

**APPENDIX A – TVA AUGUST 2009 LETTER REQUESTING
DEFERRED STATUS AND NRC JANUARY 2010 LETTER
AUTHORIZING BLN UNITS 1 AND 2 DEFERRED STATUS**

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Tennessee Valley Authority, 1101 Market Street, LP 5A, Chattanooga, Tennessee 37402-2801

August 10, 2009

10 CFR 50.54 (a)
10 CFR 50.55 (f)

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

In the Matter of)
Tennessee Valley Authority)

Docket No. 50-438 and 50-439

TENNESSEE VALLEY AUTHORITY (TVA) - BELLEFONTE NUCLEAR PLANT (BLN)
UNITS 1 (CPPR-122) AND 2 (CPPR-123) - TRANSITION TO DEFERRED STATUS

- References:
- 1) Letter from A. Bhatnagar (TVA) to Eric Leeds (NRC) dated August 26, 2008, Bellefonte Nuclear Plant Units 1 and 2-Request to Reinstate Construction Permits CPPR-122 (Unit 1) and CPPR-123 (Unit 2).
 - 2) Letter from L. Raghavan (NRC) to A. Bhatnagar (TVA), Bellefonte Nuclear Plant, Units 1 and 2-Order Granting Reinstatement of Construction Permits Nos. CPPR-122 and CPPR-123 (TAC Nos. MD9564 and MD9565, dated March 9, 2009).
 - 3) Letter from Masoud Bajestani (TVA) to NRC, TVA Implementation of the NRC Order Granting Reinstatement of Construction Permits Nos. CPPR-122 and CPPR-123, dated May 12, 2009.

In response to TVA's request for the reinstatement of the BLN Construction Permits for Units 1 (CPPR-122) and 2 (CPPR-123) (Reference 1), NRC issued an Order (Reference 2) granting reinstatement of the BLN Construction Permits returning the facility to a "terminated plant" status under Section III.B of the Commission's Policy Statement on Deferred Plants (52 FR 38077, October 14, 1987). Shortly thereafter, TVA acknowledged the NRC's reinstatement of the Construction Permits stating that TVA had placed the units in terminated status and that TVA had revised its Nuclear Quality Assurance Plan (NQAP) to address that fact (Reference 3). In Reference 3, TVA also committed to address the elements of the Commission's Policy Statement that applied to plants in deferred status and to transition to such status as soon as practicable.

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The purpose of this letter is to confirm that TVA has established the necessary programs, policies and procedures to warrant BLN 1&2 being placed in deferred status consistent with the Policy Statement.

TVA's Bellefonte plant is located near Scottsboro, Alabama, and consists of two substantially complete Babcock and Wilcox pressurized water reactors. BLN Units 1&2 were first placed in the deferred status in 1988 and were actively maintained in that status prior to the withdrawal of the Construction Permits in 2006. Up to the time of withdrawal, NRC performed periodic inspections of the preservation and maintenance program activities and documented the results in inspection reports, indicating that the preservation and maintenance activities were being performed in an acceptable manner. During active construction and through the period of construction deferral, the Bellefonte site successfully maintained a high rating under the NRC's Systematic Assessment of Licensee Performance (SALP) Program, and the BLN construction project was specifically excluded in the September 1985 letter issued to TVA under 10 CFR 50.54(f).

Before TVA requested that NRC reinstate the Construction Permits, TVA began assessing the deferred plant programs and procedures as well as the preservation and maintenance activities that were in place while the BLN units were deferred. With this baseline of work and considering lessons-learned from the Watts Bar Unit 2 deferred plant program, TVA has developed and implemented the set of programs and procedures deemed appropriate for application to BLN Units 1&2 in deferred status. Since reinstatement of the Construction Permits in March 2009, TVA has resumed preservation and maintenance activities aimed at protecting selected plant assets. Work performed during the deferral period will support such preservation and maintenance activities and at no time during such period will work be performed which would further plant construction or completion.

