



Tennessee Valley Authority, Post Office Box 2000, Spring City, Tennessee 37381-2000

July 29, 2010

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

Watts Bar Nuclear Plant, Unit 2
NRC Docket No. 50-391

Subject: **Watts Bar Nuclear Plant (WBN) Unit 2 - Response to Request for Additional Information Regarding Antitrust Review (TAC No. ME0853)**

- References:
1. Letter from NRC to TVA, "Watts Bar Nuclear Plant, Unit 2 – Request for Additional Information Regarding Antitrust Review (TAC No. ME0853)," dated July 13, 2010
 2. Letter from TVA to NRC, "Watts Bar Nuclear Plant (WBN) Unit 2 – Updated Regulatory Guide 9.3 Antitrust Review," dated May 13, 2010 [ML093370605]

The purpose of this letter is to submit the Tennessee Valley Authority (TVA) response to U.S. Nuclear Regulatory Commission (NRC) Request for Additional Information (RAI) regarding the Antitrust Review (Reference 1).

By letter dated May 13, 2010 (Reference 2), TVA provided the NRC updated antitrust information pursuant to 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," with respect to WBN Unit 2. The information addressed changes in antitrust information from December 1989 to the present.

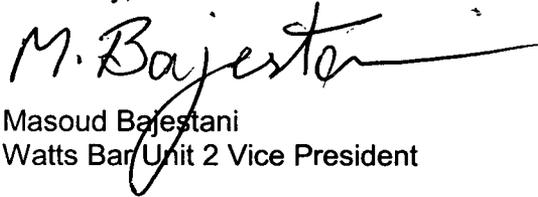
The enclosure to this letter lists the individual questions posed in the NRC RAI and TVA responses to those questions. There are no regulatory commitments associated with this submittal.

DOBO
NRR

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If you have any questions, please contact William Crouch at (423) 365-2004.

Sincerely,



Masoud Bajestani
Watts Bar Unit 2 Vice President

Enclosure:

1. Response to NRC Request for Additional Information Regarding Antitrust Review

Attachment to Enclosure:

1. TVA Board Statement of Policy Concerning Application of Section 15d(a) of the TVA Act Governing Availability of TVA Power

cc (Enclosure):

U. S. Nuclear Regulatory Commission
Region II
Marquis One Tower
245 Peachtree Center Ave., NE Suite 1200
Atlanta, GA 30303-1257

NRC Resident Inspector Unit 2
Watts Bar Nuclear Plant
1260 Nuclear Plant Road
Spring City, Tennessee 37381

Enclosure

Response to NRC Request for Additional Information Regarding Antitrust Review

Tennessee Valley Authority
Watts Bar Nuclear Plant - Unit 2, Docket No. 50-391

B.1.a NRC Request

The table showing projected capacity position at summer peak years 2010-2017 assumes that WBN 2 is online by summer 2013. Please present the data without including capacity assumed from WBN 2.

TVA Response

The table below shows the data without including capacity assumed from WBN Unit 2:

Summer Peak	Surplus/(Deficit) in MW
2010	374
2011	(505)
2012	(1,371)
2013	(3,459)
2014	(5,103)
2015	(5,804)
2016	(6,450)
2017	(6,720)

B.1.b NRC Request

TVA states that it is not a member of "any formal power pool or coordinating group in the context used herein." Please clarify membership in any informal pool or group and TVA's interpretation of "the context used herein."

TVA Response

TVA is not a member of any formal or informal power pool or coordinating group. The previous response simply attempted to use language consistent with the 1989 submittal.

B.1.c NRC Request

TVA states there have been no new interconnections or connections to wholesale customers on the 500-kilovolt (kV) system in the WBN area. Please reconcile that statement with disclosure of two 500-kV wholesale customers added since December 5, 1989.

Enclosure

Response to NRC Request for Additional Information Regarding Antitrust Review

TVA Response

The statement "The following 500-kV wholesale customers have been added since December 5, 1989" was incorrect. It should read "The following 500-kV **retail** customers have been added since December 5, 1989." TVA has added no new wholesale customers since 1989.

B.1.f NRC Request

TVA states that there have been no new wholesale customers since the 1989 submittal. Please reconcile that statement with disclosure of two 500-kV wholesale customers added since December 5, 1989.

TVA Response

See item B.1.c. The statement in response to B.1.c should read "The following 500-kV **retail** customers have been added since December 5, 1989."

B.1.g NRC Request

TVA describes a 933-megawatt combined gas cycle turbine facility, but does not provide the ownership rights or power output allocations for that facility. Therefore, please provide ownership rights or power output allocations for that facility.

