



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 30, 2015

Site Vice President
Entergy Nuclear Operations, Inc.
Vermont Yankee Nuclear Power Station
P.O. Box 250
Governor Hunt Road
Vernon, VT 05354

SUBJECT: REVIEW OF THE ENTERGY NUCLEAR OPERATIONS, INC. 2014 FINANCIAL TEST FOR A PARENT COMPANY GUARANTEE FOR BIG ROCK POINT INDEPENDENT SPENT FUEL STORAGE INSTALLATION AND VERMONT YANKEE NUCLEAR POWER STATION (TAC NO. MF3751)

Dear Sir or Madam:

By letter dated March 28, 2014, Entergy Nuclear Operations, Inc. (Entergy) provided the required annual financial test for a parent company guarantee for the Big Rock Point Independent Spent Fuel Storage Installation and Vermont Yankee Nuclear Power Station in accordance with Title 10 of the *Code of Federal Regulations* Part 30, Appendix A, "Criteria Relating to Use of Financial Tests and Parent Company Guarantees for Providing Reasonable Assurance of Funds for Decommissioning." The U.S. Nuclear Regulatory Commission staff's review of this submittal is enclosed.

If you have any questions, please contact me at 301-415-4125 or via email at James.Kim@nrc.gov.

Sincerely,

A handwritten signature in cursive script that reads "James Kim".

James Kim, Project Manager
Plant Licensing IV-2 and Decommissioning
Transition Branch
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-155/72-043 and 50-271

Enclosure:
As stated

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REVIEW OF THE ANNUAL FINANCIAL TEST FOR A PARENT COMPANY GUARANTEE

ENTERGY NUCLEAR OPERATIONS, INC

BIG ROCK POINT INDEPENDENT SPENT FUEL STORAGE INSTALLATION;

DOCKET NOS. 50-155/72-043

VERMONT YANKEE NUCLEAR POWER STATION

DOCKET NO. 50-271

1.0 INTRODUCTION

By letter dated March 28, 2014 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML14092A369), Entergy Nuclear Operations, Inc. (Entergy) provided the necessary data to perform the annual financial test in support of its Parent Company Guarantee (PCG) in accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) Part 30, Appendix A, "Criteria Relating to Use of Financial Tests and Parent Company Guarantees for Providing Reasonable Assurance of Funds for Decommissioning." In addition, 10 CFR Part 30, Appendix A (C) states that, "after the initial financial test, the parent company must repeat the passage of the test within 90 days after the close of each succeeding fiscal year."¹

This financial test provides assurance that Entergy can continue maintaining \$45 million in PCG coverage for decommissioning funding assurance for the Vermont Yankee Nuclear Power Station (VY) and the Big Rock Point Independent Spent Fuel Storage Installation (ISFSI) (Big Rock Point). The amount to be assured by PCG is a combination of two separate PCG amounts of \$40 million and \$5 million.

2.0 ANALYSIS

In its March 28, 2014, submittal, Entergy provided all the necessary data required by 10 CFR Part 30, Appendix A to perform the financial test for the PCGs related to VY and Big Rock Point.

Fundamental to this financial test is the determination that Entergy's Tangible Net Worth is at least six times the provision for PCG obligations. With Entergy's Tangible Net Worth of \$9.51 billion and a PCG funding in the amount of \$45 million, the NRC staff concluded that Entergy meets this Tangible Net Worth test.

¹ 10 CFR 50.75(e)(iii)(B) A parent company guarantee of funds for decommissioning costs based on a financial test may be used if the guarantee and test are as contained in Appendix A to 10 CFR Part 30.

Additionally, the staff noted that Entergy stated in its submittal that:

[T]he \$40 million guarantee for Vermont Yankee is not required as of December 1, 2013, to meet current financial assurance requirements under 10 CFR 50.75(c) based on calculations under 10 CFR 50.75(c), which are being provided separately in the 2014, 10 CFR 50.75(f) report for Vermont Yankee.

The evaluation of the 2014 VY Decommissioning Funding Status Report, reflecting financial information as of December 31, 2013, is ongoing. However, compliance with 10 CFR 50.75 without the need of the additional assurances, such as a PCG, does not terminate the instrument. If submitted, the NRC will continue to evaluate and make findings on financial tests for the VY PCG, regardless of need.

3.0 CONCLUSION

The NRC staff finds that Entergy has complied with the general requirements of 10 CFR Part 30, Appendix A, and specifically with the requirements of 10 CFR Part 30, Appendix A, and specifically with the requirements of 10 CFR Part 30, Appendix A (C). The NRC staff also finds that Entergy has submitted the necessary data within 90 days after the close of this succeeding fiscal year. Entergy successfully repeated the passage of the financial test with a Tangible Net Worth of \$9.51 billion, which is in support of the \$45 million PCG used towards VY and Big Rock Point. Specifically, Entergy's Tangible Net Worth of \$9.51 billion is greater than six times the PCG of \$45 million.

Principal Contributor: Shawn W. Harwell

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Sincerely,
/RA/

James Kim, Project Manager
Plant Licensing IV-2 and Decommissioning
Transition Branch
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-155/72-043 and 50-271

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