

March 15, 2002

Mr. Mike Bellamy
Site Vice President
Entergy Nuclear Generation Company
Pilgrim Nuclear Power Station
600 Rocky Hill Road
Plymouth, MA 02360

SUBJECT: ORDER APPROVING THE TRANSFER OF OPERATING AUTHORITY UNDER FACILITY OPERATING LICENSE AND TRANSFER OF MATERIALS LICENSE FOR PILGRIM NUCLEAR POWER STATION FROM ENTERGY NUCLEAR GENERATION COMPANY TO ENTERGY NUCLEAR OPERATIONS, INCORPORATED (TAC NO. MB2843)

Dear Mr. Bellamy:

The staff has completed its review of your application dated August 24, 2001, as supplemented December 20, 2001, and February 15, 2002, requesting approval of the transfer of operating authority under Facility Operating License No. DPR-35 and Materials License No. 20-07626-04, held by Entergy Nuclear Generation Company for the Pilgrim Nuclear Power Station, to Entergy Nuclear Operations, Incorporated, and approval of conforming amendments. The enclosed Order approves the proposed transfer, pursuant to 10 CFR 30.34, 40.41, 50.80, and 70.32, subject to the conditions described therein. The Order also approves conforming license amendments, pursuant to 10 CFR 30.38, 40.44, 50.90, and 70.34, which will be issued and made effective at the time the transfer is completed.

This Order is being forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Robert D. Starkey, Project Manager, Section 2
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-293

Enclosures: 1. Order
2. Conforming Amendments
3. Safety Evaluation

cc w/encls: See next page

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Site Vice President
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cc w/encls: See next page

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Pilgrim Nuclear Power Station

cc:

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	Docket No. 50-293
)	Docket No. 030-34378
ENTERGY NUCLEAR GENERATION COMPANY)	
(Pilgrim Nuclear Power Station))	License No. DPR-35
)	License No. 20-07626-04

ORDER APPROVING TRANSFER OF OPERATING AUTHORITY
AND CONFORMING AMENDMENTS

I.

Entergy Nuclear Generation Company (ENGEC or the licensee) is the holder of Facility Operating License No. DPR-35, which authorizes ENGEC to possess, use, and operate the Pilgrim Nuclear Power Station (Pilgrim Station or the facility). ENGEC is also the holder of Materials License No. 20-07626-04, which authorizes ENGEC to possess, use, and transport certain materials in the form of contamination on reactor components. The facility is located in Plymouth County, Massachusetts.

II.

By application dated August 24, 2001, the Commission was informed that ENGEC proposes to enter into an Operating Agreement with Entergy Nuclear Operations, Incorporated (ENO), and transfer operating authority to ENO. The application was supplemented by submittals dated December 20, 2001, and February 15, 2002. ENO is a direct wholly owned subsidiary of Entergy Nuclear Holding Company #2 and an indirect wholly owned subsidiary of Entergy Corporation. Under the proposed transaction, ENO will be designated as a new facility

licensee exclusively authorized to operate and maintain Pilgrim Station in accordance with the terms and conditions of the facility operating license. The transaction involves no change in ENGEC's ownership of the facility. The licensee requested approval of the proposed transfer of operating authority under the Pilgrim Station facility operating license and transfer of the materials license to ENO. The licensee also requested conforming amendments to reflect the transfer. The proposed amendments would essentially add ENO to the licenses and make other administrative changes to reflect that ENO is authorized to operate Pilgrim Station.

No physical changes to Pilgrim Station were proposed in the application. In addition, ENGEC's entitlement to capacity and energy from Pilgrim Station will not be affected by the transfer of operating authority.

