

March 31, 2000

Tennessee Valley Authority  
ATTN: Mr. J. A. Scalice  
Chief Nuclear Officer and  
Executive Vice President  
6A Lookout Place  
1101 Market Street  
Chattanooga, TN 37402-2801

SUBJECT: PLANT PERFORMANCE REVIEW - WATTS BAR

The purpose of this letter is to communicate our assessment of your performance and to inform you of our planned inspections at your facility. On March 29, 2000, we completed a Plant Performance Review (PPR) of Watts Bar. We conduct these reviews to develop an integrated overview of the safety performance of each operating nuclear power plant. We use the results of the PPR in planning and allocating inspection resources and as inputs to our senior management meeting (SMM) process. This PPR evaluated inspection results and safety performance information for the period from February 1, 1999 to January 31, 2000, but emphasized the last six months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at Watts Bar was provided to you in a letter dated October 14, 1999.

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, the SMM, and the Systematic Assessment of Licensee Performance (SALP). We recently completed a pilot program for the revised reactor oversight process at nine participating sites and are making necessary adjustments based on feedback and lessons learned. We plan to begin initial implementation of the revised reactor oversight process industry-wide, including your facility, on April 2, 2000.

This PPR reflects continued process improvements as we make the transition into the revised reactor oversight process. Instead of characterizing our assessment results by SALP functional area, we are organizing the results into the strategic performance areas embodied in the revised reactor oversight process. In addition, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results in assessing your performance. The results of this PPR were used to establish the inspection plan in accordance with the new risk-informed inspection program (consisting of baseline and supplemental inspections). Although this letter incorporates some terms and concepts associated with the new oversight process, it does not reflect the much broader changes in inspection and assessment that will be evident after we have fully implemented our revised reactor oversight process.

During the last six months the plant operated at or near 100 percent except for a power reduction to 84 percent power to repair a heater drain tank pump sensing line.

We have not identified any significant performance issues during this assessment period in the reactor safety, radiation safety or safeguards strategic areas, and note that Watts Bar continues to operate in a safe manner. Therefore, we plan to conduct only baseline inspections at your facility as noted in the attached inspection plan. However the baseline inspection program does not address the layup and preservation of safety-related equipment on Unit 2, therefore we intend to inspect Unit 2 activities annually as noted in the attached inspection plan.

Enclosure 1 contains a historical listing of plant issues, referred to as the Plant Issues Matrix (PIM), that were used during this PPR process to arrive at our integrated view of your performance trends. The PIM for this assessment is grouped by the prior SALP functional areas of operations, maintenance, engineering and plant support, although the future PIM will be organized along the cornerstones of safety as described in the revised reactor oversight process. The attached PIM includes items summarized from inspection reports or other docketed correspondence between the NRC and Tennessee Valley Authority regarding Watts Bar. We did not document all aspects of licensee programs and performance that may be functioning appropriately. Rather, we only documented issues that we believe warrant management attention or represent noteworthy aspects of performance. In addition, the PPR may also have considered some predecisional and draft material that does not appear in the attached PIM, including observations from events and inspections that had occurred since our last inspection report was issued, but had not yet received full review and consideration. We will make this material publically available as part of the normal issuance of our inspection reports and other correspondence.

Enclosure 2 lists our planned inspections for the period April 2000 through March 2001 at Watts Bar to allow you to resolve scheduling conflicts and personnel availability in advance of our inspector arrival onsite. The inspection schedule for the latter half of the period is more tentative and may be adjusted in the future due to emerging performance issues at Watts Bar or other Region II facilities. Routine resident inspections are not listed due to their ongoing and continuous nature.

We will inform you of any changes to the inspection plan. If you have any questions, please contact me at (404) 562-4530.

Sincerely,

*/RA/*

Paul E. Fredrickson, Chief  
Reactor Projects Branch 6  
Division of Reactor Projects

Docket Nos. 50-390, 50-391  
License No. NPF-90 and Construction  
Permit No. CPPR-92

Enclosures: 1. Plant Issues Matrix  
2. Inspection Plan

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