

July 10, 2009

MEMORANDUM TO: Those on Attached List

FROM: Eric J. Leeds, Director **/RA/**
Office of Nuclear Reactor Regulation (NRR)

Luis A. Reyes, Regional Administrator **/RA/**
Region II

SUBJECT: WATTS BAR NUCLEAR PLANT, UNIT 2, REACTIVATION
ASSESSMENT GROUP AND CHARTER

In accordance with NRR Office Instruction LIC-110, "Watts Bar Unit 2 License Application Review," dated September 2, 2008 (ADAMS Accession No. ML081930063), the Watts Bar Unit 2 Reactivation Assessment Group (WRAG) is hereby established. Under the enclosed charter, the WRAG will be responsible for providing the necessary oversight of all activities associated with the review and approval of the operating license application.

Docket No. 50-391

Enclosure:
WRAG Charter

CONTACT: L. Raghavan, NRR/DORL
301-415-2429

MEMORANDUM TO: Those on Attached List

FROM: Eric J. Leeds, Director **/RA/**
Office of Nuclear Reactor Regulation (NRR)

Luis A. Reyes, Regional Administrator **/RA/**
Region II

SUBJECT: WATTS BAR NUCLEAR PLANT, UNIT 2, REACTIVATION
ASSESSMENT GROUP AND CHARTER

In accordance with NRR Office Instruction LIC-110, "Watts Bar Unit 2 License Application Review," dated September 2, 2008 (ADAMS Accession No. ML081930063), the Watts Bar Unit 2 Reactivation Assessment Group (WRAG) is hereby established. Under the enclosed charter, the WRAG will be responsible for providing the necessary oversight of all activities associated with the review and approval of the operating license application.

Docket No. 50-391

Enclosure:
WRAG Charter

CONTACT: L. Raghavan, NRR/DORL
301-415-2429

DISTRIBUTION:

Non-Public	RidsNrrPMWattsBar2 Resource	RidsRgn2MailCenter Resource
LPWB Reading File	RidsNrrLABClayton Resource	RidsOgcRp Resource
RidsNrrDorILpwb Resource	RidsNrrAdes Resource	RidsEdoMailCenter Resource
RidsNrrOd Resource	RidsNSIRMail Center	A. Gody, R-II
RidsNrrAdro Resource	RidsAcrsAcnw_MailCTR Resource	R. Haag, R-II
RidsNrrDorI Resource		

ADAMS Accession: ML091250168

*by email

OFFICE	LPWB/PM	LPWB/LA	LPWB/BC	R-II/DCP/BC	DORL/D	R-II/RA	NRR/D
NAME	PMilano	BClayton	LRaghavan	RHaag*	JGitter	LReyes	ELeeds
DATE	06/04/09	06/04/09	05/21/09	05/21/09	06/06/09	06/09/09	07/10/09

OFFICIAL RECORD COPY

ADDRESSEES – Memorandum dated July 10, 2009:

Office of Nuclear Reactor Regulation

Bruce Boger, Associate Director for Operating Reactor Oversight and Licensing, ADRO

Joseph Giitter, Director, Division of Operating Reactor Licensing (DORL)

L. Raghavan, Chief, Watts Bar Project Branch, DORL

Patrick Milano, Sr. Project Manager, Watts Bar Project Branch, DORL

Region II

Loren Plisco, Deputy Regional Administrator for Construction

Anthony Gody, Deputy Director, Division of Construction Projects (DCP)

Robert Haag, Chief, Construction Projects Branch 3, DCP

William Bearden, Senior Resident Inspector, Watts Bar Unit 2

CHARTER
WATTS BAR NUCLEAR PLANT, UNIT 2
REACTIVATION ASSESSMENT GROUP

1. The Group's official designation:

Watts Bar Unit 2 Reactivation Assessment Group (WRAG).

2. The Group's objective, background, regulatory framework, and the scope of activities:

PROJECT AND WRAG AUTHORIZATION

On March 4, 2009, the Tennessee Valley Authority (TVA) updated its original application for an operating license (OL) for Watts Bar Unit 2. The original application dated June 30, 1976, was for both Watts Bar Units 1 and 2, which the Nuclear Regulatory Commission (NRC) found acceptable for docketing on September 15, 1976. On February 7, 1996, the NRC issued a full-power OL authorizing TVA to operate Watts Bar Unit 1. However, TVA has not completed construction of Watts Bar Unit 2. TVA has now reactivated construction of Watts Bar Unit 2 and has stated that it expects to complete construction prior to April 1, 2012. A notice of receipt of an update to the OL application and opportunity for hearing was published in the *Federal Register* on May 1, 2009.

