ANTI-TRUST

August 23, 1971

Honorable John N. Mitchell
Attorney General

Attention: Richard W. McLaren, Esq.
Assistant Attorney General
Antitrust Division

In the Matter of Tennessee Valley Authority
Watts Bar Nuclear Plant, Units 1 & 2
Docket Nos. 50-390A & 50-391A

Dear Mr. Mitchell:

In accordance with section 105 c. of the Atomic Energy Act of 1954, as amended (the Act), we are transmitting a copy of the application filed by the Tennessee Valley Authority for permits to construct the Watts Bar Nuclear Plant, Units 1 & 2, to be located in Rhea County, Tennessee.

Also enclosed is a copy of a letter dated August 17, 1971, from Mr. James E. Watson, Manager of Power, TVA. In response to your questionnaire transmitted to TVA by our letter of July 22, 1971 (copy enclosed), Mr. Watson states in the third paragraph of his letter that the antitrust laws are not applicable to TVA.

The enclosed application was filed on May 14, 1971, and is being transmitted to afford you an opportunity to render such advice to the Commission as you determine to be appropriate in regard to the finding to be made by the Commission pursuant to section 105 c.(5) of the Act. Upon your request, we shall furnish or cause to be furnished such information as you determine to be appropriate for this advice.

It is estimated that a public hearing for this facility will be held in the fall of 1972.

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If I can be of further assistance in this matter, please do not hesitate to call on me.

Sincerely yours,

/s/ Bertram H. Schur

Bertram H. Schur
Associate General Counsel

Enclosures:
As stated

cc: Mr. James E. Watson
Manager of Power
Tennessee Valley Authority
818 Power Building
Chattanooga, Tennessee 37401

Robert H. Marquis, Esq.
General Counsel
629 New Sprankle Building
Knoxville, Tennessee 37919

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C O P Y

Docket Nos. 50-390A
50-391A

July 22, 1971

Tennessee Valley Authority
Attn: Mr. James E. Watson
Manager of Power
818 Power Building
Chattanooga, Tennessee 37401

Gentlemen:

The Attorney General has determined that further information as requested in the enclosure to this letter is appropriate at this time in connection with his review, pursuant to section 105 c. of the Atomic Energy Act of 1954, as amended (the Act), of the application for construction permits for the Watts Bar Nuclear Plant Units 1 and 2.

In accordance with subsection 105 c.(4) of the Act, 10 CFR 50.30, and 10 CFR 50.33(k), within 25 days from the date of this letter, please submit the requested information to us as an amendment to your application, except that in addition to the three signed originals seventeen copies will be required. It is also requested that you prepare an additional 25 copies to be retained by you to be available should more copies be needed during the course of the antitrust review.

You will note that Question 8 of the enclosure does not require copies of applicable documents on file with the Federal Power Commission. While these documents are available for public inspection, it is requested that, for convenience, two copies of each such document be furnished to us separately and informally, not as part of the amendment.

The antitrust review function of the Atomic Energy Commission has been assigned to the Division of State and Licensee Relations. Future correspondence dealing with antitrust matters should be addressed to this Division.

Sincerely,

/s/ Lyall Johnson
Lyall Johnson, Director
Division of State and Licensee
Relations

Enclosure:
Attorney General's List of Questions

cc w/encl: Robert H. Marquis, Esq.

C O P Y

TENNESSEE VALLEY AUTHORITY
KNOXVILLE, TENNESSEE 37902

August 17, 1971

RECEIVED
AUG 19 1971
U.S. ATOMIC ENERGY COMMISSION
Regulatory
Mail Section

Dr. Peter A. Morris, Director
Division of Reactor Licensing
Atomic Energy Commission
Washington, DC 20545

Re: Docket Nos. 50-390A and 50-391A

Dear Dr. Morris:

This is in response to your letter of July 14, 1971, requesting information pursuant to 10 C.F.R. § 50.33(f) and (i), and Mr. Lyall Johnson's letter of July 22, 1971, requesting information pursuant to the Attorney General's list of questions for the antitrust review required by Section 105c.(4) of the Atomic Energy Act of 1954, as amended, for the application for construction permits for the Watts Bar Nuclear Plant, Units 1 and 2.

With regard to § 50.33(f), TVA will forward its Power Annual Report and Power Quarterly Report to the Commission as they become available. As stated in the transmittal letter for the Watts Bar application, Section 15d(f) of the TVA Act imposes on the TVA Board of Directors responsibility for charging rates for power sufficient to produce gross revenues to cover specified items and a margin considered desirable by the Board. The Act also makes the Board responsible for determining provisions to be included in TVA contracts relating to power service. Neither TVA's rates nor services are subject to the jurisdiction of regulatory bodies. Accordingly, this part of § 50.33(i) is not applicable to TVA. A list of the publications circulating in the Watts Bar area is included on page 9 of the application.

TVA's power activities are authorized under provisions of the TVA Act (48 Stat. 58 (1933), as amended, 16 U.S.C. §§ 831-831dd (1964; Supp. V, 1965-69)). Under the Act, the TVA Board, whose members are United States officers, determine the necessity and propriety

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of construction and operation of facilities needed to carry out the provisions of the Act. The facilities themselves are public works owned by the United States. In view of this, it is clear that the antitrust laws listed in Section 105a of the Atomic Energy Act of 1954, as amended, are not applicable to TVA. Accordingly, in our opinion a response to the list of questions is not required.

We will be glad to answer any questions you may have.

Sincerely,

James E. Watson
Manager of Power

CC: Lyall Johnson, Director
Division of State and Licensee Relations
Atomic Energy Commission
Washington, DC 20545