment will be performed to determine the applicable Action Matrix response column.

Background

In April 2010, Tennessee Valley Authority (TVA) was issued one Yellow and one White violation related to the fire protection program applicable to Browns Ferry Units 1, 2, and 3. As a result, all three units shifted from the Licensee Response column to the Degraded Cornerstone column of the ROP Action Matrix. Because the finding was identified in October, 2009 , the transition of each unit to the Degraded Cornerstone column became effective in the fourth quarter of 2009.

CONTACT: Eugene F. Guthrie, DRP/PB6
(404) 997-4662

Enclosure

When the apparent violations were identified by the NRC, TVA immediately took actions to restore compliance and began the process of identifying short and longer term actions to correct and prevent recurrence of these violations. The licensee's efforts have been extensive and include a root cause analysis, third-party reviews, and a safety culture assessment.

Subsequently, TVA representatives verbally informed Region II that they will complete preparations for the NRC to conduct a supplemental 95002 inspection late in the third quarter of CY2010. However, due to the large regional inspection workload and the high number of other previously scheduled NRC and licensee activities at Browns Ferry, Region II was not able to schedule the inspection prior to the end of September 2010. As a result, Browns Ferry will remain in the Degraded Cornerstone column for more than four consecutive quarters and, in accordance with IMC 0305, all three Browns Ferry units should transition from the Degraded Cornerstone column of the Action Matrix to the Multiple-Repetitive Degraded Cornerstone (Column 4) as of October 1, 2010.

For the reasons described below, Region II does not believe that placing Browns Ferry Units 1, 2, and 3 in Column 4 is warranted and requests your approval to deviate from the ROP Action Matrix. This deviation is deemed necessary to provide reasonable time for the licensee to complete quality preparations for a 95002 inspection and assessment effort as well as allow Region II to schedule and conduct the supplemental inspection. Region II has currently scheduled the 95002 inspection to begin in mid-October 2010.

Basis for Deviation

The primary basis for a transition to the Repetitive Degraded Cornerstone column is that the original findings placing the Units in the Degraded Cornerstone Column will not be closed at the end of four (4) consecutive quarters following the entry into the Degraded Cornerstone column. The licensee will have completed all their required actions to support the performance of a 95002 inspection by the end of the fourth consecutive quarter of being in the Degraded Cornerstone of the Action Matrix. However, the inspection will not be completed by the region until the following month.

There have been no additional findings since the issuance of the original violations that contribute to the assessment of the applicable Action Matrix column. Also, there is no other indication that licensee safety performance has degraded in a manner that would warrant placement in the Repetitive Degraded Cornerstone Column.

The length of this request is for a maximum of one quarter. A 95002 inspection will be completed and a performance assessment will be performed before the end of the fourth quarter, CY2010 to determine the applicable Action Matrix response column.

IMC 0305-04, Definitions, 04.14, Repetitive Degraded Cornerstone was interpreted incorrectly. As a result, the licensee and Region II initially planned and scheduled activities commensurate with meeting a milestone of December 31, 2010, versus September 30, 2010. NRR recognizes the necessity for clarification of IMC 0305 requirements and basis for the requirements.

Deviation Request

This request to deviate from the Action Matrix will allow Browns Ferry Units 1, 2, and 3 to not transition into the Repetitive Degraded Cornerstone column after four (4) consecutive quarters of being in the Degraded Cornerstone. After completion of the 95002 inspection in October, 2010, the region will perform an assessment within the fourth quarter, CY2010 to determine the appropriate Action Matrix column that is represented by the outstanding safety-significant inspection findings and PIs.

Deviation Closure Criteria

This deviation will be considered closed following the performance assessment of Browns Ferry Units 1, 2, and 3 in the Fall 2010 after completion of the 95002 inspection in October 2010.

Consistent with Commission Meeting Staff Requirements Memorandum M040504B, dated May 27, 2004, the staff will provide a copy of this memorandum to the Commission and discuss the deviation at the next Agency Action Review Meeting Commission meeting. As part of the ROP self-assessment process, the staff will evaluate the causes for the deviation and identify changes to the ROP, as appropriate, that may obviate the need for one in the future. Pending your approval, the NRC staff will develop a communication approach for informing the licensee and stakeholders.

Approve/Disapprove: ***/RA/*** ***09/29/10***

R. W. Borchardt Date
Executive Director for Operations

Enclosure