



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

April 16, 2015

Site Vice President
Entergy Nuclear Operations, Inc.
Vermont Yankee Nuclear Power Station
P.O. Box 250
Governor Hunt Road
Vernon, VT 05354

SUBJECT: VERMONT YANKEE NUCLEAR POWER STATION - REQUEST FOR
CONSENT TO CANCEL LINES OF CREDIT (TAC NO. MF5490)

Dear Sir or Madam:

By letter dated December 19, 2014 (Agencywide Documents Access and Management System Accession No. ML14365A041), Entergy Corporation requested consent from the U.S. Nuclear Regulatory Commission (NRC) to cancel the lines of credit provided by Entergy Global Investments, Inc. and Entergy International Holding Ltd., LLC for the Vermont Yankee Nuclear Power Station (VY). This request was made pursuant to License Condition 3.J of the VY renewed facility operating license issued on March 21, 2011.

The NRC staff has reviewed your request for consent to cancel the lines of credit addressed above. The staff's evaluation is enclosed. If you have any questions regarding this letter, please contact James Kim at (301) 415-4125.

Sincerely,

A handwritten signature in black ink, appearing to read "W M Dean".

William M. Dean, Director
Office of Nuclear Reactor Regulation

Docket No. 50-271

Enclosure:
Staff Evaluation

cc w/encl: Distribution via Listserv



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STAFF EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

REQUEST FOR CONSENT TO CANCEL LINES OF CREDIT

VERMONT YANKEE NUCLEAR POWER STATION

DOCKET NOS. 50-271

1.0 INTRODUCTION

By letter dated December 19, 2014 (Agencywide Documents Access and Management System Accession No. ML14365A041), Entergy Corporation requested consent from the U.S. Nuclear Regulatory Commission (NRC) to cancel the lines of credit provided by Entergy Global Investments, Inc. and Entergy International Holding Ltd., LLC for the Vermont Yankee Nuclear Power Station (VY). This request was made pursuant to License Condition 3.J of the VY renewed facility operating license issued on March 21, 2011, as carried forth from Condition (4) of the U.S. Nuclear Regulatory Commission's (NRC's) "Order Approving Transfer of License for Vermont Yankee Nuclear Power Station from Vermont Yankee Nuclear Power Corporation to Entergy Nuclear Vermont Yankee, LLC (ENVY), and Entergy Nuclear Operations, Inc. (ENO), and Approving Conforming Amendment" (Transfer Order), dated May 17, 2002 (ADAMS Accession No. ML020390198).

Condition (4) of the Transfer Order required ENVY and ENO to maintain two lines of credit, as represented in the license transfer application, to provide working capital and additional financial resources, if needed, for the safe operation and maintenance of VY. The two lines of credit could, if necessary, provide a total of \$70 million in additional financial resources.

2.0 REGULATORY EVALUATION

The licensee's request, as addressed above, was made pursuant to License Condition 3.J of the VY renewed facility operating license issued on March 21, 2011. Condition 3.J states:

Entergy Nuclear VY, and ENO, Inc. shall take no action to cause Entergy Global Investments, Inc. or Entergy International Holdings Ltd. LLC, or their parent companies to void, cancel, or modify the lines of credit to provide funding for Vermont Yankee as represented in the application without prior written consent of the Director of the Office of Nuclear Reactor Regulation.

Evaluation of supporting decommissioning funding assurance information is performed pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) 50.82, "Termination of License." Section 50.82(a)(8)(vi) states:

If the sum of the balance of any remaining decommissioning funds, plus earnings on such funds calculated at not greater than a 2 percent real rate of return, together with the amount provided by other financial assurance methods being

Enclosure

relied upon, does not cover the estimated cost to complete the decommissioning, the financial assurance status report must include additional financial assurance to cover the estimated cost of completion.

3.0 ANALYSIS

Condition (4) of the Transfer Order, as carried forth in the VY renewed facility license as License Condition 3.J, required ENVY and ENO to maintain two lines of credit, as represented in the license transfer application, to augment the revenue from projected power sales to ensure the safe operation of VY. The two lines of credit, valued at \$35 million each, are provided by Entergy Global Investments, Inc. (EGI) and Entergy International Holding Ltd., LLC (EIHL). In accordance with the licensee's request, the license condition was imposed to address the financial qualification of ENVY and ENO to own and operate VY, respectively, as required by 10 CFR 50.33(f), and not to address decommissioning funding assurance, as required by 10 CFR 50.33(k). Based on the language in Condition (4) of the Transfer Order and additional assurances for decommissioning funding required by the NRC, the NRC staff finds this statement reasonable. Since ENO has docketed the certifications of permanent cessation of power operations and permanent removal of fuel from the reactor vessel pursuant to 10 CFR 50.82(a)(1), operational and associated operational maintenance funding is no longer necessary and costs for remaining activities associated with the decommissioning of VY will be funded from the VY nuclear decommissioning trust fund.

On December 19, 2014, ENO submitted an updated decommissioning funding status report (ADAMS Accession No. ML14358A250) and the Post-Shutdown Decommissioning Activities Report (PSDAR) for Vermont Yankee (ADAMS Accession No. ML14357A110). The NRC staff reviewed the site-specific decommissioning cost estimate contained in the PSDAR and the amount stated within the licensee's decommissioning trust fund, as of October 31, 2014, for Vermont Yankee, as well as earning assumptions. Based on the reported decommissioning trust balance, together with earning credits specified under NRC regulation 10 CFR 50.82, the staff found that ENO satisfied the decommissioning funding assurance requirements of 10 CFR 50.82.

Furthermore, the licensee's request states, in part, that the PSDAR included a new regulatory commitment by which Entergy Corporation "will provide or (if already existing) increase a parent company guarantee to provide a total in parental assurance of up to 10 % of the remaining trust fund balance or \$40 million, whichever is less, in the event that additional financial assurance beyond the amounts contained in the remaining trust fund for VYNPS is required pursuant to NRC regulations to complete radiological decommissioning and spent fuel management at VYPNS." This commitment provides NRC staff additional assurance that funds will be available for radiological decommissioning and spent fuel management costs.

4.0 CONCLUSION

The NRC staff finds that Entergy Corporation has complied with the general requirements of Condition (4) of the NRC's Transfer Order, as carried forth as License Condition 3.J in the VY renewed facility license, issued on March 21, 2011. The NRC staff further finds that there is no

longer a need to provide lines of credit for operations and operational maintenance costs and that ENO has provided adequate assurance that funds will be available for radiological decommissioning and spent fuel management. Therefore, the NRC has no objection to the licensee's request for consent to cancel the two lines of credit issued by EGI and EIHL, totaling \$70 million, for VY.

April 16, 2015

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Sincerely,

/RA/

William M. Dean, Director
Office of Nuclear Reactor Regulation

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