



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

ENERGY LOUISIANA, LLC

ENERGY OPERATIONS, INC.

DOCKET NO. 50-382

WATERFORD STEAM ELECTRIC STATION, UNIT 3

FACILITY OPERATING LICENSE

License No. NPF-38
Amendment No. 203

1. The Nuclear Regulatory Commission (the Commission or the NRC) has found that:
 - A. The application for license filed by Entergy Louisiana, LLC complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the Waterford Steam Electric Station, Unit 3 (facility), has been substantially completed in conformity with Construction Permit No. CPPR-103 and the application as amended, the provisions of the Act, and regulations of the Commission;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission (except as exempted from compliance in Section 1.I and 2.D below);
 - D. There is reasonable assurance: (i) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I (except as exempted from compliance in Sections 1.I and 2.D below);

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- E. Entergy Operations, Inc. (EOI) is technically qualified to engage in the activities authorized by this operating license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;
 - F. Entergy Louisiana, LLC has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements", of the Commission's regulations;
 - G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs, and after considering available alternatives, the issuance of the Facility Operating License No. NPF-38, subject to the conditions for protection of the environment set forth in the Environmental Protection Plan attached as Appendix B, is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession, and use of source, byproduct, and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Part 30, 40 and 70, except that an exemption to the provisions of 10 CFR 70.24 is granted as described in Supplement No. 8 to the Safety Evaluation Report. This exemption is authorized under 10 CFR 70.24(d) and will not endanger life or property or the common defense and security and is otherwise in the public interest.
2. Pursuant to approval by the Nuclear Regulatory Commission at a meeting on March 15, 1985, the license for fuel loading and low power testing, License No. NPF-26, issued on December 18, 1984, is superseded by Facility Operating License No. NPF-38 hereby issued to Entergy Louisiana, LLC and Entergy Operations, Inc. to read as follows:
- A. This license applies to the Waterford Steam Electric Station, Unit 3, a pressurized water reactor and associated equipment (the facility), owned by Entergy Louisiana, LLC. The facility is located on the Entergy Louisiana, LLC site in St. Charles Parish, Louisiana and is described in the Entergy Louisiana, LLC Final Safety Analysis Report as amended, and the Environmental Report as amended.

- B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
1. Entergy Louisiana, LLC, pursuant to Section 103 of the Act and 10 CFR Part 50, to possess but not operate the facility at the designated location in St. Charles Parish, Louisiana in accordance with the procedures and limitations set forth in this license;
 2. EOI, pursuant to Section 103 of the Act and 10 CFR Part 50, to possess, use and operate the facility at the designated location in St. Charles Parish, Louisiana in accordance with the procedures and limitations set forth in this license;
 3. EOI, pursuant to the Act and 10 CFR Part 70, to receive, possess, and use at any time at the facility site and as designated solely for the facility, special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended.
 4. EOI, pursuant to the Act and 10 CFR Parts 30, 40, and 70, to receive, possess, and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
 5. EOI, pursuant to the Act and 10 CFR Parts 30, 40, and 70, to receive, possess, and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
 6. EOI, pursuant to the Act and 10 CFR Parts 30, 40, and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility authorized herein.
 7. (a) Entergy Louisiana, LLC, to transfer any portion of its 100% undivided ownership interest (up to and inclusive \$515 million of aggregate appraised value) in the facility to equity investors, and at the same time lease back for such equity investors, such interests sold in the facility and receive from such equity investors, consistent with Entergy Louisiana, LLC leases, the right to use and enjoy the benefits of the undivided ownership interests sold in the facility. The terms of the leases are for approximately 27 1/2 years subject to right of renewal. Such sale and leaseback transactions are subject to the condition that the equity investors and anyone else who may acquire an interest under this transaction(s) are prohibited from excising directly

or indirectly any control over (i) the facility, (ii) power or energy produced by the facility, or (iii) the licensees of the facility. Further, any rights acquired under this authorization may be exercised only in compliance with and subject to the requirements and restrictions of this operating license, the Atomic Energy Act of 1954, as amended, and the NRC's regulations. For purposes of this condition, the limitations of 10 CFR 50.81, as now in effect and as they may be subsequently amended, are fully applicable to the equity investors and any successors in interest to the equity investors, as long as the license for the facility remains in effect.

