



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

August 14, 2015

Mr. John F. McCann
Vice President, Regulatory Assurance
Entergy Operations, Inc.
440 Hamilton Avenue
White Plains, NY 10601

SUBJECT: RIVER BEND STATION, UNIT 1 AND WATERFORD STEAM ELECTRIC STATION, UNIT 3 - ORDERS APPROVING DIRECT AND INDIRECT TRANSFER OF LICENSES AND CONFORMING AMENDMENT (TAC NOS. MF4296 AND MF4278)

Dear Mr. McCann:

The U.S. Nuclear Regulatory Commission (NRC) staff has completed its review of Entergy Operations, Inc.'s, application dated June 10, 2014 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML14161A698), as supplemented by letters dated October 9, 2014, December 31, 2014, and January 30, 2015 (ADAMS Accession Nos. ML15154B588, ML14365A404, and ML15030A495, respectively), requesting approval of the direct transfers of the following:

- Facility Operating License No. NPF-47 and the associated independent spent fuel storage installation for River Bend Station, Unit 1 (RBS), currently held by Entergy Gulf States Louisiana, L.L.C., as owner, and Entergy Operations, Inc., as licensed operator. The direct transfer of the license would be to a newly formed limited liability company named Entergy Louisiana, LLC.
- Facility Operating License No., NPF-38 and the associated independent spent fuel storage installation for Waterford Steam Electric Station, Unit 3 (Waterford), currently held by Entergy Louisiana, LLC, as owner, and Entergy Operations, Inc., as licensed operator. The direct transfer of the license would be to a newly formed limited liability company also named Entergy Louisiana, LLC.

In addition, the NRC staff has completed its review of the associated request for approval of the indirect license transfers for RBS and Waterford due to the creation of a new intermediate holding company, Entergy Utility Holding Company, LLC, over the newly formed limited liability company named Entergy Louisiana, LLC.

The enclosed Orders for RBS and Waterford (Enclosures 1 and 2, respectively) approve the proposed direct and indirect license transfers. The associated Order for RBS also approves the enclosed draft conforming license amendment for RBS (Enclosure 3), which will be issued and made effective at the time the license transfers are completed. Waterford did not require a conforming license amendment, as the name of the owner remained the same. As noted in the enclosed Orders, Entergy Operations, Inc., shall inform the Director of Nuclear Reactor Regulation of the date of closing of the license transfers.

J. McCann

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Enclosure 4 is the NRC staff's safety evaluation (SE) related to the preceding actions. The SE will be placed in the NRC public document room and added to the ADAMS Publicly Available Records System Library.

The Orders have been forwarded to the Office of the *Federal Register* for publication.

Sincerely,

A handwritten signature in black ink that reads "Alan Wang". The signature is written in a cursive style with a long horizontal stroke at the end.

Alan B. Wang, Project Manager
Plant Licensing IV-2 and Decommissioning
Transition Branch
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-458 and 72-49; and
50-382 and 72-75

Enclosures:

1. RBS Order
2. Waterford Order
3. Draft Conforming Amendment to NPF-47
4. Safety Evaluation

cc: Listserv

ENCLOSURE 1

ORDER APPROVING DIRECT AND INDIRECT TRANSFERS OF
RIVER BEND STATION, UNIT 1
FACILITY OPERATING LICENSE NPF-47
AND
RIVER BEND STATION, UNIT 1
INDEPENDENT SPENT FUEL STORAGE INSTALLATION

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
Entergy Gulf States Louisiana, L.L.C.)	Docket No. 50-458
)	
River Bend Station)	License No. NPF-47
Unit 1)	
)	
)	
)	

ORDER APPROVING DIRECT AND INDIRECT TRANSFERS OF LICENSE
AND CONFORMING AMENDMENT

I.

Entergy Gulf States Louisiana, L.L.C. (EGSL) and Entergy Operations, Inc. (EOI) (the licensees), are co-holders of Facility Operating License (FOL) No. NPF-47 for the River Bend Station, Unit 1 (RBS). EGSL is the licensed owner, and EOI is the licensed operator and is authorized to possess, use, and operate RBS, which is located in West Feliciana Parish, Louisiana.

Entergy Louisiana, LLC (ELL) and EOI (the licensees), are co-holders of FOL No. NPF-38 for the Waterford Steam Electric Station, Unit 3 (Waterford). ELL is the licensed owner, and EOI is the licensed operator and is authorized to possess, use, and operate Waterford, which is located in St. Charles Parish, Louisiana.

II.

By application dated June 10, 2014, as supplemented by letters dated October 9, 2014, December 31, 2014, and January 30, 2015, EOI requested on behalf of itself, EGSL, ELL, and their parent companies (together, the Applicants), under Section 50.80, "Transfer of licenses," of Title 10 of the *Code of Federal Regulations* (10 CFR), that the U.S. Nuclear Regulatory

Commission (NRC) consent to the direct transfers of control of the operating licenses for RBS and Waterford to a new limited liability company named Entergy Louisiana, LLC. The Applicants also requested approval of a conforming amendment to reflect the change in the ownership for RBS from EGSL to the newly formed Entergy Louisiana, LLC. In addition, the Applicants requested the NRC's consent to the associated indirect license transfers of RBS and Waterford due to the creation of a new intermediary holding company. The license transfers are necessary to support the corporate reorganization to permit the combination of the assets and liabilities of two utility operating companies which are subsidiaries of Entergy Corporation (Entergy). Entergy will remain as the ultimate parent company, but a new intermediate company, Entergy Utility Holding Company, LLC, a Texas limited liability company, will become the direct parent company of the newly formed Entergy Louisiana, LLC. When the transactions are completed, the newly formed Entergy Louisiana, LLC will acquire 100 percent ownership of RBS and Waterford. EOI will remain responsible for the operation and maintenance of RBS and Waterford. The transaction will also result in the transfer of the general license for the RBS independent spent fuel storage installation held by the Applicants under 10 CFR Part 50.

No physical changes to the RBS facility or operational changes are being proposed in the application.

Approval of the direct and indirect transfers of the FOLs was requested by EOI, acting on behalf of EGSL, as well as their parent companies and itself. A notice entitled, "River Bend Station, Unit 1, and Waterford Steam Electric Station, Unit 3; Consideration of Approval of Transfer of License and Conforming Amendment," was published in the *Federal Register* on December 3, 2014 (79 FR 71803). The NRC has received two comments from the public. No hearing requests or petitions to intervene were received.

Under 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission gives its consent in writing. Upon review of the information in the licensees' application, and other information before the Commission, relying upon the representations and agreements contained in the application, the NRC staff has determined that the newly formed Entergy Louisiana, LLC, is qualified to acquire and directly hold the ownership interest under FOL No. NPF-47 for RBS, as described in the application, and has further determined that both the direct and indirect transfers of control of the subject license, as described in the application, are 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 application also requests approval of a conforming amendment to FOL No. NPF-47 for RBS. The RBS amendment replaces references to EGSL, the current licensed owner, with Entergy Louisiana, LLC. The change does no more than accurately reflect the approved transfer action. The conforming amendment involves no safety questions and is administrative in nature. The NRC has determined that the proposed amendment is acceptable.

The findings set forth above are supported by a safety evaluation dated August 14, 2015.

III.

Accordingly, under Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. Sections 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the application for the direct and indirect license transfers related to the proposed corporate restructuring, in connection with the merger of EGSL and ELL, is approved, subject to the following condition:

1. Before completion of the proposed transaction, Entergy Operations, Inc. shall provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that the newly formed Entergy Louisiana, LLC has obtained the appropriate amount of insurance required of the licensees under 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations.

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 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. 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 June 10, 2014 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML14161A698), as supplemented by letters dated October 9, 2014, December 31, 2014, and January 30, 2015 (ADAMS Accession Nos. ML15154B588, ML14365A404, and ML15030A495, respectively), and the safety evaluation dated the same date as this Order (ADAMS Accession No. ML15138A440), 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 14 day of August 2015.

For The Nuclear Regulatory Commission.

A handwritten signature in black ink, appearing to read 'W M Dean', written in a cursive style.

William M. Dean, Director,
Office of Nuclear Reactor Regulation.

