



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

October 30, 2003

10 CFR §50.75(f)(1)

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

TVA - DECOMMISSIONING FUNDING STATUS REPORT - BROWNS FERRY (BFN), SEQUOYAH (SQN), AND WATTS BAR (WBN) NUCLEAR PLANTS – SUPPLEMENTAL INFORMATION

Pursuant to the requirements of 10 CFR 50.75(f)(1), TVA reports to the NRC on the status of its decommissioning funding for each reactor it owns on a biennial basis. TVA most recently provided such information by letter dated March 31, 2003. That report addressed the decommissioning funding status for BFN Units 1, 2, and 3, SQN Units 1 and 2, and WBN Unit 1.

Mr. K. N. Jabbour (NRC) recently requested additional information regarding TVA's schedule for the annual amounts remaining to be collected for decommissioning funding in accordance with 10 CFR 50.75. The enclosed tables provide the requested information utilizing the decommissioning cost estimates and assumptions regarding escalation and rate of earnings described in TVA's letter dated March 31, 2003. In accordance with 10 CFR §50.75(b)(2), TVA will review the decommissioning trust fund status annually. TVA intends to make contributions to the trust funds or provide other methods of decommissioning funding assurance consistent with NRC regulations and guidance (NRC Regulatory Guide 1.159, Revision 1) if necessary to match TVA's projected decommissioning fund balances. For ease of administration and in recognition of the variability associated with market performance which affects an


A001

U.S. Nuclear Regulatory Commission
Page 2
October 30, 2003

external sinking trust fund, TVA will make such contributions or provide such other method of decommissioning funding assurance whenever the trust funds fall below 95 percent of the projected trust fund balances shown in the enclosed tables. TVA believes that this funding strategy provides both ample funding assurance for decommissioning as well as a reasoned approach for taking market fluctuations into account.

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

Sincerely,


Mark J. Burzynski
Manager
Nuclear Licensing

Enclosure

cc (Enclosure):

Ms. Margaret H. Chernoff, Project Manager
U.S. Nuclear Regulatory Commission
One White Flint, North
11555 Rockville Pike
Rockville, Maryland 20852-2739

Mr. M. A. Dusaniwskyj
U.S. Nuclear Regulatory Commission
One White Flint, North
11555 Rockville Pike
Rockville, Maryland 20852-2739

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

cc: Continued on page 3

U.S. Nuclear Regulatory Commission
Page 3
October 30, 2003

cc: Mr. M. L. Marshall, Jr., Project Manager
Nuclear Regulatory Commission
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
10833 Shaw Road
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

Table 1 – Browns Ferry Decommissioning Trust Fund Collection Schedules

Year	BFN 1			BFN 2			BFN 3		
	Costs	Trust Fund		Costs	Trust Fund		Costs	Trust Fund	
	Annual Disbursement	Annual Funding Assurance	Projected Fund Balance	Annual Disbursement	Annual Funding Assurance	Projected Fund Balance	Annual Disbursement	Annual Funding Assurance	Projected Fund Balance
2002		\$0.0	\$128.1		\$0.0	\$122.0		\$0.0	\$110.6
2003		\$11.2	\$145.6		\$9.9	\$138.0		\$7.9	\$124.1
2004		\$11.2	\$164.1		\$9.9	\$154.7		\$7.9	\$138.2
2005		\$11.2	\$183.4		\$9.9	\$172.4		\$7.9	\$153.1
2006		\$11.2	\$203.8		\$9.9	\$190.9		\$7.9	\$168.6
2007		\$11.2	\$225.1		\$9.9	\$210.3		\$7.9	\$185.0
2008		\$11.2	\$247.5		\$9.9	\$230.7		\$7.9	\$202.2
2009		\$11.2	\$271.1		\$9.9	\$252.1		\$7.9	\$220.2
2010		\$11.2	\$295.8		\$9.9	\$274.6		\$7.9	\$239.1
2011		\$11.2	\$321.7		\$9.9	\$298.2		\$7.9	\$259.0
2012		\$11.2	\$349.0		\$9.9	\$323.0		\$7.9	\$279.9
2013	\$13.2		\$366.4		\$9.9	\$349.0		\$7.9	\$301.8
2014	\$61.0		\$370.9	\$13.2		\$366.4		\$7.9	\$324.8
2015	\$61.0		\$325.3	\$61.0		\$370.9		\$7.9	\$349.0
2016	\$61.0		\$277.5	\$61.0		\$325.3	\$13.2		\$366.4
2017	\$61.0		\$227.3	\$61.0		\$277.5	\$61.0		\$370.9
2018	\$61.0		\$174.5	\$61.0		\$227.3	\$61.0		\$325.3
2019	\$61.0		\$119.2	\$61.0		\$174.5	\$61.0		\$277.5
2020	\$61.0		\$61.0	\$61.0		\$119.2	\$61.0		\$227.3
2021			\$0.0	\$61.0		\$61.0	\$61.0		\$174.5
2022						\$0.0	\$61.0		\$119.2
2023							\$61.0		\$61.0
2024									\$0.0
Total	\$440.5			\$440.5			\$440.5		

