



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION I
2100 RENAISSANCE BOULEVARD, SUITE 100
KING OF PRUSSIA, PA 19406-2713

September 14, 2015

Docket No. 03035695
Control No. 585535

License No. 41-08165-18

J.W. Shea
Vice President, Nuclear Licensing
Tennessee Valley Authority
1101 Market St., PSC 1B-C
Chattanooga, TN 37402-2801

**SUBJECT: TENNESSEE VALLEY AUTHORITY, REVIEW OF FINANCIAL ASSURANCE
SUBMITTAL, CONTROL NO. 585535**

Dear Mr. Shea:

We have reviewed the documents submitted with your letters dated December 3, 2014, and May 21, 2015, regarding the financial assurance requirements for your license. We have no further questions at this time; however, we noted that your Decommissioning Funding Plan Cost Estimate included estimates of decommissioning labor costs and technical services costs using Tennessee Valley Authority personnel. Please note that 10 CFR 30.35 "Financial assurance and recordkeeping for decommissioning," section (e)(1), requires, in part, that each decommissioning funding plan (DFP) must contain a detailed cost estimate for decommissioning which includes the cost of an independent contractor to perform all decommissioning activities. Accordingly, we compared the hourly rates you provided for labor and technical services in your DFP to the Bureau of Labor and Statistics (BLS) estimated hourly costs for similar services by an independent contractor and determined that your estimates were approximately equivalent to the BLS cost-estimates for the year 2014; therefore, you do not need to provide additional information regarding the costs of labor and technical services. In future DFP updates, please provide estimates reflecting the cost to perform all decommissioning activities using independent contractors.

The following documents currently provide your financial assurance:

Certification of Financial Assurance dated December 3, 2014 [ML15002A030]

Statement of Intent dated May 21, 2015 [ML15163A091]

Decommissioning Funding Plan Cost Estimate submitted with the letter dated December 3, 2014 [ML15002A030]

We will return the original copies of superseded documents under separate cover.

Please note that the regulations set forth in 10 CFR 30.35(e)(2) require that, at the time of license renewal and at intervals not to exceed three years, the DFP must be resubmitted with

adjustments as necessary to account for changes in costs and the extent of contamination. Your currently approved DFP was submitted on December 3, 2014; therefore, your DFP must be re-submitted on or before December 3, 2017. If the amount of financial assurance will be adjusted downward, this cannot be done until the updated DFP is approved by NRC. The DFP must update the information submitted with the original or prior approved DFP, and must specifically consider the effect of the following events on decommissioning costs: (1) spills of radioactive material producing additional residual radioactivity in onsite subsurface material; (2) waste inventory increasing above the amount previously estimated; (3) waste disposal costs increasing above the amount previously estimated; (4) facility modifications; (5) changes in authorized possession limits; (6) actual remediation costs that exceed the previous cost estimate; (7) onsite disposal; and (8) use of a settling pond.

Thank you for your cooperation.

Sincerely,

Original signed by Steven Courtemanche

Steven Courtemanche
Health Physicist
Commercial, Industrial, R&D and Academic Branch
Division of Nuclear Materials Safety

cc:

James B. Colagross, Radiation Safety Officer

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SUNSI Review Complete: SWilson

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