ENCLOSURE 2

ORDER APPROVING DIRECT AND INDIRECT TRANSFERS OF
WATERFORD STEAM GENERATING STATION, UNIT 3
FACILITY OPERATING LICENSE NPF-38
AND
WATERFORD STEAM ELECTRIC STATION
INDEPENDENT SPENT FUEL STORAGE INSTALLATION

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
Entergy Louisiana, LLC and)	Docket No. 50-382
Entergy Operations, Inc.)	
)	
Waterford Steam Electric Station,)	License No. NPF-38
Unit 3)	
)	
)	

ORDER APPROVING DIRECT AND INDIRECT TRANSFERS OF LICENSE

I.

Entergy Louisiana, LLC (ELL) and Entergy Operations, Inc. (EOI) (the licensees), are co-holders of Facility Operating License (FOL) No. NPF-38 for the Waterford Steam Electric Station, Unit 3 (Waterford). ELL is the licensed owner, and EOI is licensed operator and is authorized to possess, use, and operate Waterford, which is located in St. Charles Parish, Louisiana.

Entergy Gulf States Louisiana, L.L.C. (EGSL) and EOI (the licensees), are co-holders of FOL No. NPF-47 for the River Bend Station, Unit No. 1 (RBS). EGSL is the licensed owner, and EOI is the licensed operator and is authorized to possess, use, and operate RBS which is located in West Feliciana Parish, Louisiana.

II.

By application dated June 10, 2014, as supplemented by letters dated October 9, 2014, December 31, 2014, and January 30, 2015, EOI requested on behalf of itself, ELL, EGSL, and their parent companies (together, the Applicants), under Section 50.80, "Transfer of licenses," of Title 10 of the *Code of Federal Regulations* (10 CFR), that the U.S. Nuclear Regulatory

Commission (NRC) consent to the direct transfers of the operating licenses for Waterford and RBS to a new limited liability company named Entergy Louisiana, LLC. The newly formed company has maintained the same name as the current owner of Waterford; Entergy Louisiana, LLC. (To distinguish between the two companies, "ELL" will only be used when referencing the current owner of Waterford.) In addition, the Applicants requested the NRC's consent to the associated indirect license transfers of RBS and Waterford due to the creation of a new intermediary holding company. The license transfers are necessary to support the corporate reorganization to permit the combination of the assets and liabilities of two utility operating companies, which are subsidiaries of Entergy Corporation (Entergy). Entergy will remain as the ultimate parent company, but a new intermediate company, Entergy Utility Holding Company, LLC, a Texas limited liability company, will become the direct parent company of the newly formed Entergy Louisiana, LLC. When the transactions are completed, the newly formed Entergy Louisiana, LLC will acquire 100 percent ownership of RBS and Waterford. EOI will remain responsible for the operation and maintenance of RBS and Waterford. The transaction will also result in the transfer of the general license for the Waterford independent spent fuel storage installation held by the Applicants under 10 CFR Part 50.

No physical changes to the Waterford facility or operational changes are being proposed in the application.

Approval of the direct and indirect license transfers of the FOLs was requested by EOI, acting on behalf of ELL, as well as their parent companies and itself. A notice entitled, "River Bend Station, Unit 1, and Waterford Steam Electric Station, Unit 3; Consideration of Approval of Transfer of License and Conforming Amendment," was published in the *Federal Register* on December 3, 2014 (79 FR 71803). The NRC has received two comments from the public. No hearing requests or petitions to intervene were received.

Under 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission gives its consent in writing. Upon review of the information in the licensees' application, and other information before the Commission, relying upon the representations and agreements contained in the application, the NRC staff has determined that the newly formed Entergy Louisiana, LLC, is qualified to acquire and directly hold the ownership interest under FOL No. NPF-38 for Waterford as described in the application, and has further determined that both the direct and indirect transfers of control of the subject license, as described in the application, are 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 findings set forth above are supported by a safety evaluation dated August 14, 2015.

III.

Accordingly, under Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. Sections 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the application for the direct and indirect license transfers related to the proposed corporate restructuring, in connection with the merger of EGSL and ELL is approved, subject to the following condition:

1. Before completion of the proposed transaction, Entergy Operations, Inc., shall provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that the newly formed Entergy Louisiana, LLC has obtained the appropriate amount of insurance required of the licensees under

10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations.

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 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. 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 June 10, 2014 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML14161A698), as supplemented by letters dated October 9, 2014, December 31, 2014, and January 30, 2015 (ADAMS Accession Nos. ML15154B588, ML14365A404, and ML15030A495, respectively), and the safety evaluation dated the same date as this Order (ADAMS Accession No. ML15138A440), 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 14 day of August 2015.

For The Nuclear Regulatory Commission.

A handwritten signature in black ink, appearing to read 'W. M. Dean', with a stylized flourish at the end.

William M. Dean, Director,
Office of Nuclear Reactor Regulation.

ENCLOSURE 3

DRAFT CONFORMING LICENSE AMENDMENT

RIVER BEND STATION, UNIT 1

FACILITY OPERATING LICENSE NO. NPF-47



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

ENERGY GULF STATES LOUISIANA, LLC

AND

ENERGY OPERATIONS, INC.

DOCKET NO. 50-458

RIVER BEND STATION, UNIT 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No.
License No. NPF-47

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Entergy Operations, Inc. (the licensee), dated June 10, 2014, as supplemented by letters dated October 9, 2014, December 31, 2014, and January 30, 2015, 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;
 - B. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this license amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is amended as indicated in the attachment to this license amendment.
3. The license amendment is effective as of its date of issuance and shall be implemented within 60 days from the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

William M. Dean, Director
Office of Nuclear Reactor Regulation

Attachment:
Changes to the Facility Operating
License No. NPF-47

Date of Issuance:

ATTACHMENT TO LICENSE AMENDMENT NO.

FACILITY OPERATING LICENSE NO. NPF-47

DOCKET NO. 50-458

Replace the following pages of the Facility Operating License No. NPF-47 with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Facility Operating License

<u>Remove</u>	<u>Insert</u>
-1-	-1-
-2-	-2-
-3-	-3-
-4-	-4-



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

ENTERGY LOUISIANA, LLC**

AND

ENTERGY OPERATIONS, INC.

DOCKET NO. 50-458

RIVER BEND STATION, UNIT 1

FACILITY OPERATING LICENSE

License No. NPF-47

1. The Nuclear Regulatory Commission (the Commission or the NRC) has found that:
 - A. The application for license filed by Gulf States Utilities Company (now Entergy Louisiana, LLC), acting on behalf of itself and Cajun Electric Power Cooperative***, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the River Bend Station, Unit 1 (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-145 and the application, as amended, the provisions of the Act and the regulations of the Commission;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission;
 - D. There is reasonable assurance: (1) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I;
 - E. Entergy Operations, Inc.* (EOI) is technically qualified to engage in the activities authorized by this operating license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;

* EOI is authorized to act as agent for Entergy Louisiana, LLC, and has exclusive responsibility and control over the physical construction, operation and maintenance of the facility.

** Entergy Gulf States, Inc., restructured its organization. Entergy Gulf States Louisiana, LLC was the resulting owner of River Bend Station. In a series of transactions, Entergy Gulf States Louisiana, LLC combined its assets into a new entity, named Entergy Louisiana, LLC.

*** Entergy Gulf States, Inc. was authorized to act as agent for Cajun Electric Power Cooperative prior to the transfer of Cajun Electric Power Cooperative's 30% ownership interest in River Bend to Entergy Gulf States, Inc. Entergy Gulf States, Inc. has merged into Entergy Gulf States Louisiana, LLC (now Entergy Louisiana, LLC).

