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Vice President – Nuclear Safety,
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CNRO-2013-00009
June 20, 2013

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

SUBJECT: **Response to Request for Additional Information
2013 Decommissioning Fund Status Report - Entergy Operations, Inc.**

Grand Gulf Nuclear Station
Docket No. 50-416

River Bend Station Unit 1
Docket No. 50-458

Waterford 3 Steam Electric Station
Docket No. 50-382

- REFERENCES:
1. Entergy letter CNRO-2013-00006, "Decommissioning Funding Status Report – Entergy Operations, Inc.," dated March 29, 2013 (ML13092A213).
 2. NRC email, A. Wang to J. Seiter, et. al., TAC No. MF1241, dated May 29, 2013.
 3. NRC email, A. Wang to K. Kingsley, TAC No. MF1280, dated May 29, 2013.
 4. NRC email, N. (Kaly) Kalyanam to B. Pellegrin, TAC No. MF1304 dated June 4, 2013.

Dear Sir or Madam:

Entergy Operations, Inc. (Entergy) submitted the biennial report of decommissioning funding status for plants operated by Entergy in Reference 1. NRC Requests for Additional Information (RAI) were documented in References 2 through 4 for the subject plants. The Entergy responses to these RAIs are provided in Attachment I.

This letter contains no new commitments. If you have any questions, please contact Mr. Bryan Ford at 601-368-5516.

Sincerely,

JFM / BSF

A001
NRR

Attachment I: Response to Request for Additional Information for Entergy Operations, Inc.

cc:

USNRC Project Manager, GGN
USNRC Project Manager, RBS
USNRC Project Manager, WF3

USNRC Regional Administrator, Region IV

USNRC Resident Inspector, GGN
USNRC Resident Inspector, RBS
USNRC Resident Inspector, WF3

Mississippi Department of Health
Louisiana Department of Environmental Quality

Mr. L. Jager Smith, P.E. (ECH)

CNRO-2013-00009
ATTACHMENT I

RESPONSE TO REQUEST FOR ADDITIONAL INFORMATION
REGARDING 2013 DECOMMISSIONING FUNDING STATUS REPORT
FOR ENTERGY OPERATIONS, INC.

RESPONSE TO REQUEST FOR ADDITIONAL INFORMATION
REGARDING 2013 DECOMMISSIONING FUNDING STATUS REPORT
FOR ENTERGY OPERATIONS, INC.

By letter dated March 29, 2013 (ML13092A213), Entergy Operations, Inc. (Entergy) submitted the 2013 Decommissioning Funding Status (DFS) Report for Arkansas Nuclear One (ANO), Grand Gulf Nuclear Station (GGNS), River Bend Station (RBS) and Waterford 3 Steam Electric Station (WF3), as required under Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.75(f)(1).

The Nuclear Regulatory Commission staff, in reviewing the submittal, had the following questions transmitted by the following email communications:

1. A. Wang email dated May 29, 2013; Request for Additional Information – GGNS (TAC No. MF1241)
2. A. Wang email dated May 29, 2013; Request for Additional Information – RBS (TAC No. MF1280)
3. K. Kalyanam email dated June 4, 2013; Request for Additional Information – GGNS and WF3 (TAC No. MF1304)

The NRC questions and Entergy responses are provided below.

NRC RAI 1: Request for Additional Information Regarding After-Tax Amounts of funds Accumulated for GGNS

In the letter dated March 29, 2013, Entergy did not state if the amounts of decommissioning funds accumulated were after-tax amounts for GGNS. The provisions of 10 CFR 50.75(f)(1) and (2) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report. Provide the after-tax amounts of funds accumulated through December 31, 2012, for GGNS.

Entergy Response:

Please refer to the information provided in response to NRC RAI 3.

NRC RAI 2: Request for Additional Information Regarding Amounts Accumulated by Jurisdiction for RBS

In the letter dated March 29, 2013, Entergy did not report the amount of decommissioning funds accumulated for each jurisdiction. The provisions of 10 CFR 50.75(f)(1) and (2) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report. For each of the trust funds in the 70-percent regulated shares, provide the balance of each of the trust funds maintained for the Louisiana, Texas and Federal Energy Regulatory Commission jurisdictions through December 31, 2012.

Entergy Response:

There are not separate trust funds for the individual jurisdictions responsible for decommissioning of the 70 percent regulated share of RBS. Balances in the Nuclear Decommissioning Trust for the 70 percent regulated share of RBS attributable to the separate jurisdictions are accounted for by the Trustee, the Bank of New York Mellon. The following Table 1 provides the balances in the 70

percent regulated share trust attributable to each of the relevant jurisdictions as of December 31, 2012.

Table 1

<u>Date</u>	<u>Louisiana</u>	<u>Texas</u>	<u>FERC</u>	<u>Total</u>
12/31/2012	\$80,682,490	\$133,978,645	\$6,925,768	\$221,586,903

NRC RAI 3: Request for Additional Information Regarding After-Tax Amounts of funds Accumulated for Waterford Steam Electric Station Unit 3:

Provide the after-tax amounts of funds accumulated through December 31, 2012, for Grand Gulf Nuclear Station and Waterford 3 Steam Electric Station. On March 29, 2013, Entergy did not state if the amounts of decommissioning funds accumulated were after-tax amounts for Grand Gulf Nuclear Station and Waterford 3 Steam Electric Station. The provisions of 10 CFR 50.75(f)(1) and (2) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report.

Entergy Response:

Entergy's March 29, 2013 report of the trust fund amounts [ML13092A213] complied with the reporting requirements of 10 CFR §50.75(f)(1) in that it reported the market value of the decommissioning trust funds as of December 31, 2012. The trust fund amounts reported in its March 29, 2013 submission were the trust amounts as of December 31, 2012 net of any material current income tax liability on *realized* gains, interest, dividends and other income of the trusts as discussed below.

SMEPA Share of GGNS

SMEPA is a not-for-profit electric cooperative, and is exempt from federal income tax. Accordingly, the amounts reported as of December 31, 2012 of funds separately accumulated by SMEPA for GGNS decommissioning were after-tax amounts.

Entergy's share of GGNS and WF3

Entergy's share of GGNS and WF3 are each beneficiaries of decommissioning trusts that hold assets in accounts (Funds) that are designated as either tax-qualified Funds (QFs) or non tax-qualified Funds (NQFs). The segregation is necessary to comply with tax laws that provide for a favorable tax regime for QFs.

At December 31, 2012, the separate decommissioning trusts for WF3 and Entergy's share of GGNS each held assets in QFs. Each QF is treated as a separate corporate taxpayer that must file its own annual tax return on Form 1120-ND and pay its own income taxes. Each QF must make periodic installment payments of estimated income taxes during the year and pay any unpaid income tax for the previous year by March 15 of the following year.

At December 31, 2012, the decommissioning trusts for WF3 and Entergy's share of GGNS held no assets in a NQF.

The QFs for the specified plants made timely periodic tax payments in 2012, with the last payment being remitted to the Internal Revenue Service on or about December 15, 2012. In March 2013, the QFs for the specified plants remitted the following payments with respect to the balance of their 2012 tax liabilities:

GGNS (Entergy Share)	\$ 0
WF3	\$38,000

Entergy does not deem the foregoing true-up payments by the QFs to be material when considering the available financial assurance. The March 2013 true-up tax payments all appear to be within the rounding margin described in Section 4.2.5 of LIC-205 Rev. 4, even after application of escalation, and therefore would not affect the NRC's analysis of available financial assurance even if they were to be considered when computing the "amount accumulated to the end of the calendar year" as described in 10 CFR §50.75(f)(1).