TVA has examined the provisions of the Deferred Plant Policy and has addressed each of its elements to ensure continued compliance. For instance, TVA will make certain that the current Construction Permits will not expire. The expiration dates for Construction Permit Nos. CPPR-122 and CPPR-123 are October 1, 2011, and October 1, 2014, respectively. In accordance with Section III.A.2 of the Policy Statement, TVA will make a timely request for renewal of the permits in accordance with NRC's regulations.

In accordance with Section III.A.3 of the Deferred Plant Policy, TVA has established the necessary programs and procedures to maintain and preserve equipment as well as to retain and protect plant records. As mentioned above, TVA has instituted a quality assurance program under 10 CFR Part 50, Appendix B, commensurate with the level of activities at a deferred plant. Also, NRC Regulatory Guides endorsing the ANSI N45.2 series of standards, "Quality Assurance Requirements for Nuclear Power Plants," are applicable to plants under construction including Regulatory Guides 1.28, 1.37, 1.38,

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1.58, 1.88 and 1.118. The Enclosure to this letter addresses with greater specificity the elements of Section III.A.3 as they apply to BLN 1&2 in deferred plant status.

TVA recognizes the need to address the lapse in quality assurance oversight that occurred in the period from withdrawal of the Construction Permits through March 2009 when the NQAP was reestablished as described above. TVA has identified the key impacts to be addressed and has entered them into the BLN Corrective Action Program. TVA's current NQAP addresses those elements of the Deferred Plant Policy applicable to BLN, as well as the regulatory requirements that continue to apply to plants in the deferred status. TVA has also implemented work process controls to prevent construction-related activities from being conducted until the provisions of the policy regarding resumption of construction have been successfully addressed.

TVA also reviewed the new regulatory requirements that have been issued since the June 1988 deferral through July 2009. No new regulatory requirements were deemed applicable to BLN which would affect activities to be undertaken during the period of deferral.

During the deferral period and consistent with the licensing process being used at Watts Bar Unit 2, TVA plans to develop and submit a BLN Units 1&2 Key Assumptions letter for NRC's review and consideration. This Key Assumptions letter will formally document the initial licensing basis for the BLN Units based on the findings of the original BLN Construction Permits and the consideration of applicable new regulations.

As TVA stated in Reference 1, any future decision to resume BLN construction activities would require approval by the TVA Board of Directors. Should TVA decide to move forward with completion activities, it would follow the notice of resumption of construction activities included in the Deferred Plant Policy. This would include submitting a letter notifying the NRC Director of Nuclear Reactor Regulation a minimum of 120 days in advance of the intent to resume construction, along with the other information listed in Section III.A.6 of the policy.

In the event of such a decision to move forward with construction, TVA will develop a detailed Regulatory Framework for BLN 1&2. This will include review of previously issued Generic Letters, Bulletins, Circulars, and Information Notices for applicability and appropriate disposition. The Regulatory Framework would also contain a review of new standards, guidance and regulation for applicability to BLN, and review of previous commitments and open items related to licensing. NRC's formal license review would follow TVA's submittal of an updated Operating License application, including an amendment to the Bellefonte Units 1&2 Final Safety Analysis Report (FSAR) and an updated Environmental Report. NRC's review of the Operating License application would be expected to include, among other things, a review of the Probable Maximum Flood (PMF) calculation for the Bellefonte site.

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TVA understands if a decision is made to begin construction, the NRC staff will thereafter also determine the acceptability of structures, systems, and components (SSCs) important to safety under 10 CFR Part 50, Appendix A. TVA recognizes that the limited activities performed while the plant is in deferred status, as well as NRC inspections performed during that period, will be utilized to determine the acceptability of SSCs important to safety. At the appropriate time, TVA intends to develop programs for BLN 1&2 similar to those that are being implemented at Watts Bar Unit 2 for the configuration control process and the corresponding programs to evaluate, refurbish, restore or replace SSCs.