- F. Entergy Louisiana, LLC and EOI have satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
 - G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of Facility Operating License No. NPF-47, subject to the conditions for protection of the environment set forth herein, is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession, and use of source, byproduct and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70.
2. Based on the foregoing findings and approval by the Nuclear Regulatory Commission at a meeting on November 15, 1985, the License for Fuel Loading and Low Power Testing, License No. NPF-40, issued on August 29, 1985, is superseded by Facility Operating License NPF-47 hereby issued to EOI and Entergy Louisiana, LLC (the licensees), to read as follows:
- A. This license applies to the River Bend Station, Unit 1, a boiling water nuclear reactor and associated equipment, owned by Entergy Louisiana, LLC and operated by EOI. The facility is located approximately 2 miles east of the Mississippi River in West Feliciana Parish, Louisiana, approximately 2.7 miles southeast of St. Francisville, Louisiana and approximately 18 miles northwest of the city limits of Baton Rouge, Louisiana, and is described in the "Final Safety Analysis Report, as supplemented and amended, and in the Environmental Report-Operating License Stage, as supplemented and amended.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - (1) Entergy Louisiana, LLC to possess the facility at the designated location in West Feliciana Parish, Louisiana, in accordance with the procedures and limitations set forth in this license;
 - (2) EOI, pursuant to Section 103 of the Act and 10 CFR Part 50, to possess, use and operate the facility at the above designated location in accordance with the procedures and limitations set forth in this license;

- (3) EOI, pursuant to the Act and 10 CFR Part 70, to receive, possess and to use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;
- (4) EOI, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
- (5) EOI, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
- (6) EOI, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.

C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

EOI is authorized to operate the facility at reactor core power levels not in excess of 3091 megawatts thermal (100% rated power) in accordance with the conditions specified herein. The items identified in Attachment 1 to this license shall be completed as specified. Attachment 1 is hereby incorporated into this license.

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A, as revised through Amendment No. [tbd] and the Environmental Protection Plan contained in Appendix B, are hereby incorporated in the license. EOI shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Antitrust Conditions

- a. Entergy Louisiana, LLC shall comply with the antitrust conditions in Appendix C, attached hereto, which is hereby incorporated in this license.
- b. EOI shall not market or broker power or energy from River Bend Station, Unit 1. Entergy Louisiana, LLC is responsible and accountable for the actions of its agent, EOI, to the extent said agent's actions affect the marketing or brokering of power or energy from River Bend Station, Unit 1 and, in any way, contravene the antitrust conditions of this paragraph or Appendix C of this license.

(4) Seismic and Dynamic Qualification of Seismic Category 1 Mechanical and Electrical Equipment (Section 3.10, SER and SSER 3)

EOI shall complete the requirements of the seismic and dynamic qualification of mechanical and electrical equipment as specified in Attachment 2. Attachment 2 is hereby incorporated into this license.

(5) Mark III Related Issues (Section 6.2.1.9, SER and SSER 2)

- a. EOI shall not use the residual heat removal system in the steam condensing mode without prior written approval of the staff.
- b. Prior to startup following the first refueling outage, GSU* shall furnish the outstanding information identified in Appendix K of SSER 2 addressing the Mark III containment related issues.

(6) Inservice Inspection Program (Section 5.2.4.3 and 6.6.3, SER and SSER 3)

GSU shall submit the inservice inspection program for NRC staff review and approval by September 1, 1986.

* The original licensee authorized to possess, use and operate the facility was Gulf States Utilities Company (GSU). Amendment 88 resulted in a name change for Gulf States Utilities Company (GSU) to Entergy Gulf States, Inc. Entergy Gulf States, Inc. merged into Entergy Gulf States Louisiana, LLC (conforming Amendment 158). In a series of transactions, Entergy Gulf States Louisiana, LLC combined its assets into a new entity, named Entergy Louisiana, LLC. Consequently, historical references to certain obligations of GSU remain in the license conditions.

ENCLOSURE 4

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
DIRECT AND INDIRECT TRANSFER OF CONTROL OF FACILITY
OPERATING LICENSES BECAUSE OF
CORPORATE RESTRUCTURING AND LICENSEE NAME CHANGE WITHIN
ENERGY CORPORATION



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

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

FOR THE DIRECT AND INDIRECT TRANSFER OF LICENSES FOR

RIVER BEND STATION, UNIT 1 AND

INDEPENDENT SPENT FUEL STORAGE INSTALLATION

AND

WATERFORD STEAM ELECTRIC STATION, UNIT 3 AND

INDEPENDENT SPENT FUEL STORAGE INSTALLATION

BECAUSE OF PROPOSED CORPORATE RESTRUCTURING OF ENTERGY CORPORATION

DOCKET NOS. 50-458, 72-49, 50-382, 72-75

1.0 INTRODUCTION

By letter dated June 30, 2014 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML14161A698), as supplemented by letters dated October 9, 2014, December 31, 2014, and January 30, 2015 (ADAMS Accession Nos. ML15154B588, ML14365A404, and ML15030A495, respectively), (collectively, the Application) Entergy Operations, Inc. (EOI), acting on behalf of Entergy Gulf States Louisiana, L.L.C. (EGSL) and Entergy Louisiana, LLC (ELL) (the Applicants), as well as their parent companies and itself, requested, that the U.S. Nuclear Regulatory Commission (NRC) consent to the transfer of control of Facility Operating License No. NPF-47 for River Bend Station, Unit 1 (RBS) and Facility Operating License No. NPF- 38 for Waterford Steam Electric Station, Unit 3 (Waterford), pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (AEA or the Act), and Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.80, "Transfer of licenses," and 10 CFR 50.90, "Application for amendment of license, construction permit, or early site permit." For RBS, the Applicants also requested a conforming license amendment, which is addressed below. The transaction would also result in the transfers of the general license for the independent spent fuel storage installations (ISFSIs) held by the Applicants under 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities." The October 9, 2014, December 31, 2014, and January 30, 2015, letters contained supplemental information that did not expand the scope of the original *Federal Register* notice as published in the *Federal Register* on December 3, 2014 (79 FR 71803).

At the end of the transactions, RBS and Waterford will be owned by a newly formed company named Entergy Louisiana, LLC, which will become the new owner-licensee. RBS will require a conforming license amendment to reflect the new name of the owner. The name of the owner for Waterford will not change, as its current owner is also named Entergy Louisiana, LLC, so no

conforming amendment is necessary. Newly formed Entergy Louisiana, LLC, will be owned by a newly formed intermediary holding company named Entergy Utility Holding Company, LLC. The ultimate corporate parent, Entergy Corporation, will remain the same.

2.0 BACKGROUND

RBS is located on a 3,300-acre site near St. Francisville, Louisiana, in West Feliciana Parish. It is a General Electric Type 6 boiling water reactor. RBS is operated by EOI, and is currently owned by EGSL.

Waterford is located on a 3,000-acre site in Killona, Louisiana, in St. Charles Parish. It is a Combustion Engineering two-loop pressurized water reactor. Waterford is operated by EOI, and is currently owned by ELL.

The approvals for the direct and indirect license transfers for RBS and Waterford and the conforming amendment for RBS are necessary to support a proposed transaction, whereby, substantially all of the assets and liabilities of EGSL and ELL will be transferred through a series of transactions resulting in a new 100 percent owner-licensee for RBS and Waterford, to be known as Entergy Louisiana, LLC, a newly formed entity. According to the Applicants, the proposed license transfers will not result in any change in the role of EOI as the licensed operator of the RBS and Waterford facilities and will not result in any changes to EOI's technical qualifications.

In the October 9, 2014, submittal, the Applicants stated, in part, that:

each owner licensee entity will transfer all of its assets and liabilities to one or more new entities. Specifically, in a series of transactions, the Waterford operating license would be: (1) directly transferred to newly formed Entergy Louisiana Power, LLC (ELP) from ELL pursuant to a transfer regarded as a merger under the Texas Business Organizations Code ("TXBOC") (and in connection therewith, ELL will change its name to "EL Investment Company, LLC"); and (2) indirectly transferred in connection with the contribution of newly formed ELP's membership interests to Louisiana Power & Light Company, LLC ("LP&L LLC"), resulting in newly formed ELP becoming a subsidiary of LP&L LLC. In addition, the RBS operating license would be: (1) directly transferred to Entergy Gulf States Power, LLC ("EGSP LLC") from EGSL pursuant to a transfer regarded as a merger under the TXBOC; (2) indirectly transferred in connection with the contribution of EGSP LLC's membership interests to LP&L LLC, resulting in EGSP LLC becoming a subsidiary of LP&L LLC; and (3) directly transferred to newly formed ELP pursuant to a transfer regarded as a merger under the TXBOC (and in connection therewith, ELP will change its name to "Entergy Louisiana, LLC," and LP&L LLC will change its name to "Entergy Utility Holding Company, LLC"). ... The ultimate corporate parent, Entergy Corporation, will remain the same.

