

SAFEGUARDS INFORMATION

October 28, 2004

Mr. Karl W. Singer
Chief Nuclear Officer and Executive Vice President
Tennessee Valley Authority
Watts Bar Nuclear Plant, Unit 1
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

SUBJECT: WATTS BAR NUCLEAR PLANT, UNIT 1 - ADMINISTRATIVE CHANGE TO FACILITY OPERATING LICENSE IN CONJUNCTION WITH THE COMMISSION ORDER EA-03-086 REGARDING REVISED DESIGN BASIS THREAT (DBT); AND REVISIONS TO PHYSICAL SECURITY PLAN, TRAINING AND QUALIFICATION PLAN, SAFEGUARDS CONTINGENCY PLAN (TAC NO. MC2988)

Dear Mr. Singer:

By letter dated April 29, 2004, Tennessee Valley Authority submitted a supplemental response in accordance with Order EA-03-086, the Order requiring compliance with the revised design basis threat, dated April 29, 2003, (DBT Order) for the Watts Bar Nuclear Plant, Unit 1. Section III.A of the DBT Order required licensees to revise physical security plans (PSPs), training and qualification plans (T&Q Plans), and safeguards contingency plans (SCPs) to provide protection against the revised DBT set forth in Attachment 2 to the DBT Order. These revised plans, along with an implementation schedule, were required to be submitted to the Nuclear Regulatory Commission (NRC or the Commission) for review and approval no later than April 29, 2004.

The NRC staff's review of the Watts Bar Nuclear Plant, Unit 1 PSP, SCP, and T&Q Plan submitted in your letter dated April 28, 2004, as supplemented on July 7, July 14, July 28, August 12, September 9, October 6, October 12, and October 22, 2004, has focused on ensuring the necessary programmatic elements are contained in these plans in order to provide high assurance that activities involving special nuclear material are not inimical to the common defense and security and do not constitute an unreasonable risk to the public health and safety.

NOTICE: Enclosure 2 contains Safeguards Information. Upon separation from Enclosure 2, this letter and Enclosure 1 are DECONTROLLED.

SAFEGUARDS INFORMATION

The NRC staff has determined that, subject to subsequent inspection and evaluation, these plans contain the necessary programmatic elements that, when effectively implemented, will provide the required high assurance that Watts Bar Nuclear Plant, Unit 1 will be protected against the revised DBT. The NRC staff, therefore, approves the PSP, SCP, and T&Q Plan for Watts Bar Nuclear Plant, Unit 1. However, ultimately the effectiveness of these plans will be judged on your ability to meet regulatory requirements through facility implementing procedures and site practices. As such your facility implementing procedures and practices will continue to be subject to future NRC review and inspection, including NRC-conducted force-on-force exercises.

In addition, the NRC staff noted that your PSP included alternatives to certain requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) Section 73.55. In each case, the NRC staff found that the alternative measures provide an equivalent level of protection to that of the associated requirement and meet the high assurance objective of 10 CFR 73.55(a). The NRC staff, therefore, approves the alternatives shown in the table below. The NRC staff's evaluation is discussed further in the enclosed Safety Evaluation (SE).

Approved Alternatives to the Requirements of 10 CFR Part 73

SE Section	PSP Section	Alternative to 10 CFR	Description
3.6.2	6.2	73.55(c)(3)	Isolation Zones
3.6.3	6.3	73.55(c)(2)	Protected Area (PA)/Vital Area (VA) barrier separation requirements
3.9.4.3	9.4.3	73.55(d)(4)	PA vehicle search requirements
3.9.4.4	9.4.4	73.55(d)(1)	PA personnel search requirements
3.9.5.2	9.5	73.55(d)(4)	PA access control requirements
3.10.1	10.1	73.55(c)(5)	PA illumination requirements
3.13.1	14.1	73.55(c)(1) 73.55(d)(7)(i)(B)	Temporary reclassification of Vital Areas to PA status (devitalization)

Finally, consistent with the DBT Order, conforming administrative changes to Facility Operating Licenses (FOLs) are required to ensure implementation of the DBT Order requirements. Therefore, an administrative license change to FOL No. NPF-90 is being made to incorporate the reference to the revised PSP, SCP, and T&Q Plan required by the DBT Order. This change complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I.

K. W. Singer

- 3 -

Please replace the enclosed page to your FOL as indicated in Enclosure 1.

