



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931

March 3, 2008

Mr. William R. Campbell, Jr.
Chief Nuclear Officer and Executive Vice President
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

**SUBJECT: ANNUAL ASSESSMENT LETTER – WATTS BAR NUCLEAR PLANT
(NRC INSPECTION REPORT 05000390/2008001 AND 05000391/2008001)**

Dear Mr. Campbell:

On February 7, 2008, the NRC staff completed its performance review of the Watts Bar Nuclear Plant. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2007. 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.

This performance review and enclosed inspection plan do not include security information. A separate letter designated and marked as "Official Use Only-Security-Related Information" will include the security cornerstone review and resultant inspection plan.

Overall, Watts Bar 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. We also plan on conducting several non-ROP inspections which include TI 2515/171, Verification of Site Specific (B.5.b) Phase 2 and 3 Mitigation Strategies; TI 2515/172, Reactor Coolant System Dissimilar Metal; and TI 2515/174, Hydrogen Igniter Backup Power Verification.

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through June 30, 2009. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last nine months of the inspection plan are tentative and may be revised at the mid-cycle review.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made 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).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (404) 562-4530 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Rebecca L. Nease, Chief
Reactor Projects Branch 6
Division of Reactor Projects

Docket Nos.: 50-390, 50-391
License Nos.: NPF-90, CPPR-92

Enclosure: Watts Bar Inspection/Activity Plan (03/01/08 – 06/30/09)

cc w/encl: (See next page)

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Watts Bar
Inspection / Activity Plan
03/01/2008 - 06/30/2009

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	EB3TI172 - TI-172		1			
1	IP 2515/172	Reactor Coolant System Dissimilar Metal Butt Welds		03/31/2008	04/04/2008	Generic Safety Inspectio
	OL EXAM - INITIAL EXAM PREP		3			
1	V23277	WATTS BAR/JANUARY 2008 EXAM AT POWER FACILITIES		04/21/2008	04/25/2008	Not Applicable
	OL EXAM - INITIAL EXAM		3			
1	V23277	WATTS BAR/JANUARY 2008 EXAM AT POWER FACILITIES		05/12/2008	05/23/2008	Not Applicable
	PSB1-EP - EP INSP		1			
1	IP 7111402	Alert and Notification System Testing		08/25/2008	08/29/2008	EP Baseline Inspection
1	IP 7111403	Emergency Response Organization Augmentation Testing		08/25/2008	08/29/2008	EP Baseline Inspection
1	IP 7111404	Emergency Action Level and Emergency Plan Changes		08/25/2008	08/29/2008	EP Baseline Inspection
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		08/25/2008	08/29/2008	EP Baseline Inspection
1	IP 71151-EP01	Drill/Exercise Performance		08/25/2008	08/29/2008	Baseline Inspections
1	IP 71151-EP02	ERO Drill Participation		08/25/2008	08/29/2008	Baseline Inspections
1	IP 71151-EP03	Alert & Notification System		08/25/2008	08/29/2008	Baseline Inspections
	TI-171 - B.5.B PHASE 2&3		3			
1	IP 2515/171	Verification of Site Specific Implementation Of B.5.b Phase 2 & 3 Mitigating Strategies		09/22/2008	09/26/2008	Generic Safety Inspectio
	OL RQ - REQUAL INSPECTION		2			
1	IP 7111111B	Licensed Operator Requalification Program		12/08/2008	12/12/2008	Baseline Inspections
	EB1-MODS - MODIFICATIONS-10CFR50.59		4			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		01/19/2009	01/30/2009	Baseline Inspections
1	IP 7111117B	Evaluations of Changes, Tests, or Experiments & Permanent Plant Modifications		01/19/2009	01/30/2009	Baseline Inspections
	OL EXAM - INITIAL EXAM PREP		3			
1	V23316	WATTS BAR/MARCH 2009 EXAM AT POWER FACILITIES		02/09/2009	02/13/2009	Not Applicable
	OL EXAM - INITIAL EXAM - WEEK 1		3			
1	V23316	WATTS BAR/MARCH 2009 EXAM AT POWER FACILITIES		03/09/2009	03/13/2009	Not Applicable
	OL EXAM - INITIAL EXAM - WEEK 2		3			
1	V23316	WATTS BAR/MARCH 2009 EXAM AT POWER FACILITIES		03/23/2009	03/27/2009	Not Applicable
	PI&R - PROBLEM IDENTIFICATION AND RESOLUTION		5			
1	IP 71152B	Identification and Resolution of Problems		06/08/2009	06/12/2009	Baseline Inspections
1	IP 71152B	Identification and Resolution of Problems		06/22/2009	06/26/2009	Baseline Inspections