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Steven C. McNeal
Vice President and Treasurer

April 29, 2011

BVY 11-036

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

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

Entergy Nuclear Vermont Yankee, LLC
c/o Entergy Nuclear Operations, Inc.
Michael J. Colomb, V.P.
P.O. Box 0250
320 Governor Hunt Road
Vernon, VT 05354

SUBJECT: Notice of Cancellation of Parent Guarantee
Vermont Yankee Nuclear Power Station
Docket No 50-271
License No DPR-28

REFERENCES: 1. Letter, Entergy to NRC, "Decommissioning Funding Assurance Documentation, Vermont Yankee Nuclear Power Station," dated January 28, 2010 (Accession No. ML100470701)
2. Letter, NRC to Entergy, "Issuance of Renewed Facility Operating License No. DPR-28 for the Vermont Yankee Nuclear Power Station," dated March 21, 2011 (Accession No. ML092110050)
3. Letter, Entergy to NRC, "Status of Decommissioning Funding for Plants Operated by Entergy Nuclear Operations, Inc. for Year Ending December 31, 2010," ENOC-11-0005, dated March 31, 2011 (Accession No. ML110940051)

Dear Sir or Madam:

In Reference 1, Entergy Nuclear Operations, Inc. submitted to the U.S. Nuclear Regulatory Commission (NRC) a parent company guarantee issued by Entergy Corporation guaranteeing \$40 million of the decommissioning financial assurance requirements for the Vermont Yankee Nuclear Power Station (Vermont Yankee). In Reference 2, the NRC notified the licensees of Vermont Yankee that the facility operating license has been renewed for a twenty-year term, now set to expire at midnight on March 21, 2032. In Reference 3, Entergy Nuclear Operations, Inc. submitted its decommissioning funding report addressing Vermont Yankee decommissioning financial assurance for the year ending December 31, 2010. In that report,

ADD/
NRR

Entergy Nuclear Operations, Inc. demonstrated that with the renewed license term, the available decommissioning funds (without consideration of the parent guarantee of Reference 1) now provide an approximately \$211 million surplus over the NRC's minimum funding amount, rendering the existing parent company guarantee for additional financial assurance no longer necessary. Entergy Nuclear Operations, Inc. indicated in Reference 3 that it intended to take the necessary steps to cancel the parent company guarantee.

Paragraph 13 of the aforementioned parent company guarantee (Reference 1) provides as follows:

The guarantor agrees to remain bound under this guarantee for as long as licensee must comply with the applicable financial assurance requirements of 10 CFR Part 50, for the previously listed facility, except as provided in Paragraph 14 below [pertaining to transfer of control of Entergy Nuclear Vermont Yankee, LLC, not applicable here] and except that the guarantor may cancel this agreement by sending notice by certified mail to the NRC and to the licensee, such cancellation to become effective no earlier than 120 days after receipt of such notice by both the NRC and licensee as evidenced by the return receipts. If the licensee fails to provide alternative financial assurance as specified in 10 CFR Part 50, as applicable, and obtain written approval of such assurance within 120 days after the sending of the above notice by the guarantor, the guarantor shall provide such alternative financial assurance.

This letter provides notice, pursuant to Paragraph 13 of the aforementioned parent company guarantee (Reference 1) that Entergy Corporation is cancelling its parent company guarantee previously submitted to the NRC in Reference 1. This cancellation will become effective 120 days after receipt of this notice by the NRC and Entergy Nuclear Vermont Yankee, LLC, as evidenced by the return receipts. As discussed above and in Reference 3, the parent guarantee is being cancelled because the current financial assurance for the decommissioning of Vermont Yankee is sufficient without further reliance on a parent company guarantee.

This letter contains no new commitments. If you have any questions or require any further information, please contact Mr. Bryan Ford at 601-368-5516 prior to the expiration of the 120-day notification period.

Sincerely,



SCM/LJS

cc: See next page.

BVY 11-036

cc: Mr. William Dean, Region I Administrator
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406-1415

Mr. James S. Kim, Project Manager
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Washington, DC 20555

USNRC Resident Inspector
Entergy Nuclear Vermont Yankee
320 Governor Hunt Road
Vernon, VT 05354

Ms. Elizabeth Miller, Commissioner
Vermont Department of Public Service
112 State Street – Drawer 20
Montpelier, VT 05620

Mr. L. Jager Smith, P.E.
M-ECH-592