



10 CFR 50.80
10 CFR 50.90
10 CFR 72.50

November 29, 2016

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

James A. FitzPatrick Nuclear Power Plant
Renewed Facility Operating License No. DPR-59
Docket No. 50-333

**James A. FitzPatrick Nuclear Power Plant Independent Spent Fuel
Storage Installation**
General License SFGL-12
Docket No. 72-012

References:

1. Entergy Nuclear Operations, Inc. and Exelon Generation Company, LLC Application for Order Approving Transfer of Renewed Facility Operating License and Proposed Conforming License Amendment, dated August 18, 2016
2. Letter from U.S. Nuclear Regulatory Commission to Entergy Nuclear Operations, Inc., James A. FitzPatrick Nuclear Power Plant – Request for Additional Information Regarding Direct License Transfer from Entergy to Exelon (CAC No. MF8293), dated November 2, 2016
3. Letter from Patrick Simpson, Manager Licensing, Exelon Generation Company, LLC to U.S. Nuclear Regulatory Commission Document Control Desk, regarding Executed Trust Fund Agreement Amendments and Subordinate Trust Agreement, dated October 29, 2013

Subject: Response to Request For Additional Information Regarding Application for Order Approving Transfer of Renewed Facility Operating License and Proposed Conforming License Amendment

In accordance with Section 184 of the Atomic Energy Act of 1954, as amended (the “Act”), 10 CFR 50.80, 10 CFR 72.50, and 10 CFR 50.90, Entergy Nuclear FitzPatrick, LLC and Entergy Nuclear Operations, Inc. (collectively referred to as “**Entergy**”) and Exelon Generation Company, LLC (“**Exelon Generation**”) requested written consent approving the transfer of the James A. FitzPatrick Nuclear Power Plant Renewed Facility Operating License No. DPR-59 and the transfer of the generally licensed FitzPatrick Independent Spent Fuel Storage Installation, from Entergy to Exelon Generation (Reference 1).

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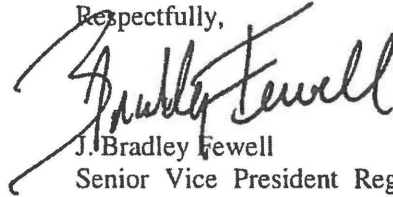
In the Reference 2 letter, the NRC requested additional information regarding the Reference 1 application. The attachment to this letter contains the response of the parties.

In addition, Entergy and Exelon Generation would like to provide an update to certain technical details regarding the transfer of the FitzPatrick nuclear decommissioning trust (“JAF NDT”) to Exelon Generation. The license transfer application (Reference 1, Enclosure 1) on pages 11-12 indicated that the JAF NDT established by Entergy Nuclear FitzPatrick would be transferred to Exelon Generation. However, Entergy Nuclear FitzPatrick will instead transfer the assets of the JAF NDT at closing into a trust established by Exelon Generation, at which time Exelon Generation will assume all liabilities for decommissioning of FitzPatrick. Exelon Generation will take action to update the (1) Second Amended and Restated Qualified Nuclear Decommissioning Master Trust Agreement dated as of July 1, 2013 between Exelon Generation Consolidation, LLC and The Northern Trust Company, as trustee (Reference 3, Attachment 1), to add a qualified decommissioning trust for FitzPatrick and (2) Second Amended and Restated Non-Qualified Nuclear Decommissioning Master Trust Agreement dated as of July 1, 2013 among NQF Companies Referred to Herein and The Northern Trust Company, as trustee (Reference 3, Attachment 2), to add a non-qualified fund and non-qualified fund limited liability company for FitzPatrick (collectively referred to as the “**Trust Agreements**”). Exelon Generation’s management of the trusts through its wholly owned subsidiaries, including all investments and disbursements, will continue to be consistent with the regulatory requirements in 10 CFR 50.75 and the requirements of the Trust Agreements and Master Terms for Trust Agreements (Reference 3, Attachment 3). Exelon Generation will maintain the decommissioning trust funds segregated from its assets and outside its administrative control in accordance with the requirements of 10 CFR 50.75(e)(1). In accordance with 10 CFR 50.75, with this change, there continues to be reasonable assurance that Exelon Generation will have the funds necessary to cover the estimated decommissioning costs of FitzPatrick at the end of licensed operations.

There are no regulatory commitments contained in this response.

Please contact David P. Helker (Exelon Generation) at 610-765-5525 (David.Helker@exeloncorp.com) or Bryan Ford (Entergy) at 601-368-5516 (bford@entergy.com) if you have any questions or require any additional information regarding this response.

