



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

May 3, 2013

Mr. John F. McCann
Vice President – Nuclear Safety
Emergency Planning and Licensing
Entergy Operations, Inc.
440 Hamilton Avenue
White Plains, NY 10601

SUBJECT: ARKANSAS NUCLEAR ONE, UNITS 1 AND 2; GRAND GULF NUCLEAR STATION, UNIT 1; GRAND GULF ESP SITE; RIVER BEND STATION, UNIT 1; AND WATERFORD STEAM ELECTRIC STATION, UNIT 3 - ORDERS APPROVING TRANSFER OF FACILITY OPERATING LICENSES AND EARLY SITE PERMIT AND INDIRECT TRANSFER (TAC NOS. ME9707, ME9708, ME9709, ME9710, ME9711, AND RP0406)

Dear Mr. McCann:

The U.S. Nuclear Regulatory Commission (NRC) staff has completed its review of Entergy Operations, Inc.'s application dated September 27, 2012 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML12275A013), as supplemented by letters dated January 29 and April 16, 2013 (ADAMS Accession Nos. ML13030A204 and ML13107A010, respectively), requesting approval of the direct transfer of the following:

- Renewed Facility Operating License Nos. DPR-51 and NPF-6 for Arkansas Nuclear One, Units 1 and 2 (ANO-1 and ANO-2), and associated Independent Spent Fuel Storage Installations, currently held by Entergy Arkansas, Inc., as owner and Entergy Operations, Inc., as licensed operator. The direct transfer of the licenses would be to a new limited liability company, Entergy Arkansas, LLC.
- Facility Operating License No. NPF-29 for Grand Gulf Nuclear Station, Unit 1 (GGNS), and associated Independent Spent Fuel Storage Installation, currently held by System Energy Resources, Inc., and South Mississippi Electric Power Association, as owners and Entergy Operations, Inc., as licensed operator. The direct transfer of the license would be to a new limited liability company, System Energy Resources, LLC. In addition, references to Entergy Mississippi, Inc., who has anti-trust responsibilities imposed in the license, would be transferred to a new limited liability company, Entergy Mississippi, LLC.
- Early Site Permit (ESP) No. ESP-002 for the Grand Gulf ESP Site, currently held by System Energy Resources, Inc. The direct transfer of the permit would be to a new limited liability company, System Energy Resources, LLC.

- Facility Operating License No. NPF-47 for River Bend Station, Unit 1 (RBS), and associated Independent Spent Fuel Storage Installation, currently held by Entergy Gulf States Louisiana, L.L.C., as owner and Entergy Operations, Inc., as licensed operator. The direct transfer of the license would be to a new limited liability company also named Entergy Gulf States Louisiana, L.L.C.
- Facility Operating License, NPF-38 for Waterford Steam Electric Station, Unit 3 (Waterford 3), and associated Independent Spent Fuel Storage Installation, currently held by Entergy Louisiana, LLC, as owner and Entergy Operations, Inc., as licensed operator. The direct transfer of the license would be to a new limited liability company also named Entergy Louisiana, LLC.

In addition, the NRC staff has completed its review of the associated request for approval of indirect license transfers for ANO-1, ANO-2, GGNS, ESP, RBS, and Waterford 3 to the extent such would be affected by formation of a new intermediary holding company, Entergy Utilities Holdings, LLC.

The enclosed Orders for ANO-1 and ANO-2, GGNS, ESP, RBS, and Waterford 3 (Enclosures 1, 4, 6, 8, and 9, respectively) approve the proposed direct and indirect license transfers pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) 50.80, "Transfer of Licenses," and 10 CFR 52.28, "Transfer of Early Site Permit," and subject to the conditions described therein. The associated Orders also approve the enclosed draft conforming license amendments pursuant to 10 CFR 50.90, "Application for Amendment of License, Construction Permit, or Early Site Permit," and 10 CFR 52.39(e) for ANO-1, ANO-2, GGNS, and ESP (Enclosures 2, 3, 5, and 7, respectively), which will be issued and made effective at the time the transfers are completed. As noted in the enclosed Orders, Entergy Operations, Inc. shall inform the Director of Nuclear Reactor Regulation and the Director of New Reactors the date of closing of the transfers.


The NRC staff's safety evaluation related to the preceding actions is provided in Enclosure 10.

J. McCann

- 3 -

The Orders have been forwarded to the Office of the Federal Register for publication.

Sincerely,

A handwritten signature in black ink that reads "Alan Wang". The signature is written in a cursive, flowing style.

Alan Wang, Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-313, 50-368, and 72-13;
50-416 and 72-50; 52-009; 50-458 and
72-49; and 50-382 and 72-75

Enclosures:

1. ANO-1 and ANO-2 Order
2. Draft Conforming Amendment to DPR-51
3. Draft Conforming Amendment to NPF-6
4. GGNS Order
5. Draft Conforming Amendment to NPF-29
6. ESP Order
7. Draft Conforming Amendment to ESP-002
8. RBS Order
9. Waterford 3 Order
10. Safety Evaluation

cc w/encls: Distribution via Listserv

ENCLOSURE 1

**ORDER APPROVING TRANSFER OF RENEWED FACILITY
OPERATING LICENSE NOS. DPR-51 AND NPF-6
AND INDIRECT TRANSFER**

ARKANSAS NUCLEAR ONE, UNITS 1 AND 2

**(Agencywide Documents Access and Management System
Accession No. ML13077A221)**

NUCLEAR REGULATORY COMMISSION

[NRC-2012-XXXX; Docket Nos. 50-313 and 50-368; License Nos. DPR-51 and NPF-6]

ORDER APPROVING DIRECT AND INDIRECT TRANSFERS OF LICENSES
AND APPROVING CONFORMING AMENDMENTS

I.

Entergy Arkansas, Inc. (EAI), and Entergy Operations, Inc. (EOI) (the licensees), are co-holders of Renewed Facility Operating License Nos. DPR-51 and NPF-6. The EAI is the owner and EOI is authorized to possess, use, and operate Arkansas Nuclear One, Unit Nos. 1 and 2 (ANO-1 and ANO-2); located in Pope County, Arkansas.

II.

By application dated September 27, 2012, as supplemented by letters dated January 29 and April 16, 2013, EOI requested on behalf of itself, EAI, and their parent companies (together, the applicants), pursuant to § 50.80 of Title 10 of the *Code of Federal Regulations* (10 CFR), that the U.S. Nuclear Regulatory Commission (NRC) consent to certain license transfers to permit the direct transfer of ANO-1 and ANO-2, and associated Independent Spent Fuel Storage Installations, to a new limited liability company, Entergy Arkansas, LLC (EAL). The applicants also requested approval of conforming license amendments that would replace references to EAI in the license with references to EAL to reflect the transfer of ownership. In addition, the applicants requested the NRC's consent to approve associated indirect license transfers to the extent such would be affected by the formation of a new intermediary holding company. Entergy Corporation (Entergy) will remain as the ultimate parent company, but a new intermediate company, Entergy Utilities Holdings, LLC, a Delaware limited liability company, will

be created, which will be the direct parent company of EAL and EOI. Ultimately, EAL will acquire ownership of the facility and EOI will remain responsible for the operation and maintenance of ANO-1 and ANO-2. The license transfers are necessary to support a proposed separation of the Entergy transmission system in Arkansas, Louisiana, Mississippi, Missouri, and Texas. Currently, the utility operating company subsidiaries of Entergy (e.g., EAI) own the respective transmission assets. Following the proposed transactions, each of the Entergy subsidiaries will become a new limited liability company with the same assets except that the transmission assets will be owned by ITC Holdings Corp. and operated by Midwest Independent Transmission System Operator, Inc.

No physical changes to the facilities or operational changes are being proposed in the application. The interconnections that provide offsite power to ANO-1 and ANO-2 do not change as a result of the proposed direct and indirect license transfers.

Approval of the direct and indirect transfers of the facility operating license was requested by EOI, acting on behalf of EAI, as well as their parent companies and itself. A notice entitled, "Consideration of Approval of Application Regarding Proposed Creation of a Holding Company and Transfer of Renewed Facility Operating Licenses and Conforming Amendments and Opportunity for a Hearing," was published in the *Federal Register* on January 3, 2013 (78 FR 328). No comments or hearing requests were received.

Under 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 NRC shall give its consent in writing. Upon review of the information in the licensees' application, and other information before the Commission, the NRC staff has determined that the proposed indirect license transfer of control of the subject licenses held by the licensees to the extent such will result from the proposed formation of the intermediary holding company in conjunction with the planned

direct transfer of EAI to EAL to the extent affected in order to support transfer of the Entergy transmission assets as described in the application, is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the NRC, pursuant thereto, 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, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I; the facilities 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 to 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 findings set forth above are supported by a safety evaluation dated the same day as this Order.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the indirect and direct license transfers related to the proposed corporate restructuring in connection with the separation of the Entergy transmission system is approved, subject to the following conditions:

1. Before completion of the proposed transaction, EOI shall provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that EAL has obtained the appropriate amount of insurance required of the licensees under 10 CFR Part 140 of the Commission's regulations.

IT IS FURTHER ORDERED that consistent with 10 CFR 2.1315(b), the license amendments that make a change, as indicated in Enclosures 2 and 3 to the cover letter forwarding this Order (Agencywide Documents Access and Management System (ADAMS) Accession No. ML13077A237), to reflect the subject direct transfer, is approved. The amendments shall be issued and made effective at the time the proposed direct transfer action is completed.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed direct transfer action, EOI shall inform the Director of the Office of Nuclear Reactor Regulation in writing of such receipt, and of the date of closing, no later than 1 business day before the closing of the direct transfer. Should the proposed direct transfer not be completed within 1 year of this Order's date of issuance, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by Order.

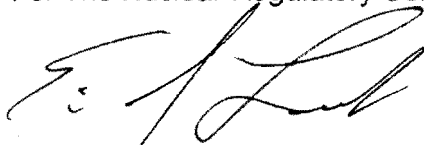
This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated September 27, 2012 (ADAMS Accession No. ML12275A013), as supplemented by letters dated January 29 and April 16, 2013 (ADAMS Accession Nos. ML13030A204 and ML13107A010, respectively), and the safety evaluation dated the same date as this Order (ADAMS Accession No. ML13077A237), which are available for public inspection at the Commission's Public Document

Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike (first floor), Rockville, Maryland 20852. Publicly available documents created or received at the NRC are accessible electronically through ADAMS in the NRC Library at <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR reference staff by telephone at 1-800-397-4209, or 301-415-4737, or by e-mail to PDR.Resource@nrc.gov.

Dated at Rockville, Maryland this 3 day of May 2013.

For The Nuclear Regulatory Commission.

A handwritten signature in black ink, appearing to read 'Eric J. Leeds', written over a horizontal line.

Eric J. Leeds, Director,
Office of Nuclear Reactor Regulation.

ENCLOSURE 2

DRAFT CONFORMING AMENDMENT

ARKANSAS NUCLEAR ONE, UNIT 1

RENEWED FACILITY OPERATING LICENSE NO. DPR-51



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

ENTERGY OPERATIONS, INC.

DOCKET NO. 50-313

ARKANSAS NUCLEAR ONE, UNIT NO. 1

AMENDMENT TO RENEWED FACILITY OPERATING LICENSE

Amendment No.
Renewed License No. DPR-51

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Entergy Operations, Inc. (the licensee), dated September 27, 2012, as supplemented by letters dated January 29 and April 16, 2013, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations 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 license 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. The license amendment is effective as of its date of issuance and shall be implemented within 60 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

Attachment:
Changes to the Renewed Facility
Operating License No. DPR-51

Date of Issuance:

[Faint, illegible text, likely a signature or stamp]

ATTACHMENT TO LICENSE AMENDMENT NO. _____

RENEWED FACILITY OPERATING LICENSE NO. DPR-51

DOCKET NO. 50-313

Replace the following pages of the Renewed Facility Operating License No. DPR-51 with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Operating License

REMOVE

1
2

INSERT

1
2



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-001

ENTERGY ARKANSAS, LLC

ENTERGY OPERATIONS, INC.

DOCKET NO. 50-313

ARKANSAS NUCLEAR ONE, UNIT 1

RENEWED FACILITY OPERATING LICENSE

Renewed License No. DPR-51

1. The U.S. Nuclear Regulatory Commission (the Commission) having previously made the findings set forth in License No. DPR-51 issued on May 21, 1974, has now found that:
 - a. The application to renew License No. DPR-51 filed by Entergy Arkansas, LLC and Entergy Operations, Inc., complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I and all required notifications to other agencies or bodies have been duly made;
 - b. Actions have been identified and have been or will be taken with respect to (1) managing the effects of aging during the period of extended operation on the functionality of structures and components that have been identified to require review under 10 CFR 54.21(a)(1); and (2) time-limited aging analyses that have been identified to require review under 10 CFR 54.21(c), such that there is reasonable assurance that the activities authorized by the renewed license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for the Arkansas Nuclear One, Unit 1 plant and that any changes made to the plant's current licensing basis in order to comply with 10 CFR 54.29(a) are in accord with the Act and the Commission's regulations;
 - c. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - d. There is reasonable assurance (i) that the activities authorized by this renewed license can be conducted without endangering the health and safety of the public and (ii) that such activities will be conducted in compliance with the rules and regulations of the Commission;
 - e. Entergy Operations, Inc. (EOI) is technically and financially qualified to engage in the activities authorized by this renewed license in accordance with the rules and regulations of the Commission;
 - f. Entergy Arkansas, LLC has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;

Amendment No.