In the October 9, 2014, submittal, the Applicants, provided, inter alia, the following step-by-step list illustrating the material events related to the transaction:

Step #1 – Each of EGSL and ELL will redeem its outstanding preferred membership interests.

Step #2 – EGSL, currently a Louisiana limited liability company, will convert to a Texas limited liability company (EGS LLC).

Step #3 – Entergy Corporation will contribute a portion of the Class B common membership interests of Entergy Holdings Company LLC (EHCL) held by it to each of EGS Holdings, Inc. (EGSHI) and Entergy Louisiana Holdings, Inc. (ELHI), and EGSHI and ELHI will subsequently contribute the units received by it to EGS LLC and ELL, respectively.

Step #4 – Under the Texas Business Organizations Code (TXBOC), EGS LLC will merge all of its assets (other than the units of Class B common membership interests of EHCL received in Step #3) and liabilities to a newly-formed subsidiary, Entergy Gulf States Power, LLC (EGSP LLC); ELL will merge all of its assets [other than the units of Class B common membership interests of EHCL received in Step #3 and the membership interests of Louisiana Power & Light Company, LLC (LP&L LLC)] and liabilities to a newly-formed subsidiary, Entergy Louisiana Power, LLC (ELP); and ELL will change its name to “EL Investment Company, LLC”. Under the TXBOC, each of the entities involved in the mergers, EGS LLC, EGSP LLC, ELL and ELP, will survive the merger, except that the specified assets and liabilities will be allocated to EGSP LLC and ELP by EGS LLC and ELL, respectively, in such mergers.

Step #5 – EGS LLC will contribute the membership interests of EGSP LLC and the units of Class B common membership interests of EHCL to LP&L LLC, and ELL will contribute the membership interests of ELP and the units of Class B common membership interests of EHCL to LP&L LLC. As a result of the contributions, EGSP LLC and ELP (the entities holding the former assets and liabilities of EGS LLC and ELL, respectively) will be subsidiaries of LP&L LLC (the holding company).

Simultaneously with the contributions described in this Step #5, LP&L LLC will issue voting preferred membership interests to third party, unaffiliated investors. The holders of the preferred membership interests will possess not less than 21% of the voting power of LP&L LLC (for matters submitted to a vote of all the shareholders of LP&L LLC). As a result of the preferred membership interest issuance, LP&L LLC will have two classes of outstanding membership interests: (1) common membership interests held by Entergy Corporation, EL Investment Company, LLC, and EGS LLC; and (2) preferred membership interests held by third party, unaffiliated investors.

Step #6 – EGSP LLC will merge with and into ELP, with ELP surviving the merger, and in connection with the merger, ELP will change its name to “Entergy Louisiana, LLC”. Immediately after that merger, LP&L LLC will change its name to “Entergy Utility Holding Company, LLC,” and Entergy Energy Company, LLC will change its name to “Louisiana Power & Light Company, LLC.”

Step #7 – EGSHI will convert to a Texas limited liability company, and ELHI will convert to a Texas limited liability company.

By letter dated December 31, 2014, the Applicants advised the NRC staff that Step 7 has already taken place. In addition, Step 1 will occur within 31 days before Steps 3 through 6 and Step 2 will occur 10 days before Steps 3 through 6. Because none of these steps involve the 10 CFR 50.80 transfers, these actions are acceptable. However, Steps 2 and 7 involve conversion of Texas Corporations to Texas LLCs. If such conversions require dissolution of the original entity before conversion to the new entity, a transfer order would be required. By email dated July 6, 2015 (ADAMS Accession No. M15189A245), the Applicants advised the NRC staff that under Texas law, dissolution is not required. A copy of the Texas statute was provided.

Currently, Waterford is owned by ELL and RBS is owned by EGSL, as shown in Figure 1 of this safety evaluation (SE).

Through a series of transactions, including direct and indirect transfers, substantially all of the assets of EGSL and ELL will be allocated to and vested in a newly-formed company, Entergy Louisiana Power, LLC (ELP), which will then own 100% of both Waterford and RBS. At the end of the transaction, ELP will change its name to “Entergy Louisiana, LLC.” The new Entergy Louisiana, LLC will be wholly owned by Entergy Utility Holding Company, LLC. Approximately 21 percent of the voting power of Entergy Utility Holding Company, LLC will be held by holders of preferred membership interests, with the remaining approximately 79 percent of the voting power of Entergy Utility Holding Company, LLC held by holders of the common membership interests as follows: Entergy Corporation, approximately less than 1 percent; Entergy Gulf States Louisiana, LLC, approximately 35 percent; and EL Investment Company, LLC approximately 65 percent. The allocation of the 79 percent voting power of Entergy Utility Holding Company, LLC is subject to change, based on the relative values of EGSL’s and ELL’s assets as of the closing date of the transaction.

Upon completion of the transaction, Entergy Gulf States Louisiana, LLC will be a wholly owned subsidiary of EGS Holdings, LLC, which is in turn a wholly owned subsidiary of Entergy Corporation. Upon completion of the transaction, EL Investment Company, LLC will be a wholly owned subsidiary of Entergy Louisiana Holdings, LLC, which is in turn a wholly owned subsidiary of Entergy Corporation. This organization structure is shown in Figure 2 of the license transfer application and a simplified version is shown in Figure 2 of this SE.

