



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

March 5, 2012

Mr. Joseph Shea
Manager, Corporate Nuclear Licensing
Tennessee Valley Authority
3R Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

**SUBJECT: ANNUAL ASSESSMENT LETTER FOR WATTS BAR NUCLEAR PLANT
UNIT 1, REPORT 05000390/2011007**

Dear Mr. Shea:

On February 16, 2012, the NRC completed its end-of-cycle performance review of the Watts Bar Nuclear Plant. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from January 1, 2011 through December 31, 2011. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility. This performance review and enclosed inspection plan do not include security information. A separate letter will include the NRC's assessment of your performance in the Security Cornerstone and its security-related inspection plan.

Overall, Watts Bar Unit 1 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, 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. There is a White finding in the area of Security which will be addressed under a separate Security Assessment.

The enclosed inspection plan lists the inspections scheduled through June 30, 2012. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the mid-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes.

In addition to the baseline inspection we plan on conducting Inspection Procedure (IP) 71111.17T "Modifications Inspection"; IP 71111.08P "Unit 1 In Service Inspection"; IP 71152B "Problem Identification and Resolution"; initial reactor operator licensing examinations; and Temporary Instruction (TI) 2515/182, "Review of the Implementation of the Industry Initiative to Control Degradation of Underground Piping and Tanks".

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 404-997-4521 with any questions you have regarding this letter.

Sincerely,

/RA/

Scott M. Shaeffer, Chief
Reactor Projects Branch 6
Division of Reactor Projects

Docket No. 50-390
License No. NPF-90

Enclosure: Watts Bar Inspection/Activity Plan

In addition to the baseline inspection we plan on conducting Inspection Procedure (IP) 71111.17T "Modifications Inspection"; IP 71111.08P "Unit 1 In Service Inspection"; IP 71152B "Problem Identification and Resolution"; initial reactor operator licensing examinations; and Temporary Instruction (TI) 2515/182, "Review of the Implementation of the Industry Initiative to Control Degradation of Underground Piping and Tanks".

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X PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE X NON-SENSITIVE
ADAMS: X Yes ACCESSION NUMBER: ML12065A345 X SUNSI REVIEW COMPLETE FORM 665 ATTACHED

OFFICE	RII:DRP	RII:DRP					
SIGNATURE							
NAME	JHamman	SShaeffer					
DATE	3/ /2012	3/ /2012	3/ /2012	3/ /2012	3/ /2012	3/ /2012	3/ /2012
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY DOCUMENT NAME: S:\DRP\PERIODIC ASSESSMENTS & REPORTS\EOC & MID-CYCLE\2011\END-OF-CYCLE\INPUT\RPB6\WATTS BAR\EOC LETTER WBN2011 .DOCX

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Letter to Joseph W. Shea from Scott M. Shaeffer dated March 5, 2012

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