- g. The renewal of this operating license will not be inimical to the common defense and security or to the health and safety of the public;
 - h. After weighing the environmental, economic, technical, and other benefits of the facility against environmental costs and considering available alternatives, the issuance of the renewed Facility Operating License No. DPR-51 is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and
 - i. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this renewed license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70, including 10 CFR Section 30.33, 40.32, 70.23 and 70.31.
2. On the basis of the foregoing findings regarding this facility, Facility Operating License DPR-51, issued on May 21, 1974, is superceded by renewed Facility Operating License No. DPR-51, which is hereby issued to Entergy Arkansas, LLC and Entergy Operations, Inc. to read as follows:
- a. This renewed license applies to Arkansas Nuclear One, Unit 1, a pressurized water reactor and associated equipment (the facility), owned by Entergy Arkansas, LLC. The facility is located in Pope County, Arkansas, and is described in the "Safety Analysis Report" (SAR) as supplemented and amended, and the Environmental Report as supplemented and amended.
 - b. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - (1) Entergy Arkansas, LLC, pursuant to Section 104b of the Act and 10 CFR Part 50, to possess but not operate the facility at the designated location in Pope County, Arkansas, in accordance with the procedures and limitations set forth in this renewed license.
 - (2) EOI, pursuant to Section 104b of the Act and 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities," to possess, use, and operate the facility at the designated location in Pope County, Arkansas in accordance with the procedures and limitations set forth in this renewed license;
 - (3) EOI, pursuant to the Act and 10 CFR Part 70, to receive, possess and use at any time at the facility site and as designated solely for the facility, special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the SAR, as supplemented and amended;
 - (4) EOI, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;

ENCLOSURE 3

DRAFT CONFORMING AMENDMENT

ARKANSAS NUCLEAR ONE, UNIT 2

RENEWED FACILITY OPERATING LICENSE NO. NPF-6



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

ENTERGY OPERATIONS, INC.

DOCKET NO. 50-368

ARKANSAS NUCLEAR ONE, UNIT NO. 2

AMENDMENT TO RENEWED FACILITY OPERATING LICENSE

Amendment No.
Renewed License No. NPF-6

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Entergy Operations, Inc. (the licensee), dated September 27, 2012, as supplemented by letters dated January 29 and April 16, 2013, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations 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 license 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. The license amendment is effective as of its date of issuance and shall be implemented within 60 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

Attachment:
Changes to the Renewed Facility
Operating License No. NPF-6

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO. _____

RENEWED FACILITY OPERATING LICENSE NO. NPF-6

DOCKET NO. 50-368

Replace the following pages of the Renewed Facility Operating License No. NPF-6 with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Operating License

REMOVE

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6

INSERT

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

ENTERGY ARKANSAS, LLC

ENTERGY OPERATIONS, INC.

DOCKET NO. 50-368

ARKANSAS NUCLEAR ONE, UNIT 2

RENEWED FACILITY OPERATING LICENSE NO. NPF-6

1. The Nuclear Regulatory Commission (the Commission) having previously made the findings set forth in License NPF-6 issued on September 1, 1978 has now found that:
 - A. The application to renew License NPF-6 filed by Entergy Arkansas, LLC and Entergy Operations, Inc. (EOI), complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of Arkansas Nuclear One, Unit 2 (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-89 and the application, as amended, the provisions of the Act and the regulations of the Commission.
 - C. Actions have been identified and have been or will be taken with respect to (1) managing the effects of aging during the period of extended operation on the functionality of structures and components that have been identified to require review under 10 CFR 54.21(a)(1); and (2) time-limited aging analyses that have been identified to require review under 10 CFR 54.21(c), such that there is reasonable assurance that the activities authorized by the renewed license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for Arkansas Nuclear One, Unit 2 (the facility), and that any changes made to the facility's current licensing basis in order to comply with 10 CFR 54.29(a) are in accord with the Act and the Commission's regulations;
 - D. The facility requires exemptions from certain requirements of (1) Sections 50.55a(g)(2) and 50.55a(g)(4) of 10 CFR Part 50, (2) Appendices G and H to 10 CFR Part 50, and (3) Appendix J to 10 CFR Part 50 for a period of three years. These exemptions are described in the Office of Nuclear Reactor Regulation's safety evaluations supporting the granting of these exemptions which are enclosed in the letter transmitting this license amendment. These exemptions are authorized by law and will not endanger life or property or the common defense and security and are otherwise in the public interest. The exemptions are, therefore, hereby granted. With the granting of these exemptions, the facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission;
 - E. There is reasonable assurance: (i) that the activities authorized by this renewed operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the regulations of the Commission;

Amendment No.

- F. EOI is technically and financially qualified to engage in the activities authorized by this renewed operating license in accordance with the regulations of the Commission;
 - G. Entergy Arkansas, LLC has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
 - H. The issuance of this renewed operating license will not be inimical to the common defense and security or to the health and safety of the public;
 - I. After weighing the environmental, economic, technical and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of Renewed Facility Operating License No. NPF-6 subject to the conditions for protection of the environment set forth herein, is in accordance with 10 CFR Part 51 (formerly Appendix D to 10 CFR Part 50) of the Commission's regulations and all applicable requirements have been satisfied; and
 - J. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this renewed license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70, including 10 CFR Sections 30.33, 40.32, 70.23 and 70.31.
2. Facility Operating License No. NPF-6, issued September 1, 1978, is superceded by Renewed Facility Operating License No. NPF-6, which is hereby issued to Entergy Arkansas, LLC and Entergy Operations, Inc. to read as follows:
- A. This renewed license applies to Arkansas Nuclear One, Unit 2, a pressurized water reactor and associated equipment (the facility) owned by Entergy Arkansas, LLC. The facility is located in Pope County, Arkansas and is described in the Final Safety Analysis Report as supplemented and amended (Amendments 20 through 47) and the Environmental Report as supplemented and amended (Amendments 1 through 7).
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - (1) Entergy Arkansas, LLC pursuant to Section 103 of the Act and 10 CFR Part 50, to possess, but not operate, the facility at the designated location in Pope County, Arkansas in accordance with the procedures and limitations set forth in this renewed license.
 - (2) EOI, pursuant to Section 103 of the Act and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," to possess, use, and operate the facility at the designated location in Pope County, Arkansas in accordance with the procedures and limitations set forth in this renewed license;
 - (3) EOI, pursuant to the Act and 10 CFR Part 70, to receive, possess and use at any time at the facility site and as designated solely for the facility, special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;

(b) Fire Protection

EOI shall implement and maintain in effect all provisions of the approved fire protection program as described in Amendment 9A to the Safety Analysis Report and as approved in the Safety Evaluation dated March 31, 1992, subject to the following provision:

The licensee may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

(c) Less Than Four Reactor Coolant Pump Operation

EOI shall not operate the reactor in operational Modes 1 and 2 with fewer than four reactor coolant pumps in operation, except as allowed by Special Test Exception 3.10.3 of the facility Technical Specifications.

2.C.(3)(d) Deleted per Amendment 24, 6/19/81.

- (e) Arkansas Power & Light (AP&L)¹ shall complete the following modifications by the indicated dates in accordance with the staff's findings as set forth in the fire protection evaluation report, NUREG-0223 "Fire Protection Safety Evaluation Report."

Implementation Dates for Proposed Modifications

<u>Applicable Section of NUREG-0223</u>		<u>Date</u>
3.1	Portable Radio Communication Equipment	March 31, 1979
3.2	Separation of Power Cables in Manholes	*
3.3	Protection from Water Spray	*
3.4	Protection of Redundant Cables in the MCC Room (2096-M)	December 30, 1978
3.5	Protection of Redundant Cables in the Hallway – Elevation 372 (2109-U)	*, **
3.6	Protection of Redundant Cables in the Cable Spreading Room (2098-L)	*
3.7	Protection of Redundant Cables in the Switchgear Room (2100-Z)	*

¹ AP&L is the predecessor to Entergy Arkansas, LLC

2.C.(3)(f) Deleted per Amendment 24, 6/19/81.

2.C.(3)(g) Deleted per Amendment 93, 4/25/89.

2.C.(3)(h) Deleted per Amendment 29, (3/4/82) and its correction letter, (3/15/82).

(i) Containment Radiation Monitor

AP&L shall, prior to July 31, 1980 submit for Commission review and approval documentation which establishes the adequacy of the qualifications of the containment radiation monitors located inside the containment and shall complete the installation and testing of these instruments to demonstrate that they meet the operability requirements of Technical Specification No. 3.3.3.6.

2.C.(3)(j) Deleted per Amendment 7, 12/1/78.

2.C.(3)(k) Deleted per Amendment 12, 6/12/79 and Amendment 31, 5/12/82.

2.C.(3)(l) Deleted per Amendment 24, 6/19/81.

2.C.(3)(m) Deleted per Amendment 12, 6/12/79.

2.C.(3)(n) Deleted per Amendment 7, 12/1/78.

2.C.(3)(o) Deleted per Amendment 7, 12/1/78.

2.C.(3)(p) Deleted per Amendment 255, 9/28/04.

2.C.(4) (Number has never been used.)

2.C.(5) Deleted per Amendment 255, 9/28/04.

2.C.(6) Deleted per Amendment 255, 9/28/04.

2.C.(7) Deleted per Amendment 78, 7/22/86.

(8) Antitrust Conditions

EOI shall not market or broker power or energy from Arkansas Nuclear One, Unit 2. Entergy Arkansas, LLC is responsible and accountable for the actions of its agents to the extent said agent's actions affect the marketing or brokering of power or energy from ANO, Unit 2.

(9) Rod Average Fuel Burnup

Entergy Operations is authorized to operate the facility with an individual rod average fuel burnup (burnup averaged over the length of a fuel rod) not to exceed 60 megawatt-days/kilogram of uranium.

ENCLOSURE 4

ORDER APPROVING TRANSFER OF FACILITY
OPERATING LICENSE NO. NPF-29
AND INDIRECT TRANSFER

GRAND GULF NUCLEAR STATION, UNIT 1

(Agencywide Documents Access and Management System
Accession No. ML13077A425)

NUCLEAR REGULATORY COMMISSION

[NRC-2013-XXXX; Docket No. 50-416; License No. NPF-29]

**ORDER APPROVING DIRECT AND INDIRECT TRANSFERS OF LICENSE
AND APPROVING CONFORMING AMENDMENT**

I.

South Mississippi Electric Power Association, System Energy Resources, Inc. (SERI), Entergy Mississippi, Inc. (EMI), and Entergy Operations, Inc. (EOI) (the licensees), are co-holders of Facility Operating License No. NPF-29. South Mississippi Electric Power Association and SERI are the owners and EOI is authorized to possess, use, and operate Grand Gulf Nuclear Station, Unit No. 1 (GGNS). The EMI has anti-trust responsibilities imposed in the license. The GGNS is located in Claiborne County, Mississippi.

II.

By application dated September 27, 2012, as supplemented by letters dated January 29 and April 16, 2013, EOI requested on behalf of itself, SERI, and their parent companies (together, the applicants), pursuant to § 50.80 of Title 10 of the *Code of Federal Regulations* (10 CFR), that the U.S. Nuclear Regulatory Commission (NRC) consent to certain license transfers to permit the direct transfer of GGNS, and associated Independent Spent Fuel Storage Installation, to a new limited liability company, System Energy Resource, LLC (SERL). The applicants also requested approval of a conforming license amendment that would replace references to SERI in the license with references to SERL to reflect the transfer of ownership. The EMI has anti-trust responsibilities in the license and the application requested references to EMI in the license be replaced with the new limited liability company, Entergy Mississippi, LLC (EML). In addition, the applicants requested the NRC's consent to approve associated indirect

license transfers to the extent such would be affected by the formation of a new intermediary holding company. Entergy Corporation (Entergy) will remain as the ultimate parent company, but a new intermediate company, Entergy Utilities Holdings, LLC, a Delaware limited liability company, will be created, which will be the direct parent company of SERL, EML, and EOI. Ultimately, SERL and South Mississippi Electric Power Association will acquire ownership of the facility and EOI will remain responsible for the operation and maintenance of GGNS. The license transfers are necessary to support a proposed separation of the Entergy transmission system in Arkansas, Louisiana, Mississippi, Missouri, and Texas. Currently, the utility operating company subsidiaries of Entergy (e.g. EMI) own the transmission assets. Following the proposed transactions, each of the Entergy subsidiaries will become a new limited liability company with the same assets except that the transmission assets will be owned by ITC Holdings Corp. and operated by Midwest Independent Transmission System Operator, Inc.