TVA Response

It is anticipated at this time that the natural gas combined cycle turbine facility will be wholly owned by TVA; and 100% of its output will be included as part of TVA's economic dispatch, and used to serve its customers, including distributor and direct served industrials.

B.1.h NRC Request

TVA refers to a Board Policy describing how the provisions of Section 15d(a) of the TVA Act are to be applied regarding the availability of TVA power. Please provide documentation that the Board adopted the policy and the provisions of the policy adopted.

TVA Response

The attachment to this enclosure provides documentation that the Board adopted the policy and the provisions of the policy adopted.

Attachment

**TVA Board Statement of Policy Concerning Application of
Section 15d(a) of the TVA Act Governing Availability of TVA Power**

(Page 1 of 4)

CLE

AUG 25 1997

Norman A. Zigrossi, ET 12A-K

REQUEST FOR SEQUENTIAL BOARD APPROVAL OF STATEMENT OF POLICY
REGARDING APPLICATION OF SECTION 15d(a) OF THE TVA ACT

As you know, the recent litigation between TVA and five neighboring electric utilities over TVA's exchange power arrangements has been settled. As part of the settlement agreement approved by the court, TVA agreed that the Board, within 30 days, would adopt a policy statement about the application by TVA of Section 15d(a) of the TVA Act. A resolution that complies with the settlement agreement is attached. The resolution must be approved by August 28.



Edward S. Christenbury
General Counsel
ET 10A-K

TCD:JEF:THS
Attachment

000035485

8/26/97-NAZ
cc: Christenbury

CTS No. 9380261

originally approved
9-30-79 (1557-4)

**Reaffirmation of Statement of Policy Concerning Application of Provisions of
Section 15d(a) of the Tennessee Valley Authority Act of 1933, As Amended,
Governing Availability of TVA Power**

WHEREAS the TVA Board of Directors deems it appropriate at this time to declare and reaffirm its continuing policy with regard to the application by TVA of the area limitations contained in Section 15d(a) of the TVA Act;

BE IT RESOLVED, That the Board adopts the following statement of policy:

1. The region in which TVA power is to be made available has been prescribed by Congress, and is set out in Section 15d(a) of the TVA Act, which was included in an amendment enacted in 1959.

2. Since the adoption of those provisions in Section 15d(a), TVA has exercised great care in entering into power supply arrangements with municipal and cooperative distributors of TVA power and with directly served customers, federal agencies and public entities, as well as in participating in arrangements with neighboring electric power systems with which TVA is authorized to exchange power, to assure compliance with the restrictions contained in the Act.

3. TVA recognizes electric supply reliability and basic stability in the area supplied by it and its distributors is in the public interest and to conserve energy and capital, bring about efficient use of facilities and resources, and help effectuate the greatest reliability of the TVA system.

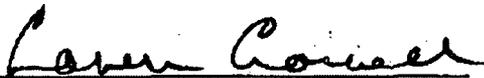
4. TVA has heretofore stated, and now deems it appropriate to reaffirm, that its policy and practice will be to confine its area of retail and wholesale electric service to the boundary as fixed by Section 15d(a) of the TVA Act.

5. In conformity with this policy and practice, TVA will only engage in the construction of such generating capacity or the purchase of generating capacity as it needs to supply power demands in its own service area. TVA will not afford encouragement or assistance to persons or organizations which it and its distributors cannot legally serve under Section 15d(a) in seeking such service.

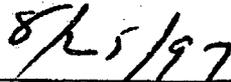
6. TVA will not knowingly enter into any exchange power transaction if the purchaser of TVA exchange power is procuring that power for the purpose of reselling such power at wholesale to any third party not authorized to exchange power with TVA. TVA will supply power under exchange power transactions with the understanding that such power is not being purchased for the purpose of reselling it to any such unauthorized third party. In the event TVA discovers that such power has

been purchased for a purpose inconsistent with this policy, such transaction shall be terminated.

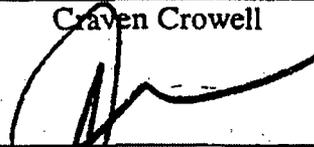
APPROVED SEQUENTIALLY BY INDIVIDUAL BOARD MEMBERS:



Craven Crowell



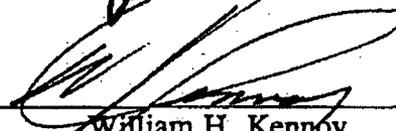
Date



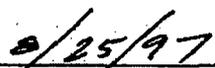
Johnny H. Hayes



Date



William H. Kennoy



Date

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