



10 CFR 50.80

10 CFR 50.90

030-34378

T.A. Sullivan
Vice President Nuclear
and Station Director

REDACTED VERSION

December 21, 1998
BECo Ltr. 2.98.163
Entergy Ltr. ENGC 98-01

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555-0001

Subject: Boston Edison Company and Entergy Nuclear Generation Company
Transfer of Facility Operating License and Materials License,
and Proposed License Amendment

Pilgrim Nuclear Power Station
Docket Number 50-293
License Number DPR-35

Ladies and Gentlemen:

Boston Edison Company (Boston Edison) and Entergy Nuclear Generation Company (Entergy Nuclear) hereby request the transfer of the Pilgrim Nuclear Power Station Facility Operating License DPR-35 and NRC Materials License 20-07626-04 from Boston Edison to Entergy Nuclear. The request is made in accordance with 10 CFR 50.80. Proposed license amendments conforming with the transfer are also submitted in accordance with 10 CFR 50.90.

This letter contains information that is requested to be withheld from public disclosure pursuant to 10 CFR 2.790(a)(4) and 10 CFR 9.17(a)(4). The Affidavit in support of this request follows the notarized statement pages that are part of this cover letter. Therefore, there are redacted and non-redacted versions of Enclosure 1 of this submittal. The shaded portions of Enclosure 1 signify the information being requested to be withheld from public disclosure and the information that has been redacted.

The transfer is requested as a result of the Purchase and Sale Agreement signed by Boston Edison and Entergy Nuclear on November 18, 1998, to purchase the Boston Edison Nuclear Business Unit, principally consisting of the Pilgrim Nuclear Power Station (Pilgrim).

Upon closing of the sale and approval of the operating license transfer, control and operation of Pilgrim will change from Boston Edison to Entergy Nuclear. In the interim (i.e.,

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Pilgrim Nuclear Power Station, Rocky Hill Road, Plymouth, Massachusetts 02360

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before closing of the sale) Boston Edison will retain full operational control of Pilgrim. No actions will be taken prior to closing (e.g., transfer of employees, reassignment of contracts, etc.) which would need to be rescinded. Further, closing of the sale cannot occur until all regulatory approvals are received. The sale of Pilgrim is part of the Boston Edison process to exit from the business of generating electric power.

The information in support of the transfer, including proposed amendments to the Facility Operating License, NRC Materials License, and Technical Specifications is enclosed as follows:

1. Enclosure 1 is the Application for Transfer of Facility Operating License and NRC Materials License.
2. Enclosure 1, Attachment A contains proposed amendments to the Facility Operating License and the NRC Materials License. This includes the identification of changes, mostly a change in the name of the owner/licensee, to all pages of the licenses that are impacted by the change in ownership. Boston Edison considers the proposed amendment to be an administrative change. Included are marked-up pages of the current licenses and a clean copy of the revised Facility Operating License.
3. Enclosure 1, Attachment B is a proposed amendment to the Technical Specifications. This involves only a change in the name of the owner, to one page in the Technical Specifications. Boston Edison considers the proposed amendment to be an administrative change. Included is a marked-up copy of the affected current Technical Specification page as well as a clean copy of the revised page.
4. Enclosure 1, Attachment C provides the No Significant Hazards Consideration determination pursuant to 10 CFR Part 50.92(c).
5. Enclosure 2 provides the Entergy Corporation Annual Reports (last 5 years).
6. Enclosure 3 provides the Entergy Corporation Moody's and Standard and Poor's Bond Ratings (last 3 years).
7. Enclosure 4 provides the signed Purchase and Sale Agreement between Boston Edison and Entergy Nuclear.

The sale and purchase of Pilgrim requires approvals and/or actions from other regulatory agencies, including the Massachusetts Department of Telecommunications and Energy, Federal Energy Regulatory Commission, Securities and Exchange Commission, Environmental Protection Agency and the Internal Revenue Service. These approvals are being sought separately under each such agencies' regulatory requirements.

Boston Edison and Entergy Nuclear request that the NRC review this application on a schedule that will permit issuance of an order consenting to the transfer as promptly as possible to support a closing date of March 31, 1999. Boston Edison and Entergy Nuclear request that the conforming license amendments be issued to become effective upon closing. Boston Edison and Entergy Nuclear will maintain close communication with the NRC staff to facilitate coordination among all affected agencies.

Boston Edison Company
Entergy Nuclear Generation Company

Socket 50-293
License No. DPR-35

Please feel free to contact Mr. Jack Alexander at Pilgrim (508) 830-8269 or Ms. Connie Wells at Entergy Nuclear (601) 368-5345 if you have any questions or require any additional information regarding this request.

Sincerely,



Theodore A. Sullivan
Vice President Nuclear and Station
Director

Enclosures

For Boston Edison Company:

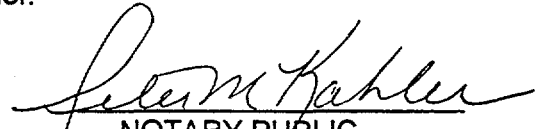

Theodore A. Sullivan
Date 12/18/98

Commonwealth of Massachusetts)
County of Plymouth)

Then personally appeared before me, Theodore A. Sullivan, who being duly sworn, did state that he is Vice President Nuclear and Station Director of Boston Edison Company, and that he is duly authorized to execute and file the submittal contained herein in the name and on behalf of Boston Edison and that the statements attributable to Boston Edison are true to the best of his knowledge and belief.

My commission expires:

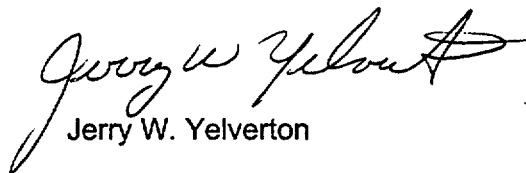
September 20, 2002
Date


NOTARY PUBLIC

AFFIDAVIT

I, Jerry W. Yelverton, President and Chief Operating Officer of Entergy Nuclear Generation Company (Entergy Nuclear), do hereby affirm and state:

1. Entergy Nuclear is providing information in support of the proposed license transfer and conforming amendments (Pilgrim Docket 50-293). The documents being provided in Enclosure 1 Section II.F (Financial Qualifications) and Enclosure 1 Section II.K (Decommissioning Funding) contain Entergy Nuclear's financial projections related to the operation of Pilgrim Station and the commercial terms of a unique transaction. These documents constitute proprietary commercial and financial information that should be held in confidence by the NRC pursuant to 10 CFR 9.17(a)(4) and the policy reflected in 10 CFR 2.790, because:
 - i. This information is and has been held in confidence by Entergy Nuclear.
 - ii. This information is of a type that is held in confidence by Entergy Nuclear, and there is a rational basis for doing so because the information contains sensitive financial information concerning Entergy Nuclear's projected revenues and operating expenses.
 - iii. This information is being transmitted to the NRC in confidence.
 - iv. This information is not available in public sources and could not be gathered readily from other publicly available information.
 - v. Public disclosure of this information would create substantial harm to the competitive position of Entergy Nuclear by disclosing Entergy Nuclear's internal financial projections and the commercial terms of a unique transaction to other parties whose commercial interests may be adverse to those of Entergy Nuclear.
2. Accordingly, Entergy Nuclear requests that the designated documents be withheld from public disclosure pursuant to 10 CFR 2.790(a)(4) and 10 CFR 9.17(a)(4).


Jerry W. Yelverton

State of Mississippi)
Hinds County)

Then personally appeared before me, Jerry W. Yelverton, who being duly sworn, did state he is President and Chief Operating Officer of Entergy Nuclear Generation Company and that he is duly authorized to execute and file this affidavit in the name and on behalf of Entergy Nuclear Generation Company and that the statements are true to the best of his knowledge and belief.

