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**John T. Herron**  
Senior Vice President and  
Chief Operating Officer

March 29, 2007  
ENOC-07-00007

U. S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555

**SUBJECT:** Entergy Nuclear Operations, Inc.  
Indian Point Nuclear Generating Stations 1, 2 and 3  
Docket Nos. 50-3, 50-247 and 50-286  
Vermont Yankee Nuclear Power Station  
Docket No. 50-271  
Pilgrim Nuclear Power Station  
Docket No. 50-293  
James A. FitzPatrick Nuclear Power Plant  
Docket No. 50-333  
**Status of Decommissioning Funding for  
Plants Operated by Entergy Nuclear Operations, Inc.  
For Year Ending December 31, 2006 – 10 CFR 50.75(f)(1)**

**References:**

1. NUREG-1307, "Report on Waste Burial Charges," Revision 12, dated February 2007.
2. NRC Regulatory Issue Summary 2001-07, "10 CFR 50.75(f)(1) Reports on the Status of Decommissioning Funds (Due March 31, 2001)."

Dear Sir or Madam:

10 CFR 50.75(f)(1) requires each power reactor licensee to report to the NRC by March 31, 1999, and every two years thereafter, on the status of its decommissioning funding for each reactor, or share of a reactor, that it owns. On behalf of Entergy Nuclear Indian Point 2 LLC, Entergy Nuclear Indian Point 3 LLC, Entergy Nuclear Vermont Yankee LLC, Entergy Nuclear Generation Company (Pilgrim Station), and Entergy Nuclear FitzPatrick LLC, Entergy Nuclear Operations, Inc. hereby submits the information requested for power reactors operated by Entergy Nuclear Operations, Inc.

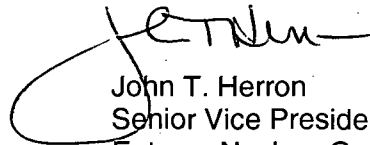
The estimated minimum decommissioning fund values were determined using the NRC's methodology in NUREG-1307 (Reference 1).

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A001

The information provided in Attachment 1 is based on NRC Regulatory Issue Summary 2001-07 (Reference 2).

There are no new commitments made in this letter. If you have any questions, please contact Ms. Charlene Faison at 914-272-3378.

Very truly yours,



John T. Herron  
Senior Vice President  
Entergy Nuclear Operations

Attachments:

1. Status of Decommissioning Funding for Plants Operated by Entergy Nuclear Operations, Inc. (Indian Point 1, Indian Point 2, Indian Point 3, Vermont Yankee, Pilgrim, and FitzPatrick) for Year Ending December 31, 2006 – 10 CFR 50.75(f)(1) - (7 sheets)

cc: Next page.

cc: all w/attachments

USNRC Regional Administrator, Region I  
USNRC Project Manager, Indian Point 1  
USNRC Project Manager, Indian Point 2  
USNRC Project Manager, Indian Point 3  
USNRC Project Manager, FitzPatrick  
USNRC Project Manager, Vermont Yankee  
USNRC Project Manager, Pilgrim  
USNRC Resident Inspector, Indian Point 2  
USNRC Resident Inspector, Indian Point 3  
USNRC Resident Inspector, FitzPatrick  
USNRC Resident Inspector, Vermont Yankee  
USNRC Resident Inspector, Pilgrim

Mr. David O'Brien, Commissioner  
Department of Public Service  
120 State Street – Drawer 20  
Montpelier, VT 05602

Mr. Paul Eddy  
NYS Department of Public Service  
3 Empire State Plaza  
Albany, NY 12223

Ms. Victoria J. Brown, Esq.  
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150 S. Champlain Street  
P.O. Box 1489  
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**Status of Decommissioning Funding for Plants Operated by Entergy  
Nuclear Operations, Inc. (Indian Point 1, Indian Point 2, Indian Point 3,  
Vermont Yankee, Pilgrim, and FitzPatrick)  
for Year Ending December 31, 2006 – 10 CFR 50.75(f)(1)**

