



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

April 3, 2006

10 CFR 50.54(w)

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

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

Federal Regulation 10 CFR 50.54(w) requires power reactor licensees for production facilities to take reasonable steps to obtain 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. Also, in subsection (3) of 10 CFR 50.54(w), this regulation requires that each licensee report annually, on April 1, the current levels and sources of this insurance.

In accordance with this regulation, we have purchased onsite property damage insurance for BFN, SQN, and WBN. Enclosed is the required information on source and level of coverage for TVA's facilities.

If you have any questions, please contact me at (423) 751-8817.

Sincerely,

Glenn W. Morris  
Manager, Nuclear Licensing  
and Industry Affairs

Enclosure

cc: See page 2

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cc (Enclosure):

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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

### Nuclear Property and Decontamination Liability Insurance Annual Report to NRC

<b>Insurance Carrier</b>	<b>Coverage Limit</b>	<b>Policy Number</b>
<b><u>Browns Ferry Nuclear Plant</u></b>		
Nuclear Electric Insurance Ltd. (NEIL)	\$500 million	P06-033
NEIL	\$560 million in excess of \$500 million	X06-048
NEIL	\$1 billion in excess of \$1.06 billion	BX06-009
<b><u>Sequoyah Nuclear Plant</u></b>		
NEIL	\$500 million	P06-043
NEIL	\$560 million in excess of \$500 million	X06-049
NEIL	\$1 billion in excess of \$1.06 billion	BX06-009
<b><u>Watts Bar Nuclear Plant</u></b>		
NEIL	\$500 million	P06-060
NEIL	\$560 million in excess of \$500 million	X06-085
NEIL	\$1 billion in excess of \$1.06 billion	BX06-009