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G3NO-2008-00022

November 24, 2008

U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Attention: Document Control Desk

DOCKET: No. 52-024

SUBJECT: Response to NRC Request for Additional Information, Letter No. 18
(GG3 COLA)

REFERENCE: NRC Letter to Entergy Nuclear, *Request for Additional Information
Letter No. 18 Related to the SRP Section 01 for the Grand Gulf
Combined License Application*, dated October 30, 2008 (ADAMS
Accession No. ML083030334).

Dear Sir or Madam:

In the referenced letter, the NRC requested additional information on one item to support the review of certain portions of the Grand Gulf Unit 3 Combined License Application (GG3 COLA). The response to the following Request for Additional Information (RAI) in the referenced letter is provided in Attachment 1 to this letter as follows:

1. RAI Question 01-5, Grand Gulf Early Site Permit Holder

Should you have any questions, please contact me or Mr. Tom Williamson of my staff. Mr. Williamson may be reached as follows:

Telephone: (601) 368-5786

Mailing Address: 1340 Echelon Parkway
Mail Stop M-ECH-21
Jackson, MS 39213

E-Mail Address: twilli2@entergy.com

This letter contains no commitments.

D088
NR

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 24, 2008.

Sincerely,



WKH/ghd

Attachment: 1. Response to RAI Question No. 01-5

cc (email unless otherwise specified):

NRC

NRC Project Manager – Grand Gulf Unit 3 COLA
NRC Project Manager – North Anna Unit 3 COLA
NRC Director – Division of Construction Projects (Region II)
NRC Regional Administrator - Region IV
NRC Resident Inspectors' Office - GGNS

Ms. B. Abeywickrama
Mr. B. Baval
Mr. M. Eudy
Ms. T. Dozier
Mr. D. Galvin
Ms. A. Johnson
Ms. S. Joseph
Mr. A. Muniz
Mr. E. Oesterle
Ms. L. Perkins
Mr. T. Tai

Entergy

Mr. T. A. Burke (ECH)
Mr. C. E. Brooks (ECH)
Mr. F. G. Burford (ECH)
Mr. G. H. Davant (ECH)
Mr. W. H. Hammett (M-ELEC)
Mr. P. D. Hinnenkamp (ECH)
Ms. D. Jacobs (ECH)
Ms. K. J. Lichtenberg (L-ENT)
Ms. D. Millar (ECH)
Ms. L. A. Patterson (ECH)
Mr. G. A. Rolfson (ECH)
Mr. J. Smith (ECH)
Mr. G. L. Sparks (ECH)
Ms. K. A. Washington (L-ENT)
Mr. T. L. Williamson (ECH)
Mr. M. D. Withrow (ECH)
Mr. G. A. Zinke (ECH)

Manager, Licensing (GGNS-1)
Site VP (GGNS-1)

Corporate File [6]

NuStart

Mr. G. Cesare
Mr. R. Grumbir
Mr. T. Hicks
Ms. M. Kray
NuStart Records (eB)

ENERCON

Mr. A. Schneider
Mr. T. Slavonic
Ms. R. Sullivan

Industry

Mr. K. Ainger (Exelon)
Mr. R. Bell (NEI)
Ms. R. Borsh (Dominion)
Mr. L. F. Drbal (Black & Veatch)
Mr. S. P. Frantz (Morgan, Lewis & Bockius)
Mr. J. Hegner (Dominion)
Mr. B. R. Johnson (GE-Hitachi)
Mr. P. Smith (DTE)

ATTACHMENT 1

G3NO-2008-00022

RESPONSE TO NRC RAI LETTER NO. 18

RAI QUESTION NO. 01-5

RAI QUESTION NO. 01-5

NRC RAI 01-5

The question refers to Part 1, Section 1.1 Applicants - Corporate Information.

Procedures for transferring Part 52 permits and licenses from one corporate entity to another are set forth in 10 C.F.R. § 50.80. The Grand Gulf Early Site Permit (ESP) is currently held by System Energy Resources, Inc. (SERI), a wholly owned subsidiary of Entergy. SERI is not currently listed as a proposed co-owner or operator in the combined license application (COLA) for the Grand Gulf facility.

