

July 25, 2013

MEMORANDUM TO: Jessie F. Quichocho, Chief  
Plant Licensing Branch 2-2  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

FROM: Christopher M. Regan, Chief **/RA/**  
Financial Analysis and International Projects Branch  
Division of Inspection and Regional Support  
Office of Nuclear Reactor Regulation

SUBJECT: BROWNS FERRY NUCLEAR PLANT, UNITS 1 , 2 AND 3;  
SEQUOYAH NUCLEAR PLANT, UNITS 1 AND 2, AND WATTS  
BAR NUCLEAR PLANT, UNIT 1 - REQUEST FOR ADDITIONAL  
INFORMATION ON THE 2013 DECOMMISSIONING FUNDING  
STATUS REPORT (TAC NOS. MF1209, MF1210, MF 1211,  
MF1288, MF1290, AND MF1305)

Enclosed is the subject Request for Additional Information for Browns Ferry Nuclear Plant, Units 1, 2, and 3, Sequoyah Nuclear Plan Units 1 and 2, and Watts Bar Nuclear Plant, Unit 1 regarding the 2013 Decommissioning Funding Status report from the Financial Analysis and International Projects Branch. We request that the RAIs be issued within the next 10 days and that the licensee response be due 30 days from issuance.

Docket Nos. 50-259, 50-260, 50-296, 50-327, 50-328 and 50-390

Attachment:  
As stated

CONTACT: Anneliese Simmons, NRR/DIRS  
(301) 415-2791

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OFFICE:	NRR/DIRS/IFIB	NRR/DIRS/IFIB: BC
NAME:	ASimmons	CRegan
DATE:	7/24/2013	7/25/2013

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**REQUEST FOR ADDITIONAL INFORMATION**  
**REGARDING THE 2013 DECOMMISSIONING FUNDING STATUS REPORT**  
**BROWNS FERRY NUCLEAR PLANT, UNITS 1, 2, AND 3**  
**SEQUOYAH NUCLEAR PLANT, UNITS 1 AND 2**  
**WATTS BAR NUCLEAR PLANT, UNIT 1**  
**DOCKET NOS. 50-259, 50-260, AND 50-296**  
**DOCKET NOS. 50-327 AND 50-328**  
**DOCKET NO. 50-390**

On April 1, 2013, (Agencywide Documents Access and Management System Accession No. ML13093A372), Tennessee Valley Authority (TVA) submitted to the U.S. Nuclear Regulatory Commission (NRC) a decommissioning funding status (DFS) report for Browns Ferry Nuclear Plant (BFN), Units 1, 2, and 3, Sequoyah Nuclear Plant, Units 1 and 2, and Watts Bar Nuclear Plant, Unit 1 as required under paragraph (f)(1) of Title 10 of the *Code of Federal Regulations*, Section 50.75 (10 CFR) 50.75(f)(1)). For our further evaluation, we need the following additional information:

**RAI #1 - Citation for real rate of returns (BFN, Units 1, 2 and 3, SQN, Units 1 and 2, and WBN, Unit 1):**

Provide the citation (e.g., an Order by the rate-regulatory authority) by the regulatory entity that allows for the assumptions used regarding rates of escalation in decommissioning costs, rate of earning on decommissioning funds and rates of other factors assumed in your DFS report. In its April 1, 2013, letter, TVA reported the following:

- 4 percent rate of escalation in decommissioning costs, and
- 5 percent real rate of return on decommissioning funds.

As stated in 10 CFR 50.75(f)(1),

The information in this [DFS] report must include, at a minimum the amount of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c); the amount accumulated to the end of the calendar year preceding the date of the report; a schedule of the annual amounts remaining to be collected; the assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections;

**RAI #3 - Amounts accumulated (BFN, Units 1, 2 and 3, SQN, Units 1 and 2, and WBN, Unit 1):**

Provide the after-tax amount of funds accumulated through December 31, 2012.

In its April 1, 2013, letter, TVA did not state if the amount of decommissioning funds accumulated was an after-tax amount.

The provisions of 10 CFR 50.75(f)(1) and (2) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report.

