

July 20, 2016

Mr. J. W. Shea
Vice President, Nuclear Licensing
Watts Bar Nuclear Plant Unit 2
Tennessee Valley Authority
1101 Market Street
Chattanooga, TN 37402

SUBJECT: AMENDMENT 1, TERMINATION OF SPECIAL NUCLEAR MATERIALS
LICENSE SNM-2014 FOR WATTS BAR UNIT 2 (COST ACTIVITY CODE
L33413)

Dear Mr. Shea:

Enclosed is Amendment 1 to special nuclear materials (SNM) license SNM-2014 for the Watts Bar Nuclear Power Plant, Unit 2 (WBN-2). This is in response to your letter dated March 4, 2016 (Agencywide Documents Access and Management System [ADAMS] Accession Number ML16067A019), requesting termination of license SNM-2014 for WBN-2.

Tennessee Valley Authority (TVA) was issued license SNM-2014 for WBN-2 on June 14, 2011, for a duration of 2 years. The license was issued to authorize TVA to receive, possess, inspect, and store SNM in the form of fully-assembled fuel assemblies that would later form the initial reactor core of WBN-2. On July 24, 2014, the U.S. Nuclear Regulatory Commission (NRC) renewed TVA's license SNM-2014 through September 30, 2017, due to delays in the construction schedule and a subsequent extension to their construction permit (CPPR-92). On October 22, 2015 (ADAMS Accession Number ML15251A587), TVA was issued a reactor operating license for WBN-2 (NPF-96). Based on WBN-2's request, the activities previously licensed under SNM-2014 were transferred to WBN-2's operating reactor license NPF-96. License NPF-96 states:

Subject to the conditions and requirements incorporated herein, the Commission hereby authorizes TVA: pursuant to the Act and 10 CFR Part 70, (Title 10 of the *Code of Federal Regulations (10 CFR) Part 70*), to receive, possess, and use at any time, special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, and as described in the Final Safety Analysis Report, as supplemented and amended;

Hence, no decontamination or decommissioning of the facility will be conducted. All safety conditions under license SNM-2014 will be met under NPF-96.

This termination is being issued in accordance with the requirements of 10 CFR 70.38. The staff has determined that the termination of SNM-2014, which transfers the licensed material to operating license NPF-96, is an administrative action that the NRC has declared to be a categorical exclusion in accordance with 10 CFR 51.22(c)(11). Therefore, neither an Environmental Assessment nor Environmental Impact Statement has been prepared for this license termination amendment. The NRC prepared Environmental Assessments for issuance of SNM-2014 on June 13, 2011 (76 FR 34273) and for renewal of SNM-2014 on December 17, 2013 (78 FR 76328).

The NRC staff's detailed written statement for issuance of operating license NPF-96, required by Section 102(2)(C) of the National Environmental Policy Act, is given in NUREG-0498, "Final Environmental Statement Related to the Operation of Watts Bar Nuclear Plant, Unit 2," Supplement 2 dated May 2013, which supplemented the 1978 final environmental statement related to the operating license application for WBN Units 1 and 2.

This amendment closes out Cost Activity Code Number: 33413.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the NRC Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding this letter, please contact Marilyn Diaz of my staff at 301-415-7110, or via e-mail to: Marilyn.Diaz@nrc.gov.

Sincerely,

/RA/

Craig Erlanger, Director
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-7018

Enclosure:
Amendment 1

This termination is being issued in accordance with the requirements of 10 CFR 70.38. The staff has determined that the termination of SNM-2014, which transfers the licensed material to operating license NPF-96, is an administrative action that the NRC has declared to be a categorical exclusion in accordance with 10 CFR 51.22(c)(11). Therefore, neither an Environmental Assessment nor Environmental Impact Statement has been prepared for this license termination amendment. The NRC prepared Environmental Assessments for issuance of SNM-2014 on June 13, 2011 (76 FR 34273) and for renewal of SNM-2014 on December 17, 2013 (78 FR 76328).

The NRC staff's detailed written statement for issuance of operating license NPF-96, required by Section 102(2)(C) of the National Environmental Policy Act, is given in NUREG-0498, "Final Environmental Statement Related to the Operation of Watts Bar Nuclear Plant, Unit 2," Supplement 2 dated May 2013, which supplemented the 1978 final environmental statement related to the operating license application for WBN Units 1 and 2.

This amendment closes out Cost Activity Code Number: 33413.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the NRC Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding this letter, please contact Marilyn Diaz of my staff at 301-415-7110, or via e-mail to Marilyn.Diaz@nrc.gov.

Sincerely,

/RA/

Craig Erlanger, Director
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-7018

Enclosure:
Amendment 1

DISTRIBUTION:
FMB r/f

ML16160A347

| OFFICE | FCSE/FMB | FSCE/FMB | NRR | Region II | FCSE/FMB | NMSS/FCSE |
|--------|-----------|-----------|-----------|-----------|-----------|-----------|
| NAME | MDiaz | DMiller | R.Schaaf | DRich | RJohnson | CErlanger |
| DATE | 6/16/2016 | 6/14/2016 | 7/12/2016 | 7/15/2016 | 7/16/2016 | 7/20/2016 |

OFFICIAL RECORD COPY