My Commission Expires: _____


(Notary Public)

Mr. Alan B. Wang, Project Manager
Project Directorate I-3
Office of Nuclear Reactor Regulation
Mail Stop: OWFN 14B20
1 White Flint North
11555 Rockville Pike
Rockville, MD 20852
(10 copies)

Mr. Hubert J. Miller
Region I Administrator
U.S. Nuclear Regulatory Commission
Region I
475 Allendale Road
King of Prussia, PA 19406

Senior Resident Inspector
Pilgrim Nuclear Power Station

cc: (redacted version w/enclosures)

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555-0001

cc: (redacted version w/o enclosures)

Mr. Robert Hallisey
Radiation Control Program
Center for Communicable Diseases
Mass. Dept. of Public Health
305 South Street
Jamaica Plain, MA 02130

Mr. Peter LaPorte, Director
Mass. Energy Management Agency
400 Worcester Road
P.O. Box 1496
Framingham, MA 01701-0313

Boston Edison Comp
Entergy Nuclear Generation Company

cket 50-293
License No. DPR-35

ENCLOSURE 1

Application For Transfer of Facility Operating License and NRC Materials License

Enclosure 1

Application For Transfer Of Facility Operating License and NRC Materials License

Pursuant to 10 CFR 50.80, the Boston Edison Company (Boston Edison) and Entergy Nuclear Generation Company (Entergy Nuclear) hereby apply for a transfer of Facility Operating License No. DPR-35, and Materials License No. 20-07626-04 from Boston Edison to Entergy Nuclear. Boston Edison and Entergy Nuclear also request conforming amendments to Facility Operating License No. DPR-35 to delete references to Boston Edison and to authorize Entergy Nuclear to possess, use and operate the Pilgrim Nuclear Power Station (Pilgrim), including Materials License 20-07626-04, under the same conditions and authorizations included in the current licenses.

Marked pages showing the requested changes to the licenses, as well as clean printed pages of the Facility Operating License, are provided as Attachment A to this enclosure. Marked pages showing the requested changes to the Technical Specifications, as well as clean printed pages, are provided as Attachment B to this enclosure. Attachment C provides the evaluation showing that these amendments raise no significant hazards considerations as required by 10 CFR 50.92(c).

Administrative changes to documents other than the Facility Operating License, NRC Materials License, and Technical Specifications will be required by the sale of Pilgrim. Changes to those documents that are related to the Facility Operating License, such as the Updated Final Safety Analysis Report, Physical Security Plan, Emergency Plan, etc., will be achieved during periodic or routine licensing correspondence or updates required by NRC regulations, such as 10 CFR 50.71(e). Changes to documents such as procedures, drawings, and manuals will be achieved during internal periodic or routine processes applicable to those documents. Changes to documents such as licenses, permits and certificates will be achieved during periodic or routine applications to federal, state, and local government agencies such as the Federal Communications Commission (communications licenses), Commonwealth of Massachusetts (e.g., elevator permits), and the Town of Plymouth (e.g., fossil fuel storage permits). Such changes are mentioned only in recognition that changes, mostly changes in owner name, to documents other than those in the proposed amendments will likely be required. Such changes, however, are collateral to the transfer of the licenses and the proposed amendments.

I. Background

The sale and transfer of Pilgrim is being undertaken by Boston Edison as part of the divestiture of all of its generating assets consistent with the restructuring of the electric utility industry occurring in Massachusetts.

Boston Edison became a wholly-owned subsidiary of BEC Energy, a Massachusetts business trust as a result of a corporate restructuring in 1997. As a result, Boston Edison continued to be the sole owner and operator of Pilgrim, and remained an electric utility as defined in 10 CFR 50.2. Also as a result of the corporate restructuring, Boston Edison requested consent for the indirect transfer of control of Boston Edison's interest

in the Pilgrim Facility Operating License in a letter to the NRC dated June 9, 1997. The NRC approved the transfer in a letter dated February 11, 1998.

On November 18, 1998, Boston Edison, the sole owner and operator of Pilgrim, entered into a purchase and sale agreement under which it will sell its interests in Pilgrim to Entergy Nuclear. Upon final execution, this transaction will complete Boston Edison's divestiture of all electric generation assets. A copy of the signed Purchase and Sale Agreement is included as Enclosure 4 to this letter. Major issues addressed in the Purchase and Sale Agreement include:

- Upon closing (and subject to the NRC's consent and license amendments), Entergy Nuclear will assume title to the facility (including all equipment, spare parts, fixtures, inventory, and other property necessary for the operation and maintenance of Pilgrim), will take title to all used and spent nuclear fuel and other licensed materials at Pilgrim, and will assume all responsibility for the operation, maintenance, and eventual decommissioning of the station.
- Upon closing, most if not all employees within the Boston Edison Nuclear Business Unit will be offered employment with Entergy Nuclear.
- As part of the transaction, Boston Edison, Commonwealth Electric Company, and Montaup Electric Company have entered into power purchase agreements through 2004 with Entergy Nuclear under which Boston Edison, Commonwealth Electric Company and Montaup Electric Company will purchase capacity and energy from Pilgrim at pre-established rates and schedules.
- At closing, Boston Edison will make additional deposits to the Pilgrim decommissioning trust funds to fully fund the radiological decommissioning costs consistent with the amounts determined in accordance with 10 CFR 50.75. Following the closing, Entergy Nuclear will be responsible for all Pilgrim decommissioning costs and activities, and Boston Edison's obligations shall be extinguished.

The sale and purchase of Pilgrim requires approvals and/or actions from other agencies, including the Massachusetts Department of Telecommunications and Energy, Federal Energy Regulatory Commission, Securities and Exchange Commission, Environmental Protection Agency and the Internal Revenue Service. These approvals are being sought separately under the respective regulatory requirements.

II. Supporting Information

Pilgrim Nuclear Power Station is a single unit Boiling Water Reactor electric generating facility that has been constructed and operated by Boston Edison in accordance with the Pilgrim Operating License and certain other permits and licenses. Entergy Nuclear will purchase and operate Pilgrim and will assume full liability and responsibility for decommissioning Pilgrim. As required by 10 CFR 50.80, the following information is provided consistent with the format of 10 CFR 50.33, 10 CFR 50.33a, and 10 CFR 50.34.

Information Required by 10 CFR 50.33

A. Name of Applicant (New Licensee)

Entergy Nuclear Generation Company

B. Address

1340 Echelon Parkway
Jackson, MS 39213

C. Description of Business or Occupation

Entergy Nuclear Generation Company is engaged principally in the business of owning and/or operating all or part of one or more eligible facilities and selling electric energy at wholesale in the United States.

D. Corporate Information

1. Entergy Nuclear Generation Company, a Delaware Corporation, is an indirect wholly-owned subsidiary of Entergy Corporation. The principle office is located in Jackson, MS.

2. Effective January 1, 1999, the officers of Entergy Nuclear Generation Company, all of whom are citizens of the United States, are as follows:

Jerry W. Yelverton	President and Chief Executive Officer
C. John Wilder	Executive Vice President and Chief Financial Officer
Steven C. McNeal	Vice President and Treasurer
Carolyn C. Shanks	Vice President Finance and Administration and Assistant Treasurer
Michael G. Thompson	Senior Vice President-Law and Secretary
Joseph L. Blount	Assistant Secretary
Christopher T. Screen	Assistant Secretary

3. Effective January 1, 1999, the Directors of Entergy Nuclear Generation Company, all of whom are citizens of the United States, are as follows:

J. Wayne Leonard	Chairman
Donald C. Hintz	
C. John Wilder	
Jerry W. Yelverton	

The business mailing address of Messrs. Leonard, Hintz, and Wilder is:

Entergy Nuclear Generation Company
639 Loyola Avenue
New Orleans, LA 70113

The business mailing address of Mr. Yelverton is:

Entergy Nuclear Generation Company
1340 Echelon Parkway
Jackson, MS 39213

4. Entergy Nuclear Generation Company is not owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.
5. In seeking to become the licensed owner and operator of Pilgrim, Entergy Nuclear Generation Company is not acting as the agent or representative of another entity.