No physical changes to the facilities or operational changes are being proposed in the application. The interconnections that provide offsite power to GGNS do not change as a result of the proposed direct and indirect license transfers.

Approval of the direct and indirect transfers of the facility operating license was requested by EOI, acting on behalf of SERL, as well as their parent companies and itself. A notice entitled, "Consideration of Approval of Application Regarding Proposed Creation of a Holding Company and Transfer of Facility Operating License and Conforming Amendment and Opportunity for a Hearing," was published in the *Federal Register* on January 3, 2013 (78 FR 325). No comments or hearing requests were received.

Under 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 NRC shall give its consent in writing. Upon review of the information in the licensees' application, and other information

before the Commission, the NRC staff has determined that the proposed indirect license transfer of control of the subject license held by the licensees to the extent such will result from the proposed formation of the intermediary holding company in conjunction with the planned direct transfer of SERI to SERL, and EMI to EML, to the extent affected in order to support transfer of the Entergy transmission assets as described in the application, is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the NRC, pursuant thereto, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed license amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I; the facilities 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 amendment 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 amendment will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed amendment will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied. The findings set forth above are supported by a safety evaluation dated the same day as this Order.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the indirect and direct license transfers

related to the proposed corporate restructuring in connection with the separation of the Entergy transmission systems is approved, subject to the following conditions:

1. Before completion of the proposed transaction, EOI shall provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that SERL has obtained the appropriate amount of insurance required of the licensees under 10 CFR Part 140 of the Commission's regulations.

IT IS FURTHER ORDERED that consistent with 10 CFR 2.1315(b), the license amendment that makes a change, as indicated in Enclosure 5 to the cover letter forwarding this Order (Agencywide Documents Access and Management System (ADAMS) Accession No. ML13077A237), to reflect the subject direct transfer, is approved. The amendment shall be issued and made effective at the time the proposed direct transfer action is completed.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed direct transfer action, EOI shall inform the Director of the Office of Nuclear Reactor Regulation in writing of such receipt, and of the date of closing, no later than 1 business day before the closing of the direct transfer. Should the proposed direct transfer not be completed within 1 year of this Order's date of issuance, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by Order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated September 27, 2012 (ADAMS Accession No. ML12275A013), as supplemented by letters dated January 29 and April 16, 2013 (ADAMS Accession Nos. ML13030A204 and ML13107A010, respectively),

and the safety evaluation dated the same date as this Order (ADAMS Accession No. ML13077A237), which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike (first floor), Rockville, Maryland 20852. Publicly available documents created or received at the NRC are accessible electronically through ADAMS in the NRC Library at <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR reference staff by telephone at 1-800-397-4209, or 301-415-4737, or by e-mail to PDR.Resource@nrc.gov.

Dated at Rockville, Maryland this 5 day of May 2013.

For The Nuclear Regulatory Commission.

A handwritten signature in black ink, appearing to read 'E. J. Leeds', written over a horizontal line.

Eric J. Leeds, Director,
Office of Nuclear Reactor Regulation.

ENCLOSURE 5

DRAFT CONFORMING AMENDMENT

GRAND GULF NUCLEAR STATION, UNIT 1

FACILITY OPERATING LICENSE NO. NPF-29



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

ENTERGY OPERATIONS, INC.

SYSTEM ENERGY RESOURCES, LLC

SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

ENTERGY MISSISSIPPI, LLC

DOCKET NO. 50-416

GRAND GULF NUCLEAR STATION, UNIT 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.
License No. NPF-29

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Entergy Operations, Inc. (the licensee), dated September 27, 2012, as supplemented January 29 and April 16, 2013, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations 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 its date of issuance and shall be implemented within 60 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Eric J. Leeds, Director
Office of Nuclear Reactor Regulation

Attachment:
Changes to the Facility Operating
License No. NPF-29

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO. _____

FACILITY OPERATING LICENSE NO. NPF-29

DOCKET NO. 50-416

Replace the following pages of the Facility Operating License No. NPF-29 with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Facility Operating License

Remove

Insert

1

1

2

2

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12

12

Appendix C, Page 1

Appendix C, Page 1

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

ENTERGY OPERATIONS, INC.

SYSTEM ENERGY RESOURCES, LLC

SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

ENTERGY MISSISSIPPI, LLC

DOCKET NO. 50-416

GRAND GULF NUCLEAR STATION, UNIT 1

FACILITY OPERATING LICENSE

License No. NPF-29

1. The Nuclear Regulatory Commission (the Commission or the NRC) has found that:
 - A. The application for license filed by Mississippi Power & Light Company (MP&L), (now renamed Entergy Mississippi, LLC), for itself and Middle South Energy, Inc., (now renamed System Energy Resources, LLC and South Mississippi Electric Power Association (SMEPA), as amended, (hereinafter referred to as the licensees) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the Grand Gulf Nuclear Station, Unit 1 (the facility), has been substantially completed in conformity with Construction Permit No. CPPR-118 and the application, as amended, the provisions of the Act, and the regulations of the Commission;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission (except as exempted from compliance in Section 2.D. below);
 - D. There is reasonable assurance: (i) that the activities authorized by this operating license 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 set forth in 10 CFR Chapter I (except as exempted from compliance in Section 2.D. below);

- E. Entergy Operations, Inc. (EOI), is technically qualified to engage in the activities authorized by this operating license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;
 - F. The licensees have satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
 - G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of Facility Operating License No. NPF-29, subject to the conditions for protection of the environment set forth in the Environmental Protection Plan attached as Appendix B, is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession, and use of source, by-product and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40, and 70.
2. Based on the foregoing findings regarding this facility and pursuant to Commission Order CLI-84-19, dated October 25, 1984, License NPF-13, as amended, is superseded by this Facility Operating License NPF-29 which is hereby issued to Entergy Operations, Inc., Entergy Mississippi, LLC, System Energy Resources, LLC, and South Mississippi Electric Power Association to read as follows:
- A. This license applies to the Grand Gulf Nuclear Station (GGNS), Unit 1, a boiling water nuclear reactor and associated equipment (the facility), owned by System Energy Resources, LLC, and South Mississippi Electric Power Association and operated by Entergy Operations, Inc. The facility is located in Claiborne County, Mississippi, and is described in the licensees' "Final Safety Analysis Report," as supplemented and amended, and in the licensees' Environmental Report, as supplemented and amended.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - (1) Entergy Operations, Inc. (EOI) pursuant to Section 103 of the Act and 10 CFR Part 50, to possess, use, and operate the facility at the designated location in Claiborne County, Mississippi, in accordance with the procedures and limitations set forth in this license;
 - (2) System Energy Resources, LLC, and South Mississippi Electric Power Association to possess, but not operate, the facility at the designated location in Claiborne County, Mississippi, in accordance with the procedures and limitations set forth in this license;

- (3) EOI, pursuant to the Act and 10 CFR Part 70, to receive, possess and use at any time at the facility site and as designated solely for the facility special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;
- (4) EOI, pursuant to the Act and 10 CFR Parts 30, 40, and 70, to receive, possess, and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
- (5) EOI, pursuant to the Act and 10 CFR Parts 30, 40, and 70, to receive, possess, and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
- (6) EOI, pursuant to the Act and 10 CFR Parts 30, 40, and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.
- (7) (a) System Energy Resources, LLC (formerly known as System Energy Resources, Inc. (SERI) is authorized to transfer up to 15 percent of its 90.0 percent ownership share in Grand Gulf Nuclear Station, Unit 1 (GGNS Unit 1), to certain equity investors identified in the submissions of October 31, 1988 and November 11, 1988, and at the same time to lease back from such purchasers such interest sold in the facility. The term of the lease is for approximately 26 years subject to a right of renewal. Such sale and lease back transactions are subject to the condition that lessors and anyone else who may acquire an interest under these transactions are prohibited from exercising directly or indirectly any control over (i) GGNS Unit 1, (ii) power or energy produced by GGNS Unit 1, or (iii) the licensees of GGNS Unit 1. Further, any rights acquired under this authorization may be exercised only in compliance with and subject to the requirements and restrictions of this operating license, the Atomic Energy Act of 1954, as amended, and the Commission's regulations. For purposes of this condition, the limitations of 10 CFR 50.81, as now in effect and as they may be subsequently amended, are fully applicable to the lessors and any successors in interest to those lessors, as long as the license of GGNS Unit 1 remains in effect.

(b) System Energy Resources, LLC, is required to notify the NRC in writing prior to any change in (i) the terms or conditions of any new or existing sale or lease agreements executed as part of the above authorized financial transactions, (ii) the GGNS Unit 1 operating agreement, (iii) the existing property insurance coverage for GGNS Unit 1 that would materially alter the representations and conditions set forth in the Staff's Safety Evaluation Report dated December 19, 1988 attached to Amendment No. 54. In addition, System Energy Resources, LLC, is required to notify the NRC of any action by a lessor or other successor in interest to System Energy Resources, LLC, that may have an effect on the operation of the facility.

C. The license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

Entergy Operations, Inc. is authorized to operate the facility at reactor core power levels not in excess of 4408 megawatts thermal (100 percent power) in accordance with the conditions specified herein.

(2) Technical Specifications

The Technical Specifications contained in Appendix A and the Environmental Protection Plan contained in Appendix B, as revised through Amendment No. 191 are hereby incorporated into this license. Entergy Operations, Inc. shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

During Cycle 19, GGNS will conduct monitoring of the Oscillation Power Range Monitor (OPRM). During this time, the OPRM Upscale function (Function 2.f of Technical Specification Table 3.3.1.1-1) will be disabled and operated in an "indicate only" mode and technical specification requirements will not apply to this function. During such time, Backup Stability Protection measures will be implemented via GGNS procedures to provide an alternate method to detect and suppress reactor core thermal hydraulic instability oscillations. Once monitoring has been successfully completed, the OPRM Upscale function will be enabled and technical specification requirements will be applied to the function; no further operating with this function in an "indicate only" mode will be conducted.

(3) Antitrust Conditions

- (a) Entergy Mississippi, LLC and System Energy Resources, LLC shall comply with the antitrust conditions delineated in Appendix C. System Energy Resources, LLC is authorized to transfer its rights to possess, to use and to operate the facility to EOI, provided however, that until further authorization of the Commission, Entergy Mississippi, LLC and System Energy Resources, LLC shall continue to be responsible for compliance with the obligations imposed on the licensees in these antitrust conditions, and provided further that EOI accepts the right to possess, use and operate the facility and System Energy Resources, LLC accepts the right to possess the facility subject to the outcome of the pending separate antitrust review of the antitrust considerations related to the application dated September 2, 1986. System Energy Resources, LLC is authorized to transfer its rights to operate the facility to EOI.
- (b) Entergy Mississippi, LLC and System Energy Resources, LLC are responsible and accountable for the actions of their respective agents to the extent said agent's actions contravene the antitrust conditions in Appendix C.

(4) Independent Verification of Staff Performance and Other Plant Activities (Section 13.4, SER, SSER #2)

- (a) MP&L* shall establish a subcommittee of the Corporate Safety Review Committee to review and evaluate the:
 - (i) Status and readiness of the plant and systems needed to support intended modes of operation and/or testing;
 - (ii) Readiness of personnel to conduct intended operation and testing;
 - (iii) Morale and attitudes of plant personnel that have a bearing on safe plant operation;
 - (iv) Past performance in plant operations and adherence to procedures and administrative controls;
 - (v) Changes in current organization with regard to experience and qualifications of plant management and supervisory personnel since the last evaluation;
 - (vi) Results and effectiveness of the Plant Safety Review Committee (PSRC),
 - (vii) Status of plant as compared to other BWR startups based on the subcommittee's knowledge and experience.

Reviews shall be conducted prior to exceeding 50 percent of full power and within 30 days following completion of the 100 hour warranty run. The subcommittee shall be composed of a minimum of three professionals not employees of MP&L, with experience which will be responsive to the concerns presented above. In conducting these evaluations, the subcommittee shall conduct interviews of representatives of all levels of plant staff management. The subcommittee shall report directly to the Chairman of the Corporate Safety Review Committee and, in turn, MP&L shall submit the report of these reviews to NRC.

- (b) The Plant Safety Review Committee shall review all Unit 1 Preoperational Testing and System Demonstration activities performed concurrently with the Unit 1 Startup Test Program to assure that the activity will not affect the safe performance of the portion of the Unit 1 Startup Program being performed. The review shall address, as a minimum, system interaction, span of control, staffing, procedures, security and health physics, with respect to performance of the activities concurrent with the portion of the Unit 1 Startup Program being performed.

