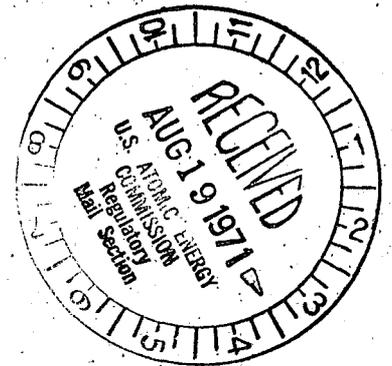


TENNESSEE VALLEY AUTHORITY

KNOXVILLE, TENNESSEE 37902

August 17, 1971



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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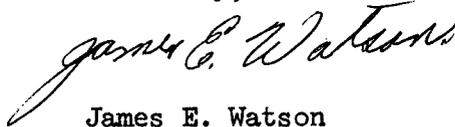
Dr. Peter A. Morris

August 17, 1971

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

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