



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

August 31, 2016

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

**SUBJECT: MID-CYCLE ASSESSMENT LETTER – WATTS BAR NUCLEAR PLANT  
UNIT 2 (NRC INSPECTION REPORT 05000391/2016611)**

Dear Mr. Skaggs:

On August 10, 2016, the U. S. Nuclear Regulatory Commission (NRC) staff completed its performance review of the Watts Bar Nuclear Plant (WBN) Unit 2 construction project. Our technical staff reviewed inspection results for the period from July 1, 2015, through June 30, 2016. 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.

During the assessment period, WBN Unit 2 construction and testing activities were generally conducted in a manner that complied with the Commission's rules and regulations, the conditions of your construction permit, operating license, and the Unit 2 regulatory framework commitments. Our inspections indicated that your construction and testing programs were sufficiently implemented to support ongoing construction and testing activities. Management and Quality Assurance oversight effectively monitored and assessed these activities. In conclusion, project performance for the most recent quarter, as well as for the previous three quarters of the assessment cycle, was acceptable. We plan to continue with our inspection activities of Unit 2 testing in accordance with Inspection Manual Chapter (IMC) 2517.

The NRC identified a cross-cutting theme in the Safety Conscious Work Environment (SCWE) cross-cutting area. Specifically, on March 23, 2016, the NRC issued a Chilling Effect Letter for Watts Bar. Since this is the first assessment cycle with this cross-cutting theme, the NRC will inspect SCWE using baseline inspection samples during inspections conducted under the Reactor Oversight Process.

On April 23, 2015, the NRC issued the Reactor Oversight Process Transition Plan for Watts Bar Nuclear Plant, Unit 2 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML15096A204). In accordance with this plan, upon completion of our inspection activities of your preoperational and startup testing programs, the NRC will assess current plant performance, provide the results of the assessment and our plans for inspection to you, and begin full implementation of the Reactor Oversight Process at Watts Bar Unit 2.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure 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) 997-4606 with any questions you may have regarding this letter or our planned inspections.

Sincerely,

*/RA/*

Daniel W. Rich, Chief  
Reactor Projects Branch 8  
Division of Reactor Projects

Docket No. 50-391  
License No. NPF-96

cc: See next page

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ADAMS:  Yes      ACCESSION NUMBER: ML16245A243       SUNSI REVIEW COMPLETE       FORM 665 ATTACHED

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NAME	J. Baptist	D. Rich					
DATE	8/4/2016	8/31/2016	9/ /2016	9/ /2016	9/ /2016	9/ /2016	9/ /2016
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Tennessee Valley Authority  
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Letter to Michael D. Skaggs from Daniel W. Rich dated August 31, 2016.

SUBJECT: MID-CYCLE ASSESSMENT LETTER – WATTS BAR NUCLEAR PLANT  
UNIT 2 (NRC INSPECTION REPORT 05000391/2016611)

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