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**James Knubel**  
Senior Vice President and  
Chief Nuclear Officer

June 13, 2000  
JPN-00-018  
IPN-00-044

U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555-0001  
ATTN: Document Control Desk

Subject: James A. FitzPatrick Nuclear Power Plant  
Docket No. 50-333  
Indian Point 3 Nuclear Power Plant  
Docket No. 50-286  
**Response to NRC Request for Additional Information  
Regarding License Transfer Application  
(TAC Nos. MA8948 and MA 8949) - Question 4**

Reference: NRC letter, G. F. Wunder (NRC) to M. Kansler and J. Knubel  
regarding "Request for Additional Information Regarding License  
Transfer Application - James A. FitzPatrick Nuclear Power Plant  
and Indian Point 3 Nuclear Generating Unit No. 3 (TAC Nos.  
MA8948 and MA8949)," sent via email.

Dear Sir:

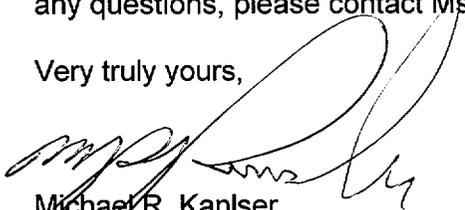
Attached is a reply to question four of the NRC staff's request for additional information (Reference). Responses to the remaining questions (question 1, 2 and 3) will be provided separately on or before the requested date of Friday June 16, 2000. This information is being provided to facilitate publication of the federal register notice associated with the license transfer application.

NRR-057

A001

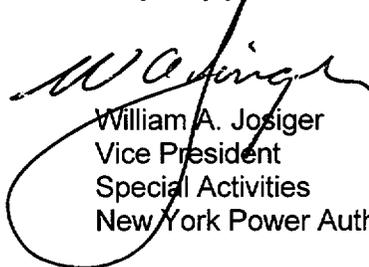
Attachment 2 is a summary of the commitment made by the Authority in this letter. If you have any questions, please contact Ms. C. Faison.

Very truly yours,



Michael R. Kanlser  
Senior Vice President and  
Chief Operating Officer-Northeast  
Entergy Nuclear Operations, Inc.

Very truly yours,



William A. Josiger  
Vice President  
Special Activities  
New York Power Authority

cc: Next page.

cc:

Regional Administrator  
U.S. Nuclear Regulatory Commission  
475 Allendale Road  
King of Prussia, PA 19406

Office of the Resident Inspector  
James A. FitzPatrick Nuclear Power Plant  
U.S. Nuclear Regulatory Commission  
P.O. Box 136  
Lycoming, NY 13093

Office of the Resident Inspector  
U.S. Nuclear Regulatory Commission  
Indian Point 3 Nuclear Power Plant  
P. O. Box 337  
Buchanan, NY 10511

Mr. George F. Wunder, Project Manager  
Project Directorate I  
Division of Licensing, Project Management  
U. S. Nuclear Regulatory Commission  
Mail Stop 8C4  
Washington, DC 20555

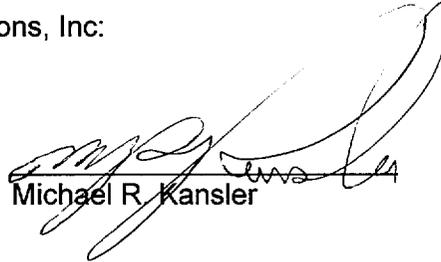
Mr. Guy Vissing, Project Manager  
Project Directorate I  
Division of Licensing Project Management  
U.S. Nuclear Regulatory Commission  
Mail Stop 8 C2  
Washington, DC 20555

Attachments:

1. Response to NRC Request for Additional Information Regarding License Transfer Information - Question 4.
2. Summary of Commitments

Power Authority of the State of New York Power Authority  
Entergy Nuclear Indian Point 3, LLC  
Entergy Nuclear FitzPatrick, LLC  
Entergy Nuclear Operations, Inc.

For Entergy Nuclear Operations, Inc:

  
Michael R. Kansler

5/13/00  
Date

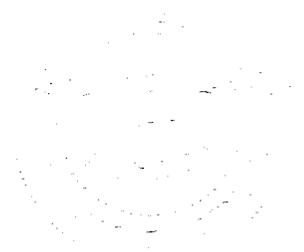
State of New York  
County of Westchester)

Then personally appeared before me, Michael R. Kansler, who being duly sworn, did state that he is Senior Vice President and Chief Operating Officer-Northeast of Entergy Nuclear Operations, Inc., and that he is duly authorized to execute and file the submittal contained herein in the name and on behalf of Entergy Nuclear Operations, Inc. and that the statements attributable to Entergy Nuclear Operations, Inc. are true to the best of his knowledge and belief.

My commission expires:

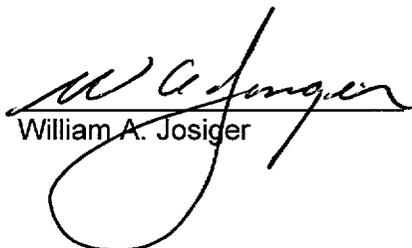
Jan. 27, 2002 / Geraldine Strand  
Date NOTARY PUBLIC

**GERALDINE STRAND**  
Notary Public, State of New York  
No. 4991272  
Qualified in Westchester County  
Commission Expires Jan. 27, 2002



Power Authority of the State of New York Power Authority  
Entergy Nuclear Indian Point 3, LLC  
Entergy Nuclear FitzPatrick, LLC  
Entergy Nuclear Operations, Inc.