E. Class of License

The Pilgrim Facility Operating License was issued under the provisions of Section 104b of the Atomic Energy Act of 1954 as amended. The expiration date of the current facility license is June 8, 2012. Boston Edison and Entergy Nuclear are requesting a direct transfer of the existing license. A change in the class of the Facility Operating License is not being requested as part of the transfer.

F. Financial Qualifications

Entergy Nuclear does not qualify as an electric utility under 10 CFR 50.2; therefore, the following information is provided in order to demonstrate financial qualifications in accordance with Section 50.33(f).

1. As requested by 10 CFR 50.33(f)(3), Entergy Nuclear is an indirect, wholly-owned subsidiary of Entergy Corporation. Headquartered in New Orleans, LA, Entergy Corporation is a U.S.- based global energy company with power production, distribution operations and related diversified services. Entergy Corporation owns, manages or invests in power plants generating nearly 30,000 megawatts of electricity domestically and internationally. Through its subsidiaries, Entergy Corporation owns and operates five nuclear power plants at four sites – Arkansas Nuclear One Units 1 and 2, Grand Gulf Nuclear Station, River Bend Station, and Waterford 3 Steam Electric Station. Entergy Corporation distributes energy to more than 2.5 million customers in the U.S. and is also among the top 10 power marketers in the U.S. As of September 30, 1998, Entergy Corporation had total assets of \$27.4 billion. Entergy Corporation's annual reports for the past five years are attached to this filing. Also enclosed are Moody's and Standard and Poors bond ratings for the past three years demonstrating Entergy Corporation's investment-grade bond ratings.

Entergy Nuclear is a newly-formed entity. Entergy Nuclear, either through a parent, associate or affiliate company guarantee, letter of credit or similar financial arrangement, will provide the funds necessary to purchase Pilgrim.

2. The following information is submitted pursuant to 10 CFR 50.33(f)(2). Entergy Nuclear has assurance of obtaining the funds necessary to cover estimated operating costs of Pilgrim. Entergy Nuclear has signed power purchase agreements with Boston Edison, Commonwealth Electric and Montaup Electric Company. Under these contracts, Entergy Nuclear will sell 100% of the total output of Pilgrim at fixed prices "take or pay" through 2001. Beyond 2001, the contracted volumes begin to decline through 2004. Entergy will pursue other firm contracts or sell any uncommitted power into the market in New England. The following table summarizes the terms of the power purchase agreement and the expected market prices for uncommitted power:

Year	Output to Contract %	Contract Price (¢/kwh)	Market Price (¢/kwh)
1999	100	3.50	
2000	100	3.80	
2001	100	3.52	
2002	80	3.89	
2003	50	4.35	
2004	50	4.72	

Based on Pilgrim's current operating performance and Entergy Nuclear program's operating experience, Entergy Nuclear expects to operate Pilgrim at an average annual capacity factor of 85% and sell all power generated through firm contracts or into the market. At projected market prices¹, these sales are expected to provide a margin of additional income over and above Pilgrim's operating costs. The following table demonstrates the ability of projected power sales to cover expected operating expenses:

¹ Market price estimates are based on independent market studies, Entergy Power Marketing Group analyses and scenarios related to varying market conditions.

	(\$000s)					
	1999 ¹	2000	2001	2002	2003	2004
Power Sales - Contract	126,180	200,874	175,490	164,014	95,810	124,806
Power Sales - Market	0	0	0			
Total Revenue	126,180	200,874	175,490			
Operation & Maintenance						
Fuel						
Administrative & Other						
Total Operating Expenses						
Operating Profit						

At the closing of the Pilgrim purchase, Entergy Nuclear will provide additional financial assurance up to fifty million dollars, either through a parent, associate or affiliate company guarantee, letter of credit or similar financial arrangement. Entergy Nuclear will be able to call upon these funds, if necessary, or funds available through a letter of credit to meet its expenses and obligations to safely operate and maintain the plant. These obligations include the costs of nuclear property damage insurance and any retrospective premium pursuant to 10 CFR 140.21.

In the event of an extended shutdown, Entergy Nuclear would cover fixed operating expenses through its retained earnings, as available, or by funds described above. Of total operating expenses, the fixed portion is estimated as follows:

	(\$000s)					
	1999 ¹	2000	2001	2002	2003	2004
Total Operating Expenses						
Fixed Operating Expenses (6 months)						

Note: Fixed operating expenses exclude fuel costs, refueling outage costs, and a certain percentage of contracts and outside services.

¹ Assumes 4/1/99 closing.

There is no unfunded financial liability associated with the decommissioning of Pilgrim. Entergy Nuclear will receive a fully funded decommissioning trust at the closing of the Pilgrim sale. Based on financial analysis and independent expert decommissioning cost and funding studies, this amount will be adequate to fund future decommissioning cash flows. Please refer to Section K regarding Decommissioning Funding.

G. Radiological Response Plans

Upon approval of the transfer, Entergy Nuclear will assume authority and responsibility for functions necessary to fulfill the emergency planning requirements specified in 10 CFR 50.47(b) and 10 CFR 50, Appendix E. No substantive changes will be made to the existing Pilgrim Emergency Plan presently implemented nor will there be any immediate changes to the existing Emergency Response Organization as a result of these proposed amendments.

Actions necessary to assure continued compliance with emergency planning requirements will be completed upon the closing as identified in the Purchase and Sale Agreement (Schedule 2.1(1)(i) of Enclosure 4). All property and assets used or usable in providing emergency warning or associated with emergency preparedness (Schedule 2.1(1)(i) of Enclosure 4), and contracts and agreements associated with emergency preparedness (Schedule 2.1(1)(ii) of Enclosure 4) are identified in the schedules. With respect to existing agreements for support from organizations and agencies not affiliated with the Licensee, Boston Edison and Entergy Nuclear will make the appropriate notifications to the parties to assure continued support.

Specific emergency plan and procedure changes to reflect the change in ownership and operation will be handled in accordance with 10 CFR 50.54(q) as required.

H. Facility Alterations

No physical alterations to Pilgrim are being proposed as a part of the license transfer process. Any future modifications will be performed in accordance with applicable regulatory requirements (e.g., 10 CFR 50.59).

I. Regulatory Agencies Having Jurisdiction and News Agencies

Although Boston Edison and Entergy Nuclear are requesting a direct transfer of the existing Pilgrim Facility Operating License and NRC Materials License, and not a new license under 10 CFR 50.22, the following information is provided to help facilitate NRC interaction with the public:

1. The following regulatory agencies, in addition to the Commission, have jurisdiction over Boston Edison:

- Massachusetts Department of Telecommunications and Energy, 100 Cambridge Street, 12th floor, Boston, MA 02202

- Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426
 - Securities & Exchange Commission, 450 Fifth Street, N. W., Washington, D.C. 20549
2. The following publications circulate in the general area of Pilgrim:
- The Boston Globe, P. O. Box 2378, Boston, MA 02107-2378
 - Patriot Ledger, P. O. Box 9159, Quincy, MA 02169
 - Old Colony Memorial, P. O. Box 959, Plymouth, MA 02362

J. Restricted Data

This application does not involve any restricted data or other classified defense information, and it is not expected that any such information will be required by the licensed activities at Pilgrim. In the event that licensed activities involve restricted data in the future, Entergy Nuclear agrees that it will appropriately safeguard such information and will not permit any individual to have access to restricted data until the Office of Personnel Management investigates and reports to the NRC on the character, associations, and loyalty of such individual, and the NRC determines that permitting such person to have access to restricted data will not endanger the common defense and security of the United States.