(5) Deferred Preoperational Deficiencies

MP&L shall satisfactorily resolve those deficiencies which were deferred from the preoperational testing program on a schedule that shall assure that the capability of a system required to be operable by Technical Specification is not degraded.

(6) Soil Structure Interaction (Section 3.7.1, SER, SSER #2)

Prior to startup following the first refueling outage, MP&L shall complete structural modifications, if required, as a result of the NRC staff's completion of its review of MP&L* responses.

(7) Seismic Instrumentation (Section 3.7.4, SER, SSER #2)

Prior to startup following the first refueling outage, the installation of triaxial strong motion accelerometers on reactor supports shall be completed.

(8) Masonry Walls (Section 3.8.3, SER, SSER #2)

Prior to startup following the first refueling outage, MP&L shall complete structural modifications, if required, as a result of the NRC staff's completion of its review of the MP&L response to IE Bulletin 80-11.

*The original license authorized Mississippi Power & Light Company (MP&L) to operate the facility. Amendment 27 authorized System Energy Resources, LLC to operate the facility. Amendment 125 resulted in a name change for Mississippi Power & Light Company (MP&L) to Entergy Mississippi, Inc., now known as Entergy Mississippi, LLC.

(9) Dynamic Testing (Section 3.9.2, SER, SSER #2, SSER #4, SSER #5)

MP&L shall conduct vibrational measurement and inspection programs during preoperational and initial startup testing in accordance with the guidelines of Regulatory Guide 1.20, "Comprehensive Vibration Assessment Program for Reactor Internals During Preoperational and Initial Startup Testing," for prototype reactors. An evaluation report demonstrating satisfactory results shall be provided to the NRC for review and approval no later than 6 months after completion of the startup test program.

(10) Dynamic Qualification (3.10, SER, SSER #1, SSER #2, SSER #4, SSER #5)

- (a) Prior to startup following the first refueling outage, MP&L shall complete any modifications or replacement of equipment found necessary as a result of the fatigue evaluation. In the interim, MP&L shall document the occurrence of every safety relief valve actuation into the suppression pool; the associated cumulative damage factors shall be calculated for typical representative equipment and kept up-to-date; and EOI shall report to NRC any malfunction of equipment that occurs due to any safety relief valve discharge.
- (b) MP&L shall perform an in-situ test of the High Pressure Core Spray (HPCS) service water pump and evaluate the effects of flow induced vibration on the HPCS service water pump. This evaluation shall be provided to the NRC for review and approval. Prior to startup following the first refueling outage, MP&L shall complete all modifications as a result of the NRC staff's review of the test results and evaluation.
- (c) Prior to actual use in fuel handling operations, MP&L shall qualify the fuel-handling and auxiliary platform, in-vessel rack, and storage container for defective fuel.

(11) Environmental Qualification (Section 3.11, SER; SSER #1; Appendix H, SSER #2; SSER #5)

Prior to March 31, 1985, MP&L shall environmentally qualify all electrical equipment as required by 10 CFR 50.49.

(12) Surveillance of Control Blade (Section 4.2.3.14, SER)

Within 30 days after plant startup following the first refueling outage, System Energy Resources, LLC shall comply with items 1, 2 and 3 of Bulletin No. 79-26 and submit a written response to NRC on item 3.

(13) Core Stability Analysis and Prohibition of Natural Circulation (Section 4.4.1, SER)

- (a) Prior to startup following the first refueling outage, MP&L shall submit a new core stability analysis for operation beyond cycle 1.

(32) Partial Feedwater Heating (Section 15.1, SER, SSER #2)

Operation of the plant in the partial feedwater heating mode for the purpose of extending the normal fuel cycle shall be prohibited until analyses which justify that operation are provided to and approved by the NRC staff.

(33) NUREG-0737 Conditions (Section 22.2)

The following conditions shall be completed to the satisfaction of the NRC. These conditions reference the appropriate items in Section 22.2, "TMI Action Plan Requirements for Applicants for Operating Licenses", in the Safety Evaluation Report and Supplements 1, 2, 3, 4, and 5 to NUREG-0831.

(a) Control Room Design Review (I.D.1, SER; Appendix E, SSER #2, SSER #4, SSER #5)

Prior to startup following the first refueling outage, System Energy Resources, LLC shall demonstrate the ability to maintain an "effective temperature" condition of 85°F or less in the remote shutdown panel (RSP) room for at least 8 hours with an ambient outdoor temperature of at least 95°F.

(b) Training During Low-Power Testing (I.G.1, SER)

Prior to restart following the first refueling outage, MP&L shall complete the additional training and testing related to TMI Action Plan I.G.1 as described in Section 2.3 of the MP&L submittal dated April 3, 1986.

(c) Deleted

(d) Hydrogen Control (Section II.B.7, SER, SSER #2, SSER #3, SSER #4, SSER #5)

- (1) During the first cycle of operation, MP&L shall maintain a suitable program of analysis and testing of the installed hydrogen ignition system. EOI shall submit to the NRC quarterly reports on the status of their research programs.

APPENDIX C

ANTITRUST CONDITIONS OPERATING LICENSE NO. NPF-29

Entergy Mississippi, LLC and System Energy Resources, LLC (the term licensees in Appendix C refers to Entergy Mississippi, LLC and System Energy Resources, LLC) shall comply with the following conditions:

I. DEFINITIONS

- (a) "Western Mississippi Area" means the counties of: Walthall, Lawrence, Jefferson Davis, Covington; Simpson, Smith, Scott, Leake, Attala, Choctaw, Montgomery, Grenada, Yalobusha, Panola, Tate, DeSoto, Pike, Amite, Wilkinson, Adams, Franklin, Lincoln, Copiah, Jefferson, Claiborne, Hinds, Rankin, Madison, Yazoo, Warren, Issaquena, Sharkey, Humphreys, Holmes, Carroll, Leflore, Sunflower, Washington, Bolivar, Tallahatchie, Quitman, Coahoma, and Tunica. An entity shall be deemed to be in the "Western Mississippi Area" if it has electric power generation, transmission, or distribution facilities located in whole or in part in the above described area.
- (b) "Bulk Power" means the electric power, and any attendant energy, supplied or made available at transmission or subtransmission voltage by one entity to another.
- (c) "Entity" means a person, a private or public corporation a municipality, a cooperative, an association, a joint stock association or business trust owning, operating or proposing to own or operate equipment or facilities for the generation, transmission or distribution of electricity, provided that, except for municipalities or rural electric cooperatives, "entity" is restricted to those which are or will be public utilities under the laws of the state in which the entity transacts or will transact business or under the Federal Power Act, and are or will be providing electric service under a contract or rate schedule on file with and subject to the regulation of a state regulatory commission or the Federal Power Commission.
- (d) "Cost" means any operating and maintenance expenses involved together with any ownership costs which are reasonably allocable to the transaction consistent with power pooling practices (where applicable). No value shall be included for loss of revenues from sale of power at wholesale or retail by one party to a customer which another party might otherwise serve. Cost shall include a reasonable return on licensees' investment. The sale of a portion of the capacity of a generating unit shall be upon the basis of a rate that will recover to the seller the pro rata part of the fixed costs and operating and maintenance.

ENCLOSURE 6

**ORDER APPROVING TRANSFER OF
EARLY SITE PERMIT NO. ESP-002
AND INDIRECT TRANSFER**

GRAND GULF ESP SITE

(Agencywide Documents Access and Management System
Accession No. ML13078A194)

NUCLEAR REGULATORY COMMISSION

[NRC-2012-XXXX; Docket No. 52-009; Permit No. ESP-002]

**ORDER APPROVING DIRECT AND INDIRECT TRANSFERS OF
EARLY SITE PERMIT AND APPROVING CONFORMING AMENDMENT**

I.

System Energy Resources, Inc. (SERI), is the permit holder of Grand Gulf Early Site Permit (ESP) No. ESP-002. The ESP-002 is for a site adjacent to Grand Gulf Nuclear Station (GGNS). The GGNS is located in Claiborne County, Mississippi.

II.

By application dated September 27, 2012, as supplemented by letters dated January 29 and April 16, 2013, Entergy Operations, Inc. (EOI), requested on behalf of itself, SERI, and their parent companies (together, the applicants), pursuant to § 50.80 and § 52.28 of Title 10 of the *Code of Federal Regulations* (10 CFR), that the U.S. Nuclear Regulatory Commission (NRC) consent to certain license transfers to permit the direct transfer of Grand Gulf ESP Site, to a new limited liability company, System Energy Resource, LLC (SERL). The applicants also requested approval of conforming ESP amendment that would replace references to SERI in the ESP with references to SERL to reflect the transfer of ownership. In addition, the applicants requested the NRC consent to approve associated indirect license transfers to the extent such would be affected by the formation of a new intermediary holding company. Entergy Corporation (Entergy) will remain as the ultimate parent company, but a new intermediate company, Entergy Utilities Holdings, LLC, a Delaware limited liability company, will be created, which will be the direct parent company of SERL. Ultimately, SERL will hold the ESP. The

license transfers are necessary to support a proposed transaction whereby the transmission assets of Entergy in Arkansas, Louisiana, Mississippi, Missouri, and Texas will become owned by ITC Holdings Corp. and operated by Midwest Independent Transmission System Operator, Inc.

Approval of the direct and indirect transfers of the ESP was requested by EOI, acting on behalf of SERI, as well as their parent companies and itself. A notice entitled, "Consideration of Approval of Application Regarding Proposed Creation of a Holding Company and Transfer of Early Site Permit and Conforming Amendment and Opportunity for a Hearing," was published in the *Federal Register* on January 11, 2013 (78 FR 2451). No hearing requests or petitions to intervene were received. The NRC received comments from a member of the public in Webster, Texas, on February 8, 2013 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML13044A011). The comments did not provide any information in addition to that in the application, nor did they provide any information contradictory to that provided in the application.

Under 10 CFR 50.80 and 52.28, no license or permit, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the ESP, unless the NRC shall give its consent in writing. Upon review of the information in the application, and other information before the Commission, the NRC staff has determined that the proposed indirect transfer of control of the subject ESP held by SERI to the extent such will result from the proposed formation of the intermediary holding company in conjunction with the planned direct transfer of SERI to SERL to the extent affected in order to support transfer of the Entergy transmission assets as described in the application, is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the NRC, pursuant thereto, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed ESP amendment complies with the standards and requirements of the Atomic Energy Act of

1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I; the facilities 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 ESP amendment 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 ESP amendment will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed amendment will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied. The findings set forth above are supported by a safety evaluation dated the same day as this Order.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2201(b); 2201(i), 2201(o), and 2234; and 10 CFR 50.80 and 10 CFR 52.28, IT IS HEREBY ORDERED that the application regarding the indirect and direct ESP transfers related to the proposed corporate restructuring in connection with the separation of the Entergy transmission system is approved.

IT IS FURTHER ORDERED that consistent with 10 CFR 2.1315(b), the ESP amendment that makes a change, as indicated in Enclosure 7 to the cover letter forwarding this Order (ADAMS Accession No. ML13077A237), to reflect the subject direct transfer, is approved. The amendment shall be issued and made effective at the time the proposed direct transfer action is completed.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed direct transfer action, EOI shall inform the Director of the Office of Nuclear Reactor Regulation and the Director of the Office of New Reactors in writing of such receipt, and of the

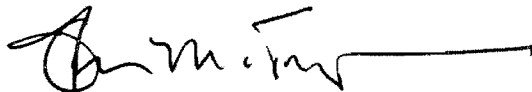
date of closing, no later than 1 business day before the closing of the direct transfer. Should the proposed direct transfer not be completed within 1 year of this Order's date of issuance, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by Order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated September 27, 2012 (ADAMS Accession No. ML12275A013), as supplemented by letters dated January 29 and April 16, 2013 (ADAMS Accession Nos. ML13030A204 and ML13107A010, respectively), and the safety evaluation dated the same date as this Order (ADAMS Accession No. ML13077A237), which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike (first floor), Rockville, Maryland 20852. Publicly available documents created or received at the NRC are accessible electronically through ADAMS in the NRC Library at <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR reference staff by telephone at 1-800-397-4209, or 301-415-4737, or by e-mail to PDR.Resource@nrc.gov.

Dated at Rockville, Maryland this 3 day of May 2013.

For the Nuclear Regulatory Commission.

A handwritten signature in black ink, appearing to read "Glenn M. Tracy", followed by a long horizontal line extending to the right.

Glenn M. Tracy, Director,
Office of New Reactors.

