Mr. Steve Redeker Manager, Plant Closure & Decommissioning Sacramento Municipal Utility District 6201 S. Street, P.O. Box 15830 Sacramento, CA 95852-1830

SUBJECT: AMENDMENT NO. 2 TO MATERIALS LICENSE SNM-2510 FOR THE RANCHO SECO INDEPENDENT SPENT FUEL STORAGE INSTALLATION (TAC NO. L23757)

Dear Mr. Redeker:

By letter dated July 29, 2004, Sacramento Municipal Utility District (SMUD) submitted a request to the U.S. Nuclear Regulatory Commission (NRC) in accordance with Title 10 of the Code of Federal Regulations (10 CFR) 72.56, "Application for Amendment of License." The application requested that Materials License SNM-2510 be amended to allow for the storage of Greater than Class C (GTCC) Waste at the Rancho Seco Independent Spent Fuel Storage Installation (ISFSI). Pursuant to 10 CFR Part 72, SNM-2510 is amended to reflect this change.

This amended license supersedes, in its entirety, Materials License No. SNM-2510, Amendment No.1, dated March 21, 2005. Changes made to the enclosed Materials License are indicated by vertical lines in the right margin.

Enclosed are copies of the revised Materials License SNM-2510, Amendment 2, the Safety Evaluation Report, and the Federal Register Notice of issuance for the amended license.

S. Redeker

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If you have any questions about this document, please contact me at (301) 415-1336.

Sincerely,

/RA/

James R. Hall, Senior Project Manager Licensing Section Spent Fuel Project Office Office of Nuclear Material Safety and Safeguards

Docket No. 72-11 TAC No. L23757

- Enclosures: 1. Materials License No. SNM-2510 Amendment 2
  - 2. Safety Evaluation Report
  - 3. Federal Register Notice of Issuance

cc: Mailing List

S. Redeker

2

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/RA/

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Distribution: (Closes TAC No. L23757) Docket 72-11

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