

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
315 COURTLAND STREET, N.E.
ATLANTA, GEORGIA 10365

4APT-AEB

JUN , 5 1995

Mr. John W. Walton, P.E.
Director
Division of Air Pollution Control
Tennessee Department of Conservation
L & C Annex Ninth Floor
401 Church Street
Nashville, Tennessee 37243-1531

SUBJ: Watts Bar Nuclear Plant Title V Applicability

Dear Mr. Walton:

We have reviewed the letter dated May 10, 1995, which was submitted by the Tennessee Valley Authority (TVA) to Mr. Tupill Reddy of your office. The letter was forwarded to the Environmental Protection Agency (EPA) Region 4 on May 19 1995. As stated in the letter, TVA wishes to exclude its Watts Bar Nuclear Plant (WBN), which is located next to the Watts Bar Fossil Plant (WBF) , from the Title V permitting requirements and believes that the two facilities should be considered separately for Title V applicability purposes, Although the WBF has not been operated for a number of years, TVA has maintained a State air permit for the plant and may decide to operate it in the future. Based on our review, EPA Region 4 believes that the two facilities should be considered together (as one source) for Title V applicability purposes, Our determination is based on the following issues.

1. The two facilities, WBN and WBF, both belong in the same SIC industrial grouping for (4911) the primary activity of generating electric power for sale. As stated in the Federal Register Vol. 45, No. 154, August 7, 1980, the use of two-digit categories are considered narrow enough to separate sets of activities into "common sense groupings" yet broad enough to minimize the likelihood of artificially dividing a set of activities that do constitute a "plant" into more than one group. Also, as stated in the Federal Register Vol. 56, No, 91 May 10, 1991, ". . . the EPA believes that aggregating sources by SIC code at the source site to determine whether a source would be major is the approach intended by Congress." Therefore, we disagree with TVA's belief that the treatment of WBN and WBF as one source would not approximate a common sense grouping. The two TVA facilities are in the same four-digit SIC category, as well as the same two digit major category, and have the same primary activity.

2. The WBN and WBF should be considered located on contiguous and adjacent properties, since they share a common boundary in some segments. Also Since the two facilities are involved in the same primary activity, there may be instances in the future when the decision to resume operation of the WBN may be dictated by the reduced operation of the WBN. Therefore, the operation of the two facilities may not always be considered to be independent of each other, as inferred by TVA's letter.

- 3 . As stated in TVA's letter, the two facilities, WBN and WBF, are controlled and operated by separate operating groups. However, as stated in 40 CFR Part 70, a major source may constitute any group of sources which are under common control of the same person (or persons who are under common control). Since the directors of the two groups which operate the WBN and MBF are under control of the same person at TVA, the criteria of the major source definition is met.

If you have any questions regarding the information provided in this letter, please contact Keith Goff of my staff at (404)347-2904.

Sincerely yours,

Jewell A. Harper
Chief
Air Enforcement Branch
Air, Pesticides, and Toxics
Management Division