ENCLOSURE 7

DRAFT CONFORMING AMENDMENT

GRAND GULF ESP SITE

EARLY SITE PERMIT NO. ESP-002



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

SYSTEM ENERGY RESOURCES, LLC

GRAND GULF ESP SITE

DOCKET NO. 52-009

EARLY SITE PERMIT

Amendment No.
Early Site Permit No. ESP-002

1. The U.S. Nuclear Regulatory Commission (the NRC or the Commission) has found that:
 - A. The application for an amendment by Entergy Operations, Inc. on behalf of System Energy Resources, LLC (the permit holder) dated September 27, 2012, as supplemented January 29 and April 16, 2013, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The permit holder will conduct early site permit (ESP) activities in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance that the site remains in conformity with the Act and the rules and regulations of the Commission;
 - D. The issuance of this ESP amendment will not be inimical to the common defense and security or the health and safety of the public;
 - E. Any significant adverse environmental impact resulting from activities requested under 10 CFR 52.17(c) can be readdressed; and
 - F. The issuance of this amendment is in accordance with 10 CFR Part 51, "Environmental Protection Regulations for Domestic Licensing and Related Regulatory Functions," of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the ESP is amended as indicated in the attachment to this amendment.
3. The ESP amendment is effective as of its date of issuance and shall be implemented within 60 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Glenn M. Tracy, Director
Office of New Reactors

Attachment:
Changes to the Early Site Permit
No. ESP-002

Date of Issuance:

ATTACHMENT TO ESP AMENDMENT NO. _____

EARLY SITE PERMIT NO. ESP-002

DOCKET NO. 52-009

Replace the following pages of the Early Site Permit No. ESP-002 with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Early Site Permit

Remove

1
2

Insert

1
2

SYSTEM ENERGY RESOURCES, LLC

GRAND GULF ESP SITE

DOCKET NO. 52-009

EARLY SITE PERMIT

Early Site Permit No. ESP-002

1. The U.S. Nuclear Regulatory Commission (the NRC or the Commission) has found the following:
 - A. The application for an early site permit (ESP) filed by System Energy Resources, LLC (the permit holder) complies with the applicable requirements of the Atomic Energy Act of 1954, as amended, and the applicable rules and regulations of the Commission, and all required notifications to other agencies or bodies have been duly made;
 - B. Based on consideration of the site criteria contained in Title 10, Part 100, "Reactor Site Criteria," of the *Code of Federal Regulations* (10 C.F.R. Part 100), a reactor, or reactors, having design characteristics that fall within the site characteristics and controlling parameters of the Grand Gulf ESP Site can be constructed and operated without undue risk to the health and safety of the public;
 - C. There is reasonable assurance that the permit holder will comply with the regulations in 10 C.F.R. Chapter I, and the health and safety of the public will not be endangered;
 - D. Issuance of an ESP to the permit holder will not be inimical to the common defense and security or the health and safety of the public;
 - E. There is no significant impediment to the development of emergency plans, as referenced in 10 C.F.R. § 52.17(b)(1) and 10 C.F.R. § 52.18, "Standards for Review of Applications." The descriptions of contacts and arrangements made with Federal, State, and local governmental agencies with emergency planning responsibilities, as set forth in 10 C.F.R. § 52.17(b)(3), are acceptable. Major features A, B, C, D, E, F, G, I, J, K, L, O, and P of the emergency plan described in the application are acceptable to the extent specified in NUREG-1840, "Safety Evaluation Report for an Early Site Permit (ESP) at the Grand Gulf Site";
 - F. The issuance of this ESP, subject to the conditions for the protection of the environment set forth herein, is in accordance with the National Environmental Policy Act of 1969, as amended, and with applicable sections of 10 C.F.R. Part 51, "Environmental Protection Regulations for Domestic Licensing and Related Regulatory Functions," as referenced by Subpart A of 10 C.F.R. Part 52,

"Early Site Permits; Standard Design Certifications; and Combined Licenses for Nuclear Power Plants," and all applicable requirements therein have been satisfied.

2. Based on the foregoing findings, and pursuant to Sections 103 and 185 of the Atomic Energy Act of 1954, as amended, and 10 C.F.R. Part 52, and the Initial Decision of the Atomic Safety and Licensing Board, dated January 26, 2007 (LBP-07-01), and the Commission Memorandum and Order dated March 27, 2007 (CLI-07-14), the NRC hereby issues Early Site Permit No. ESP-002 to System Energy Resources, LLC for a site located near Port Gibson, Mississippi, approximately 25 miles south of Vicksburg, Mississippi, and adjacent to an existing nuclear power reactor, for additional nuclear power plants, which may be modular, designed to operate at no more than 8600 megawatts thermal, collectively, as described in the application and amendments thereto (the application) filed in this matter by the permit holder, and as described in the evidence received at the public hearing on that application.
3. This ESP shall be deemed to contain and is subject to the conditions specified in the Commission's regulations in 10 C.F.R. Chapter I; is subject to all applicable provisions of the Atomic Energy Act of 1954, as amended, and rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the following conditions specified or incorporated below:
 - A. The characteristics of the Grand Gulf ESP Site set forth in Appendix A to this ESP are hereby incorporated into this ESP.
 - B. The controlling values of parameters set forth in Appendix B to this ESP are hereby incorporated into this ESP.
 - C. The combined license (COL) action items set forth in Appendix C to this ESP are hereby incorporated into this ESP. These COL action items identify certain matters that an applicant who submits an application referencing this ESP shall address in the final safety analysis report (FSAR). These items constitute information requirements but are not the only acceptable set of information in the FSAR. An applicant may depart from or omit these items, provided that it identifies and justifies the departure or omission in the FSAR. In addition, these items do not relieve an applicant from any requirement in 10 C.F.R. Chapter I that governs the application. After issuance of a construction permit (CP) or COL, these items are not requirements for the permit holder or licensee unless such items are included in a permit or license condition.
 - D. The values of plant parameters considered in the environmental review of the application and set forth in Appendix D to this ESP are hereby incorporated into this ESP.

ENCLOSURE 8

ORDER APPROVING TRANSFER OF
FACILITY OPERATING LICENSE NO. NPF-47
AND INDIRECT TRANSFER

RIVER BEND STATION, UNIT 1

(Agencywide Documents Access and Management System
Accession No. ML13078A268)

NUCLEAR REGULATORY COMMISSION

[NRC-2013-XXXX; Docket No. 50-458; License No. NPF-47]

ORDER APPROVING DIRECT AND INDIRECT TRANSFERS OF LICENSE

I.

Entergy Gulf States Louisiana, L.L.C. (EGS-LA) and Entergy Operations, Inc. (EOI) (the licensees) are co-holders of Facility Operating License No. NPF-47. The EGS-LA is the owner and EOI is authorized to possess, use, and operate River Bend Station, Unit No. 1 (RBS). The RBS is located in West Feliciana Parish, Louisiana.

II.

By application dated September 27, 2012, as supplemented by letters dated January 29 and April 16, 2013, EOI requested on behalf of itself, EGS-LA, and their parent companies (together, the applicants), pursuant to § 50.80 of Title 10 of the *Code of Federal Regulations* (10 CFR), that the U.S. Nuclear Regulatory Commission (NRC) consent to certain license transfers to permit the direct transfer of RBS, and associated Independent Spent Fuel Storage Installation, to a new limited liability company also named Entergy Gulf States Louisiana, L.L.C. (New EGS-LA). In addition, the applicants requested the NRC's consent to approve associated indirect license transfers to the extent such would be affected by the formation of a new intermediary holding company. Entergy Corporation (Entergy) will remain as the ultimate parent company, but a new intermediate company, Entergy Utilities Holdings, LLC, a Delaware limited liability company, will be created, which will be the direct parent company of New EGS-LA and EOI. Ultimately, New EGS-LA will acquire ownership of the facility and EOI will remain responsible for the operation and maintenance of RBS. The license transfers are necessary to

support a proposed separation of the Entergy transmission system in Arkansas, Louisiana, Mississippi, Missouri, and Texas. Currently, the utility operating company subsidiaries of Entergy (e.g., EGS-LA) own the respective transmission assets. Following the proposed transactions, each of the Entergy subsidiaries will become a new limited liability company with the same assets except that the transmission assets will be owned by ITC Holdings Corp. and operated by Midwest Independent Transmission System Operator, Inc.

No physical changes to the facilities or operational changes are being proposed in the application. The interconnections that provide offsite power to RBS do not change as a result of the proposed direct and indirect license transfers.

Approval of the direct and indirect transfers of the facility operating license was requested by EOI, acting on behalf of EGS-LA, as well as their parent companies and itself. A notice entitled, "Consideration of Approval of Application Regarding Proposed Creation of a Holding Company and Transfer of Facility Operating License and Opportunity for a Hearing," was published in the *Federal Register* on January 3, 2013 (78 FR 320). No comments or hearing requests were received.

Under 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 NRC shall give its consent in writing. Upon review of the information in the licensees' application, and other information before the Commission, the NRC staff has determined that the proposed indirect license transfer of control of the subject license held by the licensees to the extent such will result from the proposed formation of the intermediary holding company in conjunction with the planned direct transfer of EGS-LA to New EGS-LA to the extent affected in order to support transfer of the Entergy transmission assets as described in the application, is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the NRC, pursuant thereto,

subject to the conditions set forth below. The findings set forth above are supported by a safety evaluation dated the same day as this Order.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the indirect and direct license transfers related to the proposed corporate restructuring in connection with the separation of the Entergy transmission system is approved, subject to the following conditions:

1. Before completion of the proposed transaction, EOI shall provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that New EGS-LA has obtained the appropriate amount of insurance required of the licensees under 10 CFR Part 140 of the Commission's regulations.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed direct transfer action, EOI shall inform the Director of the Office of Nuclear Reactor Regulation in writing of such receipt, and of the date of closing, no later than 1 business day before the closing of the direct transfer. Should the proposed direct transfer not be completed within 1 year of this Order's date of issuance, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by Order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated September 27, 2012 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML12275A013), as supplemented by letters dated January 29 and April 16, 2013 (ADAMS Accession Nos. ML13030A204 and ML13107A010, respectively), and the safety evaluation dated the same date as this Order (ADAMS Accession No. ML13077A237), which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike (first floor), Rockville, Maryland 20852. Publicly available documents created or received at the NRC are accessible electronically through ADAMS in the NRC Library at <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR reference staff by telephone at 1-800-397-4209, or 301-415-4737, or by e-mail to PDR.Resource@nrc.gov.

Dated at Rockville, Maryland this 3 day of May 2013.

For The Nuclear Regulatory Commission.

A handwritten signature in black ink, appearing to read "Eric J. Leeds", is written over a horizontal line.

Eric J. Leeds, Director,
Office of Nuclear Reactor Regulation.

ENCLOSURE 9

ORDER APPROVING TRANSFER OF
FACILITY OPERATING LICENSE NO. NPF-38
AND INDIRECT TRANSFER

WATERFORD STEAM ELECTRIC STATION, UNIT 3

(Agencywide Documents Access and Management System
Accession No. ML13078A340)

NUCLEAR REGULATORY COMMISSION

[NRC-2013-XXXX; Docket No. 50-382; License No. NPF-38]

ORDER APPROVING DIRECT AND INDIRECT TRANSFERS OF LICENSE

I.

Entergy Louisiana, LLC (ELL) and Entergy Operations, Inc. (EOI) (the licensees), are co-holders of Facility Operating License No. NPF-38. The ELL is the owner and EOI is authorized to possess, use, and operate Waterford Steam Electric Station, Unit No. 3 (Waterford). Waterford is located in St. Charles Parish, Louisiana.

II.

By application dated September 27, 2012, as supplemented by letters dated January 29 and April 16, 2013, EOI requested on behalf of itself, ELL, and their parent companies (together, the applicants), pursuant to § 50.80 of Title 10 of the *Code of Federal Regulations* (10 CFR), that the U.S. Nuclear Regulatory Commission (NRC) consent to certain license transfers to permit the direct transfer of Waterford, and associated Independent Spent Fuel Storage Installation, to a new limited liability company also named Entergy Louisiana, LLC (New ELL). In addition, the applicants requested the NRC's consent to approve associated indirect license transfers to the extent such would be affected by the formation of a new intermediary holding company. Entergy Corporation (Entergy) will remain as the ultimate parent company, but a new intermediate company, Entergy Utilities Holdings, LLC, a Delaware limited liability company, will be created, which will be the direct parent company of New ELL and EOI. Ultimately, New ELL will acquire ownership of the facility and EOI will remain responsible for the operation and maintenance of Waterford. The license transfers are necessary to support a proposed

separation of the Entergy transmission system in Arkansas, Louisiana, Mississippi, Missouri, and Texas. Currently, the utility operating company subsidiaries of Entergy (e.g., ELL) own the respective transmission assets. Following the proposed transactions, each of the Entergy subsidiaries will become a new limited liability company with the same assets except that the transmission assets will be owned by ITC Holdings Corp. and operated by Midwest Independent Transmission System Operator, Inc.