The review of the OL application will be conducted by the Office of Nuclear Reactor Regulation (NRR), as described in Office Instruction LIC-110, "Watts Bar 2 License Application Review." This Office Instruction authorizes the formation of a group consisting of participants from NRR (primarily DORL, with support from other divisions as necessary), Region II, and NSIR to oversee project completion. In addition to its oversight role, the group will serve as the focal point for status of the project and for coordination between the Region and the Offices at Headquarters. The inspection manual programs for construction, preoperational testing and operational preparedness, and startup testing phases (Inspection Manual Chapters (IMCs) 2512, 2513, and 2514) were reactivated for use at Watts Bar Unit 2. IMC 2517, "Watts Bar 2 Construction Inspection Program," was issued on February 15, 2008, to (1) provide the policies and requirements for the WBN Unit 2 construction inspection program, and (2) establish a record of the inspection activities, applicant actions and technical issues resolved to support the decision for issuing an OL.

This charter establishes and defines the responsibilities for the WRAG as it relates to the regulatory actions associated with the reactivation of construction and review of the OL application for operation of Watts Bar Unit 2.

OBJECTIVES

The WRAG will provide oversight and management direction to determine whether the required actions have been reviewed by the staff, implemented successfully by TVA, and the staff's findings and conclusions prepared to ensure that Unit 2 meets all the relevant regulatory requirements and can be safely operated. The WRAG will make a recommendation to the Director of NRR and Regional Administrator, Region II, at the appropriate time, whether the activities discussed in NRR Office Instruction LIC-110 and NRC IMC 2517 have been successfully completed.

Enclosure

BACKGROUND

The Watts Bar facility, which is owned by TVA, is located in southeastern Tennessee approximately 50 miles northeast of Chattanooga, Tennessee. The facility consists of two Westinghouse-designed 4-loop pressurized-water reactors with ice condenser type containments.

In 1985, when Watts Bar Unit 1 was essentially complete and nearly ready to receive an OL, TVA suspended its construction activities and voluntarily shut down its other operating facilities to address performance and management issues. Following the shutdowns, TVA developed a Nuclear Performance Plan (NPP) establishing Corrective Action and Special Programs to address the corporate and site-specific deficiencies. The staff reviewed TVA's NPP components for Watts Bar Unit 1 and documented its evaluations in NUREG-1232, Volume 4, "Safety Evaluation Report on Tennessee Valley Authority: Watts Bar Nuclear Performance Plan, Watts Bar Unit 1" (January 1990). TVA successfully implemented NPP activities at Watts Bar Unit 1. The staff documented satisfactory resolution of NPP topics for Watts Bar Unit 1 in NUREG-0847, Supplements 5 through 20.

During this time, TVA focused its effort on Watts Bar Unit 1 and suspended construction of Unit 2, with major structures in place, most equipment installed, and the unit about 85 percent completed at the time. On July 14, 2000, TVA informed the NRC that Watts Bar Unit 2 met the NRC's definition for deferred nuclear plant units as described in the Commission's Policy Statement on Deferred Plants, 52 FR 38077 (Oct. 14, 1987). By letter dated August 3, 2007, TVA informed the NRC of its intention to reactivate and complete construction activities at Watts Bar Unit 2. During this long construction delay, TVA retained the construction permit. For the majority of the construction delay, TVA implemented preservation and maintenance activities at Unit 2 consistent with the Commission's Policy Statement on deferred plants. NRC performed periodic inspections of layup program for Unit 2 during the construction delay.

REGULATORY FRAMEWORK

By letters dated January 29, and March 13, 2008, TVA submitted its regulatory framework for the completion of construction and licensing for Unit 2. TVA indicated that it would align the licensing and design bases of Watts Bar Units 1 and 2 to the fullest extent possible and also comply with applicable regulations promulgated prior to and after the issuance of the Watts Bar Unit 1 OL. The Commission, in its Staff Requirements Memorandum (SRM) SECY-07-096, directed the staff to use the current licensing basis for Unit 1 as the reference basis for the review and licensing of Unit 2.

NRR Office Instruction LIC-110, dated September 2, 2008, provides staff guidance to ensure a complete and high-quality review of the documentation supporting the OL application for Watts Bar Unit 2. Similarly, on February 15, 2008, IMC 2517 was issued to provide guidance for inspection and performance assessment for Watts Bar Unit 2 construction activities.

PROJECT PRIORITIES

- a. Comply with the directions provided by the Commission in SRM SECY-07-0096.

