

**Bellefonte Nuclear Plant, Units 3 & 4**

**COL Application**

**Part 1**

**General and Financial Information**

**Revision 1**

**Bellefonte Nuclear Plant, Units 3 & 4  
COL Application  
Part 1, General and Financial Information**

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1.0 GENERAL INFORMATION

This part of the Combined License (COL) Application for the Bellefonte Nuclear Plants, Units 3 and 4 (BLN) addresses the requirements of 10 CFR 50.33, "Content of applications; general information," and provides details of the applicant's corporate identity and location; applicant's ownership organization; the types of licenses being applied for; the applicant's financial qualifications; decommissioning funding assurance; foreign ownership, control, or domination information; and agreement limiting access to classified information.

1.1 APPLICANT'S CORPORATE INFORMATION

1.1.1 APPLICANT

The Tennessee Valley Authority (TVA) is the applicant for a Combined License for the BLN and will own and operate Units 3 and 4. The applicant is the owner and operator of the facility and the associated transmission corridors. The applicant's corporate headquarters address is:

Tennessee Valley Authority  
400 W. Summit Hill Dr.  
Knoxville, TN 37902-1401  
865-632-2101

1.1.2 DESCRIPTION OF BUSINESS OR OCCUPATION

TVA is a wholly-owned corporate agency and instrumentality of the United States. TVA was created by the U.S. Congress in 1933 by virtue of the Tennessee Valley Authority Act of 1933, as amended, 16 U.S.C. §§ 831-831ee (2000 & Supp. IV 2004) (as amended, the "TVA Act"). TVA manages the Tennessee River and its tributaries for multiple river-system purposes, such as navigation; flood damage reduction; power generation; environmental stewardship; shoreline use; and water supply for power plant operations, consumer use, recreation, industry, and other stewardship purposes.

TVA's power system operations, however, constitute the majority of its activities and provide virtually all of its revenues. TVA is the nation's largest public power producer. Through 158 public power utilities, TVA supplies electricity to approximately 8.7 million people in its service area.

TVA began building nuclear power plants in the 1960's and has operated nuclear power plants since 1974. TVA currently has three nuclear sites consisting of six operating units.

1.1.3 ORGANIZATION AND MANAGEMENT

The business and affairs of the TVA are managed under the direction of a nine-member Board of Directors. The Board currently consists of eight directors. All Board members are United States citizens. The Chairman of the Board is Mr. William B. Sansom of Knoxville, Tenn. His term expires in 2009.

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Board members are nominated by the President of the United States and confirmed by the Senate. At least seven of the Board members must be residents of the TVA service territory. Board members serve five-year terms. Board members elect the Chairman of the Board, and the Board has hiring authority over the Chief Executive Officer (CEO). The business address for the TVA Board is:

Tennessee Valley Authority Board of Directors  
400 West Summit Hill Drive, WT 7B  
Knoxville, TN 37902-1401

The names of the TVA Board members are as follows:

- William B. Sansom (Chairman)
- Dennis C. Bottorff
- Donald R. DePriest
- Robert M. Duncan
- Skila S. Harris
- Bishop William Graves
- Howard A. Thrailkill
- Susan Richardson Williams

The President and CEO is a U. S. citizen, who is selected by the Board of Directors and is the senior executive responsible for TVA's day-to-day operations.

The names, titles, addresses and citizenship of the principal executives and officers of the TVA, all of whom are U. S. citizens, are as follows (as of October 1, 2007):

<u>Name</u>	<u>Title</u>	<u>Business Address</u>
Tom D. Kilgore	President and Chief Executive Officer	400 West Summit Hill Drive WT 7B Knoxville, TN 37902-1401
William (Bill) R. McCollum, Jr.	Chief Operating Officer	1101 Market Street, LP 6A Chattanooga, TN 37402
W. Terry Boston	Executive Vice President, Power System Operations	1101 Market Street, MR 3H Chattanooga, TN 37402
John J. Bradley	Senior Vice President, Economic Development	One Century Place 26 Century Blvd., OCP 2A Nashville, TN 37214
Kenneth R. Breeden	Executive Vice President, Customer Resources	One Century Place 26 Century Blvd., OCP 1F Nashville, TN 37214
William (Bill) R. Campbell, Jr.	Chief Nuclear Officer and Executive Vice President, TVA Nuclear	1101 Market Street, LP 3R Chattanooga, TN 37402

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<u>Name</u>	<u>Title</u>	<u>Business Address</u>
Maureen H. Dunn	Executive Vice President and General Counsel	400 West Summit Hill Drive WT 6B Knoxville, TN 37902-1401
Bridgette K. Ellis	Senior Vice President, Office of Environment and Research	400 West Summit Hill Drive WT 11B Knoxville, TN 37902-1401
Theresa A. Flaim, Ph.D.	Senior Vice President, Contracts and Pricing	400 West Summit Hill Drive WT 3D Knoxville, TN 37902-1401
Kimberly Scheibe Greene	Chief Financial Officer and Executive Vice President, Financial Services	400 West Summit Hill Drive WT 7B Knoxville, TN 37902-1401
Peyton T. Hairston, Jr.	Senior Vice President, Corporate Responsibility and Diversity	400 West Summit Hill Drive WT 7B Knoxville, TN 37902-1401
Kathryn J. Jackson	Executive Advisor, Alternate Energy Policy	400 West Summit Hill Drive WT 7A Knoxville, TN 37902-1401
John E. Long, Jr.	Chief Administrative Officer and Executive Vice President, Administrative Services	400 West Summit Hill Drive WT 7B Knoxville, TN 37902-1401
Emily J. Reynolds	Senior Vice President, Communications, Government and Valley Relations	One Century Place 26 Century Blvd., OCP 1L Nashville, TN 37214
Preston D. Swafford	Executive Vice President, Fossil Power Group	1101 Market Street, LP 3K Chattanooga, TN 37402

**1.1.4 REQUESTED LICENSES AND AUTHORIZED USES**

This application is for two Class 103 combined licenses under 10 CFR Part 52, subpart C, to construct and operate two U. S. nuclear power plants at the BLN site, located near the cities of Hollywood and Scottsboro in Jackson County in northeast Alabama. The three largest population centers (defined as having more than 25,000 residents) in the region are Huntsville, Alabama; Chattanooga, Tennessee; and Gadsden, Alabama. This application incorporates the Design Control Document (DCD) ([Reference 1](#)) for a simplified passive advanced light water reactor plant provided by Westinghouse Electric Corporation, the entity originally sponsoring and obtaining the AP1000 design certification documented in 10 CFR Part 52, Appendix D. Throughout this application, the “referenced DCD” is the AP1000 DCD submitted by Westinghouse as Revision 17.

The BLN nuclear power plants will be used to produce electricity for sale. The period of time for which the license for the unit is requested shall begin upon the NRC’s granting of the combined license for BLN and shall expire 40 years from the date upon which the NRC makes a finding that

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acceptance criteria are met under 10 CFR 50.103(g) or allowing operation during an interim period under 10 CFR 52.103(c).

In addition, this application is for the necessary licenses issued under 10 CFR Part 30, 10 CFR Part 40, and 10 CFR Part 70 to receive, possess, and use byproduct, source and special nuclear material. Byproduct, source, and special nuclear material shall be in the form of sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment, calibration, and fission detectors in amounts as required. Byproduct, source, and special nuclear material in amounts as required, without restriction to chemical or physical form, shall be for sample analysis or instrument and equipment calibration or associated with radioactive apparatus or components. Special nuclear material shall be in the form of reactor fuel, in accordance with limitations for storage and amounts required for reactor operation, as described in Part 2 of this application.

The current scheduled date for the completion of construction activities on BLN Unit 3 is the 3<sup>rd</sup> quarter of government fiscal year (FY) 2017 and on BLN Unit 4 is the 3<sup>rd</sup> quarter of FY 2018.

Construction and operation of the proposed plant requires compliance with a number of environmental regulations, obtaining a number of associated permits, and performing consultations with Government agencies. A search was conducted for applicable regulations, permits, and consultations required by Federal, state, regional, local, and potentially affected Native American tribal agencies, and the results are presented in Table 1.2-1 of the Environmental Report.

TVA is self-regulated and the TVA Act gives the TVA Board sole responsibility for establishing the rates TVA charges for power. These rates are not subject to review or approval by any state or federal regulatory body.

According to the TVA Act, TVA is required to charge rates for power which will produce gross revenues sufficient to provide funds for:

- Operation, maintenance, and administration of its power system;
- Payments to states and counties in lieu of taxes;
- Debt service on outstanding indebtedness;
- Payments to the U.S. Treasury in repayment of and as a return on the government's appropriation investment in TVA's power facilities; and
- Such additional margin as the TVA Board may consider desirable for investment in power system assets, retirement of outstanding indebtedness, additional reduction of the appropriation investment, and other purposes connected with TVA's power business.