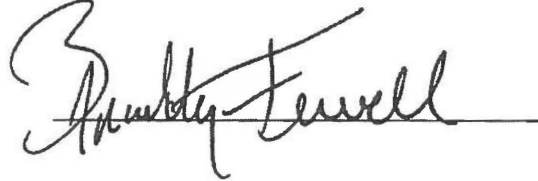
Respectfully,



J. Bradley Fewell
Senior Vice President Regulatory Affairs and
General Counsel
Exelon Generation Company, LLC

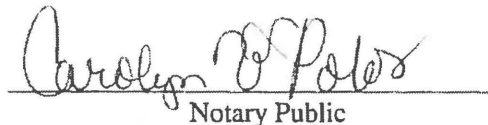
STATE OF ILLINOIS :
COUNTY OF DUPAGE : To wit:
CITY OF WARRENVILLE :

I, J. Bradley Fewell, state that I am the Senior Vice President Regulatory Affairs and General Counsel of Exelon Generation Company, LLC and that I am duly authorized to execute and file this response on behalf of Exelon Generation Company, LLC. To the best of my knowledge and belief, the statements contained in this document with respect to these companies are true and correct. To the extent that these statements are not based on my personal knowledge, they are based upon information provided by employees and/or consultants of the companies. Such information has been reviewed in accordance with company practice, and I believe it to be reliable.

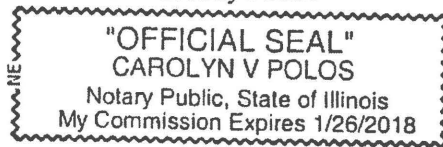


Subscribed and sworn before me, a Notary Public in and for the State of Illinois and City of Warrenville this 29th day of November, 2016.

WITNESS my Hand and Notarial Seal:



Notary Public



My Commission Expires:

Date

Respectfully,



Brian Sullivan
Vice President - FitzPatrick
Entergy Nuclear Operations, Inc.

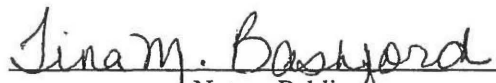
STATE OF NEW YORK :
: To wit:
COUNTY OF OSWEGO :

I, Brian Sullivan, state that I am Vice President - FitzPatrick of Entergy Nuclear Operations, Inc. and that I am duly authorized to execute and file this response on behalf of Entergy Nuclear Operations, Inc. To the best of my knowledge and belief, the statements contained in this document with respect to these companies are true and correct. To the extent that these statements are not based on my personal knowledge, they are based upon information provided by employees and/or consultants of the companies. Such information has been reviewed in accordance with company practice, and I believe it to be reliable.



Subscribed and sworn before me, a Notary Public in and for the State of New York and County of Oswego this 29th day of November, 2016.

WITNESS my Hand and Notarial Seal:


Notary Public

My Commission Expires:

December 16, 2017
Date



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Attachment:
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of Renewed Facility Operating License and Proposed Conforming License Amendment

cc: w/Attachment
Regional Administrator – NRC Region I
NRC Senior Resident Inspector – FitzPatrick Nuclear Power Plant
NRC Project Manager, NRR – FitzPatrick Nuclear Power Plant
A. L. Peterson, NYSERDA

ATTACHMENT

**RESPONSE TO REQUEST FOR ADDITIONAL INFORMATION REGARDING
APPLICATION FOR ORDER APPROVING TRANSFER
OF RENEWED FACILITY OPERATING LICENSE
AND PROPOSED CONFORMING LICENSE AMENDMENT**

Question - DRA/APHB RAI – 1:

The licensee stated on Page 3 of the LAR that:

The proposed transaction will not require any significant change in the staffing and qualifications of personnel who currently operate FitzPatrick. Prior to closing the transaction, Exelon Generation will offer employment to substantially all of the Entergy employees at FitzPatrick such that at the time of the closing of the transaction and transfer of the License, the Entergy employees who accept offers of employment will become employees of Exelon Generation.

Please provide additional information regarding what arrangements have been and will be made to secure adequate resources (i.e., sufficient staffing levels), to ensure that Exelon will continue to comply with 10 CFR 50.54(m)(2) at FitzPatrick Nuclear Power Plant, after Entergy employees are offered employment with Exelon.

Response:

Exelon Generation and Entergy are committed to active engagement in the safe operation of the plant and ensuring the appropriate qualified resources are available throughout the license transfer and integration process. Early in the due diligence process, the parties identified the need for contingency planning to ensure appropriate staffing levels and technical expertise are maintained. The parties took a number of actions to secure staffing. Given the breadth of the Exelon Generation fleet, the decreased staffing needs at other facilities in the industry, and the vendor relationships Exelon Generation maintains in New York, the parties are confident that the appropriate level of technical expertise will continue to ensure safe operations during the period Entergy remains the licensed operator and after the transfer of the operating license to Exelon Generation. The parties have focused on (1) directly securing expertise throughout the transition process; (2) communicating openly with FitzPatrick employees to ensure transparency and build trust; and (3) providing corporate oversight to ensure continued compliance with high standards during the transition. These actions are described in more detail below.

