



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

April 21, 2015

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

SUBJECT: VERMONT YANKEE NUCLEAR POWER STATION - ENTERGY
CORPORATION NOTICE OF CANCELLATION OF PARENT COMPANY
GUARANTEE (TAC NO. MF5477)

Dear Sir or Madam:

By letter dated December 19, 2014 (Agencywide Documents Access and Management System Accession No. ML14358A252), Entergy Corporation provided the notice of cancellation for a parent company guarantee for the 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 staff has completed its review of your notice of cancellation for a parent company guarantee and the staff's evaluation of your submittal is enclosed. If you have any questions regarding the staff's evaluation, please contact James Kim at (301) 415-4125.

Sincerely,

A handwritten signature in black ink, appearing to read "Meena K. Khanna".

Meena K. Khanna, Chief
Plant Licensing Branch IV-2 and Decommissioning
Transition Branch
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-271

Enclosure:
Staff Evaluation

cc w/encl: Distribution via Listserv

STAFF EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

NOTICE OF CANCELLATION OF PARENT COMPANY GUARANTEE

VERMONT YANKEE NUCLEAR POWER STATION

DOCKET NO. 50-271

1.0 INTRODUCTION

By letter dated December 19, 2014 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML14358A252), Entergy Corporation (Entergy) submitted a Notice of Cancellation of Parent Guarantee (Notice), 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 (PCG) for Providing Reasonable Assurance of Funds for Decommissioning," for the Vermont Yankee Nuclear Power Station (VY).

Entergy is the parent company of the licensees, Entergy Nuclear Operations, Inc. (ENO) and Entergy Nuclear Vermont Yankee, LLC (ENVY). The PCG provides additional assurance to address any potential shortfalls associated with the decommissioning funds for VY. ENO currently has in place a \$40 million PCG, issued by Entergy.

2.0 REGULATORY EVALUATION

The Notice was made pursuant to the requirements of 10 CFR Part 30, Appendix A, "Criteria Relating to Use of Financial Test and Parent Company Guarantees for Providing Reasonable Assurance of Funds for Decommissioning," as referenced in NUREG-1757, Vol. 3, Rev. 1 *Consolidated Decommissioning Guidance – Financial Assurance, Recordkeeping, and Timeliness*. 10 CFR Part 30, Appendix A (III)(A), states:

"The parent company guarantee will remain in force unless the guarantor sends notice of cancellation by certified mail to the licensee and the Commission. Cancellation may not occur, however, during the 120 days beginning on the date of receipt of the notice of cancellation by both the licensee and the Commission, as evidenced by the return receipts."

Evaluation of supporting decommissioning funding assurance information is performed pursuant to 10 CFR 50.82, "Termination of License." Section 50.82(a)(8)(vi) states:

"If the sum of the balance of any remaining decommissioning funds, plus earnings on such funds calculated at not greater than a 2 percent real rate of return, together with the amount provided by other financial assurance methods being relied upon, does not cover the estimated cost to complete the decommissioning, the financial assurance status report must include additional financial assurance to cover the estimated cost of completion."

Enclosure

3.0 ANALYSIS

According to the Notice, the PCG is being canceled because the bases for maintaining the guarantee are no longer applicable. ENO was originally required to obtain the parent guarantee to address a decommissioning funding shortfall in 2009; however the financial assurance requirements for the decommissioning of VY are now met without further reliance on a parent company guarantee. Further, the Notice states that there are adequate regulatory controls in place, specifically those in 10 CFR 50.82(a)(8)(vi), to ensure that additional financial assurance will be provided in the event of a future decommissioning funding shortfall, without the existing parent guarantee.

On December 19, 2014, ENO submitted an updated decommissioning funding status report (ADAMS Accession No. ML14358A250) and the Post-Shutdown Decommissioning Activities Report (PSDAR) for VY (ADAMS Accession No. ML14357A110). In accordance with NUREG-1713, *Standard Review Plan for Decommissioning Cost Estimates for Nuclear Power Reactors*, the Nuclear Regulatory Commission (NRC) staff reviewed and analyzed the site-specific decommissioning cost estimate contained in the PSDAR and the amount stated within the licensee's decommissioning trust fund, as of October 31, 2014, for VY, as well as the earnings assumptions.

Based on the reported decommissioning trust balance, together with the earnings credits, as specified under the NRC regulations at 10 CFR 50.75 and 50.82, and without considering the \$40 million PCG, the staff found that ENO satisfied the decommissioning funding assurance requirements of 10 CFR 50.75 and 50.82.

Furthermore, the Notice states that the PSDAR included a new regulatory commitment by which Entergy

“... will provide or (if already existing) increase a PCG to provide a total in parental assurance of up to 10 percent of the remaining trust fund balance or \$40 million, whichever is less, in the event that additional financial assurance beyond the amounts contained in the remaining trust fund for Vermont Yankee is required pursuant to NRC regulations to compete radiological decommissioning and spent fuel management at Vermont Yankee.”

This commitment provides the NRC staff with additional assurance that funds will be available for radiological decommissioning and spent fuel management costs.

4.0 CONCLUSION

The NRC staff finds that Entergy has complied with the general requirements of Appendix A of 10 CFR Part 30, and specifically with the requirements of 10 CFR Part 30, Appendix A (III)(A), such that proper notice of cancellation of the \$40 million PCG for VY was provided to the NRC. The NRC staff further finds that ENO has provided adequate assurance that funds will be available for radiological decommissioning and spent fuel management, without considering an additional \$40 million in alternative financial assurance methods. Therefore, the NRC staff has no objection to the cancellation of the \$40 million PCG for VY, as submitted by Entergy's Notice dated December 19, 2014.

April 21, 2015

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Sincerely,

/RA/

Meena K. Khanna, Chief
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ADAMS ACCESSION NO.: ML15107A074

*via memo dated April 13, 2015

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DATE	4/17/15	4/17/15	4/13/15	4/21/15	4/21/15

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