K. Decommissioning Funding

At closing Boston Edison shall deposit funds into the Decommissioning Trust and Provisional Trust, pursuant to Section 5.21 of the Purchase and Sale Agreement, sufficient to satisfy the minimum decommissioning funding requirements prescribed by 10 CFR 50.75 at the expiration of the Pilgrim Facility Operating License. Based upon varying federal income tax and closing date assumptions, the total amount of decommissioning funds to be transferred to Entergy Nuclear at closing is projected to be from \$396 million to \$466 million. These funds will provide for a fully-funded decommissioning trust by the expiration of Pilgrim's Facility Operating License. Upon closing and transfer of the decommissioning trust(s), Boston Edison shall be relieved of all future obligations and responsibilities associated with the decommissioning of Pilgrim, which as of the closing date shall become the sole and exclusive obligation and responsibility of Entergy Nuclear.

The amount transferred to Entergy Nuclear at closing will equal or exceed the amount necessary to fund the NRC minimum requirement at the expiration of the Pilgrim Facility Operating License. The table below compares the Entergy Nuclear funding requirement (assuming a non-qualified tax rate and a March 31, 1999 closing) to the NRC minimum funding requirement:

	Current Estimate	Escalated to 2012	1999 Requirement
NRC Minimum			\$396 million
Entergy Calculation			\$466 million

The current Entergy Nuclear cost estimate is higher than the NRC minimum amount due to the inclusion of spent fuel storage costs and costs to remove non-radioactive structures. The current cost is escalated to 2012 (assumed shutdown date) at inflation and then discounted back at an assumed earnings rate to the 1999 funding date. The 1999 funding requirement assumes after-tax earnings of for the NRC minimum allowed real growth) and for the Entergy Nuclear calculation (real growth). The Entergy Nuclear calculation also assumes decommissioning cash flows are spread over a period of years in accordance with independent decommissioning cost studies. The net fund balance continues to earn at during this period.

The Purchase and Sale Agreement conditions the closing of the sale and the aforementioned decommissioning trust funding and transfer on there being no adverse federal income tax consequences as a result thereof on either party. In that regard, Boston Edison and Entergy Nuclear have filed with the Internal Revenue Service (IRS) ruling requests which would allow for the decommissioning trust funding and transfer to occur with no adverse tax consequences to either party.

The Purchase and Sale Agreement provides for the decommissioning trust funds to be transferred at the time of closing through the transfer of two separate decommissioning trusts, a regular Decommissioning Trust and a Provisional Trust. Depending upon applicable federal tax provisions at the time of closing, all or a portion of the decommissioning trust funds may be deemed to be "non-qualified" pursuant to Section 468A of the IRS code.

The Purchase and Sale Agreement further provides that, if at the time of closing, more than 20% of the funds being transferred are deemed to be "non-qualified" under Section 468A, then a portion of the trust funds, \$70 million, will be transferred as part of a Provisional Trust to be established by Boston Edison prior to closing. In the event that between closing and December 31, 2002 there is an intervening tax law or rule change, such that all or a portion of the previously "non-qualified" decommissioning trust funds are deemed to be "qualified", the amount of funds in the Provisional Trust shall be reduced in accordance with Schedule 5.21 and the reduction shall be rebated to Boston Edison in accordance with the Provisional Trust. Any reduction and rebate shall be accomplished in a manner consistent with the Atomic Energy Act, IRS requirements, and other applicable law. The Purchase and Sale Agreement provides that in no event shall the amount in the Trusts available to

decommission Pilgrim fall below the NRC required minimum. After December 31, 2002, all funds remaining in the Provisional Trust will be transferred to the regular Decommissioning Trust and Boston Edison shall have no further claim to those funds.

Information Required by 10 CFR 50.33a

Antitrust

Because Pilgrim is licensed under Section 104b of the Atomic Energy Act (AEA), it is not subject to antitrust review by the NRC as stated in section 105 of the AEA. Therefore, the requirements of 10 CFR 50.33a are not applicable to this license transfer application.

Section 6 of the Facility Operating License contains wording pertaining to antitrust matters that were not resolved when the original license was issued. These issues, however, were later resolved by NRC Order dated June 19, 1980.

Information Required by 10 CFR 50.34

A. Preliminary Safety Analysis Report

The Design and Analysis Report was submitted with the original construction permit application on June 23, 1967.

B. Final Safety Analysis Report

With respect to the requirements of 10 CFR 50.34(b), the following information is considered pertinent to the transfer:

The Pilgrim Final Safety Analysis Report was initially updated to the Updated Final Safety Analysis Report in 1982 and has been subsequently updated in accordance with 10 CFR 50.71(e). Any changes to the UFSAR resulting from the transfer will be incorporated in an update(s) after the transfer. With respect to technical qualifications, the following information is provided.

The Entergy Corporation nuclear program has over 20 years experience in the successful operation of nuclear power plants in the U.S. The technical qualifications of Entergy Nuclear to carry out its responsibilities under the Pilgrim Facility Operating License, as amended, will be at least equivalent to the present technical qualifications of Boston Edison. This application does not involve a request for any change in the design or operation of Pilgrim. The proposed transfer of the Pilgrim Nuclear Business Unit employees and ownership/operation of Pilgrim from Boston Edison to Entergy Nuclear has been planned to assure there is no disruption to the operation of Pilgrim. Upon the effective date of the transfer of license, Entergy Nuclear will operate, manage, and maintain Pilgrim in accordance with the conditions and requirements established by the

NRC as defined in the Facility Operating License. Most if not all of the existing Nuclear Business Unit employees will be offered employment with Entergy upon completion of the sale/purchase of the plant. Any new management employees placed at Pilgrim will have experience in the day-to-day operation of nuclear power plants and will meet all applicable technical qualifications required by existing Pilgrim licensing documents. A Vice President at the site will continue to be the officer at the site responsible for the overall safe operation and maintenance of Pilgrim.

The proposed transfer will not impact compliance with the quality assurance requirements of 10 CFR 50 Appendix B nor will it reduce the commitments in the NRC accepted quality assurance program description for Boston Edison. Upon transfer, Entergy Nuclear will assume the ultimate responsibility for present functions associated with the Boston Edison Quality Assurance Program. The manager responsible for quality assurance functions will continue to have direct access to the site officer on matters related to quality. Changes to reflect the transition will be handled in accordance with 10 CFR 50.54.

C. Physical Security Plan

The proposed transfer will not impact compliance with the physical security requirements of 10 CFR Part 73. Upon transfer, Entergy Nuclear will assume ultimate responsibility for implementation of all aspects of the present security program. Operating License Condition 3.G includes physical security plan requirements and is not being changed by the transfer. Changes to the plans reflecting this transaction will not decrease the effectiveness of the plans and will be made in accordance with 10 CFR 50.54(p).

D. Safeguards Contingency Plan

Operating License Condition 3.G includes safeguards contingency plan requirements and is not being changed by the transfer.

E. Safeguards Information

Operating License Condition 3.G includes safeguards information requirements and is not being changed by the transfer.

F. Additional TMI Related Requirements

Additional TMI related requirements are not affected by the transfer.

G. Conformance to Standard Review Plan

The Pilgrim application was docketed in 1967 and the Facility Operating License was issued in 1972, which preceded the requirement for conformance to NUREG-0800, Standard Review Plan.

III. Other Licensing Considerations

Offsite power is currently provided to Pilgrim over 345 Kv transmission facilities and 23 Kv distribution facilities and will remain unchanged as a result of the sale and transfer of Pilgrim.

1. 345 Kv (preferred offsite power)

The 345 Kv transmission system is the preferred offsite power source. This offsite power source consists of two 345 Kv transmission lines which connect the Pilgrim switchyard to the regional electrical grid. Boston Edison owns the 345Kv transmission lines and towers. The transmission lines and transmission towers are not included in the Pilgrim Purchase and Sale Agreement.

The 345 Kv switchyard is included in the Pilgrim Purchase and Sale Agreement. Entergy Nuclear will control and maintain the switchyard in accordance with accepted generating and transmission practices.

