

U.S. Nuclear Regulatory Commission
Page 2
November 14, 2006

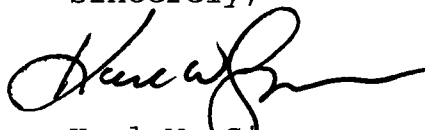
TVA will not resume construction activities on WBN Unit 2 until the DSEP study is completed and reviewed by the TVA Board of Directors, and formal Board approval is obtained to resume construction activities on WBN Unit 2.

Since Unit 2 is the same vintage and identical to Unit 1, TVA expects that the licensing basis (i.e., 10CFR50) and the design criteria for Unit 2 will be the same as those for Unit 1. Similar to TVA's regulatory framework methodology applied to Browns Ferry Unit 1, any significant differences between the WBN Unit 1 and 2 design criteria will be identified to NRC in future submittals. TVA may revise WBN Unit 2's programs based on the lessons learned from both the WBN Unit 1 startup and recovery of BFN's units.

The Enclosure contains TVA's current plans to support a detailed study for WBN Unit 2, including a projected study completion schedule. This submittal does not contain any regulatory commitments.

If you have any questions, please contact me at (423) 751-8682.

Sincerely,



Karl W. Singer

U.S. Nuclear Regulatory Commission
Page 3
November 14, 2006

Enclosure

cc (Enclosure):

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ENCLOSURE

WATTS BAR NUCLEAR PLANT (WBN) - UNIT 2 - FEASIBILITY STUDY FOR THE COMPLETION OF CONSTRUCTION ACTIVITIES

The following provides TVA's current plans for supporting a detailed study to examine the feasibility of completing the construction of WBN Unit 2.

1. Scope of DSEP and Schedule for Completion

TVA is currently evaluating responses from engineering firms responding to a request for proposals for performing a Detailed Scoping, Estimating and Planning (DSEP) Study for completion of Watts Bar Unit 2. TVA plans to select an engineering firm to perform this study by the end of 2006. The contract requires the selected engineering firm, in part, to provide a licensing and permitting plan; white paper risk evaluations; and a Unit 1 & 2 Separation Barrier Plan. The contract firm will also define technical risks and provide mitigation plans for all identified risks. Examples include, but are not limited to: condition of laid up systems; resolution of WBN's Nuclear Performance Plan and other regulatory issues; shared systems between units; and maintaining fidelity between units, as appropriate.

The DSEP project will allow TVA to make an informed decision on the feasibility of completing WBN Unit 2. The projected major milestone schedule for the DSEP Study is to select an engineering firm and start the DSEP by January 2007. Current plans require the contract firm to compile sufficient data and information by June 2007 in order to enable the TVA Staff to develop a proposal that will support a detailed project review by the TVA Board by August 2007.

2. Operating License Strategy

If authorized by the TVA Board, TVA would resume and complete construction under the current WBN Unit 2 construction permit pursuant to the requirements of 10 CFR Part 50 and then request an operating license. TVA would complete construction of Unit 2 in the same manner as Unit 1.

ENCLOSURE

WATTS BAR NUCLEAR PLANT (WBN) - UNIT 2 - FEASIBILITY STUDY FOR
THE COMPLETION OF CONSTRUCTION ACTIVITIES

3. Policy Statement on Deferred Plants

TVA plans to inform NRC of any decision by the TVA Board of Directors regarding the restart of WBN Unit 2 construction. Should the TVA Board decide to authorize the restart of construction activities, TVA plans to submit a letter to NRC regarding the reactivation of construction in accordance with the Commission Policy Statement on Deferred Plants (52 Fed Reg.38077 (October 14, 1987)).

4. NRC Involvement (Inspections) During DSEP

Some NRC involvement is needed in identifying the scope of the applicable NRC inspections expected as part of the DSEP review (e.g., action plan preparation, licensing support with interaction with NRC resident inspectors and NRR personnel, etc.).