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Tennessee Valley Authority
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Chattanooga, Tennessee 37402-2801

June 30, 2011

Secretary, U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001
.ATTN: Rulemakings and Adjudications Staff

Subject: **Comments on Amendments to Material Control and Accounting
Regulations (Docket ID NRC-2009-0096)**

The U.S. Nuclear Regulatory Commission (NRC) published preliminary proposed rule language concerning the NRC's proposed amendments to the Material Control and Accounting (MC&A) regulations published in the Federal Register on May 16, 2011 (76 FR 28193). In the Federal Register Notice, the NRC solicited comments on the proposed amendments.

The Tennessee Valley Authority has reviewed the preliminary proposed rule language and provides our comments in the Enclosure.

Please direct any questions concerning this matter to Terry Cribbe at 423-751-3850.

Respectfully,

A handwritten signature in black ink, appearing to read "R. M. Krich".

R. M. Krich

Enclosure: TVA Comments Regarding Preliminary Proposed Rule Concerning the
NRC's Proposed Amendments to the Material Control and Accounting
(MC&A) Regulations

Enclosure

TVA Comments Regarding Preliminary Proposed Rule Concerning the NRC's Proposed Amendments to the Material Control and Accounting (MC&A) Regulations

Proposed change to 10 CFR 74.19(c)

The proposed change to 10 CFR 74.19(c) revises the inventory interval from "not to exceed 12 months" to "not to exceed 370 calendar days."

Tennessee Valley Authority (TVA) recommends that the inventory interval remain "not to exceed 12 months," with additional clarification of this interval consistent with that in NRC's letter to the Nuclear Energy Institute (NEI), Frequency of the Physical Inventory of Special Nuclear Material Required by 10 CFR 74.19(c), dated March 13, 2007. This clarification should read something similar to "If a licensee completes physical inventory in a given month, the next physical inventory must be completed by the last day of the same month in the following year."

By leaving the "not to exceed 12 months" interval requirement with additional interpretation guidance from the NRC's letter, nuclear sites can continue the current practices for yearly inventories. If the requirement changes to "not to exceed 370 calendar days," licensees could be moving up their inventory date every year to abide by the rule. Inventories can take up to a month to complete and must be scheduled around other plant activities.

Establish better understanding of small quantities of SNM for recordkeeping purposes

The current 10 CFR 74.19(a)(1) states that "Each licensee shall keep records showing the receipt, inventory (including location and unique identity), acquisition, transfer, and disposal of all SNM in its possession regardless of its origin or method of acquisition." This requires utilities to inventory items with minute quantities of SNM (significantly less than 1 gram). TVA recommends that a minimum threshold be established for the SNM quantity that requires inventory. A minimum threshold, such as the one described in 10 CFR 74.15(a), could improve the requirements to focus on quantities that truly pose a security risk and support ALARA best practices. 10 CFR 74.15(a) requires that transaction forms be submitted for the transfer or receipt of SNM greater than 1 gram.

TVA proposes an additional change to current 74.19 requirements similar to the following (TVA proposed changes are shown underlined):

74.19(a) Licensees subject to the recordkeeping requirements of §§ 74.31, 74.33, 74.43, or 74.59 of this part are exempt from the requirements of paragraphs (a)(1) through (4) of this section. Otherwise:

(1) Each licensee, other than nuclear reactor licensees, shall keep records showing the receipt, inventory (including location and unique identity), acquisition, transfer, and disposal of all special nuclear material in its possession regardless of its origin or method of acquisition. Nuclear reactor licensees shall keep records showing the receipt, inventory (including location and unique identity), acquisition, transfer, and disposal for items of special nuclear material containing quantities requiring transaction reports in accordance with §§ 74.15(a) and NUREG/BR-0006 in its possession regardless of its origin or method of acquisition.

Additionally, TVA proposes a revision to the language in 74.19 published in the Federal Register notice similar to the following (TVA proposed changes are shown underlined):

74.19(c) Licensees subject to the requirements of §§ 74.31, 74.33, 74.41, or 74.51 are exempt from the requirements of paragraphs (c)(1) through (3) of this section. Otherwise, each licensee who is authorized to possess, at any one time and site location, any quantity of contained uranium- 235, uranium-233, or plutonium, or any combination thereof, shall:

(1) Establish, document, implement, and maintain an item control system as defined in § 74.4. Exempted from this requirement are items in solution with a concentration of less than 5 grams of uranium-235 per liter and items of waste destined for burial or incineration;

(2) Conduct a physical inventory of all special nuclear material in its possession under the license at intervals not to exceed 12 months. If a licensee completes physical inventory in a given month, the next physical inventory must be completed by the last day of the same month in the following year. Nuclear reactor licensees shall conduct a physical inventory of items of special nuclear material containing quantities requiring transaction reports in accordance with §§ 74.15(a) and NUREG/BR-0006 in its possession under license at intervals not to exceed 12 months.

(3) Retain the records associated with each physical inventory until the Commission terminates the license that authorized the possession of special nuclear material. The records of the physical inventories need not be submitted to the Commission.