

October 19, 1995

The Honorable Bart Gordon  
United States House of Representatives  
Washington, DC 20515

Dear Congressman Gordon:

I am responding to your letter of September 11, 1995, to Mr. Dennis Rathbun of the U.S. Nuclear Regulatory Commission (NRC). Your letter transmitted a letter from your constituent Brian Paddock dated August 30, 1995.

The NRC's jurisdiction, as authorized by the Atomic Energy Act and Energy Reorganization Act, in general covers nuclear safety and environmental considerations. Thus, I cannot address Mr. Paddock's concerns regarding the cost of construction of Watts Bar Nuclear Plant, and other economic considerations. However, I would refer you to a recent GAO report, "Tennessee Valley Authority, Financial Problems Raise Questions about Long-Term Viability" (GAO/AIMD/RCED-95-134).

Regarding decommissioning, TVA has met the NRC's requirements. By letter dated June 16, 1995, TVA submitted a statement of intent by its Board of Directors to provide funds when needed for the decommissioning of Watts Bar, Unit 1. The NRC staff reviewed this letter and the attached statement, and concluded that TVA, as a Federal Government utility, had complied with NRC decommissioning funding assurance regulations pursuant to 10 CFR 50.75(e)(3)(iv) in an amount consistent with the formulae specified in 10 CFR 50.75(c).

If you have any additional concerns regarding this matter, please do not hesitate to contact us.

Sincerely,

*Original signed by*  
**James M. Taylor**

James M. Taylor  
Executive Director  
for Operations

NAME: G:\GORDON1.LTR

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