The 345 Kv switchyard is located within the Pilgrim protected area. The switchyard is of a ring bus design. The Startup Transformer, a DC power supply for the breakers, towers for lightning protection, and various control, relaying, metering, and indication equipment are also located within the switchyard. During periods when Pilgrim is generating electricity, the output of the main generator is provided to the transmission system through the main transformer and the switchyard. During periods when Pilgrim is not generating electricity to the transmission system, the Startup Transformer is the preferred offsite source of power to Pilgrim's AC powered electrical systems. The Startup Transformer can be powered by either one or both of the 345 Kv transmission lines.

The regional bulk electric power authority is the Independent System Operator for New England (ISO-NE). Through telemetry and instrumentation, the ISO-NE system operator (dispatcher) monitors overall transmission system conditions, including those in the Pilgrim switchyard and other portions of the transmission system connected to the transmission lines to and from the Pilgrim switchyard. The ISO-NE system operators (dispatchers) are trained on the procedures governing the control of the bulk electric power supply and contingency procedures. The contingency procedures include action(s) to take to assure the worst contingency does not result in a transmission system voltage of less than 340 Kv in the Pilgrim switchyard. The contingency procedures include ISO-NE actions (load shedding) to be taken to preclude Pilgrim switchyard voltage from decreasing to less than 340 Kv. Moreover, the contingency procedures include a priority to re-power transmission lines to nuclear power plants, including Pilgrim, as quickly as possible in the event the 345Kv transmission lines become de-energized. In parallel with these actions, the Pilgrim control room is notified by the ISO-NE system operator if transmission system conditions are such that transmission system voltage might decrease to or below 340 Kv. The Pilgrim control room operators would then, by approved Pilgrim procedure, initiate action(s) to start the onsite emergency power source (standby emergency diesel

generators) to assure safety-related sources of AC power are available to safety-related systems and components.

Pilgrim is located within the portion of the ISO-NE system that is part of the Rhode Island, Eastern Massachusetts, and Vermont Electric Co-operative (REMVEC). REMVEC is a satellite of ISO-NE. The REMVEC system operators (dispatchers) are also trained on the operating and contingency procedures mentioned above.

2. 23 Kv (secondary offsite power)

Secondary offsite power is provided to Pilgrim by 23 Kv distribution system facilities. The portion of the system in the vicinity of Pilgrim extends along Rocky Hill Road, adjacent to Pilgrim. The 23 Kv distribution system provides a source of offsite power to the Shutdown Transformer. The Shutdown Transformer is located within the Pilgrim protected area. Through the Shutdown Transformer, the 23 Kv distribution system provides a backup source of power to the safety-related portion of Pilgrim's AC power system. The 23 Kv distribution facilities are owned or controlled by Commonwealth Electric Company (Commonwealth). The contract between Commonwealth and Boston Edison under which Commonwealth provides such power is identified in Schedule 2.1(e) of the Purchase and Sale Agreement and is required to be assigned from Boston Edison to Entergy Nuclear upon closing. No physical changes to the 23 Kv system are being proposed as part of the license transfer.

Based on the above, there is adequate assurance that independent sources of offsite power will continue to be provided.

3. Control of Exclusion Area

Upon approval of the transfer, Entergy Nuclear will own all of the exclusion area and will have authority to determine all activities within the Pilgrim exclusion area to the extent required by 10 CFR Part 100.

4. Nuclear Insurance

Prior to closing, Entergy Nuclear requests that the NRC issue a new Price Anderson indemnity agreement to Entergy Nuclear as part of the license transfer process. Entergy Nuclear's projected income from plant operations and financial qualifications (Enclosure 1, Section II.F) provide adequate assurance that Entergy Nuclear will be able to pay a retrospective premium pursuant to 10 CFR 140.21. Prior to closing, Entergy Nuclear will obtain nuclear property damage insurance in such form and amount as required by 10 CFR 50.54(w). Further, Entergy Nuclear will obtain all the required nuclear liability coverage prior to the closing.

5. Standard Contract for Disposal of Spent Nuclear Fuel

Upon closing, Entergy Nuclear will assume title to and responsibility for the management, storage, transportation and disposal of spent nuclear fuel at Pilgrim. Boston Edison will assign and Entergy Nuclear will assume Boston Edison's rights and obligations under the Standard Contract with the Department of Energy, excluding any claims of Boston Edison related to or pertaining to U.S. Department of Energy (DOE) defaults under the DOE Standard Contract accrued as of the closing date, whether relating to periods prior to or following the closing date.

6. Environmental Review

The proposed license transfer and amendments falls under the new categorical exclusion from environmental review, 10 CFR 51.22(c)(21), for approvals of direct or indirect transfers of NRC licenses and any associated amendments established by the Commission's new rule on streamlining the hearing process. [Streamlined Hearing Process for NRC Approval of License Transfers, 63 Federal Register 66,721, 66,735 dated December 3, 1998.] Accordingly, no environmental review need be undertaken with respect to the proposed transfer.

IV. Effective Date

Boston Edison and Entergy Nuclear request that the NRC review this application on a schedule that will permit issuance of an order consenting to the transfer as promptly as possible to support a closing date of March 31, 1999. Boston Edison and Entergy Nuclear request that the conforming license amendments be issued to become effective upon closing.

Attachment A -- Proposed amendments to Facility Operating License and NRC Materials License

Attachment B -- Proposed amendment to Technical Specifications

Attachment C -- No Significant Hazards Consideration determination

ENCLOSURE 1 Attachment A

Proposed Amendments to Facility Operating License and NRC Materials License

Enclosure 1 Attachment A

Proposed Amendments to Facility Operating License and NRC Materials License

1. Changes to the Facility Operating License

License section, page number	Action description
Heading, page 1	Change Boston Edison Company to Entergy Nuclear Generation Company.
First sentence, page 1	Add: "and the Nuclear Regulatory Commission" after Atomic Energy Commission to precede "(the Commission)".
Paragraph d, page 1	Change Boston Edison Company (Boston Edison) to Entergy Nuclear Generation Company (Entergy Nuclear).
Paragraph e, page 1	Change Boston Edison to Entergy Nuclear.
Last Paragraph, page 1	Insert: "and transferred to Entergy Nuclear on [date of issuance]" to precede "to read as follows:"
Section 1 second sentence, page 2	Change Boston Edison to Entergy Nuclear.
Section 2, page 2	Change: Boston Edison to Entergy Nuclear
Section 3, 3.A, page 2	Change Boston Edison to Entergy Nuclear
Section 3, Condition 3.B, page 3	Change amendment number
Section 3, Condition 3.C (Records), page 3	Change Boston Edison to Entergy Nuclear
Section 3, Condition 3.F (Fire Protection), first and second paragraphs, page 3	Change Boston Edison to Entergy Nuclear

Section 3, Condition 3.J (Additional
Conditions), page 4

Change amendment number.
Change Boston Edison Company to
Entergy Nuclear.

Appendix A (Cover Page, no page number)

Change Boston Edison Company to
Entergy Nuclear.

Appendix B (Additional Conditions), page 1

Change Boston Edison Company to
Entergy Nuclear.

2. Changes to the NRC Materials License

License section, page number

Change description

Licensee name, page 1

Change Boston Edison Company to
Entergy Nuclear Generation
Company. There is no change to the
Pilgrim mailing address for the
license.

ATOMIC ENERGY COMMISSION

WASHINGTON, DC 20545

ENERGY NUCLEAR GENERATION COMPANY
BOSTON EDISON COMPANY

(PILGRIM NUCLEAR POWER STATION)

DOCKET NO. 50-293

FACILITY OPERATING LICENSE

License No. DPR-35

The Atomic Energy Commission ^{and the Nuclear Regulatory Commission} (the Commission) having found that:

- a. Except as stated in condition 5, construction of the Pilgrim Nuclear Power Station (the facility) has been substantially completed in conformity with the application, as amended, the Provisional Construction Permit No. CPPER-49, the provisions of the Atomic Energy Act of 1954, as amended (the Act), and the rules and regulations of the Commission as set forth in Title 10, Chapter 1, CFR; and
- b. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission; and
- c. There is reasonable assurance (i) that the activities authorized by the 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 rules and regulations of the Commission; and
- d. The ~~Boston Edison Company (Boston Edison)~~ ^{ENERGY NUCLEAR GENERATION COMPANY (ENERGY NUCLEAR)} is technically and financially qualified to engage in the activities authorized by this operating license, in accordance with the rules and regulations of the Commission; and
- e. ~~Boston Edison~~ ^{ENERGY NUCLEAR} has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements" of the Commission's regulations; and
- f. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public; and
- g. In accordance with the requirements of Appendix D to 10 CFR Part 50, the operating license should be issued subject to conditions for protection of the environment set forth herein.

