



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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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

Insurance Carrier	Coverage Limit	Policy Number
<u>Browns Ferry Nuclear Plant</u>		
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
<u>Sequoyah Nuclear Plant</u>		
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
<u>Watts Bar Nuclear Plant</u>		
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