Figure 1: SIMPLIFIED ORGANIZATION CHART – CURRENT

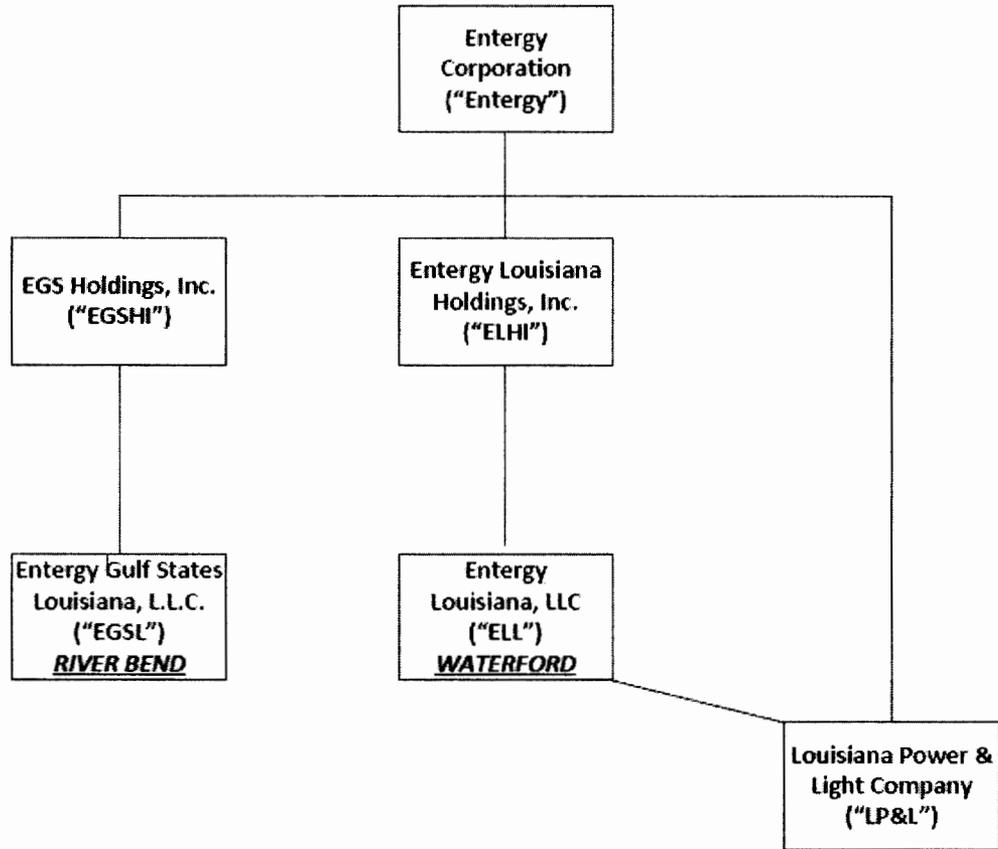
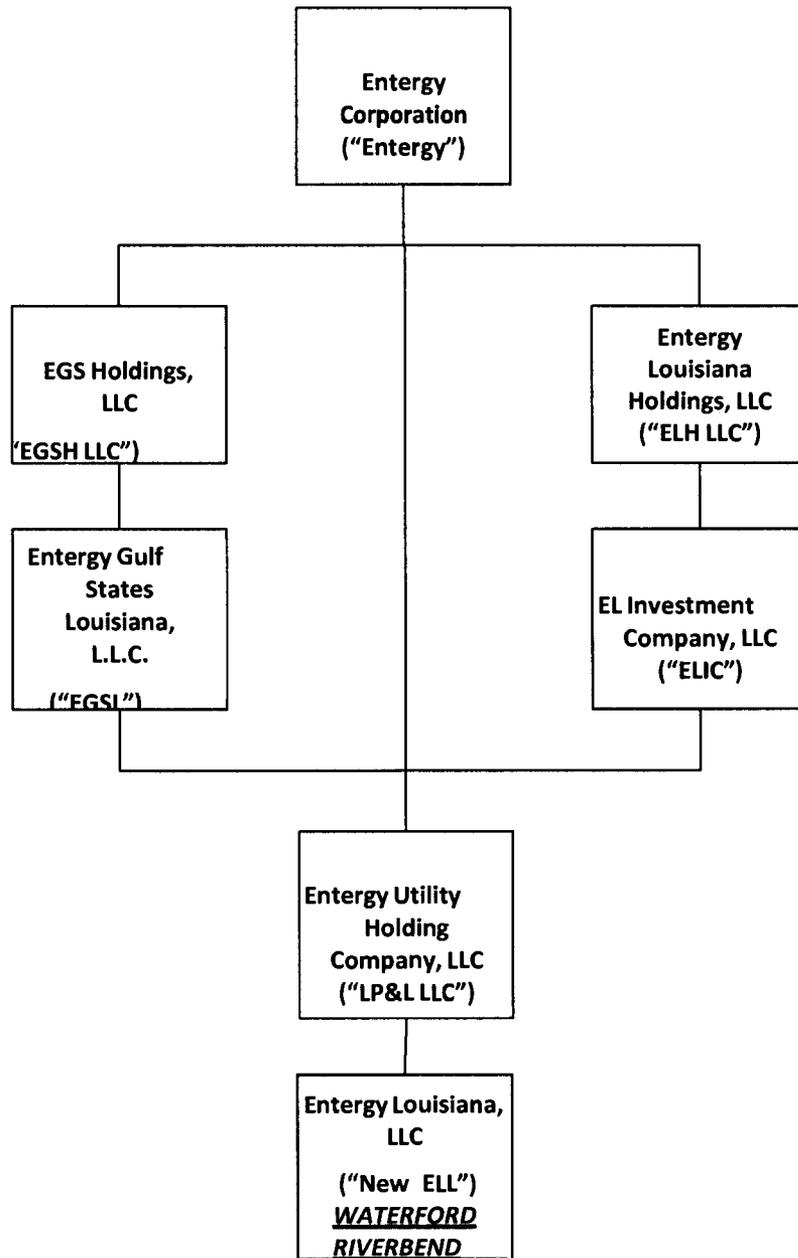


Figure 2: SIMPLIFIED ORGANIZATION CHART – POST-TRANSFER



3.0 REGULATORY EVALUATION

The Applicants' request for approval of the direct transfer of the licenses for RBS and Waterford discussed in this safety evaluation is made under 10 CFR 50.80. Specifically, 10 CFR 50.80(a) states, in part, that "No license for a production or utilization facility...or any right thereunder, shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing."

In addition, the requirements of 10 CFR 50.80(b) and (c) apply. As stated, in part, under 10 CFR 50.80(b), an application for a license transfer shall include as much information described in 10 CFR 50.33, "Contents of applications; general information," and 10 CFR 50.34, "Contents of applications; technical information," on "the identity and technical and financial qualifications of the proposed transferee as would be required by those sections if the application were for an initial license...." In addition, 10 CFR 50.80(c) states, in part, that "the Commission will approve the application for the transfer of a license, if the Commission determines: (1) that the proposed transferee is qualified to be the holder of the license; and (2) that transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto."

Also, 10 CFR 50.33(k)(1) requires that RBS and Waterford provide information described in 10 CFR 50.75, "Reporting and recordkeeping for decommissioning planning," indicating that there is reasonable assurance that funds will be available to decommission the facility.

The NRC staff applied guidance in NUREG-1577, Revision 1, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance," March 1999 (ADAMS Accession No. ML013330264), to evaluate whether the financial qualifications of the licensees would be affected by the proposed transfer.

In addressing Foreign Ownership, Control, or Domination issues, Sections 103d. and 104d. of the AEA, as amended, provide, in relevant part, that no license may be issued to the following:

Any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled or dominated by an alien, a foreign corporation or a foreign government. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issue of a license to such person would be inimical to the common defense and security or to the health and safety of the public.

The NRC's regulation at 10 CFR 50.38, "Ineligibility of certain applicants," is the regulatory provision that implements this statute. The NRC staff evaluates license transfer applications in a manner that is consistent with the guidance provided in the Standard Review Plan (SRP), "Foreign Ownership, Control, or Domination of Applicants for Reactor Licenses," issued June 1999 (hereafter referred to as the "SRP on FOCD"), to determine whether the applicant is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government as published in the *Federal Register* on September 28, 1999 (64 FR 52357-52359).

The NRC staff also reviewed information that relates to the Price–Anderson indemnity agreement requirements; the nuclear property damage insurance requirements under 10 CFR 50.54(w), and nuclear energy liability insurance required under Section 170 of the AEA, as amended, and 10 CFR Part 140, “Financial Protection Requirements and Indemnity Agreements.”

4.0 FINANCIAL QUALIFICATIONS

Under 10 CFR 50.80(b)(1)(i), an application for a license transfer must contain all the requested information related to financial qualifications, as required by 10 CFR 50.33. An “electric utility” is exempted from the requirement to submit financial qualifications information under 10 CFR 50.33(f):

Except for an electric utility applicant for a license to operate a utilization facility of the type described in § 50.21(b) or § 50.22, [an application shall state] information sufficient to demonstrate to the Commission the financial qualifications of the applicant to carry out, in accordance with the regulations of this chapter, the activities for which the permit or license is sought.

Furthermore, 10 CFR 50.2, “Definitions,” states, in part, that an electric utility is “any entity that generates or distributes electricity and which recovers the cost of this electricity, either directly or indirectly, through rates established by the entity itself or by a separate regulatory authority.”

Both ELL and EGSL recover their cost of electricity for RBS and Waterford, either directly or indirectly through rates established by regulatory authorities, and the new licensee, newly formed Entergy Louisiana, LLC will continue to do so following the proposed license transfer. As such, the Applicants (and the resulting holder of the licenses) are considered electric utilities and are presumed to be financially qualified for operations. They are exempt from the financial qualifications information requirements. EOI recovers its costs from the licensed owner, and its financial qualifications are based upon those of the owner licensee.

ELL, the current owner of Waterford, is an electric utility. ELL directly recovers its costs for Waterford through rates set by the Louisiana Public Service Commission (LPSC) for most of its service territory, and the Council of the City of New Orleans for a small service area in Algiers, within New Orleans, Louisiana. Newly formed Entergy Louisiana, LLC will become the licensed owner for Waterford and will be an electric utility and recover its costs in rates set by the LPSC.

EGSL, the current owner of RBS, is an electric utility. EGSL directly and indirectly recovers its costs for a 70 percent undivided share of RBS through rates established by rate regulators. For the remaining 30 percent undivided share, EGSL recovers costs through the Federal Energy Regulatory Commission (FERC) approved life-of-unit Purchase Power Agreements (PPA) with ENO and ELL. Newly formed Entergy Louisiana, LLC, will become the licensed owner for RBS and will continue to be an electric utility and recover its costs in rates in the same fashion.