In setting TVA's rates, the TVA Board is charged by the TVA Act to have due regard for the primary objectives of the TVA Act, including the objective that power shall be sold at rates as low as are feasible.

Local news publications that circulate in the area around the proposed facility and that are considered appropriate to give reasonable notice of the application to those parties that might have a potential interest in the proposed facility are as follows:

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The Huntsville Times  
P. O. Box 11143  
Huntsville, Alabama 35814  
256-859-5227

The Chattanooga  
Chattanooga, Tennessee 37403  
423-266-2325

Times Free Press  
400 East 11<sup>th</sup> Street  
Chattanooga, Tennessee 37403  
423-756-6900

Gadsden Times  
401 Locust Street  
Gadsden, Alabama 35902  
256-549-2000

## 1.2 RADIOLOGICAL EMERGENCY RESPONSE PLANS

Radiological emergency response plans of State and local government entities in the United States that are wholly or partially within the plume exposure pathway emergency planning zone (EPZ), as well as the plans of State governments wholly or partially within the ingestion pathway EPZ are included in COL application, Part 5, Emergency Planning.

## 1.3 FINANCIAL QUALIFICATIONS

Pursuant to the requirements of 10 CFR 50.33(f), an applicant for a COL license is required to include information sufficient to demonstrate to the Commission the financial qualification of the applicant to carry out the construction and/or operation activities for which the application is sought. The information necessary to demonstrate TVA's financial qualifications to obtain construction funds and fuel cycle costs is provided in this subsection.

TVA is a wholly-owned corporate agency and instrumentality of the United States. TVA was created by the U.S. Congress in 1933 by virtue of the Tennessee Valley Authority Act of 1933, as amended, 16 U.S.C. §§ 831-831ee (2000 & Supp. IV 2004) (as amended, the "TVA Act"). TVA manages the Tennessee River and its tributaries for multiple river-system purposes, such as navigation; flood damage reduction; power generation; environmental stewardship; shoreline use; and water supply for power plant operations, consumer use, recreation, industry, and other stewardship purposes. TVA's power system operations, however, constitute the majority of its activities and provide virtually all of its revenues.



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*Proprietary Information - Withheld Under 10 CFR 2.390(a)(4)*  
*(see COL Application **Part 9**)*

1.3.1 REASONABLE ASSURANCE TO OBTAIN CONSTRUCTION FUNDS

Historical financial information for TVA is available in annual, quarterly, and current reports filed with the Securities and Exchange Commission (SEC). The public may read and copy any reports or other information that TVA files with the SEC at its Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. TVA reports are also available to the public without charge from the website maintained by the SEC at [www.sec.gov](http://www.sec.gov) and TVA's website at [www.tva.gov](http://www.tva.gov).

Financial information filed with the SEC supports the conclusion that TVA possesses, or has reasonable assurance of being able to obtain, funds sufficient for the construction and operation of two units at the BLN site based on the AP1000 technology.

1.3.2 SOURCES OF AVAILABLE FUNDING

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*Proprietary Information - Withheld Under 10 CFR 2.390(a)(4)*  
*(see COL Application **Part 9**)*

] Proprietary

1.3.3 ESTIMATES OF TOTAL CONSTRUCTION COSTS AND RELATED FUEL CYCLE COSTS

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***Proprietary Information - Withheld Under 10 CFR 2.390(a)(4)  
(see COL Application **Part 9**)***

]Proprietary

1.3.4 REASONABLE ASSURANCE TO OBTAIN FUEL CYCLE COSTS

[

]Proprietary

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***Proprietary Information - Withheld Under 10 CFR 2.390(a)(4)  
(see COL Application **Part 9**)***

**Table 1.3-1  
Projected Project Cost  
Bellefonte Nuclear Plant, Unit 3 – AP1000  
(constant March 2008 dollars, \$ millions)**

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***Proprietary Information - Withheld Under 10 CFR 2.390(a)(4)  
(see COL Application **Part 9**)***

**Table 1.3-2  
Projected Project Cost  
Bellefonte Nuclear Plant, Unit 4 – AP1000  
(constant March 2008 dollars, \$ millions)**

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*Proprietary Information - Withheld Under 10 CFR 2.390(a)(4)*  
*(see COL Application **Part 9**)*

