



Tennessee Valley Authority, 1101 Market Street, Chattanooga, Tennessee 37402-2801

March 22, 2002

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555-0001

Gentlemen:

| | | | |
|----------------------------|---|--------------------|--------|
| In the Matter of |) | Docket Nos. 50-259 | 50-327 |
| Tennessee Valley Authority |) | 50-260 | 50-328 |
| | | 50-296 | 50-390 |
| | | | 50-391 |

BROWNS FERRY (BFN), SEQUOYAH (SQN), AND WATTS BAR (WBN) NUCLEAR PLANTS - INSURANCE STATUS

Federal Regulation 10 CFR 50.54(w) states that all licensees of operating nuclear units shall take reasonable steps to obtain onsite property damage insurance at a minimum coverage limit for the reactor station site of either 1.06 billion dollars, or whatever amount of insurance is generally available from private sources, whichever is less. This regulation also requires each licensee to verify and report annually, by April 1, its compliance with this nuclear property insurance requirement.

In accordance with this regulation, we have purchased onsite property damage insurance for BFN, SQN, and WBN. Enclosed for your information is the status of our property insurance coverage for these facilities.

If you have any questions, please contact me at (423) 751-2508.

Sincerely,

Mark J. Burzynski
 Mark J. Burzynski
 Manager
 Nuclear Licensing

Enclosure
cc: See page 2

M001

U.S. Nuclear Regulatory Commission
Page 2
March 22, 2002

cc (Enclosure):

Mr. R. W. Hernan, Senior Project Manager
Nuclear Regulatory Commission
MS 08G9
One White Flint, North
11555 Rockville Pike
Rockville, Maryland 20852-2739

Mr. Kahtan N. Jabbour, Senior Project Manager
U.S. Nuclear Regulatory Commission
MS 08G9
One White Flint, North
11555 Rockville Pike
Rockville, Maryland 20852-2739

Mr. L. Mark Padovan, Senior Project Manager
Nuclear Regulatory Commission
MS 08G9
One White Flint, North
11555 Rockville Pike
Rockville, Maryland 20852-2739

U.S. Nuclear Regulatory Commission
Region II
Sam Nunn Atlanta Federal Center
61 Forsyth St., SW, Suite 23T85
Atlanta, Georgia 30303-8931

NRC Senior Resident Inspector
Browns Ferry Nuclear Plant
P.O. Box 149
Athens, Alabama 35611

NRC Senior Resident Inspector
Sequoyah Nuclear Plant
2600 Igou Ferry Road
Soddy-Daisy, Tennessee 37379

NRC Senior Resident Inspector
Watts Bar Nuclear Plant
1260 Nuclear Plant Road
Spring City, Tennessee 37381

ENCLOSURE

Nuclear Property and Decontamination Liability Insurance Annual Report to NRC

| Insurance Carrier | Coverage Limit | Policy Number |
|--|--|---------------|
| <u>Browns Ferry Nuclear Plant</u> | | |
| Nuclear Electric Insurance Ltd. (NEIL) | \$500 million | P01-033 |
| NEIL | \$560 million in excess of \$500 million | X01-048 |
| NEIL | \$1 billion in excess of \$1.06 billion | BX01-009 |
| <u>Sequoyah Nuclear Plant</u> | | |
| NEIL | \$500 million | P01-043 |
| NEIL | \$560 million in excess of \$500 million | X01-049 |
| NEIL | \$1 billion in excess of \$1.06 billion | BX01-009 |
| <u>Watts Bar Nuclear Plant</u> | | |
| NEIL | \$500 million | P01-060 |
| NEIL | \$560 million in excess of \$500 million | X01-085 |
| NEIL | \$1 billion in excess of \$1.06 billion | BX01-009 |