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 FACIL: 50-438 Bellefonte Nuclear Plant, Unit 1, Tennessee Valley Au 05000438  
 50-439 Bellefonte Nuclear Plant, Unit 2, Tennessee Valley Au 05000439

AUTH. NAME: AUTHOR AFFILIATION  
 MILLS, L.M. Tennessee Valley Authority  
 RECIP. NAME: RECIPIENT AFFILIATION  
 ADENSAM, E. Licensing Branch 4

SUBJECT: Forwards response to Question 310.13 re dollar estimates in lieu of taxes paid to State of AL due to location of facility & estimates of portion of amounts paid to appropriate govt agencies per 820903 ltr.

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TENNESSEE VALLEY AUTHORITY

CHATTANOOGA, TENNESSEE 37401

400 Chestnut Street Tower II

November 5, 1982

Director of Nuclear Reactor Regulation  
Attention: Ms. E. Adensam, Chief  
Licensing Branch No. 4  
Division of Licensing  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

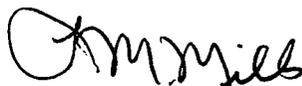
Dear Ms. Adensam:

In the Matter of the Application of ) Docket Nos. 50-438  
Tennessee Valley Authority ) 50-439

In reply to your September 3, 1982 letter to H. G. Parris transmitting questions on the Bellefonte Nuclear Plant, we have the enclosed response to question 310.13.

Very truly yours,

TENNESSEE VALLEY AUTHORITY



L. M. Mills, Manager  
Nuclear Licensing

Enclosure (20)

cc: U.S. Nuclear Regulatory Commission  
Region II  
Attn: Mr. James P. O'Reilly, Regional Administrator  
101 Marietta Street, Suite 3100  
Atlanta, Georgia 30303

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ENCLOSURE

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310.13 Question:

For the first five full years of operation, provide dollar estimates of the in lieu of taxes paid to the State of Alabama due to Bellefonte being located in the State. Based on present Alabama redistribution legislation, provide estimates of the portion of these amounts paid to Scottsboro, Jackson County, and other appropriate county governmental subdivisions (provide year for which the dollars are stated).

Response:

The response to this question is in two parts. One deals with how TVA makes payments to the States in lieu of taxes and the other with how the States redistribute these payments (which varies from State to State). First, TVA makes payments in lieu of taxes to States, including certain direct payments and to counties, based on 5 percent of TVA's gross revenue from the sale of power for the preceding year (excluding sales to Federal agencies). Half of this amount is divided in proportion to the power revenues from each State and the other half is divided in proportion to the book value of TVA power property in each State. The power revenue allocation is not affected by Bellefonte's location but the book value allocation is affected.

Because of the variables which affect the amounts of in-lieu payments which are calculated to be paid and which are allocated under the statutory formula, it is not possible to precisely project future payments. However, during the latter half of the 1980s, payments to Alabama due to Bellefonte's location in the State are expected to be about \$20 million in 1985 and exceed \$30 million by 1990 in current dollars.

The State of Alabama and other States allocate their receipts of in-lieu payments in accordance with their own statutes. At present, the only relevant factor in Alabama's allocation to Jackson County related to Bellefonte's location is the book value of power properties in the county. There is also State legislation which directs the way in which Jackson County then further redistributes to other governmental entities within its boundaries. However, these allocations to Jackson County and within Jackson County are subject to change at the discretion of the State legislature.

Based upon the present State legislative formulas and assuming the above estimates of TVA's in-lieu-of-tax payments, Jackson County general fund, Jackson County

school system, Scottsboro, and Hollywood would receive a total of about \$2 million in 1985 which would increase to about \$3 million in 1990 (current dollars) due to the location of Bellefonte in the county instead of another Alabama county.