For the 70 percent of RBS, EGSL recovers its costs of service directly through rates set by the LPSC and indirectly through FERC tariffs that are captured in a FERC-approved life-of-unit PPA with Entergy Texas, Inc. (ETI), an electric utility in Texas. ETI purchases 42.5 percent of the capacity and energy of the 70 percent portion of River Bend under the System Agreement

Service Schedule MSS-4 (MSS-4). This PPA provides for cost-of-service recovery for the costs associated with the 42.5 percent of the 70 percent portion of RBS that correlates with the electricity from RBS delivered to ETI. The decommissioning cost recovered through this PPA is also subject to the jurisdiction of the Public Utility Commission Texas (PUCT), as ETI is a Texas utility. As such, the PUCT regulates ETI's contribution to the decommissioning collections for the 42.5 percent of RBS. These arrangements will continue in effect for the newly formed Entergy Louisiana, LLC. This PPA may also be considered a cost pass-through contract with regulated electric utilities, in which the electric utilities pay for the cost of the electricity they use through the cost-of-service rate recovery.

For the remaining 30 percent portion of RBS (formerly owned by Cajun Electric Cooperative, Inc.), it is sometimes referred to as the "unregulated" portion of RBS. EGSL's cost of service for the capacity and energy associated with this portion of RBS is indirectly recovered through regulated rates, because the rates for this capacity and electricity are subject to the FERC tariffs that are captured in the FERC-approved life-of-unit PPAs with ELL and ENO. These PPAs are priced according to the cost of service under the FERC Service Schedule MSS-4, and they are also subject to the jurisdiction of the LPSC. These arrangements will continue in effect for the newly formed Entergy Louisiana, LLC. These PPAs may also be considered cost pass-through contracts with regulated electric utilities in which the electric utilities pay for the cost of the electricity they use through cost-of-service rate recovery.

Since newly formed Entergy Louisiana, LLC will recover the cost of service for Waterford and RBS through rates established by regulatory agencies, the NRC staff finds that the newly formed Entergy Louisiana, LLC will remain an "electric utility," as defined in 10 CFR 50.2, and recover its costs of service for 100 percent of Waterford and RBS, either directly or indirectly, through regulated rate recovery. As to RBS, these arrangements were reviewed and approved by the NRC in connection with a prior license transfer approval in 2007 and nothing has materially changed since then.

The NRC staff notes that the parent company relationships of the licensed corporate entities and related entities, both before and after the direct and indirect license transfers, are reflected in Figures 1 and 2 of the application and are summarized in the figures provided in this SE. The information on each corporate entity required by 10 CFR 50.33(d)(3) is provided in Attachment 3 of the Applicants' October 9, 2014, letter. This information is current for the existing entities and planned for the post-transaction organization. According to the Applicants, all of the current and proposed directors and executive personnel of the corporate entities are citizens of the United States, and their mailing addresses are as shown for their respective corporations. Therefore, the NRC staff finds that the Applicants have provided the information required under 10 CFR 50.33.

5.0 DECOMMISSIONING FUNDING ASSURANCE

The Applicants will be providing decommissioning funding assurance (DFA) in accordance with 10 CFR 50.75(e)(1). Details about the status of the DFA maintained by the Applicants for the RBS and Waterford facilities, were provided in the March 29, 2013, biennial decommissioning funding status report submitted by EOI in accordance with 10 CFR 50.75(f). The March 29, 2013, DFA report demonstrated that there was reasonable assurance of adequate decommissioning funding. DFA was provided by external sinking funds established by setting

aside funds periodically in nuclear decommissioning trust accounts segregated from the licensees' assets and outside the licensees' administrative control in accordance with the requirements of 10 CFR 50.75(e)(1)(ii) for external sinking funds. For the 30 percent portion of RBS, the external sinking fund (with earnings credited as authorized by the regulations) is currently considered "prepaid," which meets the requirements of 10 CFR 50.75(e)(1)(i). The 2015 DFA reports reflecting the December 31, 2014 balances, were received on March 27, 2015. NRC staff evaluated these funding amounts using labor, energy, and low-level waste burial charge data as of December 31, 2014, and concluded that the current funding amounts exceed NRC minimum decommissioning funding requirements.

The NRC staff finds that the DFA, established before the proposed transfer, shall continue after the proposed transfer is consummated, and that reasonable assurance of decommissioning funds, shall remain.

6.0 ANTITRUST REVIEW

The AEA, as amended, does not require or authorize antitrust review of post-operating license transfer applications (*Kansas Gas and Electric Co., et al.* (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441 (June 18, 1999)). The application here post-dates the issuance of the operating license for the units under consideration, and therefore, no antitrust review is required or authorized.

The NRC staff notes that the present licenses contain various antitrust conditions. No changes to these conditions are required as a result of the proposed license transfer.

7.0 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

Sections 103d and 104d of the AEA, as amended, provide, in part, that no license may be issued to the following:

Any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

The NRC's regulation under 10 CFR 50.38 is the regulatory provision that implements this statute. The NRC evaluated the application in a manner that is consistent with the guidance provided in the SRP on FOCD, to determine whether the Applicants are owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

According to the Applicants, Entergy is a publicly traded company, and its securities are traded on the New York Stock Exchange, and are widely held. Section 13(d) of the U.S. Securities Exchange Act of 1934, as amended, 15 United States Code 78m(d), requires that a person or entity that owns or controls more than 5 percent of the securities of a company must file notice with the Securities and Exchange Commission (SEC). Based upon Schedule 13G filings with the SEC, EOI is not aware of any alien, foreign corporation, or foreign government that holds or may hold beneficial ownership of more than 5 percent of the securities of Entergy, as of December 31, 2013.

However, several companies hold more than 5 percent of the common stock of Entergy Corporation. The following companies have a greater than 5 percent interest in Entergy Corporation: Barrow, Hanley, Mewhinney & Strauss, LLC, a Delaware corporation, reports that as of December 31, 2013, it owned 5.89 percent of the voting common stock of Entergy; State Street Corporation, a Massachusetts corporation, reports that as of December 31, 2013, it owned 4.9 percent of the voting common stock of Entergy; Franklin Resources, Inc., a Delaware corporation, Charles B. Johnson, an individual reporting U.S. citizenship, Rupert H. Johnson, Jr., an individual reporting U.S. citizenship, and Franklin Advisers, Inc., a California corporation, collectively report that as of December 31, 2013, they owned 6.2 percent of the voting common stock of Entergy; T. Rowe Price Associates, Inc., a Maryland corporation, reports that as of December 31, 2013, it owned 10.6 percent of the voting common stock of Entergy; and BlackRock, Inc., a Delaware corporation, reports that as of December 31, 2013, it owned 7.6 percent of the voting common stock of Entergy. None of the aforementioned stockholders disclosed any foreign ownership of the shares that they hold.

Barrow, Hanley, Mewhinney & Strauss, LLC; State Street Corporation; Franklin Resources, Inc.; Charles B. Johnson; Rupert H. Johnson, Jr.; Franklin Advisers, Inc.; T. Rowe Price Associates, Inc.; and BlackRock, Inc., all attest in their Schedule 13G filings that they are U.S. corporations or citizens. None of these entities has any right to appoint any manager or director of Entergy and has no special voting rights beyond those held by all other voting shareholders of Entergy. Moreover, their SEC filings specifically certify that they did not acquire their respective shares for the purpose of or with the effect of changing or influencing the control of Entergy.¹

Based on the above, the NRC staff does not know or has reason to believe that RBS or Waterford will be owned, controlled or dominated by an alien, a foreign corporation, or a foreign government within the meaning of the Act and 10 CFR 50.38.

In addition, the NRC staff finds that the current and proposed directors and executive officers of Entergy and the Entergy subsidiaries that directly or indirectly own the Applicants, are all United States citizens, and has no reason to believe that the Applicants are owned, controlled, or dominated by any alien, foreign corporation, or foreign government.

8.0 NUCLEAR INSURANCE AND INDEMNITY

In light of the requirements of the Price-Anderson Act (Section 170 of the AEA, as amended) and the Commission's implementing regulations at 10 CFR Part 140, the current indemnity agreement must be modified to reflect Entergy Louisiana, LLC, as the new licensee of RBS and Waterford.

Newly formed Entergy Louisiana, LLC will be required to provide primary insurance and participate in the secondary retrospective insurance pool in accordance with the Price-Anderson Act. Entergy Louisiana, LLC will also be required to maintain property insurance, as specified in 10 CFR 50.54(w). Information provided in the application demonstrates that Entergy Louisiana, LLC will be able to satisfy the applicable insurance requirements of the NRC and the Price-Anderson Act.

¹ See 17 CFR 240.13d-1(b) and (c) (requirements for Schedule 13G filing).