Efforts to transition BLN Units 1&2 to deferred plant status do not affect, in any way, TVA's ability or current plans to pursue a Combined License for BLN Units 3&4 under 10 CFR Part 52, and the licensing information submitted to the NRC for the purpose of supporting the Combined License Application remains valid. The transition to deferred plant status has always been considered as a necessary step in TVA's assessment of the viability of BLN Units 1&2 as a baseload generation option. Should TVA decide to reactivate construction in the future, TVA will address the resulting impacts on the BLN Unit 3&4 Combined License Application.

In Reference 1, TVA described the Environmental Assessment which it conducted in connection with its request for reinstatement of the BLN Units 1&2 Construction Permits and returning the plant to deferred status. TVA concluded that the limited consequences of reinstating the Construction Permits in deferred status would not have a significant effect on the quality of the human environment. The NRC Staff prepared an "Environmental Assessment and Finding of No Significant Impact" (74 FR 9308, March 3, 2009) in which it determined that reinstating the Construction Permits and placing the facility in terminated status will not have a significant impact on the environment. TVA has reconfirmed that the limited activities to be conducted during the deferral period remain bounded by the limited impacts to the environment described in the NRC's Environmental Assessment.

TVA has identified those Federal, State and local license and permit requirements that are applicable to the BLN Units 1&2 in deferred status. TVA confirmed that the applicable licenses and permits remain current and that renewal processes are being included in the integrated project schedule.

In conclusion, TVA has taken the necessary actions to address those elements of the Commission's Policy Statement for Deferred Plants to allow BLN 1&2 to be placed in deferred status. In order to confirm compliance with the policy, TVA performed a multi-level readiness assessment which included internal and external reviews by nuclear Quality Assurance and licensing experts, as well as a formal TVA Nuclear Quality

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Assurance Audit performed in accordance with TVA NQAP requirements. The results of these assessments are documented and any necessary follow-up actions are being addressed under the BLN Corrective Action Program. In accordance with the NRC's Order reinstating the Construction Permits, TVA respectfully requests that NRC authorize placement of BLN Units 1&2 in deferred plant status.

If you have questions or require additional information, please do not hesitate to contact Andrea Sterdis, Manager, Nuclear Generation Development and Construction Licensing. Andrea can be reached via email at andreasterdis@tva.gov or by phone at 423-751-7119.



Ashok Bhatnagar
Senior Vice President
Nuclear Generation Development & Construction

Enclosure
cc: See page 8

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**ENCLOSURE
BELLEFONTE NUCLEAR POWER PLANT UNITS 1 AND 2
TRANSITION TO DEFERRED STATUS**

In accordance with NRC's Policy Statement on Deferred Plants, TVA has addressed the elements of the policy which apply to the maintenance and preservation of equipment as well as the retention and protection of plant records at BLN Units 1&2. (Section III.A.3)

TVA has implemented a Quality Assurance Program that complies with the applicable requirements of 10 CFR 50, Appendix B for BLN Units 1&2 as documented in Appendix G of the TVA Nuclear Quality Assurance Program (NQAP). TVA has also established an organization and management team that is well qualified and experienced to carry out their responsibilities for site activities. The management team includes a Project Director (who reports directly to the Vice President of Nuclear Generation Development) and experienced, senior managers within the disciplines of engineering, training, construction, licensing, project controls and nuclear operations. In addition, a Project Nuclear Assurance Manager has been appointed and reports to the General Manager for Nuclear Generation Development and Construction Oversight. In accordance with 10 CFR Appendix B and the TVA NQAP, the Bellefonte Nuclear Assurance Manager is independent of the Bellefonte Project Management organization.

Under the terms of the Bellefonte Quality Assurance Program, necessary programs and procedures have been re-established and implemented to address the maintenance, preservation, and documentation of equipment provisions of the Deferred Plant Policy as they apply to deferral-related activities that are being performed at the site. These activities include the following:

- Preventative maintenance and layup activities are being performed under established programs and procedures which limit physical work on plant systems, structures and components (SSCs) as appropriate. Controls preventing active construction activities are in place.
- Asset preservation activities are being performed under established programs and procedures which limit physical work on plant SSCs to that which is necessary for maintenance and preservation of plant assets. Controls preventing active construction activities are in place.
- Plant documentation is preserved and maintained under records control programs which include physical security, access, change management and environmental controls.
- A Corrective Action Program has been established which describes processes and responsibilities for documenting and resolving problems, including conditions adverse to quality and significant conditions adverse to quality, pertaining to site activities in the deferred plant status. The BLN Corrective Action Program meets the requirements of the TVA NQAP and is similar to the programs implemented at the TVA operating units and at Watts Bar 2.