A copy of our SE with regard to your security plans (designated as Safeguards Information) is provided in Enclosure 2.

Sincerely,

/RA/

John A. Nakoski, Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-390

Enclosures: 1. Administrative Change to FOL No. NPF-90
2. SE Regarding the Security Plans (**SAFEGUARDS INFORMATION**)

cc w/encl 1 only: See mailing list 1

cc w/encls 1 and 2: Ms. Joan E. McCullum

K. W. Singer

- 3 -

Please replace the enclosed page to your FOL as indicated in Enclosure 1.

A copy of our SE with regard to your security plans (designated as Safeguards Information) is provided in Enclosure 2.

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cc w/encl 1 only: See mailing list 1
cc w/encls 1 and 2: Ms. Joan E. McCullum

DISTRIBUTION (w/o Enclosure 2):

PUBLIC SPRT R/F OGC ACRS BClayton BPascarelli
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OFFICE	SPRT/TL	SPRT/PM	SPRT/LA	SPRT/PL	OGC	NSIR/ SC	NRR/SC
NAME	RManili	DSpaulding	CRaynor	JPeralta	JHeck	SMorris	JNakoski
DATE	10/25/04	10/25/04	10/25/04	10/25/04	10/28/04	10/28/04	10/28/04

OFFICIAL RECORD COPY

Tennessee Valley Authority:
Browns Ferry Nuclear Plant
Watts Bar Nuclear Plant
Sequoyah Nuclear Plant

cc w/o encl.:

Watts Bar Nuclear Plant, Unit 1

Mr. Karl W. Singer, Chief Nuclear Officer &
Executive Vice President
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

Mr. Mark J. Burzynski, Manager
Nuclear Licensing
Tennessee Valley Authority
4X Blue Ridge
1101 Market Street
Chattanooga, TN 37402-2801

Mr. James E. Maddox, Vice President
Engineering & Technical Services
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

Mr. Timothy E. Abney, Manager
Licensing and Industry Affairs
Browns Ferry Nuclear Plant
Tennessee Valley Authority
P.O. Box 2000
Decatur, AL 35609

Mr. Ashok S. Bhatnagar, Senior Vice
President
Tennessee Valley Authority
6A Lookout Place
Chattanooga, TN 37402-2801

Senior Resident Inspector
U.S. Nuclear Regulatory Commission
Browns Ferry Nuclear Plant
10833 Shaw Road
Athens, AL 35611-6970

General Counsel
Tennessee Valley Authority
ET 11A
400 West Summit Hill Drive
Knoxville, TN 37902

State Health Officer
Alabama Dept. of Public Health
RSA Tower - Administration
Suite 1552
P.O. Box 303017
Montgomery, AL 36130-3017

Mr. Jon R. Rupert, Vice President
Browns Ferry Unit 1 Restart
Browns Ferry Nuclear Plant
Tennessee Valley Authority
P.O. Box 2000
Decatur, AL 35609

Chairman
Limestone County Commission
310 West Washington Street
Athens, AL 35611

Mr. Robert G. Jones
Browns Ferry Unit 1 Plant Restart Manager
Browns Ferry Nuclear Plant
Tennessee Valley Authority
P.O. Box 2000
Decatur, AL 35609

Mr. William R. Lagergren, Site Vice
President
Watts Bar Nuclear Plant
Tennessee Valley Authority
P.O. Box 2000
Spring City, TN 37381

Tennessee Valley Authority:
Browns Ferry Nuclear Plant
Watts Bar Nuclear Plant
Sequoyah Nuclear Plant

cc w/o encl.:

Mr. Paul L. Pace, Manager
Licensing and Industry Affairs
Watts Bar Nuclear Plant
Tennessee Valley Authority
P.O. Box 2000
Spring City, TN 37381

Mr. Larry S. Bryant, Manager
Watts Bar Nuclear Plant
Tennessee Valley Authority
P.O. Box 2000
Spring City, TN 37381

Senior Resident Inspector
Watts Bar Nuclear Plant
U.S. Nuclear Regulatory Commission
1260 Nuclear Plant Road
Spring City, TN 37381

County Executive
Rhea County Courthouse
375 Church Street
Suite 215
Dayton, TN 37321

Ms. Ann P. Harris
341 Swing Loop Road
Rockwood, Tennessee 37854

Mr. Randy Douet, Site Vice President
Sequoyah Nuclear Plant
Tennessee Valley Authority
P.O. Box 2000
Soddy Daisy, TN 37384-2000

