



Entergy

June 16, 2000
ENO-00-03

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 MA8949) - Questions 1, 2 and 3**

- Reference:
1. NRC letter, G. F. Wunder (NRC) to M. Kansler and J. Knubel dated June 14, 2000 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)."
 2. NYPA/ENO letter, W. A. Josiger/M. Kansler to USNRC (JPN-00-0-018/IPN-00-044) dated June 13, 2000 regarding "Response to NRC Request for Additional Information Regarding License Transfer Application (TAC Nos. MA8948 and MA8949 - Question 4."
 3. Entergy letter, M. Kansler to USNRC dated May 12, 2000 regarding "Transfer of Facility Operating License and Proposed License Amendment."

Dear Sir:

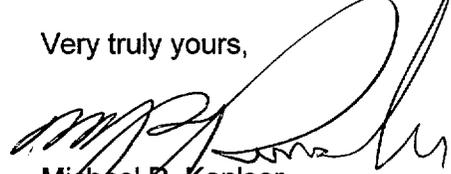
Attached is a reply to questions one, two and three of the NRC staff's June 14, 2000 request for additional information (Reference 1). A response to question number 4 was submitted with Reference 2.

Attachment 2 is a copy of one of the requested letters of credit. Entergy requests that the information contained in this attachment be withheld from public disclosure pursuant to 10 CFR 2.790(a)(4) and 10 CFR 9.17(a)(4). An affidavit in support of this request was included as part of the application of Entergy Nuclear FitzPatrick, Entergy Nuclear Indian Point 3 and Entergy Nuclear Operations, Inc. (Reference 3).

APOI

If you have any questions, please contact Ms. Connie Wells at Entergy Nuclear (601) 368-5345.

Very truly yours,

A handwritten signature in black ink, appearing to read 'M. Kanlser', written over the typed name below.

Michael R. Kanlser
Senior Vice President and
Chief Operating Officer
Entergy Nuclear

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
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Office of the Resident Inspector
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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

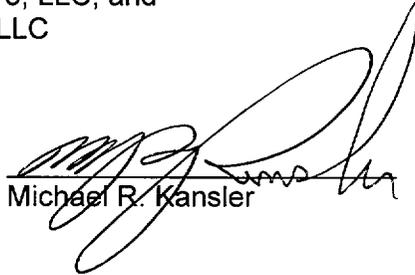
Mr. Guy Vissing, Project Manager
Project Directorate I
Division of Licensing Project Management
U.S. Nuclear Regulatory Commission
Mail Stop 8 C2
Washington, DC 20555

Attachments:

1. Response to NRC Request for Additional Information Regarding License Transfer Information - Questions 1, 2 and 3.
2. Copy of the Inter-Company Credit Agreement between Entergy International Ltd., LLC and Entergy Nuclear FitzPatrick, LLC and Entergy Nuclear Indian Point 3, LLC
3. Copy of the Inter-Company Credit Agreement between Entergy International Ltd., LLC and Entergy Nuclear FitzPatrick, LLC and Entergy Nuclear Indian Point 3, LLC (Redacted Version)

Entergy Nuclear Indian Point 3, LLC
Entergy Nuclear FitzPatrick, LLC
Entergy Nuclear Operations, Inc.

For Entergy Nuclear Operations, Inc,
Entergy Nuclear Indian Point 3, LLC, and
Entergy Nuclear FitzPatrick, LLC


Michael R. Kansler

5/19/00
Date

State of Virginia
City ~~County~~ of Virginia Beach

Then personally appeared before me, Michael R. Kansler, who being duly sworn, did state that he is Senior Vice President and Chief Operating Officer, 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 Indian Point 3 LLC, Entergy Nuclear FitzPatrick LLC, and Entergy Nuclear Operations, Inc. are true to the best of his knowledge and belief.

My commission expires:

7.31.03
Date


NOTARY PUBLIC



Attachment 1 to ENO-00-03

Response to NRC Request for Additional Information Regarding License Transfer Information - Questions 1,2 and 3

Question 1

On page 6 of the application you make reference to a letter of credit (LOC) "supported by Entergy Corporation" to provide capital to purchase FitzPatrick; however, there is no exhibit containing this LOC (as opposed to the LOC from Entergy Global Investments for \$20 million to provide working capital). Please provide a copy of this LOC.

Response to Question 1

The letter of credit has not been issued, and typically would not be issued by a bank until close to the actual closing date. The LOC is required to be delivered by the Buyers to the Seller as a condition of closing pursuant to Section 2.11 of the Purchase and Sale Agreements provided to you as Enclosure 4 of (Reference 3). A copy will be furnished as soon as the bank issues it.

Question 2

On page 8 of the application you make reference to a \$50 million line of credit guarantee from Entergy International for other safety expenses. Please provide documentation of this line of credit. Please also provide clarification as to which plants this line of credit applies (i.e., FitzPatrick and IP3, not Pilgrim).

Response to Question 2

A copy of the Inter-Company Credit Agreement between Entergy International Ltd., LLC and Entergy Nuclear FitzPatrick, LLC and Entergy Nuclear Indian Point 3, LLC is attached as Attachment 2 to this response. This line of credit may be used for expenses to safely operate and maintain only the FitzPatrick and IP3 plants.

Entergy requests that the information contained in Attachment 2 be withheld from public disclosure pursuant to 10 CFR 2.790(a)(4) and 10 CFR 9.17(a)(4).

Question 3

On page 14 of the application the stated decommissioning costs derived from 50.75(c) for FitzPatrick don't agree with the status report you submitted in March 1999. Please provide more detail on the decommissioning cost and funding figures that you have presented, including a current calculation based on the NRC formulas.

Response to Question 3

FitzPatrick Nuclear Power Plant

The current NRC cost estimate (\$358M) was derived by using the NRC formula for the year 2000.

Attachment 1 to ENO-00-03

Response to NRC Request for Additional Information
Regarding License Transfer Information - Questions 1,2 and 3

The amount currently needed to meet the minimum funding requirement of 10 CFR 50.75 was calculated by escalating the \$358M by a 3 percent inflation factor from the year 2000 for 15 years. This amount of \$555M was then discounted by 5 percent which represents a rate of 3 percent for inflation and 2 percent assumed earnings rate. This gives an amount of \$268M, which is the current funding needed now to meet the NRC minimum at the end of the license.

The current amount of the FitzPatrick fund as of March 31, 2000 is \$336.6M, therefore the fund is in excess of the NRC funding requirement.

Indian Point 3 Nuclear Power Plant

The current NRC cost estimate (\$292M) was derived by using the NRC formula for the year 2000.

The amount currently needed to meet the minimum funding requirement of 10 CFR 50.75 was calculated by escalating the \$292M by a 3 percent inflation factor from the year 2000 for 16 years. This amount of \$468M was then discounted by 5 percent which represents a rate of 3 percent for inflation and 2 percent assumed earnings rate. This gives an amount of \$214M, which is the current funding needed now to meet the NRC minimum at the end of the license.

The current amount of the Indian Point 3 fund as of March 31, 2000 is \$308.4M, therefore the fund is in excess of the NRC funding requirement.

Attachment 3 to ENO-00-03

**Response to NRC Request for Additional Information
Regarding License Transfer Information - Questions 1,2 and 3**

**Copy of the Inter-Company Credit Agreement between Entergy
International Ltd., LLC and Entergy Nuclear FitzPatrick, LLC and Entergy
Nuclear Indian Point 3, LLC
(Redacted Version)**