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- Prompt identification, documentation, evaluation, and correction of adverse conditions, including the reporting requirements of 10 CFR 21, 10 CFR 50.55(e) and 10 CFR 50.71 are addressed through re-established reportability programs. Initial screening of deficiencies for reportability is performed as part of the Problem Evaluation Report initiation process within the Corrective Action Program.
- Housekeeping, equipment protection and materials handling activities are performed in a manner consistent with standards contained in ANSI N45.2 per the commitments in the TVA NQAP. Housekeeping activities include the inspections, initiation of corrective actions, and documentation and assignment of responsibilities for general housekeeping in plant areas used for the performance of work activities which could affect nuclear quality. Site programs and procedures also define the requirements and establish controls for the storage and handling of materials received at the BLN site.
- A security program has been established which provides protective measures to prevent unauthorized intrusion as well as the positive control of materials and equipment at the BLN site.
- TVA has developed a plan for resolving hardware and records issues resulting from the lapse in QA oversight during the period when the Construction Permits were withdrawn and TVA began an investment recovery program. The construction status for BLN Units 1&2 at the time that the Construction Permits were withdrawn was documented in the plant's Engineering, Construction, Monitoring and Documentation (ECM&D) Database. Prior to Construction Permit withdrawal, the construction status, including documentation, was controlled under the NQAP and was the subject of successful TVA Nuclear Quality Assurance Audits and NRC inspections. In 2008, and after investment recovery activities were halted, TVA began construction status verification activities in order to identify and document deviations from the previously established construction status. These verification activities focused on the impacts of the investment recovery program and included detailed engineering walk downs and documentation of the affected areas. To consolidate the resulting documentation changes, the ECM&D database is currently being updated.
- TVA has planned additional activities to address plant-wide configuration control as well as the re-establishment of required design qualifications for plant SSCs. Detailed system walk downs will be conducted to verify and document plant configuration plant SSCs. The programs that are being developed are similar to those that are being implemented at Watts Bar Unit 2 for configuration control as well as to evaluate, refurbish, restore or replace SSCs.

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January 14, 2010

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SUBJECT: BELLEFONTE NUCLEAR PLANT, UNITS 1 AND 2—REQUEST TRANSITION
TO DEFERRED PLANT STATUS (TAC NOS. ME1904 AND ME1905)

Dear Mr. Bhatnagar:

By letter dated August 10, 2009 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML092230594), the Tennessee Valley Authority (TVA), holder of Construction Permit (CP) Nos. CPPR-122 and CPPR-123 for the construction of Bellefonte Nuclear Plant (BLN), Units 1 and 2, respectively, requested that the U.S. Nuclear Regulatory Commission (NRC) authorize placement of BLN, Units 1 and 2, into "deferred plant" status. The Commission's Policy Statement on Deferred Plants, as published in the *Federal Register* (FR) on October 14, 1987 (52 FR 38077), outlines the NRC's regulatory provisions for deferring and preserving a deferred nuclear power plant until such time as it may be reactivated.

Currently, BLN, Units 1 and 2, are in "terminated plant" status. (The Commission's policy statement defines a "deferred plant" as one "at which the licensee has ceased construction or reduced activity to a maintenance level, maintains the construction permit (CP) in effect, and has not announced the termination of the plant." A "terminated plant" is one "at which the licensee has announced that construction has been permanently stopped, but which still has a valid CP.") TVA has not requested any amendment to the CPs for BLN, Units 1 and 2.

The NRC staff has reviewed information that TVA submitted in its August 10, 2009, letter. The NRC staff conducted an inspection of TVA activities associated with the "deferred plant" status. Based on its review of the TVA submittal and the inspection results, the NRC staff has completed its assessment of TVA's construction deferral program and its implementation.