Approval of the transfer of operating authority under the operating license and the conforming license amendments was requested by ENGEC pursuant to 10 CFR 50.80 and 10 CFR 50.90. The applicable provisions of the regulations governing the transfer and amendment of the materials license are 10 CFR 30.34, 30.38, 40.41, 40.44, 70.32, and 70.34. Notice of the application for approval and an opportunity for a hearing was published in the *Federal Register* on October 4, 2001 (66 FR 50694). No hearing requests or written comments were received.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Under 10 CFR 30.34, 40.41, and 70.32, no byproduct, source, or special nuclear material license shall be transferred in violation of the provisions of the Atomic Energy Act of 1954, as amended, which require, *inter alia*, Commission consent. After reviewing the information in the application by ENGEC and other information before the Commission, and relying upon the representations and agreements contained in the application, the NRC staff has determined that ENO is qualified to hold the operating authority under the facility operating

license and to hold the materials license, and that the transfer of the operating authority under the facility operating license and the transfer of the materials license to ENO is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed license amendments complies with the standards and requirements of the Atomic Energy Act of 1954 (the Act), as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter 1; the facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendments can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendments will not be inimical to the common defense and security or the health and safety of the public; and the issuance of the proposed amendments will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied. The foregoing findings are supported by a safety evaluation dated March 15, 2002.

III.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2201(b), 2201(i), and 2234, and 10 CFR 30.34, 40.41, 50.80, and 70.32, IT IS HEREBY ORDERED that the transfer of the licenses, as described herein, to ENO is approved, subject to the following conditions:

- (1) ENO shall, prior to completion of the transfer of operating authority for Pilgrim Station, provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that ENO has obtained the appropriate

amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

- (2) After receipt of all required regulatory approvals of the transfer of operating authority to ENO, ENGC and ENO shall inform the Director of the Office of Nuclear Reactor Regulation in writing of such receipt within 5 business days and of the date of the closing of the transfer no later than 7 business days prior to the date of closing. If the transfer is not completed by March 30, 2003, this Order shall become null and void, provided, however, upon written application and for good cause shown, such date may in writing be extended.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), license amendments that make changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the licenses to reflect the subject transfers are approved. The amendments shall be issued and made effective at the time the proposed transfers are completed.

This Order is effective upon issuance.

For further details with respect to this action, see the initial application dated August 24, 2001, supplements dated December 20, 2001, and February 15, 2002, and the safety evaluation dated March 15, 2002, which are available for public inspection at the Commission's Public Document Room, at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible from the Agencywide Documents Access and Management Systems (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site <http://www.nrc.gov/reading-rm/adams.html>.

Dated at Rockville, Maryland, this 15th day of March 2002.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

ENTERGY NUCLEAR GENERATION COMPANY

DOCKET NO. 50-293

PILGRIM NUCLEAR POWER STATION

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.
License No. DPR-35

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by the Entergy Nuclear Generation Company (the licensee) dated August 24, 2001, as supplemented December 20, 2001, and February 15, 2002, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations as set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is amended as indicated in the attachment to this license amendment.
3. This license amendment is effective as of the date of issuance and shall be implemented within 30 days.

FOR THE NUCLEAR REGULATORY COMMISSION

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Attachment: Changes to the Facility Operating
License and Technical Specifications

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO. _____

FACILITY OPERATING LICENSE NO. DPR-35

DOCKET NO. 50-293

Replace the following pages of Facility Operating License No. DPR-35 and the Appendix A Technical Specifications with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Remove

License pages 1 through 4
Appendix A cover page
Appendix B page 1

Insert

License pages 1 through 4
Appendix A cover page
Appendix B page 1

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

PROPOSED TRANSFER OF OPERATING AUTHORITY FOR

PILGRIM NUCLEAR POWER STATION

FROM ENTERGY NUCLEAR GENERATION COMPANY TO

ENTERGY NUCLEAR OPERATIONS, INC.

