



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
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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 SEQUOYAH NUCLEAR PLANT UNITS
1 AND 2 (REPORT 05000327/2011007 AND 05000328/2011007)**

Dear Mr. Shea:

On February 16, 2012, the NRC completed its end-of-cycle performance review of Sequoyah Nuclear Plant Units 1 and 2. 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, Sequoyah Unit 1 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. The NRC determined the performance at Sequoyah Nuclear Plant Unit 1 during the most recent quarter was within the Regulatory Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix because the Unplanned Scrams per 7000 Critical Hours performance indicator provided a White input in the third quarter of 2011. Therefore, in addition to ROP baseline inspections, the NRC plans to conduct a supplemental inspection in accordance with Inspection Procedure 95001, "Supplemental Inspection for One or Two White Inputs in a Strategic Performance Area." On February 8, 2012, your staff notified the NRC of your readiness for it to conduct a supplemental inspection to review the actions taken to address the performance issues. This inspection is planned to begin on March 5, 2012.

Overall, Sequoyah Unit 2 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Unit 2 plant performance for 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).

The enclosed inspection plan lists the inspections scheduled through June 30, 2013. 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 baseline inspection we plan on conducting Inspection Procedure (IP) 71111.08P, Unit 1 and 2 In Service Inspections; IP 71111.07T, Triennial Heat Sink Inspection; IP 50001, (Unit 2) Steam Generator Replacement Inspection; initial reactor operator licensing examinations; Temporary Instruction (TI) 2515/182, Review of the Implementation of the Industry Initiative to Control Degradation of Underground Piping and Tanks; and IP 71152B, Problem Identification and Resolution.

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

Sincerely,

/RA/

Richard P. Croteau, Director
Division of Reactor Projects

Docket Nos. 50-327, 50-328
License Nos. DPR-77, DPR-79

Enclosure: Sequoyah Inspection/Activity Plan

cc w/encl:
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Sequoyah
Inspection / Activity Plan
03/01/2012 - 06/30/2013

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			95001 - SEQUOYAH 95001 INSPECTION		2
1	03/05/2012	03/11/2012	IP 71153	Followup of Events and Notices of Enforcement Discretion	
1	03/05/2012	03/11/2012	IP 95001	Supplemental Inspection for One or Two White Inputs in a Strategic Performance Area	
			EB3 ISI - UNIT 1 INSERVICE INSPECTION		1
1	03/05/2012	03/09/2012	IP 7111108P	Inservice Inspection Activities - PWR	
			EB3SGISI - UNIT 1 SG INSERVICE INSPECTION		1
1	03/12/2012	03/16/2012	IP 7111108P	Inservice Inspection Activities - PWR	
			EB3 HS - TRIENNIAL HEAT SINK INSPECTION		1
1,2	07/16/2012	07/20/2012	IP 7111107T	Heat Sink Performance	
			OL RQ - REQUAL INSPECTION		2
1,2	09/10/2012	09/14/2012	IP 7111111B	Licensed Operator Requalification Program	
			PSB1EP - EMERGENCY PREPAREDNESS EXERCISE		4
1,2	10/01/2012	10/05/2012	IP 7111401	Exercise Evaluation	
1,2	10/01/2012	10/05/2012	IP 7111404	Emergency Action Level and Emergency Plan Changes	
1,2	10/01/2012	10/05/2012	IP 71151	Performance Indicator Verification	
			PSB1-RP - OCCUPATIONAL RP BASELINE WK1		4
1,2	10/22/2012	10/26/2012	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1,2	10/22/2012	10/26/2012	IP 71124.02	Occupational ALARA Planning and Controls	
1,2	10/22/2012	10/26/2012	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1,2	10/22/2012	10/26/2012	IP 71124.04	Occupational Dose Assessment	
1,2	10/22/2012	10/26/2012	IP 71124.05	Radiation Monitoring Instrumentation	
1,2	10/22/2012	10/26/2012	IP 71151	Performance Indicator Verification	
			EB3 ISI - UNIT 2 INSERVICE INSPECTION		1
1	10/29/2012	11/02/2012	IP 7111108P	Inservice Inspection Activities - PWR	
			PSB1-RP - OCCUPATIONAL RP BASELINE WK2		4
1,2	11/05/2012	11/09/2012	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1,2	11/05/2012	11/09/2012	IP 71124.02	Occupational ALARA Planning and Controls	
1,2	11/05/2012	11/09/2012	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1,2	11/05/2012	11/09/2012	IP 71124.04	Occupational Dose Assessment	
1,2	11/05/2012	11/09/2012	IP 71124.05	Radiation Monitoring Instrumentation	
1,2	11/05/2012	11/09/2012	IP 71151	Performance Indicator Verification	
			EB3 SGR - UNIT 2 SG REPLACEMENT		1
1,2	11/26/2012	11/30/2012	IP 50001	Steam Generator Replacement Inspection	
1,2	12/10/2012	12/14/2012	IP 50001	Steam Generator Replacement Inspection	

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Sequoyah
Inspection / Activity Plan
03/01/2012 - 06/30/2013

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			EB3 SGR - UNIT 2 SG REPLACEMENT		1
1, 2	12/24/2012	12/28/2012	IP 50001	Steam Generator Replacement Inspection	
			OL EXAM - INITIAL EXAM WEEK 1		3
1	12/03/2012	12/07/2012	V23340	SEQUOYAH/DECEMBER 2012 EXAM AT POWER FACILITIES	
			OL EXAM - INITIAL EXAM WEEK 2		3
1	12/10/2012	12/14/2012	V23340	SEQUOYAH/DECEMBER 2012 EXAM AT POWER FACILITIES	
			TI-182 - TI-182 BURIED PIPING/TANK - PHASE 1		1
1, 2	02/11/2013	02/15/2013	IP 2515/182	Review of the Implementation of the Industry Initiative to Control Degradation of Underground Piping	
			OL EXAM - INITIAL EXAM PREP		3
1	04/22/2013	04/26/2013	V23408	SEQUOYAH/MAY 2013 INITIAL EXAM AT POWER FACILITIES	
			OL EXAM - INITIAL EXAM - WEEK 1		3
1	05/13/2013	05/17/2013	V23408	SEQUOYAH/MAY 2013 INITIAL EXAM AT POWER FACILITIES	
			PSB1-RP - RP PUBLIC RAD SAFETY BASELINE		3
1, 2	05/13/2013	05/17/2013	IP 71124.06	Radioactive Gaseous and Liquid Effluent Treatment	
1, 2	05/13/2013	05/17/2013	IP 71124.07	Radiological Environmental Monitoring Program	
1, 2	05/13/2013	05/17/2013	IP 71151	Performance Indicator Verification	
			OL EXAM - INITIAL EXAM - WEEK 2		3
1	05/20/2013	05/24/2013	V23408	SEQUOYAH/MAY 2013 INITIAL EXAM AT POWER FACILITIES	
			PI&R - PROBLEM IDENTIFICATION AND RESOLUTION		5
1, 2	06/10/2013	06/14/2013	IP 71152B	Problem Identification and Resolution	
1, 2	06/24/2013	06/28/2013	IP 71152B	Problem Identification and Resolution	

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