



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

*Docket
File*

September 27, 1989

Docket No. 50-390

Mr. Oliver D. Kingsley, Jr.
Senior Vice President, Nuclear Power
Tennessee Valley Authority
6N 38A Lookout Place
1101 Market Street
Chattanooga, Tennessee 37402-2801

RE: Watts Bar Nuclear Plant, Unit 1 - Docket No. 50-390; Updated
Regulatory Guide 9.3 Information Pursuant to the Commission's
Operating License Antitrust Review

Dear Mr. Kingsley:

As part of its operating license antitrust review, the Nuclear Regulatory Commission staff (staff) analyzes changes (with competitive significance) in the Applicant's activities that have occurred since the initial antitrust review at the construction permit stage. Staff completed its initial antitrust operating license review on July 3, 1979 (as well as a monitoring review in January of 1983) in anticipation of a fuel load for Unit 1 in the early 1980's. For various reasons, construction on Watts Bar has slowed during the 1980's and fuel load is now scheduled for late 1990 -- more than eleven years after the antitrust operating license review was completed.

In light of the fact that the antitrust operating license review was completed over ten years ago and the operating license for Watts Bar Unit 1 has not been issued, staff believes an update of Applicant's activities over the last eleven years, coupled with a more recent antitrust operating license "significant change" analysis, is required. In this regard, staff is requesting an updated data response for Regulatory Guide 9.3 (copy enclosed). Your response should begin where your August 31, 1978 initial response to Regulatory Guide 9.3 ended and continue to the present. Pending transactions, agreements, etc., at the time of the initial response should be brought up to date and any new developments since the 1978 response should be addressed. In responding, be as specific as possible and elaborate where appropriate. For example: Do not respond to a question concerning requests for power by merely giving a "yes" or a "no" response. Elaborate with names, dates and descriptions to all questions in Regulatory Guide 9.3. (Do not respond to question B.3.)

The reporting and/or recordkeeping requirements contained in this letter affect fewer than ten respondents. Therefore, OMB clearance is not required under P. L. 96-511.

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Mr. O. D. Kingsley, Jr.

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September 27, 1989

Please forward your response within sixty days of the date of this letter to: William M. Lambe, Sr. Antitrust Policy Analyst, Policy Development and Technical Support Branch, Program Management, Policy Development and Analysis Staff, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, DC 20555. Mr. Lambe can be reached at (301) 492-1277 should you have any questions regarding this request.

Sincerely,

Original signed by:

Suzanne Black
Assistant Director
TVA Projects Division
Office of Special Projects

Enclosure:
As stated

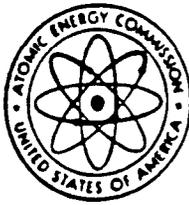
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REGULATORY GUIDE

DIRECTORATE OF REGULATORY STANDARDS

REGULATORY GUIDE 9.3

INFORMATION NEEDED BY THE AEC REGULATORY STAFF IN CONNECTION WITH ITS ANTITRUST REVIEW OF OPERATING LICENSE APPLICATIONS FOR NUCLEAR POWER PLANTS

A. INTRODUCTION

As required by the December 19, 1970, amendments to the Atomic Energy Act of 1954, the Atomic Energy Commission conducts antitrust reviews with respect to construction permits and operating licenses it issues for commercial nuclear facilities. The Commission must under certain circumstances, make a finding as to whether the activities under the permit or license would create or maintain a situation inconsistent with the antitrust laws. An antitrust review at the operating license stage is not required unless the AEC determines such review is advisable on the ground that significant changes in the licensee's activities or proposed activities have occurred subsequent to the previous antitrust review conducted by the Attorney General and the Commission at the construction permit stage. This regulatory guide identifies the type of information that the Regulatory staff considers germane for a decision as to whether a second antitrust review is required at the operating license stage.

B. INFORMATION NEEDED BY THE AEC REGULATORY STAFF IN CONNECTION WITH ITS ANTITRUST REVIEW OF OPERATING LICENSE APPLICATIONS FOR NUCLEAR POWER PLANTS

1. To assist the regulatory staff in its review, an applicant for a license to operate a commercial nuclear power plant should consider the following

items and any related changes that have occurred or are planned to occur since submission of the construction permit application:

- a. Anticipated excess or shortage in generating capacity resources not expected at the construction permit stage. Reasons for the excess or shortage along with data on how the excess will be allocated, distributed, or otherwise utilized or how the shortage will be obtained.
- b. New power pools or coordinating groups or changes in structure, activities, policies, practices, or membership of power pools or coordinating groups in which the licensee was, is, or will be a participant.
- c. Changes in transmission with respect to (1) the nuclear plant, (2) interconnections, or (3) connections to wholesale customers.
- d. Changes in the ownership or contractual allocation of the output of the nuclear facility. Reasons and basis for such changes should be included.
- e. Changes in design, provisions, or conditions of rate schedules and reasons for such changes. Rate increases or decreases are not necessary.
- f. List of all (1) new wholesale customers, (2) transfers from one rate schedule to another, including copies of schedules not previously furnished, (3) changes in licensee's service area, and (4) licensee's acquisitions or mergers.

USAEC REGULATORY GUIDES

Regulatory Guides are issued to describe and make available to the public methods acceptable to the AEC Regulatory staff of implementing specific parts of the Commission's regulations, to delineate techniques used by the staff in evaluating specific problems or postulated accidents, or to provide guidance to applicants. Regulatory Guides are not substitutes for regulations and compliance with them is not required. Methods and solutions different from those set out in the guides will be acceptable if they provide a basis for the findings required to the issuance or continuance of a permit or license by the Commission.

Published guides will be revised periodically, as appropriate, to accommodate comments and to reflect new information or experience.

Copies of published guides may be obtained by request indicating the divisions desired to the U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Director of Regulatory Standards. Comments and suggestions for improvements in these guides are encouraged and should be sent to the Secretary of the Commission, U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Drafting and Service Section.

The guides are issued in the following ten broad divisions:

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|-----------------------------------|------------------------|
| 1. Power Reactors | 6. Products |
| 2. Research and Test Reactors | 7. Transportation |
| 3. Fuels and Materials Facilities | 8. Occupational Health |
| 4. Environmental and Siting | 9. Antitrust Review |
| 5. Materials and Plant Protection | 10. General |

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- g. List of those generating capacity additions committed for operation after the nuclear facility, including ownership rights or power output allocations.
 - h. Summary of requests or indications of interest by other electric power wholesale or retail distributors, and licensee's response, for any type of electric service or cooperative venture or study.
2. Licensees whose construction permits include conditions pertaining to antitrust aspects should list and discuss those actions or policies which have been implemented in accordance with such conditions.
 3. Five copies of a separate document entitled "Information for Antitrust Review of Operating License Application" and containing the above requested information should be submitted when the operating license application documents are submitted or as soon thereafter as possible.