DOCKET NOS. 50-293 AND 030-34378

1.0 INTRODUCTION

By application dated August 24, 2001, as supplemented December 20, 2001 and February 15, 2002, Entergy Nuclear Generation Company (ENGCO/the licensee), the current owner and licensed operator of Pilgrim Nuclear Power Station (Pilgrim Station) acting for itself and on behalf of Entergy Nuclear Operations, Inc. (ENO), requested the Nuclear Regulatory Commission's (NRC's) consent to the transfer of operating authority under Facility Operating License No. DPR-35 and Materials License No. 20-07626-04 for Pilgrim Nuclear Power Station (Pilgrim Station) from ENGCO to ENO.

The application also requested conforming amendments to Facility Operating License No. DPR-35 and Materials License No. 20-07626-04. Specifically, the changes are to designate ENO as the licensee authorized to operate Pilgrim Station and use related licensed nuclear materials in accordance with the same conditions and authorizations included in the current facility operating and materials licenses. The supplements to the initial application, which were received after publication of the *Federal Register* notice of the transfer and amendment requests, did not expand the application beyond the scope of the notice.

ENGCO and ENO are wholly owned, indirect subsidiaries of Entergy Corporation (Entergy). ENO is also a direct wholly owned subsidiary of Entergy Nuclear Holding Company #2. Sole ownership of Pilgrim Station will be retained by ENGCO and will not be affected by the proposed transfer of operating authority to ENO. ENGCO will enter into an Operating Agreement with ENO as a result of which ENO will operate and maintain Pilgrim Station as the agent of ENGCO.

The purpose of transferring the operating authority for Pilgrim Station to ENO is to consolidate the operating authority for Entergy's nuclear facilities into a single operating company dedicated to the safe and efficient operation of the nuclear plants.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Such action is contingent upon the Commission's determination that the transferee is qualified to hold the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders of the Commission. Under 10 CFR 30.34, 40.41, and 70.32, licenses issued under those respective parts of the Commission's regulations

shall not be transferred in violation of, or unless in accordance with, the Atomic Energy Act, which requires prior NRC consent. The Commission's regulations at 10 CFR 30.38, 40.44, 50.90, and 70.34 address the issuance of conforming license amendments.

2.0 TECHNICAL QUALIFICATIONS

2.1 Basis and Guidance for the Evaluation

The staff used the following regulations and guidance during the technical qualification evaluation: 10 CFR 50.40(b), "Common Standards," Chapter 13, "Conduct of Operations," of the Standard Review Plan (SRP) NUREG-0800, Section 13.1.1, "Management and Technical Support Organization," SRP, Sections 13.1.2-13.1.3, "Operating Organization," and American National Standards Institute (ANSI) N18.1-1971, "Selection and Training of Nuclear Power Plant Personnel."

2.2 Purpose of the Evaluation

The purpose of this evaluation is to ensure that the corporate management of the proposed transferee is involved with, informed of, and dedicated to the safe operation of the plant and that sufficient, qualified technical resources will be provided to support safe plant operation and maintenance; and to evaluate proposed changes to the operating organization that may occur as a result of the license transfer.

2.3 Management and Technical Support Organizations

The staff reviewed the ENGSC submittals to determine the acceptability of the proposed corporate management and technical support organization. The staff evaluated the ENGSC submittals using the applicable acceptance criteria contained in the SRP, Section 13.1.1, "Management and Technical Support Organization."

In its August 24, 2001, application, the licensee stated:

The technical qualifications of ENO to carry out its responsibilities under the Pilgrim Station operating license will be equivalent to the present technical qualifications of ENGSC....The corporate reporting relationship of the Pilgrim Station Site Vice President will also be unaffected by the transfer. The Site Vice President, who is an officer of both ENGSC and ENO, currently reports to the Chief Operating Officer (COO) of ENGSC, Michael R. Kansler. Mr. Kansler also serves as the COO of ENO. After the transfer, the Site Vice President will continue to report to Mr. Kansler in his capacity as COO of ENO. Similarly, Mr. Kansler reports to the President and Chief Executive Officer (CEO) of ENGSC, Jerry W. Yelverton. Mr. Yelverton is the Chief Nuclear Officer of all nuclear power plants owned or operated by Entergy. Mr. Yelverton is also President and CEO of ENO, and Mr. Kansler, as COO of ENO, reports to Mr. Yelverton. These reporting relationships are not being changed as a result of the transfer.
(Enclosure 1, page 3)

In its February 15, 2002, supplement, the licensee provided a copy of the proposed corporate organization after the license transfer depicting lines of communication and authority.