- b. Conduct a thorough review of the OL application in accordance with the applicable regulations and guidance and complete all activities described in LIC-110.
- c. Complete all inspections in accordance with IMC 2517 to verify that the facility is constructed in accordance with the approved design.
- d. Ensure effective integration of licensing and inspection activities
- e. Ensure that quality documents are prepared that clearly describe the basis for any staff conclusion.
- f. Ensure that the staff is adequately prepared to support meetings and hearings.
- g. Maintain adherence to the project schedule, including all interim milestones.

SCOPE OF ACTIVITIES

The WRAG Panel shall:

- a. Understand the basis for reactivation of Watts Bar Unit 2 from its deferred plant status and provide assurance that associated key issues have been adequately resolved in accordance with LIC-110 and IMC 2517. This effort should take into consideration the fact that layup activities for the unit were limited for a period of time.
- b. Provide oversight for overall project planning between the NRC offices participating in the review of Watts Bar Unit 2 OL application. In addition, serve as the focal point for status of the project and for coordination between the Region and the Headquarters Offices, including periodic status briefings to the Director of NRR and the Regional Administrator, Region II.
- c. Provide coordinated resource development for the budget process.
- d. Communicate licensing and technical issues to NRC management, and internal and external stakeholders.
- e. Ensure effective safety/security/emergency planning interface coordination with Unit 1.
- f. Maintain and periodically issue Watts Bar Unit 2 Reactivation Issues List, and obtaining senior management attention on special issues, as necessary.
- g. Ensure that adequate inspections are conducted for TVA's Corrective Action Programs and Special Programs, and other improvement processes developed to address the original shutdown of the unit.
- h. Maintain an ongoing overview of the applicant's reactivation process and conduct periodic meetings among members of the WRAG to assess NRC ongoing inspections and to resolve technical and regulatory issues that may arise.

- i. Conduct periodic meetings with the applicant to discuss progress of the reactivation effort and identify ways to enhance NRC oversight of the project.
- j. Recommend whether or not an independent design verification program by the staff is required to independently verify that key aspects of the plant have been designed properly.
- k. Provide oversight for the established Watts Bar Unit 2 Reactivation Communication Plan to ensure key stakeholders are informed of the review status.
- l. Provide coordination and oversight of the applicant's pre-operational and startup testing programs in accordance with IMCs 2513 and 2514.
- m. Based on the satisfactory completion of licensing and inspection issues, provide a recommendation to the Regional Administrator, Region II, and the Director, NRR, for issuance of an OL.

WRAG DURATION

The WRAG will be in effect until a final agency decision is made on issuance of a full-power OL, or until such time as mutually agreed upon by the Director of NRR and the Regional Administrator, Region II.

REPORTING RESPONSIBILITY

The official to whom this Group reports will be the Director of NRR.

WRAG MEMBERSHIP

Chairman:	Bruce Boger, Associate Director for Operating Reactor Oversight and Licensing (ADRO), NRR
Alternate:	Joseph Gitter, Director, DORL, NRR
Vice Chairman:	Anthony (Tony) Gody, Deputy Director, DCP, Region II
Alternate:	Robert Haag, Branch Chief, DCP, Region II
Voting Members:	L. Raghavan, Branch Chief, DORL, NRR Patrick Milano, Sr. Project Manager, DORL, NRR Robert Haag, Branch Chief, DCP, Region II William Bearden, Senior Resident Inspector
Alternates:	John Lamb, Sr. Project Manager, DORL, NRR James Baptist, Sr. Project Engineer, DCP, Region II Tomy Nazario, Resident Inspector

A quorum for acceptance of decisions made by vote will consist of the Chairman or Vice Chairman and three other voting members or their alternates.

Other non-voting members may include representative staff from NSIR, Nuclear Material Safety and Safeguards, Office of the General Council and other offices, as necessary, and other NRR and Region II support staff members who may assist the WRAG in its activities.

ESTIMATED NUMBER AND FREQUENCY OF GROUP PUBLIC MEETINGS

Two or more meetings per year; occurring about once every 6 months and beginning in the fall of 2009.

3. Assumptions and Constraints

The objectives of this charter and the implementation of the project activities assume that the budgets for each fiscal year covering the project duration will be adequate to support the actions defined in LIC-110 and IMC 2517.

The completion of the project is constrained by the ability of TVA to complete construction activities and to provide quality documentation to support the staff's review in a timely fashion to maintain schedule adherence.

4. Revisions to the Charter

The Chairman and Vice Chairman are jointly authorized to make changes to this charter that do not reduce its overall effectiveness in meeting the objectives delineated in the project priorities, such as changes in voting membership, without the prior concurrence of the approval authority.

5. This charter is approved for implementation on July 10, 2009:

/RA/
Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

/RA/
Luis A. Reyes, Regional Administrator
Region II