Note: All amounts in millions of dollars

Table 2 – Sequoyah and Watts Bar Decommissioning Trust Fund Collection Schedules

Year	SQN 1			SQN 2			WBN 1		
	Costs	Trust Fund		Costs	Trust Fund		Costs	Trust Fund	
	Annual Disbursement	Annual Funding Assurance	Projected Fund Balance	Annual Disbursement	Annual Funding Assurance	Projected Fund Balance	Annual Disbursement	Annual Funding Assurance	Projected Fund Balance
2002		\$0.0	\$73.7		\$0.0	\$70.2		\$0.0	\$35.5
2003		\$4.4	\$81.8		\$4.0	\$77.8		\$1.5	\$38.7
2004		\$4.4	\$90.3		\$4.0	\$85.7		\$1.5	\$42.2
2005		\$4.4	\$99.2		\$4.0	\$94.0		\$1.5	\$45.8
2006		\$4.4	\$108.6		\$4.0	\$102.7		\$1.5	\$49.6
2007		\$4.4	\$118.4		\$4.0	\$111.9		\$1.5	\$53.6
2008		\$4.4	\$128.7		\$4.0	\$121.6		\$1.5	\$57.8
2009		\$4.4	\$139.5		\$4.0	\$131.7		\$1.5	\$62.2
2010		\$4.4	\$150.9		\$4.0	\$142.3		\$1.5	\$66.8
2011		\$4.4	\$162.9		\$4.0	\$153.5		\$1.5	\$71.7
2012		\$4.4	\$175.4		\$4.0	\$165.2		\$1.5	\$76.7
2013		\$4.4	\$188.6		\$4.0	\$177.5		\$1.5	\$82.1
2014		\$4.4	\$202.4		\$4.0	\$190.4		\$1.5	\$87.7
2015		\$4.4	\$216.9		\$4.0	\$203.9		\$1.5	\$93.6
2016		\$4.4	\$232.2		\$4.0	\$218.2		\$1.5	\$99.8
2017		\$4.4	\$248.2		\$4.0	\$233.1		\$1.5	\$106.3
2018		\$4.4	\$265.0		\$4.0	\$248.8		\$1.5	\$113.1
2019		\$4.4	\$282.6		\$4.0	\$265.3		\$1.5	\$120.3
2020	\$10.7		\$296.7		\$4.0	\$282.6		\$1.5	\$127.8
2021	\$49.4		\$300.3	\$10.7		\$296.7		\$1.5	\$135.7
2022	\$49.4		\$263.5	\$49.4		\$300.3		\$1.5	\$144.0
2023	\$49.4		\$224.7	\$49.4		\$263.5		\$1.5	\$152.7
2024	\$49.4		\$184.1	\$49.4		\$224.7		\$1.5	\$161.8
2025	\$49.4		\$141.4	\$49.4		\$184.1		\$1.5	\$171.4
2026	\$49.4		\$96.5	\$49.4		\$141.4		\$1.5	\$181.5
2027	\$49.4		\$49.4	\$49.4		\$96.5		\$1.5	\$192.1
2028			\$0.0	\$49.4		\$49.4		\$1.5	\$203.2
2029						\$0.0		\$1.5	\$214.9

Table 2 – Sequoyah and Watts Bar Decommissioning Trust Fund Collection Schedules (Cont.)

Year	SQN 1			SQN 2			WBN 1		
	Costs	Trust Fund		Costs	Trust Fund		Costs	Trust Fund	
	Annual Disbursement	Annual Funding Assurance	Projected Fund Balance	Annual Disbursement	Annual Funding Assurance	Projected Fund Balance	Annual Disbursement	Annual Funding Assurance	Projected Fund Balance
2030								\$1.5	\$227.2
2031								\$1.5	\$240.0
2032								\$1.5	\$253.5
2033								\$1.5	\$267.7
2034								\$1.5	\$282.6
2035							\$10.7		\$296.7
2036							\$49.4		\$300.3
2037							\$49.4		\$263.5
2038							\$49.4		\$224.7
2039							\$49.4		\$184.1
2040							\$49.4		\$141.4
2041							\$49.4		\$96.5
2042							\$49.4		\$49.4
2043									\$0.0
Total	\$356.7			\$356.7			\$356.7		

Note: All amounts in millions of dollars