Based on the applicant's submittals, the applicant has shown and described ENO's organization for managing and its means for providing technical support to the plant staff. ENO's management and technical support qualifications will be essentially equivalent to the current qualifications of the ENG C management and technical support organization, regarding which the staff is aware of no deficiencies. Accordingly, the staff concludes that the proposed ENO organization for managing and its means of providing technical support for the continued operation of Pilgrim Station under both normal and off-normal conditions are in accordance with the SRP, Section 13.1.1, "Management and Technical Organization."

2.4 Operating Organization

The staff reviewed ENG C's submittal to determine the acceptability of the ENO operating organization and to evaluate changes to the operating organization proposed as a result of the license transfer. The initial operating organization was determined to be acceptable by the initial licensing review. Subsequent safety-related changes to the operating organization were required to have been evaluated with an appropriate methodology, and the staff is not aware of any deficiencies with the current operating organization. Consequently, the staff's review focused on evaluating any changes to the current operating organization proposed as a result of the transfer. The staff evaluated the ENG C submittal using the applicable acceptance criteria contained in the SRP, Sections 13.1.2-13.1.3, "Operating Organization."

In its August 24, 2001, application, the licensee made the following statements:

Concurrent with the transfer of operating authority to ENO, all ENG C personnel will become ENO employees.¹ The existing site organizational structure and reporting relationships will be unchanged by the transfer of operating authority. Therefore, the technical qualifications of ENO with respect to the operation of Pilgrim Station will be equivalent to those of ENG C. (Cover letter, page 2)

The transfer of employees from ENG C to ENO will be merely an administrative change and will not disrupt the operations of Pilgrim Station. The transfer will not result in a change to the existing reporting relationships or the plant organizational structure. (Enclosure 1, page 3)

The existing site organizational structure and reporting relationships will be unchanged by the transfer of operating authority. Therefore, the technical qualifications of ENO with respect to the operation of Pilgrim Station will be equivalent to those of ENG C. (Cover letter, page 2)

In sum, according to the above, the proposed transfer of licensed operating authority will not change the current operating organization or qualifications of personnel responsible for the operation and maintenance of Pilgrim Station. Therefore, the staff concludes that ENO's onsite organization that will operate and maintain Pilgrim Station will be acceptable, in accordance

¹By submittal dated February 15, 2002, the NRC was informed that some non-supervisory employees have already become ENO employees, consistent with a November 15, 2001, submittal, but that action did not affect the overall transfer proposal.

with the SRP, Sections 13.1.2-13.1.3, "Operating Organization."

2.5 Conclusion Regarding Technical Qualifications

In consideration of the above, the staff finds that ENO will be technically qualified to hold the operating authority under Facility Operating License No. DPR-35.

3.0 FINANCIAL QUALIFICATIONS ANALYSIS

The application states that the ownership of Pilgrim Station will not change as a result of the proposed transfer of operating authority to ENO. The application represents that under the Operating Agreement included as part of the application, ENGEC will continue to provide all funds to ENO for the safe operation and maintenance of Pilgrim Station, including the funds necessary to ensure the ability of ENO to comply with the facility operating license, technical specifications, materials license, and commitments to the NRC. ENGEC will continue to be responsible for all financial protection as required by 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," and site insurance coverage as required by 10 CFR 50.54(w), "Conditions of Licenses."

