

October 22, 2007

Mr. William R. McCollum, Jr.  
Chief Operating Officer  
Tennessee Valley Authority  
6A Lookout Place  
1101 Market Street  
Chattanooga, TN 37402-2801

SUBJECT: WATTS BAR NUCLEAR PLANT UNIT 2 - RESUMPTION OF CONSTRUCTION  
ACTIVITIES (TAC NO. MD6310)

Dear Mr. McCollum:

This letter is in response to your letter dated August 3, 2007, in which you informed the Nuclear Regulatory Commission (NRC) staff of Tennessee Valley Authority's (TVA's) intention to complete construction activities at Watts Bar Nuclear Plant (WBN) Unit 2. Your letter indicated that TVA plans to resume unrestricted construction activities under the existing construction permit on December 3, 2007, and to request an operating license (OL) pursuant to Title 10 of the *Code of Federal Regulations* (CFR) Part 50, "Domestic Licensing of Production and Utilization Facilities," prior to April 1, 2012. You further indicated that you plan to submit by January 31, 2008, a regulatory framework document to reference key correspondence and describe open issues or commitments that need to be resolved to obtain an OL for WBN Unit 2.

In Generic Letter (GL) 87-15, "Policy Statement on Deferred Plants," the NRC provided the agency's position regarding quality assurance requirements, specifically the maintenance, preservation and documentation requirements for deferred plants, and how new regulatory requirements will be applied to deferred plants upon reactivation. This policy statement was published in the *Federal Register* on October 14, 1987 (52 FR 38077). In your letter, you provided information regarding the reactivation of WBN Unit 2 in accordance with this policy statement. The NRC staff has determined that your letter satisfies the information requirements of GL 87-15.

Upon resumption of construction and consistent with the policy statement, the NRC will begin to determine the acceptability of structures, systems and components (SSCs) important to safety (see 10 CFR Part 50, Appendix A, General Design Criterion 1).

The staff will take the following actions to determine acceptability:

1. Review the preservation and maintenance program for WBN Unit 2, as implemented, and determine whether any SSCs require special attention.
2. Verify that design changes, modifications, and required corrective actions have been implemented and documented in accordance with established quality control requirements, and

3. Review the results of any inspections and determine whether quality and performance requirements originally specified in the Final Safety Analysis Report have been implemented.

In addition, consistent with Commission direction in a staff requirements memorandum dated July 25, 2007, (Agencywide Documents Access and Management System (ADAMS) Accession No. ML072060688) the staff will use the current licensing basis for Unit 1 as the reference basis for the review and licensing of Unit 2. Significant changes to this licensing approach would be allowed where the existing backfit rule would be met or as necessary to support dual unit operation. Consistent with the Commission's direction, we expect TVA to review any exemptions, reliefs, and other actions which were specifically granted for Unit 1, to determine whether the same allowance is appropriate for Unit 2 and submit such requests to the NRC for its review and approval as necessary. We encourage TVA to adopt updated standards for Unit 2 where it would not significantly detract from design and operational consistency between Units 1 and 2. We also expect TVA to look for opportunities to resolve issues such as generic safety issues where the unirradiated state of Unit 2 makes the issue easier to resolve before plant operation.

The NRC staff is developing plans and implementing actions for the technical review and inspection activities necessary to support licensing of WBN Unit 2. Currently, we are determining the status of licensing and inspection issues related to WBN Unit 2.

In accordance with the Commission's direction, the NRC will issue a notice of opportunity for hearing on the WBN Unit 2 OL application. The staff will issue this notice following receipt and review of your regulatory framework document. At that time, the staff also will establish a review schedule with anticipated milestones.

If you have any questions regarding this letter, please contact L. Raghavan at 301-415-2429.

Sincerely,

**/RA/**

J. E. Dyer, Director  
Office of Nuclear Reactor Regulation

Docket No. 50-391

cc: See next page

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J. E. Dyer, Director  
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## **WATTS BAR NUCLEAR PLANT**

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