Facility Operating License No. DPR-35, dated June 8, 1972, issued to the Boston Edison Company (Boston Edison) is hereby amended in its entirety, pursuant to an Initial Decision dated September 13, 1972, by the Atomic Safety and Licensing Board, to read as follows:

→ AND TRANSFERRED TO ENERGY NUCLEAR ON (date) ,

ENERGY NUCLEAR

1. This license applies to the Pilgrim Nuclear Power Station, a single cycle, forced circulation, boiling water nuclear reactor and associated electric generating equipment (the facility). The facility is located on the western shore of Cape Cod Bay in the town of Plymouth on the ~~Boston Edison~~ site in Plymouth County, Massachusetts, and is described in the "Final Safety Analysis Report," as supplemented and amended.
2. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses ~~Boston Edison~~; ^{ENERGY NUCLEAR}
 - A. Pursuant to the Section 104b of the Atomic Energy Act of 1954, as amended (the Act) and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," to possess, use, and operate the facility as a utilization facility at the designated location on the Pilgrim site;
 - B. Pursuant to the Act and 10 CFR 70, to receive, possess, and use at any time 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;
 - C. Pursuant to the Act and 10 CFR Parts 30, 40 and 70 to receive, possess and use at any time any byproduct, source or 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;
 - D. 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
 - E. Pursuant to the Act and 10 CFR Parts 30 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.
3. This license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations; 10 CFR Part 20, Section 30.34 of 10 CFR Part 30, Section 40.41 of 10 CFR Part 40, Sections 50.54 and 50.59 of 10 CFR Part 50 and Section 70.32 of 10 CFR Part 70; 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 below:
 - A. Maximum Power Level
~~Boston Edison~~ ^{ENERGY NUCLEAR} is authorized to operate the facility at steady state power levels not to exceed 1998 megawatts thermal.

B. Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. 178, are hereby incorporated in the license. The licensee shall operate the facility in accordance with the Technical Specifications.

C. Records

~~Boston Edison~~ **ENTERGY NUCLEAR** shall keep facility operating records in accordance with the requirements of the Technical Specifications.

D. Equalizer Valve Restriction - DELETED

E. Recirculation Loop Inoperable

The reactor shall not be operated with one recirculation loop out of service for more than 24 hours. With the reactor operating, if one recirculation loop is out of service, the plant shall be placed in a hot shutdown condition within 24 hours unless the loop is sooner returned to service.

F. Fire Protection

~~Boston Edison~~ **ENTERGY NUCLEAR** shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report for the facility and as approved in the SER dated December 21, 1978 as supplemented subject to the following provision:

~~Boston Edison~~ **ENTERGY NUCLEAR** may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

G. Physical Protection

The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10CFR73.55 (51FR27817 and 27822) and to the authority of 10CFR50.90 and 10CFR50.54(p). The plans, which contain Safeguards Information protected under 10CFR73.21, are entitled: "Pilgrim Nuclear Power Station Physical Security Plan," with revisions submitted through September 18, 1987; "Pilgrim Nuclear Power Station Guard Training and Qualification Plan," with revisions submitted through September 24, 1984; and "Pilgrim Nuclear Power Station Safeguards Contingency Plan," with revisions submitted through February 15, 1984. Changes made in accordance with 10CFR73.55 shall be implemented in accordance with the schedule set forth therein.

H. Long Term Program

- (1) The "Plan for the Long Term Program for Pilgrim Nuclear Power Station" (the Plan) submitted on May 7, 1984, is approved.
- a) The Plan shall be followed by the licensee from and after the effective date of this amendment.
 - b) Changes to dates for completion of items identified in Schedule B of the Plan do not require a license amendment. Dates specified in Schedule A shall be changed only in accordance with applicable NRC procedure.

I. Post-Accident Sampling System, NUREG-0737, Item II.B.3, and Containment Atmospheric Monitoring System, NUREG-0737, Item II.F.1(6)

The licensee shall complete the installation of a post-accident sampling system and a containment atmospheric monitoring system as soon as practicable, but no later than June 30, 1985.

J. Additional Conditions

ENERGY NUCLEAR

The Additional Conditions contained in Appendix B, as revised through Amendment No. ~~177~~, are hereby incorporated into this license. ~~Boston Edison Company~~ shall operate the facility in accordance with the Additional Conditions.

- 4. This license is subject to the following condition for the protection of the environment: Boston Edison shall continue, for a period of five years after initial power operation of the facility, an environmental monitoring program similar to that presently existing with the Commonwealth of Massachusetts (and described generally in Section C-III of Boston Edison's Environmental Report, Operating License Stage dated September, 1970) as a basis for determining the extent of station influence on marine resources and shall mitigate adverse effects, if any, on marine resources.
- 5. Boston Edison has not completed as yet construction of the Rad Waste Solidification System and the Augmented Off-Gas System. Limiting conditions concerning these systems are set forth in the Technical Specifications.
- 6. Pursuant to Section 105c(8) of the Act, the Commission has consulted with the Attorney General regarding the issuance of this operating license. After said consultation, the Commission has determined that the issuance of this license, subject to the conditions set forth in this subparagraph 6., in advance of consideration of and findings with respect to matters covered in Section 105c of the Act, is necessary in the public interest to avoid unnecessary delay in the operation of the facility. At the time this operating license is being issued an antitrust proceeding has not been noticed. The Commission, accordingly, has made no determination with respect to matters covered in Section 105c of the Act, including conditions, if any, which may be appropriate as a result of the

outcome of any antitrust proceeding. On the basis of its findings made as a result of an antitrust proceeding, the Commission may continue this license as issued, rescind this license or amend this license to include such conditions as the Commission deems appropriate. Boston Edison and others who may be affected hereby are accordingly on notice that the granting of this license is without prejudice to any subsequent licensing action, including the imposition of appropriate conditions, which may be taken by the commission as a result of the outcome of any antitrust proceeding. In the course of its planning and other activities, Boston Edison will be expected to conduct itself accordingly.

7. This license is effective as of the date of issuance and shall expire June 8, 2012.

FOR THE ATOMIC ENERGY COMMISSION

Original Signed by A. Giambusso

A. Giambusso, Deputy Director for Reactor
Projects
Directorate of Licensing

Attachments:
Appendix A - Technical Specifications
(Radiological)

Date of Issuance: September 15, 1972

APPENDIX A

TO

FACILITY OPERATING LICENSE DPR-35

TECHNICAL SPECIFICATION AND BASES

FOR

PILGRIM NUCLEAR POWER STATION

PLYMOUTH, MASSACHUSETTS

~~BOSTON-EDISON-COMPANY~~
ENERGY NUCLEAR GENERATION COMPANY

DOCKET NO. 50-293

APPENDIX B

ADDITIONAL CONDITIONS

OPERATING LICENSE NO. DPR-35

ENERGY NUCLEAR

~~Boston Edison Company~~ shall comply with the following conditions on the schedules noted below:

<u>Amendment Number</u>	<u>Additional Conditions</u>	<u>Implementation Date</u>
177	The licensee is authorized to relocate certain Technical Specifications requirements to licensee-controlled documents. Implementation of this amendment shall include relocation of various sections of the technical specifications to the appropriate documents as described in the licensee's application dated September 19, 1997, and in the staff's safety evaluation attached to this amendment.	The amendment shall be implemented within 30 days from July 31, 1998, except that the licensee shall have until the next scheduled Updated Final Safety Analysis Report (UFSAR) update to incorporate the UFSAR relocations.

UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, DC 20545
ENERGY NUCLEAR GENERATION COMPANY
(PILGRIM NUCLEAR POWER STATION)
DOCKET NO. 50-293
FACILITY OPERATING LICENSE

License No. DPR-35

The Atomic Energy Commission and the Nuclear Regulatory Commission (the Commission) having found that:

- a. Except as stated in condition 5, construction of the Pilgrim Nuclear Power Station (the facility) has been substantially completed in conformity with the application, as amended, the Provisional Construction Permit No. CPPR-49, the provisions of the Atomic Energy Act of 1954, as amended (the Act), and the rules and regulations of the Commission as set forth in Title 10, Chapter 1, CFR; and
- b. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission; and
- c. There is reasonable assurance (i) that the activities authorized by the 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 rules and regulations of the Commission; and
- d. The Entergy Nuclear Generation Company (Entergy Nuclear) is technically and financially qualified to engage in the activities authorized by this operating license, in accordance with the rules and regulations of the Commission; and
- e. Entergy Nuclear has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements" of the Commission's regulations; and
- f. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public; and
- g. In accordance with the requirements of Appendix D to 10 CFR Part 50, the operating license should be issued subject to conditions for protection of the environment set forth herein.

Facility Operating License No. DPR-35, dated June 8, 1972, issued to the Boston Edison Company (Boston Edison) is hereby amended in its entirety, pursuant to an Initial Decision dated September 13, 1972, by the Atomic Safety and Licensing Board, and transferred to Entergy Nuclear on _____, to read as follows:

Revision 477
Amendment 4

1. This license applies to the Pilgrim Nuclear Power Station, a single cycle, forced circulation, boiling water nuclear reactor and associated electric generating equipment (the facility). The facility is located on the western shore of Cape Cod Bay in the town of Plymouth on the Entergy Nuclear site in Plymouth County, Massachusetts, and is described in the "Final Safety Analysis Report," as supplemented and amended.
2. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses Entergy Nuclear:
 - A. Pursuant to the Section 104b of the Atomic Energy Act of 1954, as amended (the Act) and 10 CFR Part 50, "Licensing of Production and Utilization Facilities," to possess, use, and operate the facility as a utilization facility at the designated location on the Pilgrim site;
 - B. Pursuant to the Act and 10 CFR 70, to receive, possess, and use at any time 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;
 - C. Pursuant to the Act and 10 CFR Parts 30, 40 and 70 to receive, possess and use at any time any byproduct, source or 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;
 - D. 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
 - E. Pursuant to the Act and 10 CFR Parts 30 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.
3. This license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations; 10 CFR Part 20, Section 30.34 of 10 CFR Part 30, Section 40.41 of 10 CFR Part 40, Sections 50.54 and 50.59 of 10 CFR Part 50 and Section 70.32 of 10 CFR Part 70; 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 below:
 - A. Maximum Power Level

Entergy Nuclear is authorized to operate the facility at steady state power levels not to exceed 1998 megawatts thermal.

B. Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. , are hereby incorporated in the license. The licensee shall operate the facility in accordance with the Technical Specifications.

C. Records

Entergy Nuclear shall keep facility operating records in accordance with the requirements of the Technical Specifications.

D. Equalizer Valve Restriction - DELETED.

E. Recirculation Loop Inoperable

The reactor shall not be operated with one recirculation loop out of service for more than 24 hours. With the reactor operating, if one recirculation loop is out of service, the plant shall be placed in a hot shutdown condition within 24 hours unless the loop is sooner returned to service.

F. Fire Protection

Entergy Nuclear shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report for the facility and as approved in the SER dated December 21, 1978 as supplemented subject to the following provision:

Entergy Nuclear may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

G. Physical Protection

The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security, guard 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 (51FR27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plans, which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Pilgrim Nuclear Power Station Physical Security Plan," with revisions submitted through September 18, 1987; "Pilgrim Nuclear Power Station Guard Training and Qualification Plan," with revisions submitted through September 24, 1984; and "Pilgrim Nuclear Power Station Safeguards Contingency Plan," with revisions submitted through February 15, 1984. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.

Revision 203
Amendment No. 478

H. Long Term Program

- (1) The "Plan for the Long Term Program for Pilgrim Nuclear Power Station" (the Plan) submitted on May 7, 1984, is approved.
 - a) The Plan shall be followed by the licensee from and after the effective date of this amendment.
 - b) Changes to dates for completion of items identified in Schedule B of the Plan do not require a license amendment. Dates specified in Schedule A shall be changed only in accordance with applicable NRC procedure.

I. Post-Accident Sampling System, NUREG-0737, Item II.B.3, and Containment Atmospheric Monitoring System, NUREG-0737, Item II.F.1(6)

The licensee shall complete the installation of a post-accident sampling system and a containment atmospheric monitoring system as soon as practicable, but no later than June 30, 1985.

J. Additional Conditions

The Additional Conditions contained in Appendix B, as revised through Amendment No. , are hereby incorporated into this license. Entergy Nuclear shall operate the facility in accordance with the Additional Conditions.

4. This license is subject to the following condition for the protection of the environment: Boston Edison shall continue, for a period of five years after initial power operation of the facility, an environmental monitoring program similar to that presently existing with the Commonwealth of Massachusetts (and described generally in Section C-III of Boston Edison's Environmental Report, Operating License Stage dated September, 1970) as a basis for determining the extent of station influence on marine resources and shall mitigate adverse effects, if any, on marine resources.
5. Boston Edison has not completed as yet construction of the Rad Waste Solidification System and the Augmented Off-Gas System. Limiting conditions concerning these systems are set forth in the Technical Specifications.
6. Pursuant to Section 105c(8) of the Act, the Commission has consulted with the Attorney General regarding the issuance of this operating license. After said consultation, the Commission has determined that the issuance of this license, subject to conditions set forth in this subparagraph 6., in advance of consideration of and findings with respect to matters covered in Section 105c of the Act, is necessary in the public interest to avoid unnecessary delay in the operation of the facility. At the time this operating license is being issued an antitrust proceeding has not been noticed. The Commission, accordingly, has made no determination with respect to matters covered in Section 105c of the Act, including conditions, if any, which may be appropriate as a result of the

Revision 477
Amendment No. 434, 477

outcome of any antitrust proceeding. On the basis of its findings made as a result of an antitrust proceeding, the Commission may continue this license as issued, rescind this license or amend this license to include such conditions as the Commission deems appropriate. Boston Edison and others who may be affected hereby are accordingly on notice that the granting of this license is without prejudice to any subsequent licensing action, including the imposition of appropriate conditions, which may be taken by the commission as a result of the outcome of any antitrust proceeding. In the course of its planning and other activities, Boston Edison will be expected to conduct itself accordingly.

7. This license is effective as of the date of issuance and shall expire June 8, 2012.

FOR THE ATOMIC ENERGY COMMISSION

Original Signed by A. Giambusso

A. Giambusso, Deputy Director for Reactor
Projects
Directorate of Licensing

Attachments:
Appendix A - Technical Specifications
(Radiological)

Date of Issuance: September 15, 1972

Revision 177
Amendment No. 134

Appendix B

ADDITIONAL CONDITIONS

OPERATING LICENSE NO. DPR-35

Entergy Nuclear shall comply with the following conditions on the schedules noted below:

Amendment

Number

177

Additional Conditions

The licensee is authorized to relocate certain Technical Specifications requirements to licensee-controlled documents.

Implementation of this amendment shall include relocation of various sections of the technical specifications to the appropriate documents as described in the licensee's application dated September 19, 1997, and in the staff's safety evaluation attached to this amendment.

Implementation

Date

The amendment shall be implemented within 30 days from July 31, 1998, except that the licensee shall have until the next scheduled Updated Final Safety Analysis Report (UFSAR) update to incorporate the UFSAR relocations.