Plant Name: **Indian Point Nuclear Generating Unit No. 1**

- |    |   |   |
|----|---|---|
| 1. | Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c).  | \$ 308.44million <sup>[1]</sup>                 |
|    | Decommissioning cost estimate escalated at 3.0% per year to the midpoint of decommissioning (December 2016).  | \$ 414.52 million                               |
| 2. | Amount accumulated to the end of the calendar year preceding the date of the report (December 31, 2006).  | \$ 254.24 million <sup>[2]</sup>                |
|    | Fund balance with 5.0% annual growth to the midpoint of decommissioning (December 2016).  | \$ 414.13 million                               |
| 3. | A schedule of the annual amounts remaining to be collected.   | None.   |
| 4. | Assumptions used in determining rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections. | Escalation rate: 3.0%<br>Rate of earnings: 5.0% |
| 5. | Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v).   | None.   |
| 6. | Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report.  | None.   |
| 7. | Any material changes to trust agreements.   | None.   |

**Status of Decommissioning Funding for Plants Operated by Entergy  
Nuclear Operations, Inc. (Indian Point 1, Indian Point 2, Indian Point 3,  
Vermont Yankee, Pilgrim, and FitzPatrick)  
for Year Ending December 31, 2006 – 10 CFR 50.75(f)(1)**

Plant Name: **Indian Point Nuclear Generating Unit No. 2**

- |    |   |   |
|----|---|---|
| 1. | Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c).  | \$ 372.40 million                               |
|    | Decommissioning cost estimate escalated at 3.0% per year to the midpoint of decommissioning (December 2016).  | \$ 500.47 million                               |
| 2. | Amount accumulated to the end of the calendar year preceding the date of the report (December 31, 2006).  | \$ 303.01 million <sup>[2]</sup>                |
|    | Fund balance with 5.0% annual growth to the midpoint of decommissioning (December 2016).  | \$ 493.57 million                               |
| 3. | A schedule of the annual amounts remaining to be collected.   | None.   |
| 4. | Assumptions used in determining rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections. | Escalation rate: 3.0%<br>Rate of earnings: 5.0% |
| 5. | Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v).   | None.   |
| 6. | Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report.  | None.   |
| 7. | Any material changes to trust agreements.   | None.   |

**Status of Decommissioning Funding for Plants Operated by Entergy  
Nuclear Operations, Inc. (Indian Point 1, Indian Point 2, Indian Point 3,  
Vermont Yankee, Pilgrim, and FitzPatrick)  
for Year Ending December 31, 2006 – 10 CFR 50.75(f)(1)**

Plant Name: **Indian Point Nuclear Generating Unit No. 3**

- |    |   |   |
|----|---|---|
| 1. | Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c).  | \$ 367.69 million                               |
|    | Decommissioning cost estimate escalated at 3.0% per year to the midpoint of decommissioning (December 2018).  | \$ 524.24 million                               |
| 2. | Amount accumulated to the end of the calendar year preceding the date of the report (December 31, 2006).  | \$ 441.30 million                               |
|    | Fund balance with 5.0% annual growth to the midpoint of decommissioning (December 2018).  | \$ 792.51 million                               |
| 3. | A schedule of the annual amounts remaining to be collected.   | None.   |
| 4. | Assumptions used in determining rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections. | Escalation rate: 3.0%<br>Rate of earnings: 5.0% |
| 5. | Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v).   | None.   |
| 6. | Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report.  | None.   |
| 7. | Any material changes to trust agreements.   | None.   |

**Status of Decommissioning Funding for Plants Operated by Entergy  
Nuclear Operations, Inc. (Indian Point 1, Indian Point 2, Indian Point 3,  
Vermont Yankee, Pilgrim, and FitzPatrick)  
for Year Ending December 31, 2006 – 10 CFR 50.75(f)(1)**

