

December 20, 2007

Mr. William R. Campbell, Jr.
Chief Nuclear Officer and
Executive Vice President
Tennessee Valley Authority
6A Lookout Place
1101 Market Street
Chattanooga, TN 37402-2801

SUBJECT: BROWNS FERRY NUCLEAR PLANT, UNITS 1, 2, AND 3 – REQUEST FOR
INFORMATION CONCERNING BIENNIAL DECOMMISSIONING FUNDING
REPORT (TAC NOS. MD5011, MD5012, AND MD5013)

Dear Mr. Campbell:

Upon review of the biennial decommissioning funding status report for the Browns Ferry Nuclear Power Plant, Units 1, 2, and 3, the Nuclear Regulatory Commission (NRC) staff has become aware of a reduction in the reported balance of your radiological decommissioning funds set aside in an external trust to meet the requirements of Title 10 of the Code of Federal Regulations (10 CFR) Section 50.75. This observation was based on information filed by you this past March 2007, providing information as of December 31, 2006, and a comparison with the March 2005 biennial report providing information as of December 31, 2004.

During a follow-up telephone conversation, your staff provided the NRC staff information that such reductions were not the result of withdrawals from the trust, but were the result of changes in accounting for the funds in the trust. In particular, the staff understands that your staff has adjusted the accounting to re-allocate funds in the decommissioning trust earmarked for radiological decommissioning to funds for nonradiological purposes and/or funds for spent fuel management. In particular, the NRC staff understands that TVA has adjusted the accounting to re-allocate funds in the decommissioning trust for the Browns Ferry facility to funds for the Sequoyah and Watts Bar facilities.

Withdrawals or disbursements from trust funds for decommissioning established to meet NRC requirements in 10 CFR 50.75 are restricted under trust provisions required by 10 CFR 50.75(h) and under 10 CFR 50.82(a)(8). The reduction in the reported balance of your radiological decommissioning funds raises a question as to whether there has been full compliance with the foregoing restrictions.

Accordingly, pursuant to 10 CFR 50.33(f)(4), please provide, within 30 days of the date of this letter, a full written explanation as to whether the reduction in the reported balance of your radiological decommissioning funds from the balance previously reported constituted a withdrawal or disbursement within the scope of the NRC's restrictions on withdrawals or disbursements.

W. Campbell, Jr.

- 2 -

If you have any questions, please contact Mr. Michael Dusaniwskyj at (301) 415-1260.

Sincerely,

/RA/

Eva A. Brown, Senior Project Manager
Plant Licensing Branch II-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor

Docket Nos. 50-259, 50-260 and 50-296

cc: See next page

W. Campbell, Jr.

- 2 -

If you have any questions, please contact Mr. Michael Dusaniwskyj at (301) 415-1260.

Sincerely,

/RA/

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BROWNS FERRY NUCLEAR PLANT

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