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10 CFR 50.75(h)(1)(iii)

NL-18-065

August 15, 2018

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555-0001

SUBJECT: Notice Regarding Proposed Fifth Amendment to Master Decommissioning Trust Agreement

Indian Point Nuclear Generating Unit No. 3
Docket No. 50-286
License No. DPR-64

Dear Sir or Madam:

Entergy Nuclear Operations, Inc. provides this thirty (30) working day prior notice to the Director, Office of Nuclear Reactor Regulation regarding a proposed Fifth amendment to the Master Decommissioning Trust Agreement dated July 25, 1990, as amended, governing the nuclear decommissioning trust funds for Indian Point Nuclear Generating Unit No. 3 ("IP3"). This notice is being provided pursuant to 10 CFR 50.75(h)(1)(iii) and Section 10.05 of the Master Decommissioning Trust Agreement, as amended. A copy of the proposed "Fifth Amendment to Master Decommissioning Trust Agreement" is provided in the Attachment to this letter.

The proposed amendment would: (1) amend Article V to clarify that the Trustee and any Trustee affiliate that serves as an investment manager can each receive reasonable and appropriate fees for the services that they each provide; (2) amend Exhibit A referenced in Article IX to clarify that the trust assets may be invested in a pooled investment vehicle, such as a common trust fund or regulated investment company, that itself is subject to the investment restrictions in Exhibit A; and (3) amend Article X of the Master Decommissioning Trust Agreement to provide that the agreement and trust(s) thereunder be governed by, and administered under, the laws of the Commonwealth of Pennsylvania.

This letter contains no new regulatory commitments. If the Nuclear Regulatory Commission requires additional information concerning this request, please contact me at (601) 368-5516 or bford@entergy.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Ford". The signature is fluid and cursive, with the first name "Brian" and last name "Ford" clearly distinguishable.

Attachment: Proposed Fifth Amendment to Master Decommissioning Trust Agreement

cc: Mr. Richard Guzman, Senior Project Manager, NRC NRR DORL
Mr. David Lew, Regional Administrator, NRC Region I
Ms. Alicia Barton, President and CEO, NYSERDA
Ms. Bridget Frymire, New York State Public Service Commission
NRC Resident Inspector's Office

ATTACHMENT TO NL-18-065

PROPOSED FIFTH AMENDMENT TO
MASTER DECOMMISSIONING TRUST AGREEMENT

ENTERGY NUCLEAR OPERATIONS, INC.
INDIAN POINT NUCLEAR GENERATING UNIT NO. 3
DOCKET NO. 50-286

FIFTH AMENDMENT TO MASTER DECOMMISSIONING TRUST AGREEMENT

FIFTH AMENDMENT TO MASTER DECOMMISSIONING TRUST AGREEMENT dated as of September __, 2018 ("Fifth Amendment") by and between Entergy Nuclear Operations, Inc., a Delaware corporation ("ENOI"), and The Bank of New York Mellon, as Trustee (the "Trustee"), a New York banking corporation having trust powers.

WHEREAS, on January 30, 2017, pursuant to the Assignment and Assumption Agreement dated as of such date between the Power Authority of the State of New York ("Authority") and ENOI, the Authority assigned to ENOI its beneficial interest in the Master Decommissioning Trust (the "Master Trust") with respect to the Decommissioning of the Indian Point 3 Nuclear Plant and the James A. FitzPatrick Nuclear Plant and the Funds operating under the Master Trust;

WHEREAS, the Master Trust is governed by the Master Decommissioning Trust Agreement dated as of July 25, 1990 between the Authority and the Trustee, as amended by the First Amendment to Master Decommissioning Trust Agreement dated as of November 21, 2000, between the Authority and the Trustee, by the Second Amendment to Master Decommissioning Trust Agreement dated as of January 30, 2017, between the Authority and the Trustee, by the Third Amendment dated as of March 10, 2017, and by the Fourth Amendment dated as of August __, 2018 between ENOI and the Trustee (as so amended, the "Master Trust Agreement");

WHEREAS, Section 10.05 of the Master Trust Agreement provides that, following any assignment of beneficial ownership pursuant to Section 3.01 of the Master Trust Agreement, the Master Trust Agreement may be amended, modified or altered for any purpose requested by the assignee beneficial owner so long as such amendment does not affect the use of the assets of the Funds to pay the costs of Decommissioning;

WHEREAS, ENOI desires to amend Section 5.03 of the Master Trust Agreement to clarify that the Trustee and any Trustee affiliate that serves as an Investment Manager can each receive reasonable and appropriate fees for the services that they each provide to the Trust;

