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

June 8, 2011

Mr. R. M. Krich
Vice President, Nuclear Licensing
Tennessee Valley Authority
1101 Market Street, LP 3R-C
Chattanooga, TN 37402-2801

SUBJECT: WATTS BAR NUCLEAR PLANT - NRC SECURITY INSPECTION REPORT
05000390/2011403 AND 05000391/2011403

Dear Mr. Krich:

On May 27, 2011, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your Watts Bar Nuclear Plant. Portions of the inspection associated with Access Authorization and Fitness for Duty were completed at the Tennessee Valley Authority (TVA) corporate office on February 18, 2011. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed on May 27, 2011, with Mr. T. Carter and other members of your staff.

This inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

This report documents one finding of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process). The deficiency was corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspectors left the site. The finding had a cross-cutting aspect in the area of Human Performance in the Work Practices Component (H.4.b), regarding procedural compliance, in that the licensee failed to ensure contractor personnel followed Safeguards Information (SGI) control procedures. Additionally, licensee-identified violations which were determined to be of very low safety significance are listed in this report. However, because of the very low safety significance and because they are entered into your corrective action program, the NRC is treating these violations as non-cited violations consistent with Section 2.3.2 of the NRC Enforcement Policy. If you contest these non-cited violations, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555-0001; with copies to the Regional Administrator Region II; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, D.C. 20555-0001; and the NRC Resident Inspector at Watts Bar Nuclear Plant.

~~Enclosure(s) transmitted herewith contain(s) SUNSI. When separated from enclosure(s), this transmittal document is decontrolled.~~

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In addition, if you disagree with the cross-cutting aspect assigned to any finding in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your disagreement, to the Regional Administrator, RII, and the NRC Senior Resident Inspector at the Watts Bar Nuclear Plant.

The findings were both NRC identified and licensee identified.

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 Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room ADAMS or from the NRC's document system, ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security-Related Information-Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1). Should you have any questions concerning this letter, please contact us.

Sincerely,

/RA/

Michael E. Ernstes, Chief
Plant Support Branch 2
Division of Reactor Safety

Docket Nos.: 50-390, 50-391

License Nos.: NPF-90; Construction Permit No. CPPR-92

Enclosure:

Inspection Report 05000390/2011403 and 05000391/2011403
w/Attachment: Supplemental Information (**OUO**)

cc w/Encl.: (See page 3)

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cc w/Encl:

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cc w/Encl.: (See page 3)

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