Consistent with NRC practice, the NRC staff will require newly formed Entergy Louisiana, LLC to provide satisfactory documentary evidence that it has obtained the appropriate amount of insurance required of a licensee under the Price Anderson Act, as implemented by 10 CFR Part 140 before the completion of the proposed direct license transfers. The Orders approving the transfer will be conditioned as follows:

Before completion of the proposed transaction, Entergy Operations, Inc. shall provide the Director of the Office of Nuclear Reactor Regulation satisfactory documentary evidence that the newly formed Entergy Louisiana, LLC has obtained the appropriate amount of insurance required of the licensees under 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations.

9.0 TECHNICAL QUALIFICATIONS

The purpose of the technical qualifications evaluation is to ensure that the proposed corporate management is involved with, informed of, and dedicated to the safe operation of the plant and that sufficient, qualified technical resources will be provided to support safe plant operation and maintenance, as well as to evaluate proposed changes to the operating organization that may occur as a result of the license transfers.

According to the Applicants, the technical qualifications of EOI are not affected by the proposed license transfers. There will be no changes in the officers, personnel, or day-to-day operations of the RBS and Waterford facilities in connection with the transfers of control. Under this license transfer application, it is anticipated that EOI will, at all times, remain the licensed operator of the RBS and Waterford facilities.

Accordingly, in light of the foregoing information, the NRC staff finds that EOI is and will remain technically qualified to hold the operating authority, under the RBS and Waterford licenses, after the transfer of the ownership licensees to a newly formed Entergy Louisiana, LLC.

10 CONFORMING AMENDMENT

10.1 Proposed Amendment

The application requests approval of a conforming amendment to Facility Operating License No. NPF-47 for RBS. The RBS amendment replaces references to ESGL, the owner licensee entity, with Entergy Louisiana, LLC. The proposed license transfers do not affect the names of the licensed entities in the Waterford FOL because the new owner, Entergy Louisiana, LLC, has the same name as the current owner. Therefore, there is no associated conforming amendment for Waterford.

A notice for the license transfer application was published in the *Federal Register* on December 3, 2014 (79 FR 71803). The supplements dated December 31, 2014, and January 30, 2015, contained clarifying information, did not expand the application beyond the scope of the notice, and did not affect the applicability of the generic no significant hazards consideration determination.

10.2 Discussion

The changes to be made to the RBS license are indicated in the conforming amendment in Enclosure 3 to the cover letter forwarding the NRC staff's Order on the direct and indirect license transfer for RBS. The change does no more than accurately reflect the approved transfer action. The conforming amendment involves no safety questions and is administrative in nature. Accordingly, the proposed amendment is acceptable.

10.3 State Consultation

In accordance with the Commission's regulations, the State official from Louisiana was notified of the proposed issuance of the amendment. The State official had no comments.

10.4 Conclusions with Respect to the Conforming Amendment

The Commission has concluded, based on the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) there is reasonable assurance that such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendment will not be inimical to the common defense and security or to the health and safety of the public.

11.0 ENVIRONMENTAL CONSIDERATIONS

The subject application is for approval of the transfer of licenses issued by the NRC and approval of conforming amendment. Accordingly, the transfer of licenses and the RBS conforming amendment meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with approval of the application.

12.0 COMMENTS RECEIVED

12.1 Public Comments

On December 3, 2014, the NRC staff published in the *Federal Register* a "Notice for the Consideration of Approval of Transfer of License and Conforming Amendment," for RBS and Waterford, with an opportunity to comment and request for a hearing. No hearing requests or petitions to intervene were received. The NRC staff received two anonymous comments from members of the public on January 2, 2015. The commenters had several comments about the licensee's transfer requests and the NRC staff's *Federal Register* notice.

12.1.1 Public Comment No. 1

On January 2, 2015, an anonymous member of the public provided five comments (ADAMS Accession No. ML15009A026).

12.1.1.1 Comment 1 states, that:

You have inaccurately stated the name of the final licensee, as well as the holding company above it, for these two reactors in the Federal Register. As such, you need to reprint and extend the comment period. It is not serious that you cannot even bother to write out the names of the reactor licensees when it is so clearly written repeatedly in the Entergy application documents - even highlighted in red. The name of the Final Licensee is NOT Entergy Louisiana, LLC, as written in the Federal Register, but rather Entergy Louisiana Power, LLC: when the transactions are complete at the end of the day of closing, each owner licensee will have transferred its assets and liabilities to a new entity, Entergy Louisiana Power, LLC (ELP), that will hold as the owner the respective NRC licenses for RBS and Waterford. This new entity will be owned by a new intermediary holding company named Entergy Utility Holding Company, LLC. Thus, approval of the license transfer is required pursuant to 10 CFR 50.80.

Upon consummation of the proposed transaction, the former assets and liabilities of ELL and EGSL will be owned by a single operating company, ELP. From CNRO-20 14-00007, June 10, 2014, which is the cover letter to Application for Order Approving License Transfers and Conforming License Amendments, Entergy Operations, Inc. (All Dockets) River Bend Station Docket Nos. 50-458 & 72-49 Waterford 3 Steam Electric Station Docket Nos. 50-382 & 72-75

In contrast, according to the Federal Register regarding transfer of the two nuclear power stations: Following approval of the proposed direct and indirect transfers of control of the licenses, Entergy Louisiana, LLC would acquire ownership of Waterford and River Bend. 71804 Federal Register / Vol. 79, No. 232 / Wednesday, December 3, 2014 / Notices
THIS IS INCORRECT-FALSE ACCORDING TO ENTERGY'S APPLICATION!

NRC Response:

The licensee amended the June 10, 2014, license transfer request on October 9, 2014. In that supplement Entergy stated, in part, that:

The reason for this update is simply to note that the applicants have decided to change the ultimate names of two of the entities involved in the underlying transaction structure. Specifically, the existing utility Entergy Louisiana, LLC ("ELL") will change its name to "EL Investment Company, LLC", and the new, combined public utility will change its name from "Entergy Louisiana Power, LLC" ("ELP") to "Entergy Louisiana, LLC." For Waterford, the new owner licensee name is the same as the current entity. As a result, changes to the Waterford Facility Operating License pages are no longer required and these markups are now removed. Entergy is submitting this update for the sole purpose of notifying the NRC of these name changes. The structure of the transaction that forms the basis of the application has not changed.

As requested by Entergy in the October 9, 2014, letter, the *Federal Register* Notice reflects the change in the new owner licensee of RBS and Waterford from Entergy Louisiana Power, LLC (ELP) to Entergy Louisiana, LLC.

12.1.1.2 Comment 2 states, that:

Of even greater concern is the Federal Register-Alan Wang-NRCs conclusion that ELP becomes a subsidiary of LP&L: resulting in ELP becoming a subsidiary of LP&L. 71804 Federal Register / Vol. 79, No. 232 / Wednesday, December 3, 2014 / Notices While ELP does become a subsidiary of the OLD LP&L COMPANY, the OLD LP&L COMPANY changes its name to Entergy Utility Holding Company, LLC, which the Federal Register fails to state. AND, Entergy Energy Company appears nowhere except to take the name of the new entity named Louisiana Power & Light Company, LLC, according to the documents filed by Entergy: the membership interests of Louisiana Power & Light Company, LLC (LP&L LLC) and liabilities to a newly formed subsidiary, Entergy Louisiana Power, LLC (ELP). (p. 1) EGSP LLC will merge with and into ELP, with ELP surviving the merger. Immediately after that merger, LP&L LLC will change its name to Entergy Utility Holding Company, LLC, and Entergy Energy Company LLC will change its name to Louisiana Power & Light Company, LLC. (p. 2) (Application for Order Approving License Transfers and Conforming License Amendments, Entergy Operations, Inc. (All Dockets) River Bend Station Docket Nos. 50-458 & 72-49 Waterford 3 Steam Electric Station Docket Nos. 50-382 & 72-75 That is the only place in the application that Entergy Energy Company, soon to be the NEW Louisiana Power & Light Company LLC appears. Thus we have no idea what this company does, but it seems to have nothing to do with these two reactors. Thus, to say that it does is misleading and a potential problem.

