



NEWS RELEASE

Watts Bar Unit 2 Project Focuses on Systems Completion

SPRING CITY, Tenn. — Work on Watts Bar Nuclear Plant's Unit 2 reactor remains on schedule and on budget, and the project team has shifted its focus from large-scale construction to completion and testing of individual plant systems.

The Tennessee Valley Authority on Thursday released its sixth quarterly update on the progress of the Watts Bar 2 project, covering the August-October 2013 period.

"As the team continued to meet safety, quality, cost and schedule targets, we shifted our focus onto completing commodities, like valves and hangers, within specific systems and releasing those systems for testing. This is moving the project toward our major completion milestones," said Mike Skaggs, TVA senior vice president for Watts Bar Operations and Construction.

Specific systems are tied to certain milestones, and the schedule provides a logical sequence for completing and testing those systems.

"Two of those systems were released for pre-operational startup testing ahead of schedule during the quarter," Skaggs said. "More than 35 additional systems are expected to begin startup testing this year, and we are moving toward several key project milestones, starting with open vessel testing."

Open vessel testing involves pumping water through systems that are used when shutting down the reactor. This testing is scheduled to begin in the spring.

In addition to the shift in focus from construction activities, highlights of the sixth quarter included:

- Safety performance remained strong, with workers achieving more than 22.8 million work-hours without a lost-time incident, dating back to March 2010.
- The Quality Control Acceptance Rate remained high, with 97 percent of work presented for inspection meeting quality control requirements.
- Cost and schedule expectations were met.
- No new risks were identified that might compromise project completion.

Since TVA's board of directors approved a revised estimate to complete (ETC) Watts Bar Unit 2 in April 2012, TVA has provided quarterly updates, reviewing the project status and how costs and challenges are being managed.

Estimated completion of Watts Bar 2 is projected between September 2015 and June 2016, with a most likely completion date of December 2015.

The revised ETC included additional funding of \$1.5 billion to \$2 billion; the total cost for completing the unit is expected to be between \$4 billion and \$4.5 billion.

Challenges to the project include completing complex work and required documentation; completing and testing shared systems without impacting Unit 1's safe and reliable operation; addressing regulatory and licensing issues, and successfully transitioning the site into dual-unit operation.

"As TVA pursues a more balanced generation portfolio to meet the needs of the Tennessee Valley, nuclear power becomes increasingly important as a key source of reliable, carbon-free, low-cost energy," Skaggs said. "Watts Bar Unit 2 plays a vital role in these plans, and the entire team is committed to completing the project in a safe manner, on time and within budget."

About 3,300 workers are at the Watts Bar 2 project, which will be TVA's seventh nuclear unit. Watts Bar 2 will add 1,100 megawatts of electricity, providing enough energy for approximately 650,000 homes.

For a copy of the Quarterly Update to the Watts Bar 2 Estimate to Complete, go to http://www.tva.com/power/nuclear/wattsbar_unit2.htm.

The Tennessee Valley Authority is a corporate agency of the United States that provides electricity for business customers and local power distributors serving 9 million people in parts of seven southeastern states. TVA receives no taxpayer funding, deriving virtually all of its revenues from sales of electricity. In addition to operating and investing its revenues in its electric system, TVA provides flood control, navigation and land management for the Tennessee River system and assists local power companies and state and local governments with economic development and job creation.

#

Media Contact: Jim Hopson, Chattanooga, 423-751-8008
TVA Public Relations, Knoxville, 865-632-6000
www.tva.com/news
Follow TVA news on [Facebook](#) and [Twitter](#)

(Distributed: Jan. 16, 2014)