



Tennessee Valley Authority, 1101 Market Street, Chattanooga, Tennessee 37402-2801

September 29, 2009

10 CFR 50.4

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555-0001

Browns Ferry Nuclear Plant, Units 1, 2, and 3
Facility Operating License Nos. DPR-33, DPR-52, and DPR-68
NRC Docket Nos. 50-259, 50-260, and 50-296

Sequoyah Nuclear Plant, Units 1 and 2
Facility Operating License Nos. DPR-77 and DPR-79
NRC Docket Nos. 50-327 and 50-328

Watts Bar Nuclear Plant, Unit 1
Facility Operating License No. NPF-90
NRC Docket No. 50-390

Subject: Decommissioning Funding Assurance - Additional Information

Reference: Letter from TVA to the NRC dated September 4, 2009,
"Decommissioning Funding Assurance"

The referenced letter from the Tennessee Valley Authority (TVA) provided the NRC with TVA's approved plan to address decommissioning funding assurance.

The purpose of this letter is to describe an additional detail of TVA's plan to use an external sinking fund, one of the approved funding mechanisms described in 10 CFR 50.75, "Reporting and recordkeeping for decommissioning planning," paragraph (e).

In 1999, the TVA Board of Directors (i.e., TVA's rate-setting authority) approved the use of a five percent real rate of return "...from the time of future funds' collection through each unit's decommissioning periods...." As such, this Board Action contemplated the application of a five percent real rate of return during the period of licensed plant operations as well as through the period in which decommissioning activities take place.

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This letter contains no regulatory commitments. Please direct any questions concerning this matter to Fred Mashburn at (423) 751-8817.

Respectfully,

A handwritten signature in black ink, appearing to read "R. M. Krich", written over the typed name.

R. M. Krich
Vice President
Nuclear Licensing

cc:

NRC Regional Administrator - Region II

NRC Senior Resident Inspector - Browns Ferry Nuclear Plant

NRC Senior Resident Inspector - Sequoyah Nuclear Plant

NRC Senior Resident Inspector - Watts Bar Nuclear Plant