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A. Hambro

Tennessee Valley Authority
 ATTN: Mr. James Watson
 Manager of Power
 818 Power Building
 Chattanooga, Tennessee 37401

December 22, 1972

Re: TENNESSEE VALLEY AUTHORITY
 Watts Bar Nuclear Plant, Units 1 and 2
 AEC Docket Nos. 50-390 and 50-391

Gentlemen:

The public hearings concerning radiological health and safety and environmental aspects of the facilities in the captioned matter have been completed and the presiding Atomic Safety and Licensing Board has issued its Initial Decision dated December 19, 1972. The Board, on the basis of its consideration of such aspects, has authorized the issuance of construction permits for these facilities. However, the time periods associated with certain procedural aspects of the Commission's antitrust review have not yet elapsed.

Your letter dated September 18, 1972, requested an exemption, pursuant to the provisions of Section 50.12 of 10 CFR Part 50, to permit certain work to be conducted on the Watts Bar Nuclear Plant prior to the issuance of construction permits by the Commission. The work for which the exemption is sought includes:

- general site clearing and grading
- excavation of the powerhouse building foundation, the intake channel and the pumping station
- erection of temporary construction facilities
- construction of a railway spur
- construction of holding pond dikes
- upgrading of existing dock facility
- cooling tower foundation tests

We have reviewed your request for an exemption under the provisions of Section 50.12 of 10 CFR Part 50 and the reasons set forth in support thereof. We have determined that the granting of an exemption for the work described in the request is authorized by law, will not endanger life or property or the common defense and security, and is otherwise in the public interest. The basis for this determination is set forth in the enclosed document entitled "Discussion and Findings by the Directorate

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of Licensing, U. S. Atomic Energy Commission, Relating to a Request for an Exemption from Licensing for Certain Construction Activities at the Watts Bar Nuclear Plant, Units 1 and 2, AEC Docket Nos. 50-390 and 50-391." The Discussion and Findings considers your request in light of the record of the completed public hearings, including the Initial Decision of the presiding Atomic Safety and Licensing Board which authorized the issuance of construction permits for these facilities. A copy of a Federal Register notice entitled "Determination to Grant Exemption From Licensing for Certain Construction Activities at the Watts Bar Nuclear Plant Site" is also enclosed. This notice has been sent to the Office of the Federal Register for publication.

Accordingly, the Commission hereby authorizes you to perform the work as described in your September 18, 1972 letter. This exemption shall terminate upon the issuance of construction permits authorizing construction of the Watts Bar Nuclear Plant, Units 1 and 2.

It should be noted that the Commission has made no determination with respect to matters covered in Section 105c of the Act. And, in the event that the Commission determines that an antitrust hearing is required in connection with this application, the issuance of construction permits would be subject to the completion of the antitrust proceeding and the findings made therein. Accordingly, any construction pursuant to this exemption is performed entirely at the risk of the Tennessee Valley Authority.

Sincerely,

Original signed by A. Giambusso

A. Giambusso, Deputy Director
for Reactor Projects
Directorate of Licensing

Enclosures:

1. Discussion and Findings
2. Federal Register Notice

cc: Mr. Robert H. Marquis
629 New Sprankle Building
Knoxville, Tennessee 37919

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bcc: Mr. Walter Lambert, Director
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