

April 17, 2002

MEMORANDUM TO: Stuart A. Richards, Director
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

FROM: Christopher Grimes, Program Director */RA/*
Policy and Rulemaking Program
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

SUBJECT: AMENDMENT TO SAFETY EVALUATION (SE) FOR THE PROPOSED
TRANSFER OF OPERATING LICENSE DPR-28 FOR VERMONT YANKEE
NUCLEAR POWER STATION FROM VERMONT YANKEE NUCLEAR
POWER CORPORATION TO ENTERGY NUCLEAR VERMONT YANKEE,
LLC, AND ENTERGY NUCLEAR OPERATIONS, INC.

The attached amendment is to be inserted into Section 4.0, "Decommissioning Funding Assurance" of the safety evaluation (SE), ML020160361, dated January 15, 2002, stated above. This amendment provides additional license conditions to be placed on Entergy Nuclear Vermont Yankee, LLC, and Entergy Nuclear Operations, Inc., for the proposed transfer of operating license for Vermont Yankee Nuclear Power Station.

The amendment is to be inserted just before the last paragraph (Section 4.0, "Decommissioning Funding Assurance.")

Attachment: As stated

Contact: Michael A. Dusaniwskyj
(301) 415-1260

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* See Previous Concurrence

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DATE	04/16/02	04/16/02	04/16/02	04/17/02

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AMENDMENT TO
SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
PROPOSED TRANSFER OF OPERATING LICENSE FOR
VERMONT YANKEE NUCLEAR POWER STATION
FROM VERMONT YANKEE NUCLEAR POWER CORPORATION TO
ENTERGY NUCLEAR VERMONT YANKEE, LLC
AND
ENTERGY NUCLEAR OPERATIONS, INC.
DOCKET NO. 50-271

4.0 **DECOMMISSIONING FUNDING ASSURANCE**

The U.S. Nuclear Regulatory Commission (NRC) staff concludes that, given the considerations discussed herein, the proposed funding mechanism meets the requirements of 10 CFR 50.75(e), provided that the applicant make the following modifications to the Nuclear Decommissioning Trust agreements for the referenced nuclear units:

- (1) The decommissioning trust agreements must be in a form acceptable to the NRC.
- (2) With respect to the decommissioning trust funds, investment in the securities or other obligations of Entergy and its affiliates or subsidiaries, successors, or assignees shall be prohibited. In addition, except for investments tied to market indexes or other non-nuclear-sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited.
- (3) The decommissioning trust agreements must provide that no disbursements or payments from the trusts shall be made by the trustee until the trustee has first given the NRC 30-days prior written notice of payment. The decommissioning trust agreements shall further contain a provision that no disbursements or payments from the trusts shall be made if the trustee receives prior written notice of objection from the Director, Office of Nuclear Reactor Regulation.

- (4) The decommissioning trust agreements must provide that the agreements cannot be amended in any material respect without 30-days prior written notification to the Director, Office of Nuclear Reactor Regulation.
- (5) The appropriate section of the decommissioning trust agreements shall state that the trustee, investment advisor, or anyone else directing the investments made in the trusts shall adhere to a "Prudent Investor" standard, as specified in 18 CFR 35.32(a)(3) of the Federal Energy Regulatory Commission's regulations.

Based on the above, the NRC staff finds that Entergy has provided reasonable assurance for decommissioning funding.

Principal Contributor: Michael A. Dusaniwskyj

Dated: April 17, 2002