



Tennessee Valley Authority, 1101 Market Street, LP 5A, Chattanooga, Tennessee 37402-2801

September 1, 2011

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

Bellefonte Nuclear Plant, Units 1 and 2
Construction Permit Nos. CPPR-122 and CPPR-123
NRC Docket Nos. 50-438 and 50-439

Subject: **TVA BOARD OF DIRECTORS' DECISION APPROVING COMPLETION
OF BELLEFONTE UNIT 1**

- References:
1. Letter from TVA to NRC, "Bellefonte Nuclear Plant (BLN) Project – TVA Board of Directors' Decision Funding the Next Project Phase During Fiscal Year 2011," dated August 30, 2010 [ML102440618].
 2. Letter from TVA to NRC, "Bellefonte Nuclear Plant (BLN) Unit 1 – Request for Extension of Construction Permit CPPR-122," dated October 8, 2010 [ML102870233].
 3. Letter from TVA to NRC, "TVA Board Decision Approving the TVA Integrated Resource Plan," dated April 25, 2011 [ML11124A170].

The purpose of this letter is to inform the Nuclear Regulatory Commission (NRC) of the August 18, 2011 decision by the Tennessee Valley Authority (TVA) Board of Directors to approve the TVA staff's recommendation to complete and operate Bellefonte Nuclear Plant (BLN) Unit 1.

In a letter to the NRC dated August 30, 2010 (Reference 1), TVA informed the NRC of the TVA Board's August 20, 2010 decision to approve a (FY) 2011 budget for initial engineering and design, development of the BLN Regulatory Framework, continued asset preservation and facilities preparation, and procurement of long-lead components. TVA also informed the NRC that the TVA Board stipulated that a later decision could be made regarding eventual construction and completion of BLN Unit 1 based on the forthcoming conclusions of TVA's Integrated Resource Planning (IRP) process in the spring of 2011.

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By letter dated October 8, 2010 (Reference 2), TVA requested the NRC to extend the latest completion date of the BLN Unit 1 construction permit, CPPR-122, to October 1, 2020. This extended completion date is consistent with the scheduled completion date of BLN Unit 1 and would allow TVA sufficient time to complete construction of the unit in a deliberate and careful manner. Therefore, the requested extension is reasonable to ensure the completion of BLN Unit 1.

TVA's letter to the NRC, dated April 25, 2011 (Reference 3), informed the NRC of the Board's April 14, 2011 decision to accept the results of the IRP. According to the analysis contained in the IRP, TVA will need 9,600 MW and 29,000 GWh of additional power in 2019, increasing to 15,500 MW and 45,000 GWh by 2029. The completion and commercial operation of BLN Unit 1 is consistent with and supports the IRP's planning direction to, among other things, add nuclear generation capacity in the 2018 to 2020 timeframe.

Subsequently, on August 18, 2011, the TVA Board approved completion of the licensing, construction, and eventual commercial operation of BLN Unit 1. The details and basis for this decision are contained in the Record of Decision (ROD) regarding the Final Supplemental Environmental Impact Statement, Single Nuclear Unit at the Bellefonte Plant Site, Jackson County, Alabama (FSEIS) as noticed in the Federal Register on August 30, 2011 (76 Fed. Reg. 53994). In this FSEIS, TVA evaluated three generation alternatives and two transmission alternatives. Previous reviews also considered alternatives to nuclear generation, including energy sources not requiring new generating capacity, alternatives requiring new generating capacity, and combinations of alternatives. Alternative sites for additional nuclear generation were also considered. The FSEIS supplemented the discussion of energy alternatives in response to comments received on the Draft SEIS, including additional discussion of renewable energy sources such as biomass, wind, and solar power. The FSEIS identified TVA's preferred alternative as the completion and operation of BLN Unit 1.

As approved, the TVA Board's decision stipulates that resumption of construction activities associated with BLN Unit 1 completion will occur only after the initial loading of fuel at Watts Bar Unit 2. Accordingly, TVA will submit a construction reactivation letter to the NRC for BLN Unit 1 in accordance with the provisions of NRC Generic Letter 87-15, Commission Policy Statement on Deferred Plants, in an appropriate timeframe to support this schedule for resuming construction.

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Enclosure 1 provides a list of TVA commitments made in this letter.

If you have any questions concerning this matter, please call Zackary W. Rad at (256) 574-8265.

Sincerely,

A handwritten signature in black ink, appearing to read "R. A. Hruby, Jr.", written in a cursive style.

Raymond A. Hruby, Jr.
General Manager
Bellefonte Project

Enclosure(s):

1. List of TVA Commitments

cc: See page 4

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Enclosure 1
TVA Letter dated September 1, 2011

List of TVA Commitments

1. TVA will submit a construction reactivation letter to the NRC for BLN Unit 1 in accordance with the provisions of Generic Letter 87-15, Commission Policy Statement on Deferred Plants, in accordance with a schedule that will support the resumption of construction after the initial loading of fuel at Watts Bar Unit 2 has been accomplished.