Mr. Pedro Salas, Manager
Licensing and Industry Affairs
Sequoyah Nuclear Plant
Tennessee Valley Authority
P.O. Box 2000
Soddy Daisy, TN 37384-2000

Mr. David A. Kulisek, Plant Manager
Sequoyah Nuclear Plant
Tennessee Valley Authority
P.O. Box 2000
Soddy Daisy, TN 37384-2000

Senior Resident Inspector
Sequoyah Nuclear Plant
U.S. Nuclear Regulatory Commission
2600 Igou Ferry Road
Soddy Daisy, TN 37379

Mr. Lawrence E. Nanney, Director
Division of Radiological Health
Dept. of Environment & Conservation
Third Floor, L and C Annex
401 Church Street
Nashville, TN 37243-1532

Mr. Michael D. Skaggs, Site Vice President
Browns Ferry Nuclear Plant
Tennessee Valley Authority
P.O. Box 2000
Decatur, AL 35609

County Mayor
Hamilton County Courthouse
Chattanooga, TN

County Mayor
P.O. Box 156
Decatur, TN 37322

Mr. T. J. Niessen, Acting General Manager
Nuclear Assurance
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

Tennessee Valley Authority:
Browns Ferry Nuclear Plant
Watts Bar Nuclear Plant
Sequoyah Nuclear Plant

cc w/o encl.:

Site Vice President
Browns Ferry Nuclear Plant
Tennessee Valley Authority
P.O. Box 2000
Decatur, AL 35609

TENNESSEE VALLEY AUTHORITY

DOCKET NO. 50-390

WATTS BAR NUCLEAR PLANT, UNIT 1

ADMINISTRATIVE LICENSE CHANGE TO FACILITY OPERATING LICENSE

License No. NPF-90

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. Consistent with Order EA-03-086, the Order requiring compliance with the revised design basis threat, (DBT Order) issued on April 29, 2003, conforming administrative changes to Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, an administrative license change to FOL No. NPF-90 is being made to incorporate the reference to the revised Physical Security Plan, Safeguards Contingency Plan, and Training and Qualification Plan required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act (the Act) of 1954, as amended and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this administrative license change can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this administrative license change will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this administrative license change is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

Enclosure 1

2. Accordingly, the FOL is changed as indicated in the Attachment.
3. This administrative license change is effective as of its date of issuance and shall be implemented on or before October 29, 2004.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

John A. Nakoski, Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the FOL No. NPF-90

Date of Issuance: October 28, 2004

CHANGES TO FACILITY OPERATING LICENSE NO. NPF-90

DOCKET NO. 50-390

Replace the following page of the Facility Operating License NPF-90 with the attached revised page as indicated. The revised page is identified by a revision date and contains marginal lines indicating the area of change.

Remove Page

5

Insert Page

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- (5) The facility was previously granted an exemption from certain requirements of 10 CFR 50, Appendix E, such that the State of Tennessee, which is within the ingestion exposure pathway emergency planning zone, need not participate in the November 1995 full-participation exercise (see 60 FR 54526, October 24, 1995). The granting of this exemption is hereby affirmed.
- E. TVA shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.54(p). The combined set of plans, which contains Safeguards Information protected under 10 CFR 73.21, is entitled: "Watts Bar Nuclear Plant Security Plan, Training and Qualification Plan, and Safeguards Contingency Plan, Revision 0," submitted by letter dated September 9, 2004, and supplemented on October 6, October 12, 2004, and October 22, 2004.
- F. TVA shall implement and maintain in effect all provisions of the approved fire protection program as described in the Fire Protection Report for the facility, as approved in Supplements 18 and 19 of the SER (NUREG-0847) subject to the following provision:
- TVA may make changes to the approved fire protection program without prior approval of the Commission, only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.
- G. Except as otherwise provided in the Technical Specifications (Appendix A to this license) or Environmental Protection Plan (Appendix B to this license), TVA shall report any violations of the requirements contained in Section 2.C of this license in the following manner: initial notification shall be made within twenty-four (24) hours to the NRC Operations Center via the Emergency Notification System with written follow-up within 30 days in accordance with the procedures described in 10 CFR 50.73 (b), (c), and (e).
- H. The licensee shall have and maintain financial protection of such types and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.