

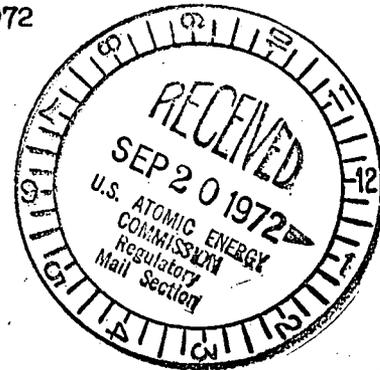
TENNESSEE VALLEY AUTHORITY

Regulatory

File Cy.

CHATTANOOGA, TENNESSEE 37401

September 18, 1972



Mr. John F. O'Leary, Director
Directorate of Licensing
United States Atomic Energy Commission
Washington, DC 20545

Dear Mr. O'Leary:

In the Matter of Applications of) Docket Nos. 50-390
Tennessee Valley Authority) 50-391

In accordance with the provisions of 10 CFR § 50.12, TVA hereby requests an exemption from the licensing requirements of 10 CFR § 50.10(c) to the extent necessary to permit applicant to commence certain onsite construction work for the Watts Bar Nuclear Plant. The specific activities for which exemption is requested, the resulting environmental impacts including possibility of redress, the effect of the activities upon subsequent adoption of alternatives, and the effect of plant delay on the public interest are discussed in detail in the enclosed exemption request, 75 copies of which are enclosed.

After careful review of TVA system and regional power supply requirements, we are convinced that it is of vital importance to electric customers served by TVA and to regional power reliability that units 1 and 2 begin commercial operation no later than May 1977 and February 1978, respectively. This operation schedule can be met only if site preparation activities detailed in the enclosed request are begun by early October 1972. These activities would include general site clearing and grading; excavation for powerhouse building foundation, intake channel, and pumping station; erection of temporary construction plant facilities; construction of railway spur; construction of holding pond dikes; upgrading of existing dock facility; and cooling tower foundation tests.

The application for Watts Bar Nuclear Plant was filed May 18, 1971, together with applicant's PSAR and a draft environmental statement. In a meeting on September 14, 1972, the Advisory Committee on Reactor Safeguards advised that it would shortly send to AEC its letter favorable to issuance of a construction permit for Watts Bar Units 1 and 2. However, formal notice of the construction permit hearing probably cannot be published in the Federal Register until late September or early October. Thus, the issuance of a construction

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permit before February or March 1973 is considered extremely unlikely, even assuming the most favorable circumstances. Thus, unless the exemption request is granted, no possibility of meeting the required operating dates exists.

Granting of the exemption request is clearly in the public interest. The effect of a 6-month delay in commencing the requested activities would be added costs to TVA power consumers of approximately \$58 million. In addition, it would entail the burning of some 3,360,000 tons of coal and 36.1 million gallons of oil to replace the power. On the other hand, however, no significant adverse environmental impacts will occur before the time a construction permit can be granted. Redress of any activities performed as requested herein can be reasonably effected should a construction permit not be granted. While conduct of the site preparation activities would involve the expenditure of some \$10 million, with the possible expenditure of an additional \$2 million for redress, should that be required, the benefits on both a cost and environmental basis clearly outweigh the environmental or economic costs which would be incurred by delay. Commencement of these activities and expenditure of these relatively small amounts (2 percent of total projected cost of plant less fuel) would not foreclose the subsequent adoption of any alternatives, particularly in view of the fact that no permanent plant structures will be erected before issuance of the construction permit.

For some time now we have been having discussions with government officials and other interests in Rhea County concerning the Watts Bar construction schedule in order that local long-range plans for employee housing, transportation, and schools can be established. As a result their plans were originally geared to commencement of construction in September 1971, but subsequently had to be changed to reflect a fall 1972 start. Local government officials are quite concerned about any further delays and have urged TVA to begin construction as soon as possible. They feel that any substantial delay beyond fall 1972 may create major hardships in the communities affected.

TVA recognizes that the granting of this exemption will have no bearing upon the subsequent granting or denial of a construction permit for the Watts Bar Nuclear Plant and that site preparation activities performed prior to the issuance of a construction permit will be performed entirely at the risk of TVA. Furthermore, TVA commits itself to expend the resources required to restore the

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property to an environmentally attractive condition should redress be required.

We ask that this request be given prompt attention and that your decision be rendered as soon as possible. If additional information is required, please get in touch with Robert H. Davidson, Chief, Nuclear Engineering Branch, telephone number 615-755-2778.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

James E. Watson
James E. Watson
Manager of Power

Subscribed and sworn to before
me this 18 day of Sept. 1972

Arthur M. Leary
Notary Public

My Commission Expires 1-5-1975

Enclosures