Background

In an order issued on March 9, 2009, reinstating the CPs for the construction of BLN, Units 1 and 2, and returning the facility to "terminated plant" status, the NRC specified the following:

Should TVA choose to pursue placement of the facility in a deferred plant status, it shall ensure to the satisfaction of the NRR [Office of Nuclear Reactor Regulation] Director that it has complied with the guidance and provisions under Section III.A, "Deferred Plant," of the Commission's Policy Statement on Deferred Plants. When the results of its evaluation and inspection are satisfactory, the

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NRR Director may then authorize placement of the facility in a deferred plant status.

Staff Assessment

The Commission's policy statement identifies the areas of consideration should a facility be placed in a "deferred plant" status: On this basis, the NRC staff considered the following items in conducting its review:

- the notification of plant deferral
- the extension of the CPs
- the maintenance, preservation, and documentation (MPD) of equipment
- the conduct of review during deferral
- the applicability of new regulatory requirements during the period of deferral

In addition, on October 5, 2009, the staff issued "Bellefonte Nuclear Plant Units 1 and 2—Staff Plan for Assessment of Transition to Deferred Plant Status" (Bellefonte Assessment Plan or the Plan) (ADAMS Accession No. MLO92740149) to provide guidance for its assessment of TVA's request related to these areas. In addition, to the requirements in the Commission's policy statement, the Plan identified other areas for consideration. These areas involved the TVA plans for resolving a hydrology issue; proposed site activities during the period of deferral to ensure that these activities remain bounded by the environmental impact statement for the CPs; status of other Federal, State, and local government requirements; and implications for the review of the combined license application for BLN, Units 3 and 4.

The following provides the basis for the NRC staff's determination.

1.0 Notification of Plant Deferral

In addition, to informing the NRC when a plant is to be deferred, the Commission's policy statement indicates that information be made available that includes the reason for deferral; expected reactivation date, if known; whether it will submit an extension to the CPs; and its plans for fulfilling the requirements of the CPs, including MPD. TVA provided the information in its August 10, 2009, letter and informed the NRC of its plan to place BLN, Units 1 and 2, in "deferred plant" status.

TVA has not determined a date for reactivating the construction of BLN, Units 1 and 2. However, TVA indicated that, should it decide to reactive construction, it would submit a letter 120 days before resuming construction and provide the required information in accordance with the Commission's policy statement. Further, on November 4, 2009, TVA published a draft supplemental environmental impact statement to inform decision makers, agencies and the public about the potential for environmental impacts that would result from a decision to complete or construct and operate a single nuclear generating unit at the BLN site. TVA considered the action alternatives of completion and operation of a Babcock and Wilcox pressurized light water reactor or construction and operation of a Westinghouse AP1000 advanced pressurized light water reactor.

TVA's plans for fulfilling the requirements of the CPs will be verified through periodic NRC inspection.

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Thus, the NRC staff finds that TVA has provided sufficient information to meet the provisions for notification of plant deferral in the Commission's policy statement.

2.0 Extension of Construction Permits

CP No. CPPR-122 for BLN, Unit 1, will expire on October 1, 2011, and CP No. CPPR-123 for BLN, Unit 2, will expire on October 1, 2014. TVA has not requested any changes to these dates. Thus, the NRC staff finds that TVA has provided sufficient information to meet this provision of the Commission's policy statement.

3.0 Maintenance, Preservation, and Documentation of Equipment

The Commission's policy statement addresses the regulations and guidance applicable to deferred and terminated plants, quality assurance (QA) requirements, MPD requirements for deferred plants, and the application of new regulatory requirements to deferred plants upon reactivation and other general administrative considerations. The QA program implemented during the deferral should include a description of the planned activities; organizational responsibilities and procedural controls that apply to the verification of construction status; MPD of equipment and materials; and retention and protection of QA records. For plants in a deferred status, Section III.A.3 of the Commission's policy statement states that an applicant may modify its commitments related to the regulatory requirements (i.e., those that apply to plants under construction) commensurate with the expected activities during deferral.

