



Tennessee Valley Authority, 1101 Market Street, Chattanooga, Tennessee 37402

July 31, 2013

10 CFR 50.4

ATTN: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Browns Ferry Nuclear Plant, Units 1, 2, and 3
Renewed Facility Operating License Nos. DPR-33, DPR-52, and DPR-68
NRC Docket Nos. 50-259, 50-260, and 50-296

Sequoyah Nuclear Plant, Units 1 and 2
Facility Operating License Nos. DPR-77 and DPR-79
NRC Docket Nos. 50-327 and 50-328

Watts Bar Nuclear Plant, Unit 1
Facility Operating License No. NPF-90
NRC Docket No. 50-390

Subject: The Tennessee Valley Authority (TVA) Nuclear Power Group Commercial Grade Dedication Recovery Project Plan - July 2013 Status Report

Reference: TVA letter to NRC, "Additional Information Regarding March 28, 2013, Public Meeting with NRC Regarding the Tennessee Valley Authority's (TVA) Commercial Grade Dedication Recovery Project," dated April 30, 2013 (ML13123A163)

The purpose of this letter is to provide the Nuclear Regulatory Commission (NRC) staff with the initial Commercial Grade Dedication Recovery Project Quarterly Update.

In Enclosure 2 of the referenced letter, Tennessee Valley Authority (TVA) provided the Nuclear Regulatory Commission (NRC) with a TVA Nuclear Power Group Commercial Grade Dedication Recovery Project Action Plan Summary that included Commercial Grade Dedication Recovery Project Milestones. In Milestone 4, TVA stated that quarterly updates would be provided to the NRC starting in July 2013 and that the updates would include any failures found in either the installed equipment review or warehouse inventory review along with an evaluation of safety significance of such failures for the installed items.

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From April 2013 to present, the Commercial Grade Dedication (CGD) Recovery Project Team has identified 22,324 unique Catalog Identifiers (CATIDs) that have been generated for CGD items across the TVA Nuclear Power Group Fleet since September 1995, when significant changes were made to 10 CFR Part 21. Of this population, there are 13,175 unique CATIDs that were either not purchased or not installed. These CATIDs will require additional verification and documented disposition, as appropriate. The CGD Recovery Project Team has determined that the remaining 9,149 unique CATIDs have been either purchased or installed in a TVA nuclear plant and will require evaluation and disposition.

The CGD Recovery Project is evaluating the unique CATIDs in groups where possible. In many cases, several CGD packages have been generated for the same unique CATID due to the number of years of plant operations under evaluation.

The status provided below documents the progress to date based on accounting for the applicable number of unique CATIDs. CGD packages reviewed prior to April 2013, including those reported during the March 2013 NRC meeting, are captured in the number of unique CATIDs accounted for in this letter.

As of July 26, 2013, the TVA CGD Recovery Project Weekly Report indicated that from the population of 13,175 CATIDs that were either not purchased or not installed, 3,591 CATIDs have been verified via an additional data search to not exist in inventory or in the operating units.

As of July 26, 2013, the TVA CGD Recovery Project Weekly Report indicated that from the population of 9,149 CATIDs that were purchased and are either in inventory or installed, 2,154 CATIDs have been evaluated and dispositioned.

Two issues were identified during warehouse inventory reviews and entered into the Corrective Action Program. Service Request 755044 was initiated to identify and address failed current carrying capacity of two Square D Overload Heaters (CATID CAE345C) that were in inventory. Both overload heaters failed and were disposed of appropriately, due to the destructive nature of the test. In accordance with the CGD Recovery Project Plan, further evaluation is underway to determine the details of the testing performed and the impact to the item's ability to perform its intended safety function. No items associated with CATID CAE345C were issued for plant installation.

Service Request 755092 was initiated to identify and address failed dimensional tests for four of six couplings (CATID BKG441M) tested. The four failed couplings were disposed of appropriately. The two couplings that passed the dimensional test were issued for installation. There are no additional CATID BKG441M couplings in inventory and there were no previous issues or returns. In accordance with the CGD Recovery Project Plan, further evaluation is underway to determine the details of the dimensional criteria and the impact to the item's ability to perform its intended safety function.

In addition to the above, a Quality Assurance (QA) Finding regarding the Conditional CGD process was recently entered into the TVA Corrective Action Program. Problem Evaluation

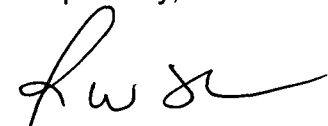
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Report (PER) 579298 states that the failure to follow established procedures has resulted in an adverse trend to adequately document or perform Critical Characteristics for Acceptance Testing associated with conditional CGD items. TVA has put interim actions in place to arrest the adverse trend. The QA Finding will be evaluated and dispositioned in accordance with the Corrective Action Program.

Should the resolution of PER 579298 impact the scope or results of the CGD Recovery Project, details will be provided in the next quarterly report.

There are no new regulatory commitments contained in this letter. Should you have any questions, please contact John Laffrey at (423) 751-3262.

Respectfully,



J. W. Shea
Vice President, Nuclear Licensing

cc:

NRC Regional Administrator - Region II
NRC Senior Resident Inspector - Browns Ferry Nuclear Plant
NRC Senior Resident Inspector - Sequoyah Nuclear Plant
NRC Senior Resident Inspector - Watts Bar Nuclear Plant