NRC Response:

In response to a request for additional information (RAI) 3 by letter dated January 30, 2015, Entergy added Entergy Energy Company for full disclosure of the organizations. Entergy's application does not state that Entergy Energy Company is involved with either the ownership or operation of RBS or Waterford. In the application, Entergy Energy Company is mentioned since it will change its name to "Louisiana Power & Light Company, LLC." Entergy Energy Company is not now nor will it in the future, as newly named Louisiana Power & Light, LLC, be involved with ownership or operation of RBS and Waterford. This action is not pertinent to the merger actions. Newly named Louisiana Power & Light Company, LLC is only identified on the post-transfer organization chart because it reports to Entergy Utility Holding Company, LLC.

12.1.1.3 Comment 3 states, that:

Furthermore, if the NRC cannot even accurately state the licensee for the reactors, it is clear that they have not properly examined what the liability repercussions are of the switch from corporations lying between Entergy and the reactors vs. Limited Liability Companies lying between Entergy and the two reactors.

NRC Response:

See Comment 1, from Public Comment No. 1 (Section 12.1.1.1 of this SE).

12.1.1.4 Comment 4 states, that:

How does the new 21% voting rights play in?

NRC Response:

By e-mail dated December 16, 2014 (ADAMS Accession No. ML14352A010), the NRC staff's RAI Question No. 5 (RAI No. 5) requested:

Section 50.38 of 10 CFR states:

Any person who is a citizen, national, or agent of a foreign country, or any corporation, or other entity which the Commission knows or has reason to believe is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government, shall be ineligible to apply for and obtain a license.

Step five of the series of transfers illustrating the material events related to the contemplated transaction in the updated application submitted on October 9, 2014, states:

Simultaneously with the contributions described in this Step #5, LP&L LLC will issue voting preferred membership interests to third party, unaffiliated investors. The holders of the preferred membership interests will possess not less than 21% of the voting power of LP&L LLC (for matters submitted to a vote of all the shareholders of LP&L LLC). As a result of the preferred membership interest issuance, LP&L LLC will have two classes of outstanding membership interests: (1) common membership interests held by Entergy Corporation, EL Investment Company, LLC, and EGS LLC; and (2) preferred membership interests held by third party, unaffiliated investors.

What percent of the 21 percent third party, unaffiliated investors will be non-U.S. interest holders? How will Entergy ensure that this interest does not result in control by a foreign owner? Explain why the issuance of the preferred membership interest may or may not require a 13G filing with the SEC.

By letter dated January 30, 2015, Entergy responded to this RAI No. 5 stating that:

while the percentage of foreign ownership of the voting preferred membership interests of Entergy Utility Holding Company, LLC cannot be determined, the holders of the voting preferred membership interests (even if owned entirely by a foreign interest) would not have sufficient voting power to appoint a majority of the members to the Board of Directors of Entergy Utility Holdings Company, LLC, block approval of matters related to nuclear safety of RBS or Waterford and would not have special consent rights or veto rights with respect to matters that are related to or affect the nuclear safety of RBS or Waterford. Because the preferred membership will be held by a limited number of investors and not listed on a national securities exchange, it is EOI's opinion the likelihood of having 13G filings for preferred membership interests is very remote.

The NRC staff has reviewed that response and concluded it addressed the NRC staff concern about the 21 percent third party ownership.

12.1.1.5 Comment 5 states, that:

As well, I must raise concerns of how having two reactors in a state following the rather unique Napoleonic Code (Louisiana), an entirely different legal system from the rest of the US, will work out with ownership in Texas when a nuclear accident occurs and for decommissioning and waste liability.

NRC Response:

The majority of the law applicable to nuclear reactors is federal law, such as the Atomic Energy Agency, National Environmental Policy Act, 10 *CFR* Parts 2, 50, 52, 140, etc. Federal law covers radiological issues. If there are state law issues, the NRC expects that they will be dealt with in accordance with applicable law and conflict-of-law principles.

12.1.2 Public Comment No. 2

On January 2, 2015, an anonymous member of the public provided two comments (ADAMS Accession No. ML15009A027).

12.1.2.1 Comment 1 states that:

This transaction creates a number of entities, all LLC's between the parent company, Entergy, and the reactors in question. The fact that the agency in charge of overseeing these transactions, the NRC, did not get the final name right but instead used the name of one of the other 'in-between' LLC's shows that the NRC is acting in either an incompetent or willfully deceiving manner regarding this issue. - This alone causes alarm and should prompt necessary investigation and oversight by powers with the authority to do so, rather than approving and allowing the transfer at this time, and rather than allowing it to proceed under the direction and auspices of current administrator(s) in charge of such, whether at all, or at least as it is currently set out.

NRC Response:

As noted above in the response to Commenter 1's first comment, the licensee amended the June 10, 2014, license transfer request on October 9, 2014, to reflect a different parent company.

12.1.2.2. Comment 2 states, that:

The fact in and of itself that many entities are created in between the parent company, Entergy, and these reactors and that they are LLCs, - does not offer sufficient legal recourse or protection for the public in the event of problems or issues that may arise from the reactors. It does not encourage and force the parent company to operate the reactors with the highest form of regulatory oversight and accountability, which should be mandatory for nuclear operations, which have such magnitude, power, and potentially far-reaching consequences.

I propose business entities/structures that offer the highest level of transparency, oversight, and regulation, in regards to any energy generation and transmission, and especially nuclear power operations because of the extra potential for public disaster and safety concerns if they are managed and set up to maximally protect their bottom line from lawsuit at the expense and lieu of therefore offering adequate protection for potentially harmed citizens/the public. I also propose that the controlling entity / business be at least partially state/publicly owned instead of 100% privately-held in order to help create this protection. I also propose greater oversight of the body/administration within the NRC in charge of handling this issue, or for handling by a different body with more accountability to the public instead of to the nuclear industry.

NRC Response:

Comments regarding changes to public policy, federal law, and state law are outside of the jurisdiction of the NRC and/or not relevant to the approval of the merger. Proposals for change to regulations are made by petitions for rulemaking.

11.0 CONCLUSION

11.1 Transfers

The proposed direct transfers of control to the new Entergy Louisiana, LLC, will not result in any change in the role of the licensees as the licensed owners, or operators, of the facilities and will not result in any changes to their technical or financial qualifications, decommissioning funding assurance, anti-trust, and foreign ownership, domination, or control issues. The indirect transfers of control as a result of Entergy Utility Holding Company becoming the intermediate (parent) company between the licensees and Entergy Corporation will not involve any changes to the operation, technical, or financial qualifications of the licensees. The transfers will neither have any adverse impact on the public health and safety, nor be inimical to the common defense and security. Finally, this request for transfers of the licenses will not result in the licensees becoming owned, controlled, or dominated by a foreign entity.

In view of the foregoing, the NRC staff concludes that the proposed licensees are qualified to be the holders of the licenses to the extent proposed in the application, and that the transfers of the licenses, as described in the application, are otherwise consistent with the applicable provisions of law, regulations, and related orders issued by the Commission pursuant thereto.

11.2 Approval of the Transfers

In view of the foregoing, the NRC staff finds that, subject to the condition discussed herein, newly formed Entergy Louisiana, LLC is qualified to be the holder of the licenses for RBS and Waterford, to the extent proposed in the application, and that the direct transfer of the licenses is otherwise consistent with the applicable provisions of law, regulations, and related orders issued by the Commission pursuant thereto.

The information contained in the application also demonstrates that Entergy Operations, Inc. will continue to possess the requisite qualifications to operate the licensed facilities in accordance with the NRC facility operating licenses.

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A. Wang

Date: August 14, 2015

Enclosure 4 is the NRC staff's safety evaluation (SE) related to the preceding actions. The SE will be placed in the NRC public document room and added to the ADAMS Publicly Available Records System Library.

The Orders have been forwarded to the Office of the *Federal Register* for publication.

Sincerely,

/RA/

Alan B. Wang, Project Manager
 Plant Licensing IV-2 and Decommissioning
 Transition Branch
 Division of Operating Reactor Licensing
 Office of Nuclear Reactor Regulation

Docket Nos. 50-458 and 72-49; and
 50-382 and 72-75

Enclosures:

1. RBS Order
2. Waterford Order
3. Draft Conforming Amendment to NPF-47
4. Safety Evaluation

cc Listserv

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RBS Order ML15146A410; Waterford 3 Order ML15146A381

*concurrence via email

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