Directly Securing Expertise Throughout Transition

The parties have engaged in a number of strategies to ensure consistent and adequate staffing throughout the transition, including the following measures:

- The Exelon Senior Vice President, Operations for the Northeast Region met directly with Entergy Operations personnel to understand the potential staffing needs, including changes caused by retirements and transfers, on each Operations Crew.
- An Operations staffing plan was developed that identified the need for a new license class to support continued safe operations. Entergy began a new license class at FitzPatrick in October 2016 and another license class is scheduled to start in July 2017, after the anticipated closing. Also, Entergy is starting an Equipment Operator class in November 2016.
- In anticipation of a potential need for additional Operators, Exelon Generation reached out to former Entergy FitzPatrick employees who now work in Operations at Exelon Generation's Nine

Attachment

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Mile Point Station to assess the interest of those employees in returning to Operations positions at FitzPatrick, if the need arises. Those discussions are ongoing.

- Exelon Generation instituted an Operations Observation team led by the Ginna Site Vice President to ensure continued focus on Operator Fundamentals throughout the transition.
- Although Security was not identified as a potential area for attention, Exelon Generation maintains a relationship with G4S Secure Solutions in New York to support its Ginna facility and could extend that relationship to cover FitzPatrick if concerns arose related to Security staffing.
- Exelon Generation will extend individual job offers to personnel across FitzPatrick Station in early January 2017, in advance of the refueling outage. Candidates will have five days to respond in writing to the offer, with exceptions made for employees scheduled to take the week for vacation. Exelon Generation will then be able to assess any additional staffing needs that may be required post-closing.
- As a bridge between the refueling outage and closing of the transaction, Entergy has offered its employees at FitzPatrick a retention package to encourage them to stay through the closing.

Communicating Openly to Ensure Transparency and Build Trust

Exelon Generation and Entergy maintain an open dialogue with FitzPatrick employees to ensure transparency, answer questions, build trust, and familiarize the FitzPatrick employees with Exelon Generation so they know what to expect if they are offered and accept employment with Exelon Generation. The below examples show how we are facilitating open dialogue:

- Employees at FitzPatrick receive two communications from Exelon Generation each month, in the form of an All Hands Meeting presentation and a newsletter.
- Employees have a direct line of communication to Exelon Generation, via a standard e-mail address that is designated and monitored for employee questions.
- Common questions are routinely answered in Q&A documents distributed by Entergy and Exelon Human Resources, in All Hands Meetings and in the newsletter.
- Benefits Open Houses have been conducted by Exelon to ensure that employees have a strong understanding of the differences between the benefits programs offered by Entergy and Exelon Generation. This ensures that employees understand the benefits they would receive if they accepted employment with Exelon Generation in positions that are not covered by a collective bargaining agreement.
- Separate benefits meetings will be scheduled for unionized Entergy employees at FitzPatrick, after a contract between the union and Exelon Generation has been signed.
- Nine Mile Point and Ginna Station employees are in contact with Entergy FitzPatrick employees to share best practices, answer procedural questions, and provide insight into what it is like to be an Exelon Generation employee.
- Multiple networking events between Exelon Generation's stations and Entergy's FitzPatrick Station have occurred and will continue to occur to further assist with open dialogue.

Ensuring Industry Best Practice and High Standards

Exelon Generation and Entergy have a corporate oversight team in place to ensure continued compliance with high standards during the transition.

- A joint Entergy and Exelon Generation Integration Team ensures that the actions required to complete the transfer are in place and that a smooth transition of ownership occurs.
- Entergy is committed to the success of the plant and continues to work cooperatively with Exelon Generation to ensure appropriate staffing and a smooth transition of ownership at the time of closing.
- The Exelon Generation Integration Team is led by an Exelon Generation executive and reports to a six-person Steering Committee, which includes the Chief Nuclear Officer and the Chief Operating Officer. Site staffing is a regular topic reviewed at Steering Committee meetings.
- The status of integration efforts, including site staffing, is also monitored in other oversight forums (e.g., Generation Staff Meeting, Quarterly Management Meeting).
- Exelon Generation has a presence onsite at FitzPatrick, including through a Ginna employee who was instrumental in the Exelon/Constellation integration, and twice weekly visits from the Ginna Site Vice President.

The parties continue to engage in additional efforts and develop their integration and staffing support activities as the transition proceeds forward.