1. Do the applicants intend for SERI to be a co-owner of the facility? If so, provide the appropriate financial qualifications information for SERI.
2. Does SERI intend to transfer the Grand Gulf ESP to an entity that is listed to be an owner, using the procedures specified in 10 C.F.R. § 50.80? If so, provide the time-frame for filing an application for approval of the transfer.
3. If neither of the courses of action listed above is planned, please justify why the ESP can be referenced when it is not held by those applicants seeking to own or operate the facility in accordance with 10 C.F.R. § 50.80 and 10 C.F.R. § 52.28.

Entergy Response

1. The applicants do not intend for SERI to be a co-owner of the facility. As stated in Part 1 of the GGNS Unit 3 COLA, SERI is an applicant and is proposed to be a licensee; its role is limited to holder of the ESP and owner of the property upon which the GGNS Unit 3 facility will be constructed.
2. Currently SERI does not intend to transfer the Grand Gulf ESP to another entity. As stated in Part 1 of the GGNS Unit 3 COLA, SERI is an applicant and is proposed to be a licensee; its role is limited to holder of the ESP and owner of the property upon which the GGNS Unit 3 facility will be constructed.
3. As stated in Part 1 of the GGNS Unit 3 COLA, SERI is an applicant and is proposed to be a licensee; its role is limited to holder of the ESP and owner of the property upon which the GGNS Unit 3 facility will be constructed.

Since SERI is the ESP holder and is one of the COL applicants, it is appropriate for the COL application to incorporate by reference the ESP; there is no existing reason to transfer the ESP to the other COL applicants. In this regard, the ESP essentially constitutes an asset that SERI, as one of the COL applicants, is contributing to the project and the COL application.

Furthermore, the COL application contains all of the information that would be contained in an application to transfer the ESP. Therefore, as a practical matter, filing an application for an ESP transfer would add nothing of substance to the regulatory process,

while imposing significant administrative costs and burdens on both the applicants and the NRC.

In its letter to Entergy dated October 22, 2008,¹ NRC stated its position on the documentation needed for a non-owner to establish financial qualifications. The following is consistent with that position:

- a) SERI is not seeking to fund construction or operation of GGNS Unit 3.
- b) As discussed in its response to RAI Question 01-4,² the proposed owner, Grand Gulf 3 Nuclear Development, LLC (GG3N), should receive treatment as an electric utility as defined in 10 CFR 50.2 for purposes of 10 CFR 50.33(f) and 10 CFR 50.75(e)(1)(ii)(A).
- c) If retail regulators approve construction based upon the currently expected financial plan, GG3N will have a contractual obligation to assume full financial responsibility as documented by the "Operating Services Agreement" between GG3N and SERI.

SERI is one of the owners of the Grand Gulf Unit 1 facility (License No. NPF-29) and is an electric utility as defined in 10 CFR 50.2. The Grand Gulf Unit 3 facility will be collocated on property that is also subject to the requirements of the GGNS Unit 1 license; therefore SERI has Unit 1 licensee obligations associated with the property upon which GGNS Unit 3 will be built. SERI will not be an owner of the GGNS Unit 3 facility, but will have a contractual agreement authorizing construction of the GGNS Unit 3 facility on its property. As stated above, the GGNS Unit 3 COLA proposes that SERI would be a licensee; its role is limited to holder of the ESP and owner of the property upon which the GGNS Unit 3 facility will be constructed.

Proposed COLA Revision

None

¹ Letter from NRC to Entergy Operations, Inc. *Request for Additional Information Letter No. 15 Related to Part 1, Financial Qualifications for the Grand Gulf Combined License Application, Revision 1*, dated October 22, 2008 (ADAMS Accession No. ML082950436)

² Letter from Entergy to NRC, *Responses to NRC Requests for Additional Information, Letter No. 15 (GG3 COLA)*, dated November 19, 2008