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Michael A. Krupa  
Director  
Nuclear Safety & Licensing

CNRO-2003-00041

September 11, 2003

U.S. Nuclear Regulatory Commission  
Attn: Document Control Desk  
One White Flint North  
11555 Rockville Pike  
Rockville, MD 20852-2738  
(301) 415-7000

Subject: Entergy Operations, Inc.  
Status of Decommissioning Funding Report - Supplemental Response

Arkansas Nuclear One	Grand Gulf Nuclear Station
Units 1 & 2	Docket No. 50-416
Docket Nos. 50-313 & 50-368	License No. NPF-29
License Nos. DPR-51 & NPF-6	

River Bend Station	Waterford 3 Steam Electric Station
Docket No. 50-458	Docket No. 50-382
License No. NPF-47	License No. NPF-38

Reference: 10 CFR 50.75 (f)(1) Reporting and Recordkeeping for Decommissioning Planning

Dear Sir or Madam:

On March 31, 2003, Entergy Operations, Inc. ("EOI"), on behalf of the captioned reactor licensees, submitted documentation (CNRO-2003-00012) in accordance with the biennial reporting requirements contained in 10 CFR 50.75(f)(1).

On August 21, 2003, Mr. Dusaniwskyj of the NRC Staff verbally requested confirmation that the rates used and reported in the March 31<sup>st</sup> filing for Arkansas Nuclear One ("ANO"), River Bend Station ("RBS"), Grand Gulf Nuclear Station ("GGNS"), and Waterford 3 Steam Electric Station ("W3") were as authorized by the licensee's rate-setting authority. EOI responds for each of the subject plants as follows.

In the case of ANO, the rates used in the 10 CFR 50.75(f)(1) filing were those that were approved in Arkansas Public Service Commission's ("APSC") Order No. 37, Docket No. 87-166-TF, which order was attached to the NRC filing as required by the APSC to be provided to the NRC. APSC Staff witness Karen Fricke provided Exhibits KF-1 and KF-4 in her testimony in that docket that set out each year's decommissioning revenue requirement over ANO units' lifetime. As stated on page 6 of Order No. 37, the APSC

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found Ms. Fricke's recommendation (including the rates used therein) "reasonable and appropriate." The 10 CFR 50.75(f)(1) filing for ANO employed these rates, but for ANO 2, the plant's lifetime was set as the licensed life instead of the 60-year life used by the APSC. The weighted average after-tax composite earnings rates for ANO Unit 1 and 2 were calculated as 6.66% and 6.81%, respectively.

In regard to RBS, there are three jurisdictions with rate-setting authority: the Louisiana Public Service Commission ("LPSC"), the Public Utility Commission of Texas ("PUCT"), and the Federal Energy Regulatory Commission ("FERC"). The LPSC approved the decommissioning revenue stream for RBS in Order No. U-22092-B. The LPSC's approved revenue stream generates an average after-tax composite rate of 5.78% as was reported to the NRC in the 10 CFR 50.75(f)(1) filing. In the Texas jurisdiction, the PUCT's Second Order on Rehearing, Docket No. 16705, approves an overall 6.6% return for the decommissioning trust fund, as was reported in the 10 CFR 50.75(f)(1) filing. The FERC regulated share of RBS is de minimis. In Order No. TR-31-824-89, the FERC sets the annual decommissioning amount to be collected at \$112,914.

The FERC is the rate-setting authority for GGNS. The FERC's Opinion No. 446 (page 22) in Docket ER95-1042-000 approves an after-tax earnings rate of 6.14% on the non-tax qualified decommissioning fund and 6.75% for the tax qualified decommissioning fund. The composite of these rates generates the average after-tax rate of 6.74% reported in the 10 CFR 50.75(f)(1) filing.

In the case of W3, the LPSC is the rate-setting authority. In Order No. U-20925, the LPSC approved an average after-tax rate of return of 7.46% which was reported in the 10 CFR 50.75(f)(1) filing.

Therefore, as detailed above, the rates of return used to project the earnings on the decommissioning funds are in accordance with the requirements set forth by their respective rate-setting authorities.

Please address any comments or questions regarding this matter to Mr. Les England at (601) 368-5766.

Sincerely,



MAK/LAE/bal

cc: (See next page)

cc: Mr. C. G. Anderson (ANO)  
Mr. J. L. Blount (ECH)  
Mr. W. R. Campbell (ECH)  
Mr. W. A. Eaton (ECH)  
Mr. J. S. Forbes (GGNS)  
Mr. P. D. Hinnenkamp (RBS)  
Mr. J. R. McGaha (ECH)  
Mr. N. S. Reynolds (W&S)  
Mr. L. J. Smith (Wise, Carter)  
Mr. J. E. Venable (W-3)  
Mr. G. A. Williams (ECH)

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Mr. T. W. Alexion, Project Manager (ANO-2)  
Mr. M. A. Dusaniwskyj (NRR/DRIP/REXB)  
Mr. T. P. Gwynn (NRC Region IV)  
Mr. N. Kalyanam, Project Manager (W-3)  
Mr. J. L. Minns, Project Manager (ANO-1)  
Mr. B. K. Vaidya, Project Manager (GGNS)  
Mr. M. K. Webb, Project Manager (RBS)