No physical changes to the facilities or operational changes are being proposed in the application. The interconnections that provide offsite power to Waterford do not change as a result of the proposed direct and indirect license transfers.

Approval of the direct and indirect transfers of the facility operating license was requested by EOI, acting on behalf of ELL, as well as their parent companies and itself. A notice entitled, "Consideration of Approval of Application Regarding Proposed Creation of a Holding Company and Transfer of Facility Operating License and Opportunity for a Hearing," was published in the *Federal Register* on January 3, 2013 (78 FR 323). No comments or hearing requests were received.

Under 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 NRC shall give its consent in writing. Upon review of the information in the licensees' application, and other information before the Commission, the NRC staff has determined that the proposed indirect license transfer of control of the subject license held by the licensees to the extent such will result from the proposed formation of the intermediary holding company in conjunction with the planned direct transfer of ELL to New ELL to the extent effected in order to support transfer of the Entergy transmission assets as described in the application, is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the NRC, pursuant thereto,

subject to the conditions set forth below. The findings set forth above are supported by a safety evaluation dated the same day as this Order.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the indirect and direct license transfers related to the proposed corporate restructuring in connection with the separation of the Entergy transmission system is approved, subject to the following conditions:

1. Before completion of the proposed transaction, EOI shall provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that New ELL has obtained the appropriate amount of insurance required of the licensees under 10 CFR Part 140 of the Commission's regulations.

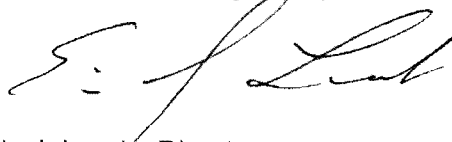
IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed direct transfer action, EOI shall inform the Director of the Office of Nuclear Reactor Regulation in writing of such receipt, and of the date of closing, no later than 1 business day before the closing of the direct transfer. Should the proposed direct transfer not be completed within 1 year of this Order's date of issuance, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by Order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated September 27, 2012 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML12275A013), as supplemented by letters dated January 29 and April 16, 2013 (ADAMS Accession Nos. ML13030A204 and ML13107A010, respectively), and the safety evaluation dated the same date as this Order (ADAMS Accession No. ML13077A237), which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike (first floor), Rockville, Maryland 20852. Publicly available documents created or received at the NRC are accessible electronically through ADAMS in the NRC Library at <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR reference staff by telephone at 1-800-397-4209, or 301-415-4737, or by e-mail to PDR.Resource@nrc.gov.

Dated at Rockville, Maryland this 7 day of May 2013.

For The Nuclear Regulatory Commission.

A handwritten signature in black ink, appearing to read "Eric J. Leeds", written over a horizontal line.

Eric J. Leeds, Director,
Office of Nuclear Reactor Regulation.

ENCLOSURE 10

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
DIRECT AND INDIRECT TRANSFER OF CONTROL OF FACILITY
OPERATING LICENSES AND EARLY SITE PERMIT DUE TO
CORPORATE RESTRUCTURING AND LICENSEE NAME CHANGE WITHIN
ENTERGY CORPORATION



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
DIRECT AND INDIRECT TRANSFER OF CONTROL OF FACILITY OPERATING
LICENSES AND EARLY SITE PERMIT DUE TO CORPORATE RESTRUCTURING
AND LICENSEE NAME CHANGE WITHIN ENTERGY CORPORATION

ARKANSAS NUCLEAR ONE, UNITS 1 AND 2, AND
INDEPENDENT SPENT FUEL STORAGE INSTALLATION

DOCKET NOS. 50-313, 50-368, AND 72-13

GRAND GULF NUCLEAR STATION, UNIT 1, GRAND GULF EARLY SITE
PERMIT, AND INDEPENDENT SPENT FUEL STORAGE INSTALLATION

DOCKET NOS. 50-416, 52-009, AND 72-50

RIVER BEND STATION, UNIT 1, AND INDEPENDENT
SPENT FUEL STORAGE INSTALLATION

DOCKET NOS. 50-458 AND 72-49

WATERFORD STEAM ELECTRIC STATION, UNIT 3, AND
INDEPENDENT SPENT FUEL STORAGE INSTALLATION

DOCKET NOS. 50-382 AND 72-75

1.0 INTRODUCTION

By letter dated September 27, 2012 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML12275A013), as supplemented by letters dated January 29 and April 16, 2013 (ADAMS Accession Nos. ML13030A204 and ML13107A010, respectively), Entergy Operations, Inc. (EOI), acting on behalf of (1) Entergy Arkansas, Inc. (EAI), (2) Entergy Gulf States Louisiana, L.L.C. (EGS-LA), (3) Entergy Louisiana, LLC (ELL), and (4) System Energy Resources, Inc. (SERI) (the applicants, and EAI, EGS-LA, ELL, and SERI each being an owner Licensee Entity), as well as their parent companies and EOI itself, requested that the U.S. Nuclear Regulatory Commission (NRC), pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) 50.80, "Transfer of Licenses," and 10 CFR 52.28, "Transfer of Early Site

Permit," consent to direct transfers of control of the facility operating Power Plants listed below.¹ The following units are considered in this safety evaluation:

- (1) Arkansas Nuclear One, Units 1 and 2, and its independent spent fuel storage installation (ISFSI) (ANO), Docket Nos. 50-313, 50-368, and 72-13
- (2) Grand Gulf Nuclear Station, Unit 1, and ISFSI (GGNS), and Early Site Permit (ESP), Docket Nos. 50-416, 72-50, and 52-009
- (3) River Bend Station, Unit 1, and ISFSI (RBS), Docket Nos. 50-458 and 72-49
- (4) Waterford Steam Electric Station, Unit 3, and ISFSI (Waterford), Docket Nos. 50-382 and 72-75

The applicants also requested NRC approval of the proposed conforming license amendments pursuant to 10 CFR 50.90, "Application for Amendment of License, Construction Permit, or Early Site Permit," and 52.39(e) to reflect the change in the licensee names resulting from the direct transfers for ANO and GGNS and GGNS ESP. In addition, the applicants requested NRC approval of indirect license transfers to the extent such would be affected by formation of a new intermediary holding company, Entergy Utilities Holdings, LLC.

The license transfers are necessary to support a proposed separation of the Entergy Corporation (Entergy) transmission system in Arkansas, Louisiana, Mississippi, Missouri, and Texas. Following the proposed transactions, the transmission assets will be owned by ITC Holdings Corp. (ITC) and operated by Midwest Independent Transmission System Operator, Inc. (MISO).

Under 10 CFR 50.75(f)(1), reports regarding decommissioning funding status should be submitted annually when plants are involved in mergers or acquisitions. The applicants submitted the annual report regarding the status of decommissioning funding for ANO, GGNS, RBS, and Waterford (the Facilities) by letter dated October 15, 2012 (ADAMS Accession No. ML12292A283).

The letter dated October 15, 2012, and the supplements dated January 29 and April 16, 2013, provided additional information that clarified the application and did not expand the scope of the application as originally noticed in the *Federal Register* (FR) on January 3, 2013, for ANO (78 FR 328), GGNS (78 FR 325), RBS (78 FR 320), and Waterford (78 FR 323); and on January 11, 2013, for GGNS ESP (78 FR 2451).

¹ The supplemental letter dated January 29, 2013, states, "The current ownership structures for the other NRC licenses owned by subsidiaries of Entergy Corporation are reflected in Figure 1 attached to a letter entitled "Supplemental Information #4 in Support of Application for Order Approving Indirect Transfer of Control of Licenses," dated March 17, 2008 (ADAMS Accession No. ML080810285), which was submitted in connection with a prior proposed license transfer. This Figure 1 reflects the current direct and indirect owners of the other NRC licenses, except that "Entergy International Holdings LTD" is now known as "Entergy International Holdings LLC." A review of Figure 1 shows that the entities holding the other NRC licenses and their intermediary holding companies are not involved in the proposed transfers that are the subject of the September 27, 2012, application. Other than Entergy Corporation being the same ultimate parent holding company, the companies identified in Figure 1 are not involved in the ownership of transmission assets, which are being transferred in connection with the proposed transfers, and thus, these licenses are not included in the subject Entergy application."

2.0 BACKGROUND

In the application dated September 27, 2012, the applicants stated, in part, that:

In connection with the proposed transaction, each Licensee Entity will merge with and into one or more new entity, with the new entity surviving the merger. The various steps in the transaction that are contemplated will occur contemporaneously, and when the transactions are complete at the end of the day of closing, each Licensee Entity will emerge as a new entity with the same name as prior to the proposed transaction, except that EAI will emerge as Entergy Arkansas, LLC, and SERI will emerge as System Energy Resources, LLC. Both of these entities will be Arkansas limited liability companies. In each case the surviving entity will be a new entity that holds each respective NRC license, and each will be a limited liability company. Thus, approval of the license transfers is required pursuant to 10 CFR 50.80 and 10 CFR 52.28 for the ESP and amendments are required for the ANO licenses to reflect the new name of Entergy Arkansas, LLC and for the GGNS license and GGNS ESP to reflect the new names of System Energy Resources, LLC and Entergy Mississippi, LLC, which is referenced in the [GGNS] license.

The ultimate corporate parent, Entergy, will remain the same, but each of the Licensee Entities and EOI will be owned by a new intermediary holding company, Entergy Utilities Holdings, LLC, a Delaware limited liability company. Entergy Gulf States Holdings, Inc. and Entergy Louisiana Holdings, Inc. will no longer be intermediary holding companies for EGS-LA and ELL, respectively.²

The applicants explained the reason for the proposed transfers in the application dated September 27, 2012:

The proposed transfers are necessary to facilitate the separation of the Entergy transmission system [and assets], which is to become owned and operated independently from Entergy. These transmission assets are currently owned by the utility operating company subsidiaries of Entergy, which are EAI, EGS-LA, ELL, Entergy Mississippi, Inc., Entergy New Orleans, Inc. and Entergy Texas, Inc. (the "Utility Operating Companies"). Following the proposed transaction, each of the Utility Operating Companies will emerge as a new limited liability company with the same assets as prior to the transaction, except that each will no longer own its respective transmission assets in Arkansas, Louisiana, Mississippi, Missouri and Texas. Instead, Entergy plans that the Entergy transmission system will be owned by newly-formed "wires" companies (Wires Subs) which in turn will be subsidiaries of a new Entergy subsidiary, Mid South TransCo LLC. Mid South TransCo LLC will become a wholly owned subsidiary of ITC, a Michigan corporation, in the transaction. ITC currently owns other transmission assets, and the shares of ITC are publicly traded and widely held.

² Simplified organization charts reflecting the current and post-transfer ownership corporate structures are provided in the application dated September 27, 2012, as "FIGURE 1" and "FIGURE 2."

Through a spin off and/or split off exchange offer, Entergy shareholders will acquire the ownership interests of Mid South TransCo LLC, and through a subsequent merger of Mid South TransCo LLC with a subsidiary of ITC, Entergy shareholders will acquire shares of ITC in exchange for the ownership interest in Mid South Transco LLC. As a result of these transactions, the transmission businesses of the Utility Operating Companies will become owned by ITC. The transaction also contemplates that MISO will assume operational control of the Entergy transmission system, and MISO will integrate the operation of the transmission system with the existing MISO transmission grid. This is expected to occur either at the time of the transaction or thereafter likely by the end of 2013. Thus, the Utility Operating Companies will no longer own or operate their existing transmission assets following the transaction.

Through the application, EOI requested, on behalf of the applicants and itself, that the NRC consent to the proposed direct and indirect license transfers and approve the conforming amendments to the ANO licenses, the GGNS license, and the GGNS ESP. Following the proposed transfers, references to EAI, the owner Licensee Entity in the ANO licenses, will be replaced with Entergy Arkansas, LLC. Similarly, references to SERI, an owner Licensee Entity in the GGNS license, will be replaced with System Energy Resources, LLC (SERL). The conforming amendment to the GGNS license also changes references of Entergy Mississippi, Inc. (EMI), described in the application dated September 27, 2012, as a Utility Operating Company and electric utility, to Entergy Mississippi, LLC. EMI has anti-trust responsibilities imposed in the GGNS license. SERI is also the permit holder for the GGNS ESP. Thus, following the proposed license transfers, references in the GGNS ESP will be replaced with SERL. The Licensee Entities for Waterford and RBS will merge with or into one or more entities, but emerge as a new entity with the same name as prior to the transactions. Therefore, there is not an associated conforming amendment because the proposed license transfers do not affect the names of the Licensee Entities in the Waterford or RBS facility operating licenses.

As stated in the application dated September 27, 2012:

In addition, the proposed transaction will involve the transfer to Mid South TransCo LLC of: "facilities for the production, transmission or distribution of electric energy having a depreciated book value exceeding one percent (1%) of Entergy Gulf States Louisiana, [L.L.C.]'s consolidated net utility plant, as recorded on [its] books of account."