**Table 1.3-3**  
**Projected Project Cost**  
**Bellefonte Nuclear Plant, Unit 3 – AP1000**  
(assumes 2.5% annual cost escalation, \$ millions)

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*Proprietary Information - Withheld Under 10 CFR 2.390(a)(4)*  
*(see COL Application **Part 9**)*

**Table 1.3-4**  
**Projected Project Cost**  
**Bellefonte Nuclear Plant, Unit 4 – AP1000**  
(assumes 2.5% annual cost escalation, \$ millions)

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1.4 DECOMMISSIONING FUNDING ASSURANCE

Regulatory Requirements

Pursuant to the requirements of 10 CFR 50.33(k)(1), an application for a combined license for a production or utilization facility will state information in the form of a report, as described in 10 CFR 50.75, indicating how reasonable assurance will be provided that sufficient funds will be available to decommission the facility. The report provided in Appendix 1A provides this information.

10 CFR 50.75(b) requires each power reactor applicant for a combined license for a production or utilization facility of the type and power level specified in 10 CFR 50.75(c) to submit a decommissioning report, as required by 10 CFR 50.33(k).

- (1) The report must contain a certification that financial assurance for decommissioning will be provided no later than 30 days after the Commission publishes notice in the *Federal Register* under 10 CFR 52.103(a). The amount of the financial assurance may be more, but not less, than the amount stated in the table in 10 CFR 50.75(c)(1).
- (2) The amount to be provided must be adjusted annually using a rate at least equal to that stated in 10 CFR 50.75(c)(2).
- (3) The amount must use one or more of the methods described in 10 CFR 50.75(e) as acceptable to the NRC.
- (4) The amount stated in the applicant's certification may be based on a cost estimate for decommissioning the facility. As part of the certification, a copy of the financial instrument obtained to satisfy the requirements of paragraph (e) of this section must be submitted to the NRC; however, a combined license applicant need not obtain such financial instrument or submit a copy to the Commission except as provided in 10 CFR 50.75(e)(3).

10 CFR 50.75(c) provides the minimum amounts (January 1986 dollars) required to demonstrate reasonable assurance of funds for decommissioning by reactor type and power level and an adjustment factor to account for escalation of labor, energy, and waste burial costs. (Amounts are based on activities related to the definition of "decommission" in 10 CFR 50.2 and do not include the cost of removal and disposal of spent fuel, non-radioactive structures, or materials beyond that necessary to terminate the license).

For a pressurized water reactor (PWR) with a core thermal power rating of greater than or equal to 3400 MWt, such as the AP1000 reactor design, 10 CFR 50.75(c)(1)(i) specifies the minimum amount required to demonstrate reasonable assurance of funds for decommissioning as \$105 million (1986 dollars). This amount is subject to an adjustment factor at least equal to  $0.65 L + 0.13 E + 0.22 B$ , where L and E are escalation factors for labor and energy, respectively, and are to be taken from regional data of U.S. Department of Labor Bureau of Labor Statistics (BLS), and B is an escalation factor for waste burial and is to be taken from NRC report NUREG-1307, "Report on Waste Burial Charges."

10 CFR 50.75(e)(3) provides the requirements that a COL holder under subpart C of 10 CFR Part 52 shall, 2 years before and 1 year before the scheduled date for initial loading of fuel under 10 CFR 52.103, submit a report to the NRC containing a certification updating the information



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described under 10 CFR 50.75(b)(1), including a copy of the financial instrument to be used. No later than 30 days after the Commission publishes notice in the *Federal Register* under 10 CFR 52.103(a), the licensee shall submit a report containing a certification that financial assurance for decommissioning is being provided in an amount specified in the licensee's most recent updated certification, including a copy of the financial instrument obtained to satisfy the requirements of 10 CFR 50.75(e).

**1.5 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION**

TVA is not owned, dominated, or controlled by foreign interests. TVA is wholly owned by the United States Government.

**1.6 RESTRICTED DATA AND CLASSIFIED NATIONAL SECURITY INFORMATION**

The combined license application for BLN does not contain any Restricted Data or other Classified National Security Information, nor does it result in any change in access to any Restricted Data or National Security Information. In addition, it is not expected that activities conducted in accordance with the proposed combined license will involve such information. However, in the event that such information does become involved, and in accordance with 10 CFR 50.37, "Agreement limiting access to Classified Information," TVA will not permit any individual to have access to, or any facility to possess, Restricted Data or National Security Information until the individual and/or facility has been approved for such access under the provisions of 10 CFR Part 25, "Access Authorization for Licensee Personnel," and/or 10 CFR Part 95, "Facility Security Clearance and Safeguarding of National Security Information and Restricted Data".