In its enclosure to the August 10, 2009, letter, TVA addressed these elements of the Commission's policy statement.

TVA's nuclear quality assurance program (NQAP) covers both the operating plants and those under construction, including MPD. Appendix G to the NQAP, which was provided to the NRC in Revision 20, addresses the QA requirements related to the construction of BLN, Units 1 and 2. It describes and establishes the administrative controls needed to meet the requirements of Appendix B to 10 CFR Part 50, the Commission's policy statement, and the NRC's order reinstating the CPs for BLN, Units 1 and 2.

The staff determined that TVA has reestablished the necessary QA programs and procedures in accordance with its NQAP. As discussed in NRC Inspection Report Nos. 05000438/2009601 and 05000439/2009601, dated December 2, 2009 (ADAMS Accession No. ML093370083), the staff assessed the TVA QA activities, including organizational responsibilities; programs and procedural controls that apply to the verification of construction status; MPD of equipment and materials; retention and protection of QA records; the reporting of deficiencies in design, construction, and QA; and the reporting of defects and noncompliances during deferral. The NRC staff concludes that TVA's QA activities and actions associated with MPD of equipment satisfy the criteria in the Commission's policy statement. The NRC performs inspections periodically to examine implementation of the program to determine compliance with commitments and overall program effectiveness.

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4.0 Conduct of Review during Deferral

TVA tendered its application for an operating license (OL) for BLN, Units 1 and 2, on February 1, 1978. The NRC completed its acceptance review and docketed the application on June 6, 1978. Because of TVA's prior decision to terminate construction of BLN, Units 1 and 2, there are no ongoing reviews of the OL application. In addition, TVA has not requested any modification to the CPs, which would require NRC review and approval. Thus, the NRC staff does not plan to conduct the review of any licensing actions during the period of deferral. The staff finds that the provisions of the Commission's policy statement in this area have been met.

In the event that it decides to resume active construction, TVA will notify the NRC of its decision in a letter that it will submit 120 days before it resumes construction and will provide the other information listed in Section III.A.6 of the Commission's policy statement, including key assumptions and a detailed regulatory framework for reactivating construction. These documents will address the plant's status related to previously issued generic letters, bulletins, circulars, and information notices for applicability, new standards, guidance and regulation for applicability to BLN, and commitments and open items related to licensing. TVA will also submit an updated OL application, including an amendment to the BLN, Units 1 and 2, final safety analysis report and updated environmental report.

5.0 Applicability of New Regulatory Requirements during Deferral

In its August 10, 2009, letter, TVA indicated that it has reviewed the new regulatory requirements that have been issued since plant deferral (in June 1988) through July 2009 and determined that there are no new applicable regulatory requirements that would affect activities during the period of deferral. Thus, the staff finds that TVA satisfies the criteria in the Commission's policy statement.

6.0 Additional Considerations

As described in the assessment plan dated October 5, 2009, the NRC staff addressed certain additional considerations, which were not needed for determining compliance with the provisions of the policy statement related to transition to "deferred plant" status. However, the staff assessed them to ensure that these items would not create other issues after the staff makes its determination on deferral status. The staff found that TVA has established procedural controls to ensure maintenance activities performed while in a terminated or deferred plant status do not advance construction of the plants. The NRC staff verified that TVA's controls are adequate to ensure that proposed site activities do not advance construction and do not affect the conclusions in the environmental impact statement for the CPs. By letter, dated December 2, 2009, TVA confirmed that the National Pollutant Discharge Elimination System permit and other Federal, State, and local licenses and permits are current. The NRC staff finds that TVA has confirmed that applicable licenses and permits remain current and a renewal process is included in project schedule.

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7.0 Inspections

From October 19 to October 23, 2009, the NRC staff conducted an inspection of BLN, Units 1 and 2. NRC Inspection Report Nos. 50-438/2009601 and 50-439/2009601, dated December 2, 2009, document the results of the inspection.