Plant Name: **Vermont Yankee Nuclear Power Station**

- |    |   |   |
|----|---|---|
| 1. | Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c).  | \$ 478.17 million                               |
|    | Decommissioning cost estimate escalated at 3.0% per year to the midpoint of decommissioning (December 2015).  | \$ 623.90 million                               |
| 2. | Amount accumulated to the end of the calendar year preceding the date of the report (December 31, 2006).  | \$ 416.54 million                               |
|    | Fund balance with 5.0% annual growth to the midpoint of decommissioning (December 2015).  | \$ 646.19 million                               |
| 3. | A schedule of the annual amounts remaining to be collected.   | None.   |
| 4. | Assumptions used in determining rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections. | Escalation rate: 3.0%<br>Rate of earnings: 5.0% |
| 5. | Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v).   | None.   |
| 6. | Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report.  | None.   |
| 7. | Any material changes to trust agreements.   | None.   |

**Status of Decommissioning Funding for Plants Operated by Entergy  
Nuclear Operations, Inc. (Indian Point 1, Indian Point 2, Indian Point 3,  
Vermont Yankee, Pilgrim, and FitzPatrick)  
for Year Ending December 31, 2006 – 10 CFR 50.75(f)(1)**

Plant Name: **Pilgrim Nuclear Power Station**

- |    |   |   |
|----|---|---|
| 1. | Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c).  | \$ 482.28 million   |
|    | Decommissioning cost estimate escalated at 3.0% per year to the midpoint of decommissioning (December 2015).  | \$ 629.27 million   |
| 2. | Amount accumulated to the end of the calendar year preceding the date of the report (December 31, 2006).  | \$ 582.63 million   |
|    | Fund balance with 5.0% annual growth to the midpoint of decommissioning (December 2015).  | \$ 903.85 million   |
| 3. | A schedule of the annual amounts remaining to be collected.   | None.   |
| 4. | Assumptions used in determining rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections. | Escalation rate: 3.0%<br>Rate of earnings: 5.0%   |
| 5. | Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v).   | None.   |
| 6. | Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report.  | None.   |
| 7. | Any material changes to trust agreements.   | Effective December 16, 2005 the Entergy Nuclear Generation Company Master Decommissioning Trust Agreement for the Pilgrim Nuclear Power Station was amended to reflect the changing of the Entergy Nuclear Generation Company from a Delaware corporation to a Massachusetts corporation. |



**Status of Decommissioning Funding for Plants Operated by Entergy  
Nuclear Operations, Inc. (Indian Point 1, Indian Point 2, Indian Point 3,  
Vermont Yankee, Pilgrim, and FitzPatrick)  
for Year Ending December 31, 2006 – 10 CFR 50.75(f)(1)**

Plant Name: **James A. Fitzpatrick Nuclear Power Plant**

- |    |   |   |
|----|---|---|
| 1. | Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c).  | \$ 500.32 million                               |
|    | Decommissioning cost estimate escalated at 3.0% per year to the midpoint of decommissioning (December 2017).  | \$ 692.56 million                               |
| 2. | Amount accumulated to the end of the calendar year preceding the date of the report (December 31, 2006).  | \$ 481.50 million                               |
|    | Fund balance with 5.0% annual growth to the midpoint of decommissioning (December 2017).  | \$ 823.53 million                               |
| 3. | A schedule of the annual amounts remaining to be collected.   | None.   |
| 4. | Assumptions used in determining rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections. | Escalation rate: 3.0%<br>Rate of earnings: 5.0% |
| 5. | Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v).   | None.   |
| 6. | Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report.  | None.   |
| 7. | Any material changes to trust agreements.   | None.   |

**Status of Decommissioning Funding for Plants Operated by Entergy  
Nuclear Operations, Inc. (Indian Point 1, Indian Point 2, Indian Point 3,  
Vermont Yankee, Pilgrim, and FitzPatrick)  
for Year Ending December 31, 2006 – 10 CFR 50.75(f)(1)**

**Notes:**

- [1] In accordance with 10 CFR 50.75(c)(i)(1) PWR reactors below 1200 MWt are to use this minimum value. Indian Point 1 had a thermal power level of 615 MWt. (Refer to Attachment 3, pg. 15, of June 8, 2001 letter, M. R. Kansler to USNRC regarding "Response to June 5, 2001 Letter, Indian Point Nuclear Generating Unit Nos. 1 and 2, Transfer of Facility Operating License (TAC Nos. MB0743 and MB0744).")
- [2] The current fund balances for Indian Point 1 and 2 do not include an additional \$27.43 million available in the provisional fund.