Therefore, the application dated September 27, 2012, provides the Director of the Office of Nuclear Reactor Regulation 60-day advance notice as specified by License Condition 2.C.(16) of the license for RBS.

3.0 REGULATORY EVALUATION

The applicants' request for approval of the direct and indirect transfer of the facility operating licenses as described above, and discussed in this safety evaluation is made pursuant to Section 184 of the Atomic Energy Act (AEA) of 1954, as amended, and 10 CFR 50.80.

In addition, 10 CFR 52.28, "Transfer of an Early Site Permit," states:

An application to transfer an early site permit will be processed under 10 CFR 50.80.

Regulations in 10 CFR 50.80(a) state:

No license for a production or utilization facility (including, but not limited to, permits under this part and part 52 of this chapter, and licenses under part 50 and 52 of this chapter), or any right thereunder, shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission shall give its consent in writing.

The requirements of 10 CFR 50.80(b) and (c) apply. Regulations in 10 CFR 50.80(b) state that an application for a license transfer shall include as much information described in 10 CFR 50.33, "Contents of Applications; General Information," and 10 CFR 50.34, "Contents of Applications; Technical Information," "with respect to the identity and technical and financial qualifications of the proposed transferee as would be required by those sections if the application were for an initial license." Regulations in 10 CFR 50.80(c) state that "the Commission will approve an application for the transfer of a license, if the Commission determines: (1) That the proposed transferee is qualified to be the holder of the license; and (2) That the transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto."

4.0 FINANCIAL QUALIFICATIONS

Under 10 CFR 50.80(b)(1)(i), an application for a license transfer must contain all the requested information related to financial qualifications as required by 10 CFR 50.33. An "electric utility" is exempted from the requirement to submit financial qualifications information under 10 CFR 50.33(f). "Electric utility" as defined in 10 CFR 50.2, "Definitions," is "any entity that generates or distributes electricity and which recovers the cost of this electricity, either directly or indirectly, through rates established by the entity itself or by a separate regulatory authority."

The applicants state in the application dated September 27, 2012, the following:

The Applicants all recover their cost of electricity for the Facilities either directly or indirectly through rates established by regulatory authorities, and they will continue to do so following the proposed license transfers. As such, the Applicants are presumed to be financially qualified for operations, and they are exempt from the financial qualifications information requirements. EOI recovers its costs from the owner Licensee Entities, and its [EOI's] financial qualifications are based upon those of the owner Licensee Entities.

4.1 Arkansas Nuclear One, Units 1 and 2

The applicants explain the financial qualifications for ANO by stating the following:

Entergy Arkansas, Inc. (EAI), the owner-licensee of ANO, is an electric utility, and it directly recovers its costs for ANO through rates established by the Arkansas Public Service Commission. Entergy Arkansas, LLC will become the owner-licensee for ANO and will continue to be an electric utility and recover its costs in rates in the same fashion.

4.2 Grand Gulf Nuclear Station, Unit 1 and Early Site Permit

The applicants explain the financial qualifications for GGNS and GGNS ESP by stating the following:

System Energy Resources, Inc. (SERI) is the owner licensee of 90% of GGNS and has indirect rate recovery for GGNS similar to the EGS-LA PPA [Purchase Power Agreement] cost recovery arrangements for RBS.³ SERI recovers, and the new System Energy Resources, LLC, will continue to recover, its cost of service for the capacity and energy associated with its 90% of GGNS indirectly through regulated rates, because the rates for this capacity and electricity are subject to FERC [Federal Energy Regulatory Commission] tariffs that are captured in a FERC-approved life-of-unit PPA with Entergy Mississippi, Inc. (EMI), an electric utility in Mississippi. This PPA is priced based upon the cost of service pursuant to FERC Service Schedule MSS-4, and it is also subject to the jurisdiction of the Mississippi Public Service Commission. These arrangements will continue in effect with the System Energy Resources, LLC, except that EMI will be replaced with Entergy Mississippi, LLC. This PPA may also be considered a cost passthrough contract with a regulated electric utility in which the electric utility pays for the cost of the electricity it uses through cost of service rate recovery. A review of financial qualifications is not required for the transfer of control of the holder of an Early Site Permit pursuant to 10 CFR 50.80(b)(1)(ii), which requires only information "with respect to the identity and technical qualifications of the proposed transferee."

4.3 River Bend Station, Unit 1

The applicants explain the financial qualifications for RBS by stating the following:

Entergy Gulf States Louisiana, L.L.C. (EGS-LA), the owner-licensee for RBS, is an electric utility. It directly and indirectly recovers its costs for RBS through rates established by the LPSC [Louisiana Public Service Commission], the Public Utility Commission of Texas (PUCT), and the Federal Energy Regulatory Commission (FERC). New EGS-LA will become the owner-licensee for RBS and will continue to be an electric utility and recover its costs in rates in the same fashion.

³ The remaining 10 % is owned by South Mississippi Electric Power Association (SMEPA) and is not a part of this action.

For 70% of RBS, EGS-LA recovers its costs of service directly through rates set by the LPSC and indirectly through FERC tariffs that are captured in a FERC-approved life-of-unit Power Purchase Agreement (PPA) with Entergy Texas, Inc. (ETI), an electric utility in Texas. ETI purchases its "responsibility ratio" ^[(1)] portion of the capacity and energy of the 70% portion of River Bend pursuant to the System Agreement Service Schedule MSS-4 (MSS-4). ^[(2)] This FERC-approved PPA provides for cost of service recovery for the costs associated with the portion of RBS that correlates with electricity from RBS delivered to ETI relating to its responsibility ratio. This PPA is also subject to the jurisdiction of the PUCT. These arrangements will continue in effect for the new EGS-LA, except that ETI will be replaced with Entergy Texas, LLC. This PPA may also be considered a "cost passthrough contract" with regulated electric utilities in which the electric utilities pay for the cost of the electricity they use through cost of service rate recovery.

EGS-LA also owns a thirty percent (30%) portion of RBS that was formerly owned by Cajun Electric Cooperative, Inc. and that is sometimes referred to as an "unregulated" portion of RBS. However, EGS-LA's cost of service for the capacity and energy associated with this 30% portion of River Bend is indirectly recovered through regulated rates, because the rates for this capacity and electricity are subject to FERC tariffs that are captured in FERC-approved life-of-unit PPAs with ELL and Entergy New Orleans, Inc. (ENOI). These PPAs are priced based upon the cost of service pursuant to FERC Service Schedule MSS-4, and they are also subject to the jurisdiction of the LPSC. These arrangements will continue in effect for the new EGS-LA, except that ENOI will be replaced with Entergy New Orleans, LLC, and ELL will be replaced with the new ELL. These PPAs may also be considered cost passthrough contracts with regulated electric utilities in which the electric utilities pay for the cost of the electricity they use through cost of service rate recovery.

Because it will recover the cost of service for RBS through rates established by regulatory agencies, the new EGS-LA will continue to be an "electric utility" as defined in 10 CFR 50.2 and recover its costs of service for 100% of RBS either directly or indirectly through regulated rate recovery. These arrangements were reviewed and approved by the NRC in connection with the prior license transfer approval on October 26, 2007.

⁽¹⁾ The ETI responsibility ratio is based on the twelve-month coincident peak demands of the ETI retail load and the EGS-LA responsibility ratio reflects the Louisiana retail and all wholesale loads.

⁽²⁾ MSS-4 is a FERC approved tariff that provides the basis for making a unit power purchase between Entergy utility operating companies. The pricing pursuant to MSS-4 is based on the cost of service.

4.4 Waterford Steam Electric Station, Unit 3

The applicants explain the financial qualifications for Waterford by stating the following:

Entergy Louisiana, LLC (ELL), the owner-licensee of Waterford, is an electric utility. ELL directly recovers its costs for Waterford through rates set by the Louisiana Public Service Commission (LPSC). The New ELL will become the owner-licensee for Waterford and will continue to be an electric utility and recover its costs in rates in the same fashion.

The NRC staff concludes that the proposed new licensees for ANO, GGNS, RBS, and Waterford will be electric utilities as defined in 10 CFR 50.2 and that their financial qualifications are presumed. Based on the applicants' statements above, the NRC staff expects that the financial qualifications that were in place before the proposed transfers will continue after the proposed transfers. Therefore, no further financial qualifications review is needed.

5.0 DECOMMISSIONING FUNDING ASSURANCE

The NRC has determined that the requirements to provide reasonable 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. Under 10 CFR 50.75(b), a reactor licensee is required to provide decommissioning funding assurance by one or more of the methods described in 10 CFR 50.75(e), as determined to be acceptable to the NRC.

Under 10 CFR 50.75(b), each power reactor licensee must certify that it will provide decommissioning funding assurance in an amount that may be more but not less than the Table of Minimum Amounts in 10 CFR 50.75(c)(1) and (2). This Table of Minimum Amounts is based on the thermal megawatt size and type of light water reactor, and on cost escalation factors for labor, energy, and low-level waste (LLW) disposal costs. The LLW disposal cost factor is to be derived from the latest version of NUREG-1307, "Report on Waste Burial Charges."⁴

The financial qualifications of the applicants to continue to own the Facilities are further demonstrated by the decommissioning funding assurance provided in accordance with 10 CFR 50.75(e)(1). Details regarding the status of the decommissioning funding assurance maintained by the applicants for the Facilities were provided in the decommissioning funding status report dated March 31, 2011 (ADAMS Accession No. ML110940138), which was submitted by EOI in accordance with 10 CFR 50.75(f). An updated 2013 report reflecting the balances as of December 31, 2012, will be submitted by the required due date March 31, 2013.

The report dated March 31, 2011, demonstrated that there is reasonable assurance of adequate decommissioning funding that is provided by individual external trust funds established by setting aside funds periodically in nuclear decommissioning trusts segregated from the licensees' assets and outside the licensees' administrative control in accordance with the requirements of 10 CFR 50.75(e)(1)(ii) for external sinking funds. For the 30 percent portion of RBS, the external sinking fund (with earnings credited as authorized by the regulations) is currently considered "discounted prepaid" as per the requirements of 10 CFR 50.75(e)(1)(i).

⁴ At this writing, the latest version of NUREG-1307 is Revision 15.

In the most recent decommissioning funding status report submitted by letter dated October 15, 2012 (ADAMS Accession No. ML12292A283), the applicants provided the decommissioning trust fund balances for each of the NRC licenses as it stood on December 31, 2011:

ANO, Unit 1	\$303,928,142
ANO, Unit 2	\$237,729,232
GGNS	\$423,409,202
RBS (70 percent)	\$192,264,458
RBS (30 percent)	\$228,652,703
Waterford	\$253,967,667

Based on the applicants' statements above, the NRC staff expects that the decommissioning funding assurances that were in place before the proposed transfers will continue after the proposed transfers. Therefore, no further decommissioning funding assurance review is needed. However, the NRC staff notes that in the proposed transfer, the decommissioning trusts funds immediately before the proposed transfer will not be higher than the decommissioning trusts funds found immediately after the proposed transfer is completed. In addition, on the basis of the information in this application and on the representations made therein, the NRC staff concludes that the funding assurance transfer and the funding assurance mechanism meet the requirements of 10 CFR 50.75, "Reporting and Recordkeeping for Decommissioning Planning," and provide reasonable assurance of the availability of funds for decommissioning the units described above.

6.0 ANTITRUST REVIEW

The Atomic Energy Act of 1954, as amended, does not require or authorize antitrust reviews of post-operating license transfer applications. See *Kansas Gas and Electric Co., et al.* (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441 (1999). The application here postdates the issuance of the operating licenses for the units under consideration in this safety evaluation and, therefore, no antitrust review is required or authorized.

7.0 FOREIGN OWNERSHIP

As stated in the application dated September 27, 2012:

Entergy is a publicly traded company, and its securities are traded on the New York Stock Exchange and are widely held. Section 13(d) of the Securities Exchange Act of 1934, as amended, 15 U.S.C. 78m(d), requires that a person or entity that owns or controls more than 5% of the securities of a company must file notice with the Securities and Exchange Commission (SEC). Based upon filings with the SEC, EOI is not aware of any alien, foreign corporation, or foreign government that holds or may hold beneficial ownership of more than 5% of the securities of Entergy. However, Blackrock, Inc., a Delaware corporation, reports that as of December 31, 2011, it owned 7.83% of the voting common stock of Entergy and that an undisclosed number of these shares are held by one or more foreign-domiciled subsidiaries. In addition, State Street Corporation, a Massachusetts corporation, reports that as of December 31, 2011, it owned 5.2% of the voting common stock of Entergy and that an undisclosed number of these

shares are held by one or more foreign-domiciled subsidiaries, and Franklin Resources, Inc., a Delaware corporation, reports that as of December 31, 2011, it owned 5.3% of the voting common stock of Entergy and that an undisclosed number of these shares are held by one or more foreign-domiciled subsidiaries. Blackrock, Inc., State Street Corporation, and Franklin Resources Inc. are U.S. companies, and they have no right to appoint any manager or director of Entergy and have no special voting rights beyond those held by all other voting shareholders of Entergy. Moreover, their SEC filings specifically certify that they did not acquire their respective shares for the purpose of or with the effect of changing or influencing the control of Entergy. See 17 CFR 240.13d-1(b)&(c) (requirements for Schedule 13G filing).

