



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

March 20, 2007

Docket No. 03035695
Control No. 137028

License No. 41-08165-18

Terry Knuettel
Tennessee Valley Authority
PSC 1B-C
1101 Market Street
Chattanooga, TN 37402-2801

SUBJECT: TENNESSEE VALLEY AUTHORITY, REQUEST FOR ADDITIONAL
INFORMATION CONCERNING FINANCIAL ASSURANCE DOCUMENTS,
CONTROL NO. 137028

Dear Mr. Knuettel:

This is in reference to your letter dated August 4, 2006 providing financial assurance for decommissioning for Nuclear Regulatory Commission License No. 41-08165-18. In order to continue our review, we need the following additional information:

10 CFR 30.35 requires that licensees authorized to possess and use unsealed licensed material with a half-life greater than 120 days in quantities greater than those described in 10 CFR 30.35(a) must submit decommissioning funding plan (DFP) in any new or renewal application. During the renewal in 2001, the application and review had incorrectly determined that a prescribed value may be used. However, the license as written requires a DFP. This plan must include an actual estimate of the costs for decommissioning your facility and a description of the methods of assuring funds in accordance with 10 CFR 30.35(e). The appropriate level of detail for the cost estimate is discussed in Appendix A.3 to Volume 3 of NUREG-1757, "Consolidated NMSS Decommissioning Guidance." If the DFP cost estimate is greater than your current certification of financial assurance, you must submit a revised financial assurance instrument in the prescribed amount of the cost estimate. Please follow closely the recommended wording for financial assurance mechanisms found Appendix A to Volume 3 of NUREG-1757.

Current NRC regulations and guidance are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Medical, Industrial, and Academic Uses of Nuclear Material**; then **Toolkit Index Page**. Or you may obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-888-293-6498. The GPO is open from 7:00 a.m. to 9:00 p.m. EST, Monday through Friday (except Federal holidays).

We will continue our review upon receipt of this information. Please reply to my attention at the Region I Office and refer to Mail Control No. 137028. If you have any technical questions regarding this deficiency letter, please call me at (610) 337-5366.

T. Knuettel
Tennessee Valley Authority

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Sincerely,

Original signed by Dennis R. Lawyer

Dennis R. Lawyer
Health Physicist
Commercial and R&D Branch
Division of Nuclear Materials Safety

cc:

James B. Colagross, Radiation Safety Officer

Karl W. Singer, Chief Nuclear Officer and Executive Vice President

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SUNSI Review Complete: DLawyer

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NAME	DLawyer /DRL1/						
DATE	3/20/2007						

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