For the Power Authority of the State of New York:

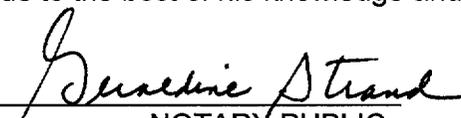
  
William A. Josiger

6/13/2000  
Date

State of New York  
County of Westchester)

Then personally appeared before me, William A. Josiger, who being duly sworn, did state that he is Vice President, Special Activities of the Power Authority of the State of New York, and that he is duly authorized to execute and file the submittal contained herein in the name and on behalf of the Power Authority of the State of New York and that the statements attributable to the Power Authority of the State of New York are true to the best of his knowledge and belief.

My commission expires:

Jan. 27, 2002   
Date NOTARY PUBLIC

**GERALDINE STRAND**  
Notary Public, State of New York  
No. 4991272  
Qualified in Westchester County  
Commission Expires Jan. 27, 2002



**Attachment 1 to JPN-00-018/IPN-00-044**

**Response to NRC Request for Additional Information  
Regarding License Transfer Information - Question 4**

**Question 4**

In the Decommissioning Agreement for FitzPatrick (Exhibit O-1 to the Purchase and Sale Agreement), Section 2.1 states, "Pursuant to Section 2.4(j) of the P&S Agreement and subject to Seller's rights under Section 2.3 and Section 8, Seller has retained the obligation to Decommission JAF, which obligation shall be limited to the lesser of (a) the Inflation Adjusted Cost Amount or (b) the Decommissioning Fund Amount. Seller's obligations under this Section 2.1 shall be deemed satisfied if Seller expends in the aggregate the lesser of the following amounts for such Decommissioning: (a) the Inflation Adjusted Cost Amount or (b) the decommissioning Fund Amount."

In Section 2.3(e) of the Purchase and Sale Agreement, you state that the Buyer will assume and satisfy or perform any of the following liabilities which are not specifically Related to JAF or IP3 "... except to the extent excluded pursuant to Section 2.4(j), all liabilities of Seller in respect of (i) the Decommissioning of the Facilities following permanent cessation of operations..."

Similar language appears in the IP3 application.

- (a) To what extent will Entergy Nuclear-FitzPatrick and Entergy Nuclear-Indian Point 3 assume the financial and technical responsibility for decommissioning the plants? Under the proposed transfers when will the financial and technical responsibility for decommissioning be transferred from PASNY to Entergy Nuclear-FitzPatrick and Entergy Nuclear-Indian Point 3? Will the Buyers have exclusive authority and responsibility for selecting any contractors to perform decommissioning? When would they assume such authority and responsibility?
- (b) Following the proposed transfers will PASNY have responsibility for anything other than holding and disbursing funds in the decommissioning trust? Will PASNY in any way have responsibility or authority for performing and completing decommissioning work or for selecting other parties to do such work following the proposed transfers? If so, when?

**Response to Question 4**

- (a) The regulatory responsibility for the decommissioning of the plants will always reside with Entergy Nuclear FitzPatrick, LLC, and Entergy Nuclear Indian Point 3, LLC ("the Entergy owners"). This regulatory responsibility will transfer to the Entergy owners upon the transfer of the NRC licenses and the closing of the transactions.

However, pursuant to the Decommissioning Agreements, and subject to the monetary limits in those agreements, the Authority will have a contractual obligation to the Entergy owners to decommission the plants. The Authority will have the option, upon the occurrence of certain events specified in the Decommissioning Agreements, to terminate this contractual obligation. Consequently, upon such termination, the Authority would have no further contractual responsibility to the Entergy owners to decommission the

**Attachment 1 to JPN-00-018/IPN-00-044**

**Response to NRC Request for Additional Information  
Regarding License Transfer Information - Question 4**

plants, and no further involvement in the decommissioning process. Also, upon such termination, the Decommissioning Funds must be transferred to the Entergy owners.

If the Authority does not terminate its contractual responsibility under the Decommissioning Agreements prior to the point when dismantling of a plant commences, then the Authority's contractual responsibility for decommissioning that plant would be carried out pursuant to Section 2.4 of the Decommissioning Agreements. Under that provision, the Authority and Entergy Nuclear, Inc. ("ENI") are required to enter into an agreement whereby ENI would decommission the plant for the compensation specified in the Decommissioning Agreements. The Entergy owners, through their authorized agent, Entergy Nuclear Operations, Inc., would at all times retain ultimate control over the decommissioning activities of ENI and its contractors.

- (b) As noted above, the Authority would have a contractual responsibility under the Decommissioning Agreements to decommission the plants, within the limits set by such Agreements. However, such involvement, if not terminated by the Authority, could only take the form of the agreement with ENI discussed above. It is contemplated that under such agreement, ENI would do the decommissioning work, including the hiring of contractors to carry out such work, subject to the ultimate control of the Entergy owners.

**Attachment 2 to JPN-00-018/IPN-00-044**

**Response to NRC Request for Additional Information  
Regarding License Transfer Information - Question 4**

**Summary of Commitments**

| Commitment ID                    | Description                                                                                                                                  | Due Date      |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| IPN-00-044-001<br>JPN-00-018-001 | Respond to questions 1,2 and 3 of NRC request for additional information regarding license transfer application (TAC Nos. MA8948 and MA8949. | June 16, 2000 |