



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

April 1, 2011

Mr. Ashok S. Bhatnagar
Senior Vice President
Nuclear Generation Development
and Construction
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

**SUBJECT: WATTS BAR NUCLEAR PLANT, UNIT 2 – STATUS OF OPERATING LICENSE
APPLICATION REVIEW REGARDING RADIOACTIVE WASTE MANAGEMENT
AND ENVIRONMENTAL IMPACTS (TAC NO. ME2731)**

Dear Mr. Bhatnagar:

I am writing to follow-up on recent discussions between the U.S. Nuclear Regulatory Commission (NRC) staff and representatives from your staff regarding the resolution of issues arising from the NRC staff's review of your operating license (OL) application for Watts Bar Nuclear Plant (WBN), Unit 2. Specifically, the staff is currently reviewing Tennessee Valley Authority's (TVA's) submittals relating to Chapter 11, "Radioactive Waste Management," of the WBN Unit 2 Final Safety Analysis Report (FSAR). As part of its review process, the staff identified several issues and held numerous meetings and telephone discussions to resolve the identified issues. Some of these issues also interrelate with the information presented in your supplemental environmental impact statement (SEIS).

As a result of the staff's issues and concerns, we were informed by TVA that it has contracted to have a third-party assess the current documentation and identify potential problems for resolution, including any inconsistencies in the information presented between the FSAR and the SEIS. This assessment is scheduled to be completed before the end of April 2011. In our opinion, the completion of this assessment and any ensuing revisions to the documentation supporting the OL review is critical for the NRC staff to complete its review. Therefore, you need to keep the NRC staff informed on the progress and results of your third-party assessment, along with TVA's actions to address the assessment results.

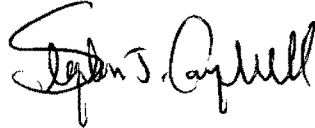
Please be advised that depending on the outcome of your activities in this matter, the NRC staff's review schedule will be revised and may impact the project milestones.

A. Bhatnagar

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We request your continued attention to ensure that these actions are completed in a timely and thorough manner for the NRC staff to complete its licensing reviews and inspections consistent with your schedule to commence operation in fiscal year 2012.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Campbell". The signature is fluid and cursive, with the first name "Stephen" being more prominent.

Stephen J. Campbell, Chief
Watts Bar Special Projects Branch
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-391

cc: Distribution via Listserv

A. Bhatnagar

- 2 -

We request your continued attention to ensure that these actions are completed in a timely and thorough manner for the NRC staff to complete its licensing reviews and inspections consistent with your schedule to commence operation in fiscal year 2012.

Sincerely,

/RA/

Stephen J. Campbell, Chief
Watts Bar Special Projects Branch
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

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OFFICE	LPWB/PM	LPWB/LA	LPWB/PM	LPWB/BC
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DATE	03/31/11	03/31/11	03/31/11	04/01/11

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