The current and proposed directors and executive officers of Entergy and the Entergy subsidiaries that directly or indirectly own the Applicants are all United States citizens. There is no reason to believe that the Applicants are owned, controlled, or dominated by any alien, foreign corporation, or foreign government. Thus, the transfer of control of the licensed entities will not result in any foreign ownership, domination, or control of these entities within the meaning of the Act and 10 CFR 50.38.

The directors and principal officers of the licensees and their parent companies will not change as a result of the proposed license transfers or conforming amendments. The applicants state that the licensees and the parent companies will not be owned, controlled, or dominated by an alien, foreign corporation, or foreign government.

In consideration of the foregoing, the NRC staff does not know or have reason to believe that under the proposed transaction, the applicants will be owned, controlled, or dominated by a foreign interest within the meaning of the AEA and concludes that the foreign ownership prohibition of the AEA would not bar the proposed transaction and that the proposed transaction is not in violation of the NRC regulation in 10 CFR 50.38, "Ineligibility of Certain Applicants." However, the NRC staff notes that, should the percentage ownership interests held by any foreign investors in the applicants begin to rise significantly, or the character of the voting rights changes, the NRC staff would view those changes as material and would expect that the NRC would be notified immediately. Consideration would have to be given at that time as to whether the applicants would be deemed to be owned, controlled, or dominated by foreign interests under Section 103 of the AEA or under 10 CFR 50.38 of the NRC regulations. In addition, NRC staff consideration would have to be given as to whether a negation action plan would be necessary, and whether such a plan could be created and implemented, to allow the ownership and control structure over the applicants to continue without contravening the AEA.

8.0 TECHNICAL QUALIFICATIONS

As stated in the application dated September 27, 2012:

The technical qualifications of EOI are not affected by the proposed license transfers. There will be no changes in the officers, personnel, or day-to-day operations of the Facilities in connection with the indirect transfer of control. It is anticipated that EOI will at all times remain the licensed operator of the Facilities.

The applicants also addressed grid reliability as a result of the proposed license transfers. The applicants stated the proposed license transfers are to facilitate the separation of the Entergy transmission system that is currently owned by the Licensed Entities and operated by Entergy's transmission organization (Entergy Transmission). Subsequent to the proposed transfers, the transmission businesses of EAI, EGS-LA, ELL, Entergy Mississippi, Inc., Entergy New Orleans, Inc., and Entergy Texas, Inc. (Utility Operating Companies) will be owned by ITC and operated by MISO. The applicants stated that the interconnections of the existing transmission facilities that provide off-site power to the licensed facility will not change. Currently, reliable power to the plants is facilitated through a combination of agreements, procedures, protocols, and/or actions with Entergy Transmission. Following the proposed license transfers, the applicants stated that these formal requirements will be continued in Switchyard and Transmission Interface Agreements and other agreements between the Licensee Entities and Mid South TransCo LLC and MISO.

Based on the above, NRC staff expects that the technical qualifications that were in place before the proposed transfers will continue after the proposed transfers. Therefore, no further technical qualifications review is needed.

9.0 PRICE-ANDERSON INDEMNITY AND NUCLEAR INSURANCE

As stated in the application dated September 27, 2012:

In accordance with Article IV.2 of the NRC Price-Anderson indemnity agreements for the Facilities, EOI requested NRC approval of the assignment and transfer of each of the transferor's applicable interests in the indemnity agreements to the new Licensee Entities. The only revisions to the indemnity agreements that are required are an amendment to the ANO indemnity agreement to reflect the new entity and name "Entergy Arkansas, LLC" and an amendment to the GGNS indemnity agreement to reflect the new entity and name "System Energy Resources, LLC." The other new Licensee Entities have the same names as the existing Licensee Entities. The Licensee Entities will maintain the required nuclear property damage insurance pursuant to 10 CFR 50.54(w) and nuclear energy liability insurance pursuant to Section 170 of the Act and 10 CFR Part 140.

The NRC staff has no reason to believe that the proposed license transfers will affect the ability of the applicants to meet its financial obligations regarding indemnity and nuclear insurance for ANO, GGNS, RBS, and Waterford. Therefore, the NRC staff concludes that the direct and indirect transfer of control of the facility operating licenses held by the applicants will have no adverse impact on its ability to provide required nuclear insurance and indemnity coverage or its ability to meet its nuclear insurance obligations.

However, to ensure that the applicants obtain adequate insurance, the NRC staff believes that the Order approving the proposed license transfers should be subject to the following condition, essentially as follows:

Prior to completion of the proposed transaction, the applicants shall provide satisfactory documentary evidence to the NRC staff that the new Licensee

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

10.0 COMMENTS RECEIVED

Notice of the consideration for approval and opportunity for a hearing was published in the *Federal Register* on January 3, 2013 (78 FR 320, 78 FR 323, 78 FR 325, 78 FR 328) for RBS, Waterford, GGNS, and ANO, respectively. No hearing requests, petitions to intervene, or comments were received. Notice of the consideration for approval and opportunity for a hearing was published in the *Federal Register* on January 11, 2013 (78 FR 2451) for the GGNS ESP. No hearing requests or petitions to intervene were received. The NRC staff received one comment from a member of the public in Webster, Texas, on February 8, 2013 (ADAMS Accession No. ML13044A011). The commenter stated, in part, the following and requested that the NRC delay any action until sufficient information is provided to the public.

Comment:

Your notice doesn't indicate who the principals of System Energy Resource, LLC are and why is this transfer necessary. Will System Energy Resources, Inc retain liability for any and all actions or omissions that took place while they owned the facility.? Is System Energy Resource LLC being adequately capitalized?

The NRC staff responded to the commenter by e-mail dated February 27, 2013 (ADAMS Accession No. ML13058A624). The NRC staff identified the officers and directors of SERL and discussed the application's reasons for the transfer. The NRC staff also answered the questions regarding liability and capitalization.

11.0 CONFORMING AMENDMENT

11.1 Proposed Amendment

The application requests approval of conforming amendments to the ANO Renewed Facility Operating Licenses No. DPR-51 and NPF-6, GGNS Facility Operating License No. NPF-29, and GGNS ESP No. ESP-002. The ANO amendments replace references to Entergy Arkansas, Inc., the owner Licensee Entity, with Entergy Arkansas, LLC. Similarly, the GGNS amendment replaces references to System Energy Resources, Inc., the owner Licensee Entity, with System Energy Resources, LLC. In addition, references to Entergy Mississippi, Inc., who has anti-trust responsibilities imposed in the GGNS license, is replaced with Entergy Mississippi, LLC. Lastly, the GGNS ESP amendment replaces references of System Energy Resources, Inc., the ESP holder, with System Energy Resources, LLC. The proposed license transfers do not affect the names of the Licensee Entities in the Waterford or RBS facility operating licenses. Therefore, there are no associated conforming amendments.

The letter dated October 15, 2012, and the supplements dated January 29 and April 16, 2013, provided additional information that clarified the application and did not expand the scope of the application as originally noticed in the *Federal Register* on January 3 and January 11, 2013.

11.2 Discussion

The changes to be made to the licenses are indicated in Enclosures 2, 3, 5, and 7 to the cover letter forwarding the NRC staff's Order regarding the respective transfers for ANO, Unit 1, ANO, Unit 2, GGNS, and GGNS ESP. The amendments involve no safety questions and are administrative in nature.

The NRC staff concludes that the applicants have provided sufficient financial information to address the applicable regulatory requirements of 10 CFR 50.33, 10 CFR 50.80, and 10 CFR 52.28. Therefore, under 10 CFR 50.80, the NRC staff concludes that the proposed direct transfer of the ANO renewed facility operating licenses from Entergy Arkansas, Inc., to Entergy Arkansas, LLC, are acceptable. Similarly, the NRC staff concludes that the proposed direct transfer of the GGNS facility operating license from System Energy Resources, Inc., to System Energy Resources, LLC, and the replacing of references to Entergy Mississippi, Inc., with Entergy Mississippi, LLC, is acceptable. Lastly, under 10 CFR 52.28, the NRC staff concludes that the proposed direct transfer of the GGNS ESP from System Energy Resources, Inc., to System Energy Resources, LLC, is acceptable.

11.3 State Consultation

In accordance with the Commission's regulations, the State officials from Arkansas and Mississippi were notified of the proposed issuance of the amendments. The State officials had no comments.

11.4 Conclusions 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) there is reasonable assurance that 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.

12.0 ENVIRONMENTAL CONSIDERATIONS

The subject application is for approval of the transfer of licenses issued by the NRC and approval of conforming amendments. Accordingly, these amendments 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.

13.0 CONCLUSION

13.1 Direct Transfers

The information contained in the application demonstrates that the following will continue to possess the requisite qualifications to own the licensed facilities in accordance with the NRC facility operating licenses and possess the requisite qualifications to hold the ESP:

- Entergy Louisiana, LLC, for Waterford Steam Electric Station, Unit 3 and ISFSI
- Entergy Gulf States Louisiana, L.L.C., for River Bend Station, Unit 1 and ISFSI
- System Energy Resources, LLC, for Grand Gulf Nuclear Station, ISFSI, and ESP
- Entergy Arkansas, LLC, for Arkansas Nuclear One, Units 1 and 2, and ISFSI

The information contained in the application also demonstrates that Entergy Operations, Inc. will continue to possess the requisite qualifications to operate the licensed facilities in accordance with the NRC facility operating licenses.

The proposed direct transfers of control will not result in any change in the role of the licensees as the licensed owners, or operators, of the facilities and will not result in any changes to their financial qualifications, decommissioning funding assurance, anti-trust, and foreign ownership, domination or control issues. No physical changes will be made to the facilities and there will be no changes in day-to-day operations as a result of these direct transfers.

13.2 Indirect Transfers

The indirect transfers of control as a result of Entergy Utilities Holdings, LLC, becoming the intermediate (parent) company between the licensees and Entergy Corporation will not involve any changes to the current licensing bases. The indirect transfer will neither have any adverse impact on the public health and safety, nor be inimical to the common defense and security. Finally, this request for indirect transfers of control of the licenses and ESP will not result in the licensees becoming owned, controlled, or dominated by a foreign entity.

In view of the foregoing, the NRC staff concludes that the proposed licensees after the proposed indirect transfers are qualified to be the holders of the licenses to the extent proposed in the application, and that the indirect transfer of the licenses and Early Site Permit as described in the application is otherwise consistent with applicable provisions of law, regulations and orders issued by the Commission pursuant thereto.

Principal Contributors: Michael A. Dusaniwskyj
Jennivine K. Rankin

Date: May 3, 2013

J. McCann

- 3 -

The Orders have been forwarded to the Office of the Federal Register for publication.

Sincerely,

/ra/

Alan Wang, Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-313, 50-368, and 72-13;
50-416 and 72-50; 52-009; 50-458 and
72-49; and 50-382 and 72-75

Enclosures:

1. ANO-1 and ANO-2 Order
2. Draft Conforming Amendment to DPR-51
3. Draft Conforming Amendment to NPF-6
4. GGNS Order
5. Draft Conforming Amendment to NPF-29
6. ESP Order
7. Draft Conforming Amendment to ESP-002
8. RBS Order
9. Waterford 3 Order
10. Safety Evaluation

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RidsNrrDirslf Resource	RidsNrrPMGrandGulf Resource	MDusaniwskyj, NRR/DIRS/IFAIB
RidsNrrDorl Resource	RidsNrrPMRiverBend Resource	MEudy, NRO/DNRL/LB3
RidsNrrDoriDpr Resource	RidsNrrPMWaterford Resource	WAllen, NMSS/SFST
RidsNrrDorlLpl4 Resource	RidsOpaMailCenter Resource	

ADAMS Accession Nos.: Ltr +Encl 2, 3, 5, 7, 10 ML13077A237; ANO-1 and ANO-2 Order ML13077A221;
GGNS Order ML13077A425; ESP Order ML13078A194; RBS Order ML13078A268;
Waterford 3 Order ML13078A340
* via email

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NAME	RJenkins	RAIwein (A)	UShoop	RMathew (A)	MMarkley	MEvans
DATE	4/4/13	4/1/13	4/1/13	4/3/13	4/15/13	4/25/13
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NAME	DMatthews	BMizuno	GTracy	ELeeds	AWang	
DATE	4/19/13	4/26/13	5/3/13	5/3/13	5/3/13	

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