The NRC's regulations at 10 CFR 50.33(f) require, except for an electric utility applicant, "information sufficient to demonstrate" an applicant's financial qualifications "to carry out...the activities for which the permit or license is sought." In *Northern States Power Co.* (Monticello Nuclear Generating Plant, et al.), CLI-00-14, 52 NRC 37, 48-51 (2000), the Commission clarified that the detailed requirements of 10 CFR 50.33(f)(2) and (f)(3) were not applicable to a proposed nonowner operator licensee when the proposed operator was not seeking to engage in any funding activity and the application contained information sufficient to demonstrate that full financial responsibility for funding the safe operation, maintenance, and decommissioning of the plant had been contractually assumed by the nonoperator owner licensee that was an electric utility as defined in 10 CFR 50.2.

Here, ENGEC does not qualify as an electric utility under 10 CFR 50.2. Although ENGEC was found by the NRC staff to be financially qualified under 10 CFR 50.33(f) as a non-electric utility during the transfer of the Pilgrim Station license to ENGEC from Boston Edison Company, approved by an Order issued April 29, 1999, and the proposed transfer of operating authority will not change or adversely impact the financial qualifications of ENGEC, according to the application, the staff requested that current information be provided under 10 CFR 50.33(f)(2), given ENGEC's non-electric utility status may render the *Northern States* decision distinguishable. The staff did not request information under section 50.33(f)(3) since ENO has been in existence as a licensee for other plants, and thus is not considered by the staff to be a "newly formed entity."

By the submittal dated February 15, 2002, ENGEC submitted estimates for the total annual operating costs for each of the first five years of operation of the facility following the proposed transfer of operating authority to ENO, as well as an indication of the source of the funds to cover these costs. The staff's analysis of the data supplied for the 5-year projection indicates that ENGEC and, in turn, ENO have reasonable assurance of obtaining the funds necessary to cover estimated operation costs for the period of the license. This conclusion took into consideration, as appropriate, the staff's April 29, 1999, safety evaluation supporting the transfer of the Pilgrim station license from Boston Edison Company to ENGEC, in addition to the

current or updated information submitted.

In consideration of the above, the NRC staff finds that ENO is financially qualified to hold the operating authority under the Pilgrim Station license.

4.0 DECOMMISSIONING FUNDING ASSURANCE

The NRC has determined that the requirements to provide assurance of decommissioning funding and provision of an adequate amount of decommissioning funding are necessary to ensure the adequate protection of public health and safety. The Commission's regulations at 10 CFR 50.33(k), "Contents of Applications; General Information," require information showing "reasonable assurance...that funds will be available to decommission the facility."

The decommissioning funds for Pilgrim Station are held in a Master Decommissioning Trust and a Provisional Trust. The trusts were established when Pilgrim Station was sold to ENGCO by Boston Edison Company. The 2001 Decommissioning Funding Status Report for Pilgrim Station showed a balance of \$294 million in the Master Decommissioning Trust as of December 31, 2000. Applying a 2 percent real rate of return to these funds results in an amount that would meet the NRC minimum at the time of license expiration.

Under the terms of the operating agreement, all costs associated with the operation, decontamination, decommissioning, and any related taxes for Pilgrim Station will continue to be borne by ENGCO. The proposed change in the licensed operator of Pilgrim Station will not alter the obligations of ENGCO to fund the decommissioning of Pilgrim Station. The costs of decommissioning will continue to be funded by the mechanisms that ENGCO has already established in accordance with 10 CFR 50.75. Therefore, the NRC staff finds that the transfer will not result in a change in decommissioning funding for Pilgrim Station.

5.0 INSURANCE

The provisions of the Price-Anderson Act (Section 170 of the Atomic Energy Act) and the Commission's regulations at 10 CFR Part 140 require that ENO be added to the current indemnity agreement. Under these provisions, ENO will also be required to be added as a named insured on the applicable nuclear liability insurance policies and participate in the secondary retrospective insurance pool. ENO will also be required to maintain property insurance as specified in 10 CFR 50.54(w), which requirement can be satisfied by ENO being added to the property insurance policy. The staff does not have any reason to believe that ENO will be unable to meet the statutory and regulatory insurance requirements applicable to all power reactor licensees.

