

NUCLEAR REGULATORY COMMISSION

[NRC-2013-0003]

In the Matter of

System Energy Resources, Inc.

Grand Gulf Nuclear
Station)
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)Docket Nos. 52-009
Permit No. ESP-002**Order Approving Direct And Indirect Transfers Of
Early Site Permit and Approving Conforming Amendment**

I.

System Energy Resources, Inc. (SERI), is the permit holder of Grand Gulf Early Site Permit (ESP) No. ESP-002. The ESP-002 is for a site adjacent to Grand Gulf Nuclear Station (GGNS). The GGNS is located in Claiborne County, Mississippi.

II.

By application dated September 27, 2012, as supplemented by letters dated January 29 and April 16, 2013, Entergy Operations, Inc. (EOI), requested on behalf of itself, SERI, and their parent companies (together, the applicants), pursuant to § 50.80 and § 52.28 of Title 10 of the *Code of Federal Regulations* (10 CFR), that the U.S. Nuclear Regulatory Commission (NRC) consent to certain license transfers to permit the direct transfer of Grand Gulf ESP Site, to a new limited liability company, System Energy Resource, LLC (SERL). The applicants also requested approval of conforming ESP amendment that would replace references to SERI in the ESP with references to SERL to reflect the transfer of ownership. In addition, the applicants requested the NRC consent to approve associated indirect license transfers to the extent such would be affected by the formation of a new intermediary holding company. Entergy Corporation (Entergy) will remain as the ultimate parent company, but a new intermediate company, Entergy Utilities Holdings, LLC, a Delaware limited liability company, will be created,

which will be the direct parent company of SERL. Ultimately, SERL will hold the ESP. The license transfers are necessary to support a proposed transaction whereby the transmission assets of Entergy in Arkansas, Louisiana, Mississippi, Missouri, and Texas will become owned by ITC Holdings Corp. and operated by Midwest Independent Transmission System Operator, Inc.

Approval of the direct and indirect transfers of the ESP was requested by EOI, acting on behalf of SERI, as well as their parent companies and itself. A notice entitled, "Consideration of Approval of Application Regarding Proposed Creation of a Holding Company and Transfer of Early Site Permit and Conforming Amendment and Opportunity for a Hearing," was published in the *Federal Register* on January 11, 2013 (78 FR 2451). No hearing requests or petitions to intervene were received. The NRC received comments from a member of the public in Webster, Texas, on February 8, 2013 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML13044A011). The comments did not provide any information in addition to that in the application, nor did they provide any information contradictory to that provided in the application.

Under 10 CFR 50.80 and 52.28, no license or permit, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the ESP, unless the NRC shall give its consent in writing. Upon review of the information in the application, and other information before the Commission, the NRC staff has determined that the proposed indirect transfer of control of the subject ESP held by SERI to the extent such will result from the proposed formation of the intermediary holding company in conjunction with the planned direct transfer of SERI to SERL to the extent affected in order to support transfer of the Entergy transmission assets as described in the application, is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the NRC, pursuant thereto, subject to the conditions set forth below. The NRC staff has further found that the application for the proposed

ESP amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I; the facilities will operate in conformity with the application, the provisions of the Act and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed ESP amendment can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed ESP amendment will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed amendment will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied. The findings set forth above are supported by a safety evaluation dated the same day as this Order.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80 and 10 CFR 52.28, IT IS HEREBY ORDERED that the application regarding the indirect and direct ESP transfers related to the proposed corporate restructuring in connection with the separation of the Entergy transmission system is approved.

IT IS FURTHER ORDERED that consistent with 10 CFR 2.1315(b), the ESP amendment that makes a change, as indicated in Enclosure 7 to the cover letter forwarding this Order (ADAMS Accession No. ML13077A237), to reflect the subject direct transfer, is approved. The amendment shall be issued and made effective at the time the proposed direct transfer action is completed.

IT IS FURTHER ORDERED that after receipt of all required regulatory approvals of the proposed direct transfer action, EOI shall inform the Director of the Office of Nuclear Reactor Regulation and the Director of the Office of New Reactors in writing of such receipt, and of the

date of closing, no later than 1 business day before the closing of the direct transfer. Should the proposed direct transfer not be completed within 1 year of this Order's date of issuance, this Order shall become null and void, provided, however, upon written application and good cause shown, such date may be extended by Order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated September 27, 2012 (ADAMS Accession No. ML12275A013), as supplemented by letters dated January 29 and April 16, 2013 (ADAMS Accession Nos. ML13030A204 and ML13107A010, respectively), and the safety evaluation dated the same date as this Order (ADAMS Accession No. ML13077A237), which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike (first floor), Rockville, Maryland 20852. Publicly available documents created or received at the NRC are accessible electronically through ADAMS in the NRC Library at <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR reference staff by telephone at 1-800-397-4209, or 301-415-4737, or by e-mail to PDR.Resource@nrc.gov.

Dated at Rockville, Maryland this 3rd day of May 2013.

For the Nuclear Regulatory Commission.

/RA/

Glenn M. Tracy, Director,
Office of New Reactors.