The NRC staff conducted the inspection to identify the status of the applicable program areas specified in Section III.A of the Commission's policy statement. Within these areas, the inspection consisted of selected examinations of procedures and representative records, interviews with personnel, equipment status verification, and observations of program and process implementation.

The inspection verified that TVA had properly implemented the NRC-approved QA program and established processes and controls necessary to comply with regulatory requirements associated with its CPs. The inspection determined that TVA's QA organizational structure and functional relationships were clear and that the equipment covered under the QA plan are properly identified and scoped. The inspection found that TVA's audits and self-assessments conducted to assess readiness to transition to a deferred plant status were of good quality. The inspection reviewed BLN procedures for the reporting of 10 CFR 50.55(e) construction deficiencies and 10 CFR 21.21, "Notification of Failure To Comply or Existence of a Defect and Its Evaluation," defects and noncompliances and verified the program was effectively implemented. Issues were appropriately entered into the corrective action program, and the corrective actions taken were sufficient to correct the identified conditions. Through the review of a sample of documents, the inspection verified that TVA properly prepared, approved, stored, and controlled documents in accordance with its QA requirements. Through discussions with TVA personnel and a review of procedures and documentation, the inspection determined that TVA has adequately addressed the impact of investment recovery activities without proper QA control on the SSCs. TVA considers the condition of all onsite SSCs to be indeterminate. Therefore, the preventive maintenance activities currently identified are those deemed necessary for investment protection. At a later date, TVA plans to individually assess the condition and safety classification of all SSCs. The inspection reviewed controls established for work activities performed during deferred construction and determined that specific guidance is provided that prohibits any work that could be identified as furthering plant construction or completion.

The NRC inspection concluded that TVA has developed programs and procedures and is properly implementing related activities to support transition to deferred status. As specified in the Commission's policy statement, the NRC staff plans to perform future inspections of TVA's QA activities during deferred construction.

Assessment Conclusion

Based on the above discussions and the inspection results, the NRC staff has determined that TVA has addressed those elements of the Commission's policy statement to allow BLN, Units 1 and 2, to be placed in "deferred plant" status. The NRC will continue to periodically inspect the implementation of TVA's QA program and site activities during deferral to determine TVA's compliance with commitments and overall program effectiveness. Should information subsequently become available that the NRC did not consider during its review or that conflicts

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with earlier information, the NRC will evaluate the information to determine what effects it may have on this conclusion.

Therefore, I authorize placement of BLN, Units 1 and 2, into "deferred plant" status in accordance with the Commission's direction in Staff Requirements Memorandum COMSECY-08-0041, "Staff Recommendation Related to Reinstatement of the Construction Permits for Bellefonte Nuclear Plant, Units 1 and 2," dated February 18, 2009 (ADAMS Accession No. ML090490838).

Sincerely,

A handwritten signature in black ink, appearing to read "E. Leeds", written over a horizontal line.

Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

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A. Bhatnagar

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with earlier information, the NRC will evaluate the information to determine what effects it may have on this conclusion.

Therefore, I authorize placement of BLN, Units 1 and 2, into "deferred plant" status in accordance with the Commission's direction in Staff Requirements Memorandum COMSECY-08-0041, "Staff Recommendation Related to Reinstatement of the Construction Permits for Bellefonte Nuclear Plant, Units 1 and 2," dated February 18, 2009 (ADAMS Accession No. ML090490838).

Sincerely,

/RA/

Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

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RidsNrrAdro	RidsOcaMailCenter	
RidsNrrAdes	RidsAcrsAcnw&mMailCtr	

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*via e-mail

OFFICE	LPWB\BC	LPWB\LA	TechEd*	DIRSD	NRO/DCIP	RA\R-II*	DORL\D
NAME	LRaghavan	BClayton	KKribs	FBrown	ACampbell	RCroteau	JGitter
DATE	01/08/10	01/11/10	12/07/09	12/16/09	12/16/09	01/11/10	12/18/09
OFFICE	OGC	NRR\D					
NAME	EWilliamson	ELeeds					
DATE	01/08/10	01/14/10					

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