**1.7 REFERENCES**

1. Westinghouse Electric Company, LLC, 2007, "AP1000 Design Control Document," APP-GW-GL-700, Revision 17.

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BELLEFONTE DECOMMISSIONING COST ESTIMATE REPORT

The Bellefonte plant is a two-unit PWR (Units 3 & 4) that is being licensed in accordance with the Westinghouse AP1000 certified design, as documented in the referenced DCD including any supplemental material. This design has a thermal power rating of 3400 MWt. In accordance with 10 CFR 50.75(c), and using NUREG-1307, Revision 12, the minimum funding is computed on a per-unit basis, as follows (in 2006 dollars):

$$\text{Minimum Funding} = \$105 \text{ million } [0.65(L) + 0.13(E) + 0.22(B)]$$

L = 2.05 (from BLS Employment Cost Index (ECI) – December 2006, Table 6, South Region), and computed as follows:  $(103.5 \times 1.98)/100$ ; where 103.5 is the December 2006 ECI for the South Region, 1.98 is the base Labor Adjustment Factor for December 2005 (from NUREG-1307, Table 3.2).  
 $(103.5 \times 1.98)/100 = 2.0493 = 2.05$

E = 1.883 (from BLS December 2006 Preliminary data - Px = 167.6 and Fx = 201.4), and computed as follows:

E =  $0.58 (167.6/114.2) + 0.42 (201.4/82.0)$ , where 114.2 and 82.0 are January 1986 reference data

E =  $0.58 (1.4676) + 0.42 (2.4561) = 0.85121 + 1.03156 = 1.88277 = 1.883$ .

B = 8.683 (from NUREG-1307 Table 2.1 for a PWR, Non-Atlantic Compact, Direct Disposal with Vendors, for the South Carolina (Barnwell) Site)

$$\text{Minimum Funding} = \$105 \text{ million } [0.65 (2.05) + 0.13 (1.883) + 0.22 (8.683)]$$

$$\text{Minimum Funding} = \$105 \text{ million } [1.3325 + 0.24479 + 1.91026]$$

$$\text{Minimum Funding} = \$105 \text{ million } [3.48755]$$

$$\text{Minimum Funding} = \$366.2 \text{ million (2006 dollars) per unit}$$

This funding calculation is updated annually using the adjustment factor formula described in 10 CFR 50.75(c)(2).

Bellefonte Decommissioning Funding Mechanism

TVA currently has a Master Decommissioning Trust Fund in place with The Bank of New York Mellon Corporation serving as Trustee. This trust fund provides assurance for the decommissioning of the existing operating plants owned and operated by TVA. It currently provides the funding for Browns Ferry Units 1, 2 and 3; Sequoyah Units 1 and 2; and Watts Bar Unit 1. The decommissioning funding status for these existing operating plants is reported to the NRC every two years; the most recent reporting was March 28, 2007 (Reference 1). Any changes to this Master Decommissioning Trust Fund are also provided to the NRC as a part of

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the status reporting. The requirements of 10 CFR 50.75 will continue to be satisfied through this Master Decommissioning Trust Fund.

Consistent with this current practice and pursuant to 10 CFR 50.75(e)(1), a trust fund will be established within the Master Decommissioning Trust Fund for each Bellefonte unit some time after construction and prior to commencement of power operations.

Decommissioning Costs and Funding – Status Reporting

In accordance with 10 CFR 50.75(e)(3), two years before and one year after the scheduled date for initial loading of fuel, TVA will submit a report containing a certification updating the information described in 10 CFR 50.75(b)(1). Additionally, in accordance with 10 CFR 50.75(f)(1), TVA will periodically report on the status of decommissioning funding for BLN; however, this reporting will not begin until the date that the Commission has made the finding under 10 CFR 52.103(g).

Recordkeeping Plans Related to Decommissioning Funding

In accordance with 10 CFR 50.75(g), TVA will retain records, until the termination of the license, of information important to the safe and effective decommissioning.

Appendix 1A REFERENCES

1. Tennessee Valley Authority. “Decommissioning Funding Status Report – Browns Ferry (BFN), Sequoyah (SQN), and Watts Bar (WBN) Nuclear Plants,” dated March 29, 2007. [ADAMS Accession No. ML071170573].