



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

October 17, 2017

Mr. Chris Terry, Manager
Licensing and Safety Analysis
BWXT Nuclear Operations Group, Inc.
P.O. Box 785
Lynchburg, VA 24505-0785

SUBJECT: AMENDMENT 26 - APPROVAL OF REQUEST TO AMEND CHAPTER 10 AND
REPLACE LETTER OF CREDIT WITH SURETY BOND (COST ACTIVITY CODE
L33444)

Dear Mr. Terry:

This refers to letter 17-035, dated June 8, 2017, which submitted a request to amend Chapter 10, *Decommissioning*, of the license application, and replace the existing Letter of Credit with a Surety Bond. Additionally, the request included an updated Standby Trust Agreement.

The U.S. Nuclear Regulatory Commission (NRC) staff has completed its review of the request using the guidance provided in NUREG-1757, Volume 3 "Financial Assurance, Recordkeeping, And Timeliness". The staff approves this request.

Chapter 10 of the License Application has been updated to include the revised text. Pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Part 70, Condition S-1 of Materials License SNM-42 is hereby amended to include the date of June 8, 2017.

Cost Activity Code L33444 is CLOSED.

In accordance with 10 CFR Section 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter and Enclosures 1 and 3 will be available electronically for public inspection in the NRC Public Document Room, or from the Publicly Available Records Component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at: <http://www.nrc.gov/reading-rm/adams.html>. Your letter has been made publically available. Enclosure 2 of this letter will not be available to the public.

The Attachment/Enclosure 2 to this letter contains "Security Related Information" and must be protected accordingly. Upon separation from Enclosure 2, this letter is decontrolled.

C. Terry

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If you have any questions, please contact Merritt Baker of my staff by telephone at (301) 415-7119, or via e-mail to Merritt.Baker@nrc.gov.

Sincerely,

/RA for MDiaz/

Robert K. Johnson, Chief
Fuel Manufacturing Branch
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

Docket No. 70-27
License No. SNM-42

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Enclosures:

1. Amendment 26 to Materials License
SNM-42 (Public version)
2. Amendment 26 to Materials License
SNM-42 (Non-Public)
3. Safety Evaluation Report (Public)

C. Terry

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