WHEREAS, ENOI desires to amend Section 9.01 and Exhibit A of the Master Trust Agreement to clarify that trust assets may be invested in a pooled investment vehicle that itself is subject to the investment restrictions in Exhibit A;

WHEREAS, ENOI desires to amend Section 10.07(a) of the Master Trust Agreement to provide that the Master Trust shall be governed by, and administered under, the laws of the Commonwealth of Pennsylvania;

WHEREAS, 30 working days have elapsed since the Notice was sent to the Director, and the Trustee has not received any notice of objection from the Director;

WHEREAS, Section 10.05 of the Master Trust Agreement provides that any alteration, amendment or modification of the Master Trust Agreement or an exhibit thereto must be in writing and signed by ENOI and the Trustee; and

WHEREAS, Section 10.05 of the Master Trust Agreement provides that the Trustee shall execute such alteration, modification or amendment required to be executed by it, but shall have no duty to inquire or make any investigation as to whether any amendment, modification or alteration is consistent with said Section 10.05;

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Trustee and ENOI hereby agree as follows:

1. Defined terms used herein and not otherwise defined shall have the meanings ascribed to them in the Master Trust Agreement.
2. The Master Trust Agreement is amended as follows:

- a. Section 5.03 is hereby amended to add the following language at the end thereof:

“The Trustee, or any affiliate of the Trustee, may receive and retain any compensation that it receives for the investment (in its individual capacity and pursuant to the terms of a separate investment management agreement or at the direction of ENOI and subject to the Trustee’s consent) of Trust assets in shares of any common, collective or commingled trust fund or in shares in any investment company or trust that is registered under the Investment Company Act of 1940, as amended, even if the Trustee, in its individual capacity, or an affiliate of the Trustee acts as adviser, custodian, transfer agent, registrar, sponsor, distributor or manager, or provides other services to such fund, company or trust. For the avoidance of doubt, any compensation for services to such fund, company or trust may be in addition to, and not in place of, any compensation received by the Trustee fees for its services to the Trust.”

- b. Exhibit A to Section 9.01 is hereby amended to add the following language to be inserted after Section 6 thereof:

“Pooled Investment Vehicles”

7. Shares of a common, collective or commingled trust fund and shares of any investment company or trust which is registered under the Investment Company Act of 1940, the assets of which consist of Permitted Investments, including shares of any such company or trust to which the Trustee, in its individual capacity, or an affiliate of the Trustee acts as adviser, custodian, transfer agent,

registrar, sponsor, distributor or manager, or provides other services, each shall be a Permitted Investment; provided, however, that the investments held by such fund, company or trust shall be otherwise subject to the requirements of this Exhibit A.”

c. Exhibit A to Section 9.01 is hereby amended to insert the following clause at the end of the first sentence of “Portfolio Restrictions” in the paragraph beginning “More than 5% . . .”

“provided, however, that this restriction shall not apply to any investment in any Pooled Investment Vehicle described in Section 7 of this Exhibit A.”

d. The first sentence of Section 10.07(a) is hereby amended to delete the words “State of New York” and insert the words “Commonwealth of Pennsylvania” so as to read:

“The Master Trust and all questions pertaining to its validity, construction, and administration shall be determined in accordance with the internal substantive laws (and not the choice of law rules) of the Commonwealth of Pennsylvania to the extent not superseded by Federal law.”

3. This Fifth Amendment shall bind and inure to the benefit of ENOI and the Trustee and their respective assigns, transferees and successors.
4. This Fifth Amendment and all questions pertaining to its validity, construction and administration shall be determined in accordance with the internal substantive laws (and not the choice of law rules) of the Commonwealth of Pennsylvania to the extent not superseded by Federal law.
5. This Fifth Amendment may be executed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument.
6. ENOI and the Trustee hereby represent and warrant to the other that it has full authority to enter into this Fifth Amendment on the terms and conditions hereof and that the individual executing this Fifth Amendment on its behalf has the requisite authority to bind such party.

[Signature page follows.]

IN WITNESS WHEREOF, ENOI and the Trustee have executed this instrument under seal as of the date first above written.

THE BANK OF NEW YORK MELLON, AS TRUSTEE

By: _____
Name:
Title:

Attest:

Name:
Title:

ENTERGY NUCLEAR OPERATIONS, INC.

By: _____
Name:
Title:

Attest:

Name:
Title: