

TVA Approves Completion Of Bellefonte

In a unanimous vote August 18th, the board of directors of the Tennessee Valley Authority (TVA) voted to finish construction of the Bellefonte nuclear reactor located in northeast Alabama. TVA CEO Tom Kilgore said completing the project is the right move for the utility's 9 million rate payers. It will provide needed electricity to the region without adding to carbon emissions.

In response to comments from about 50 people during the three hour meeting, Kilgore said the board has been fully engaged in understanding safety issues related to the events that took place in Fukushima, Japan, last March. "As we build Bellefonte we will integrate safety modifications from an extensive review of the lessons learned from Fukushima. Making Bellefonte a productive asset, with state of the art equipment, will add to TVA's generating mix."

The construction phase of the project, which will begin after TVA completes the Watts Bar reactor in 2013, will generate about 2,800 jobs and 650 permanent positions. It is expected to enter revenue service by 2020.

In a press conference following the board meeting, John Thomas, TVA's chief financial officer, said that TVA will raise the funds to pay for completing Bellefonte without busting through the utility's debt ceiling. Instead of issuing bonds for the estimated \$4.9 billion in costs, TVA will finance it by leasing two power stations that will be completed by 2013. The first is the Watts Bar-2 reactor and the other is a gas-fired plant.

Thomas said that the way the deal will work is that investors who buy Watts Bar will then lease it back to TVA. Thomas added that the lease-back arrangement will be cheaper for rate payers than having to cover the cost of interest on bonds.