- (b) Entergy Louisiana, LLC (or its designee) to notify the NRC in writing prior to any change in (i) the terms or conditions of any lease agreements executed as part of the above authorized financial transactions, (ii) any facility operating agreement involving a licensee that is in effect now or will be in effect in the future, or (iii) the existing property insurance coverages for the facility, that would materially alter the representations and conditions, set forth in the staff's Safety Evaluation enclosed to the NRC letter dated September 18, 1989. In addition, Entergy Louisiana, LLC or its designee is required to notify the NRC of any action by equity investors or successors in interest to Entergy Louisiana, LLC that may have an effect on the operation of the facility.

- C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter 1 and is subject to all applicable provisions of the Act and to the rules, regulations and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

- 1. Maximum Power Level

EOI is authorized to operate the facility at reactor core power levels not in excess of 3716 megawatts thermal (100% power) in accordance with the conditions specified herein.

- 2. Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A, as revised through Amendment No. 203, and the Environmental Protection Plan contained in Appendix B, are hereby incorporated in the license. EOI shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

3. Antitrust Conditions

- (a) Entergy Louisiana, LLC shall comply with the antitrust license conditions in Appendix C to this license.
- (b) Entergy Louisiana, LLC is responsible and accountable for the actions of its agents to the extent said agent's actions contravene the antitrust license conditions in Appendix C to this license.

4. Broad Range Toxic Gas Detectors (Section 2.2.1, SSER 6*)

Prior to startup following the first refueling outage, the licensee⁺ shall propose technical specifications for the Broad Range Toxic Gas Detection System for inclusion in Appendix A to this license.

5. Initial Inservice Inspection Program (Section 6.6, SSER 5)

By June 1, 1985, the licensee must submit an initial inservice inspection program for staff review and approval.

6. Environmental Qualification (Section 3.11, SSER 8)

Prior to November 30, 1985, the licensee shall environmentally qualify all electrical equipment according to the provisions of 10 CFR 50.49.

7. Axial Fuel Growth (Section 4.2, SSER 5)

Prior to entering Startup (Mode 2) after each refueling, the licensee shall either provide a report that demonstrates that the existing fuel element assemblies (FEA) have sufficient available shoulder gap clearance for at least the next cycle of operation, or identify to the NRC and implement a modified FEA design that has adequate shoulder gap clearance for at least the next cycle of operation. This requirement will apply until the NRC concurs that the shoulder gap clearance provided is adequate for the design life of the fuel.

*The parenthetical notation following the title of many license conditions denotes the section of the Safety Evaluation Report and/or its supplements wherein the license condition is discussed.

*The license originally authorized Entergy Louisiana, LLC to possess, use and operate the facility. Consequently, certain historical references applicable to Entergy Louisiana, LLC as the "Licensee" appear in these license conditions.

- d. Prior to completion of Phase III of the Waterford 3 startup test program, the licensee shall complete corrective actions related to the 23 NRC issues as identified in the LP&L responses.

17. Basemat

The licensee shall comply with its commitments to perform a basemat cracking surveillance program and additional confirmatory analyses of basemat structural strength as described in its letter of February 25, 1985. Any significant change to this program shall be reviewed and approved by the NRC staff prior to its implementation.

- D. The facility requires an exemption from certain requirements of Appendices E and J to 10 CFR Part 50. These exemptions are described in the Office of Nuclear Reactor Regulation's Safety Evaluation Report, Supplement No. 10 (Section 6.1.2) and Supplement No. 8 (Section 6.2.6), respectively. These exemptions are authorized by law and will not endanger life or property or the common defense and security and are otherwise in the public interest. These exemptions are, therefore, hereby granted pursuant to 10 CFR 50.12. With the granting of these exemptions, the facility will operate, to the extent authorized herein, in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission.
- E. EOI shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plan, which contains Safeguards Information protected under 10 CFR 73.21, is entitled: "Physical Security, Safeguards Contingency and Training & Qualification Plan," and was submitted on October 4, 2004.
- F. Except as otherwise provided in the Technical Specifications or the Environmental Protection Plan, EOI shall report any violations of the requirements contained in Section 2.C of this license in the following manner. Initial notification shall be made within 24 hours to the NRC Operations Center via the Emergency Notification System with written follow-up within 30 days in accordance with the procedures described in 10 CFR 50.73(b), (c) and (e).
- G. Entergy Louisiana, LLC shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.