APPENDIX A
TO
FACILITY OPERATING LICENSE DPR-35
TECHNICAL SPECIFICATION AND BASES
FOR
PILGRIM NUCLEAR POWER STATION
PLYMOUTH, MASSACHUSETTS
ENTERGY NUCLEAR
DOCKET NO. 50-293

ENCLOSURE 1 Attachment B

Proposed Amendment to Technical Specifications

ENCLOSURE 1 Attachment B

Proposed Amendment to Technical Specifications

TS Section, page number

Change description

Section 4.1 (Site location), page 4.0-1

Change Boston Edison to Entergy Nuclear Generation Company.

4.0 DESIGN FEATURES

4.1 Site Location

Pilgrim Nuclear Power Station is located on the western shore of Cape Cod Bay in the Town of Plymouth, Plymouth County, Massachusetts and contains approximately 517 acres owned by Entergy Nuclear as shown on FSAR Figures 2.2-1 and 2.2-2. The site boundary is posted and a perimeter security fence provides a distinct security boundary for the protected area of the station.

The reactor (center line) is located approximately 1800 feet from the nearest property boundary.

4.2 Reactor Core

The reactor vessel core design shall be as described in the CORE OPERATING LIMITS REPORT and shall be limited to those fuel assemblies which have been analyzed with NRC approved codes and methods and approved by the NRC in its acceptance of Amendment 22 of GESTAR II.

4.3 Fuel Storage

4.3.1 Criticality

- 4.3.1.1 The spent fuel storage racks are designed and shall be maintained with:
- a. Fuel assemblies having a maximum k-infinity of 1.32 for standard core geometry, calculated at the burnup of maximum bundle reactivity, and an average U-235 enrichment of 4.6 % averaged over the axial planar zone of highest average enrichment; and
 - b. $K_{\text{eff}} \leq 0.95$ if fully flooded with unborated water, which includes an allowance for uncertainties as described in Section 10.3.5 of the FSAR.

(continued)

ENCLOSURE 1 Attachment C

No Significant Hazards Consideration Determination

ENCLOSURE 1 Attachment C

No Significant Hazards Consideration Determination

Although not required by the rule governing license transfer, which became effective December 3, 1998, this No Significant Hazards Consideration is included to facilitate NRC staff review of the application.

Description of the changes

The change in ownership of the Nuclear Business Unit, principally Pilgrim Nuclear Power Station, involves making a number of administrative changes, particularly in the Pilgrim Facility Operating License, NRC Materials License, and Technical Specifications. Accordingly, the proposed amendments would change portions of those documents, aforementioned in Attachments A and B of this enclosure.

Basis for proposed no significant hazards consideration determination

Boston Edison Company and Entergy Nuclear provide the following no significant hazards consideration determination consistent with the standards contained in 10 CFR Part 50.92(c).

1. The change in ownership does not involve a significant increase in the probability or consequences of an accident previously evaluated.

The change in ownership of Pilgrim does not involve a significant increase in the probability or consequences of an accident previously evaluated because of the following:

The change does not involve a change in the design of Pilgrim and does not involve a physical change to Pilgrim.

All Limiting Conditions for Operation, Limiting Safety System Settings and Safety Limits specified in the Technical Specifications remain unchanged. Also, the Pilgrim Physical Security Plan and its related plans, the Long Term Program, the Operator Training and Requalification Program, the Quality Assurance Program, and the Emergency Plan are not being changed by the proposed amendment.

The Entergy Corporation's nuclear program has over 20 years experience in the successful operation of nuclear power plants in the U.S. The technical qualifications of Entergy Nuclear to carry out its responsibilities under the Pilgrim Facility Operating License, as amended, will be at least equivalent to the present technical qualifications of Boston Edison. This application does not involve a request for any change in the design or operation of Pilgrim. The proposed transfer of the Pilgrim Nuclear Business Unit employees and ownership/operation of Pilgrim from Boston Edison to Entergy Nuclear has been planned to assure there is no disruption to the operation of Pilgrim. Upon the effective date of the transfer of license, Entergy Nuclear will operate, manage, and maintain Pilgrim in accordance with the conditions and requirements established by the NRC as defined in the Operating License. Most if not all of the existing Pilgrim employees will be offered employment with Entergy Nuclear upon

employees will be offered employment with Entergy Nuclear upon completion of the sale/purchase of the plant. Any new management employees placed at Pilgrim will have experience in the day-to-day operation of nuclear power plants and will meet all applicable technical qualifications required by existing Pilgrim licensing documents. A Vice President at the site will continue to be the officer at the site responsible for the overall safe operation and maintenance of Pilgrim. This individual will report directly to the President and Chief Executive Officer of Entergy Nuclear.

In summary, the qualifications of the personnel engaged in the Nuclear Business activities of Pilgrim operation, maintenance, engineering, assessment, training, and other related services are either unchanged or not changed significantly by the change in ownership.

Therefore, the change in ownership does not involve an increase in the probability or consequences of an accident previously analyzed.

2. The change in ownership does not create the possibility of a new or different kind of accident from any accident previously evaluated.

The change in ownership of Pilgrim does not create the possibility of a new or different kind of accident from any accident previously evaluated because of the following:

The change does not involve a change in the design of Pilgrim and does not involve a physical change to Pilgrim.

The change has no effect on the physical configuration of Pilgrim. The current plant design and design basis will remain the same. The current plant safety analyses, therefore, remain complete and accurate in addressing the design basis events and in analyzing plant response and consequences.

The Limiting Conditions for Operations, Limiting Safety System Settings and Safety Limits specified in the Technical Specifications are not affected by the change. As such, the plant conditions for which the design basis accident analyses were performed remain valid.

The change does not introduce a new mode of plant operation or new accident precursors, does not involve any physical alterations to plant configurations, or make changes to system set points that could initiate a new or different kind of accident.

Therefore, the change in ownership does not create the possibility of a new or different kind of accident from any accident previously evaluated.

3. The change in ownership does not involve a significant reduction in a margin of safety.

The change in ownership of Pilgrim does not involve a significant reduction in a margin of safety because of the following:

The change does not involve a change in the design of Pilgrim, and does not involve a physical change to Pilgrim.

The change does not affect either the way in which Pilgrim structures, systems and components perform their safety function or their design and licensing bases.

Plant safety margins are established through Limiting Conditions for Operation, Limiting Safety System Settings and Safety Limits specified in the Technical Specifications. Because there is no change to the physical design of the plant, there is no change to any of these margins.

Therefore, the change in ownership does not involve a significant reduction in a margin of safety.

The proposed amendment changes related to the change in ownership of Pilgrim were reviewed by the Pilgrim Operations Review Committee and the Nuclear Safety Review and Audit Committee.

ENCLOSURE 2

Entergy Corporation Annual Reports (1993, 1994, 1995, 1996, 1997)

ENCLOSURE 3

**Entergy Corporation Moody's and Standard and Poor's Bond Ratings
(1995, 1996, 1997)**

ENCLOSURE 3

Moody's and Standard and Poor's Bond Ratings
(As of 10/14/97)

First Mortgage Bonds

	Moody's			S&P		
	1997	1996	1995	1997	1996	1995
Entergy Arkansas, Inc	Baa2	Baa2	Baa2	BBB+	BBB	BBB
Entergy Gulf States, Inc.	Baa3	Baa3	Baa3	BBB-	BBB-	BBB-
Entergy Louisiana, Inc.	Baa2	Baa2	Baa2	BBB	BBB	BBB
Entergy Mississippi, Inc.	Baa2	Baa2	Baa2	BBB+	BBB	BBB
Entergy New Orleans, Inc.	Baa2	Baa2	Baa2	BBB	BBB	BBB
System Energy Resources, Inc.	Baa3	Baa3	Baa3	BBB-	BBB-	BBB-

ENCLOSURE 4

Purchase and Sale Agreement

**between
Boston Edison Company
and
Entergy Nuclear Generation Company**