Consistent with NRC practice, the staff will require ENO to provide satisfactory documentary evidence that ENO has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations, prior to the issuance of the amended Part 50 license reflecting ENO as a licensee. Since issuance of the amended license is directly tied to the consummation of the proposed transfer, the order approving the transfer will contain the following condition:

ENO shall, prior to completion of the transfer of operating authority for Pilgrim Station, provide the Director of the Office of Nuclear Reactor Regulation satisfactory

documentary evidence that ENO has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

6.0 ANTITRUST REVIEW

The Atomic Energy Act does not require or authorize antitrust reviews of post-operating license transfer applications. *Kansas Gas and Electric Co., et al.* (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441 (1999). Therefore, since the transfer application postdates the issuance of the Pilgrim Station operating license, no antitrust review is required or authorized.

7.0 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

The application states that ENO is a Delaware corporation that has its principal place of business in White Plains, New York. ENO is a direct wholly owned subsidiary of Entergy Nuclear Holding Company #2 and an indirect wholly owned subsidiary of Entergy Corporation.

The application gives the names of the directors and principal officers of ENO and represents that all are citizens of the United States.

The application states that ENO is not owned, controlled, or dominated by an alien or foreign corporation or foreign government. The NRC staff does not know or have reason to believe otherwise.

8.0 CONCLUSIONS REGARDING TRANSFER OF OPERATING AUTHORITY UNDER FACILITY OPERATING LICENSE NO. DPR-35

In view of the foregoing, the NRC staff concludes that ENO is qualified to hold the operating authority under the Part 50 license as described herein, and the transfer of the operating authority is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission.

9.0 CONCLUSIONS REGARDING TRANSFER OF MATERIALS LICENSE NO. 20-07626-04

The application requested approval of the transfer of Materials License No. 20-07626-04 to ENO. The request was evaluated in light of NRC Information Notice No. 89-25, Revision 1 "Unauthorized Transfer of Ownership or Control of Licensed Activities," which attaches a listing of information that should be considered. Based on the above evaluation of technical qualifications of ENO and the information provided by the applicant, the NRC staff concludes that the transfer of the Materials License No. 20-07626-04 to ENO is in accordance with the provisions of the Atomic Energy Act.

10.0 CONFORMING AMENDMENTS

10.1 Introduction

As stated previously, ENGEC requested approval of proposed conforming amendments to Facility Operating License No. DPR-35 and Materials License No. 20-07626-04 for Pilgrim Station. The requested changes add ENO to the licenses or replace references in the licenses

to ENGC with references to ENO to reflect the proposed transfer of operating authority. The supplements to the initial application, which were received after publication of the *Federal Register* notice of the transfer and amendment requests, did not affect the applicability of the Commission's generic no significant hazards consideration determination set forth in 10 CFR 2.1315.

10.2 Discussion

The changes to be made to the licenses are indicated in the conforming amendments in Enclosure 2 to the cover letter forwarding the NRC staff's order regarding the subject transfer. The changes do no more than accurately reflect the approved transfer action. The amendments involve no safety questions and are administrative in nature. Accordingly, the proposed amendments are acceptable.

10.3 State Consultation

In accordance with the Commission's regulations, the Massachusetts State official was notified of the proposed issuance of the amendments. The State official had no comments.

10.4 Conclusion With Respect to the Conforming Amendments

The Commission has concluded, based on the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendments will not be inimical to the common defense and security or to the health and safety of the public.

11.0 ENVIRONMENTAL CONSIDERATION

The subject application is for approval of a transfer of licenses issued by the NRC and approval of conforming amendments. Accordingly, the actions involved meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with approval of the application.

Principal Contributors: T. Bilik
R. Pelton

Date: March 15, 2002