



Entergy Nuclear Operations, Inc
1340 Echelon Parkway
Jackson, MS 39213
Tel 601-368-5516

Bryan S. Ford
Senior Manager, Fleet Regulatory
Assurance

ENOC-17-00005
March 30, 2017

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

**SUBJECT: Financial Test for Decommissioning Funding Parent
Guarantee for the year ending December 31, 2016 per
10 CFR Part 30 App. A**

Big Rock Point ISFSI
Docket 50-155 / 72-043
License No. DPR-6

Dear Sir or Madam:

This letter provides the documents to support the continued use of a parent company guarantee to provide financial assurance of decommissioning funds for the Big Rock Point Independent Spent Fuel Storage Installation (ISFSI), pursuant to 10 CFR 50.75(e)(1)(iii)(B).

The licensee requested that Entergy Corporation's independent certified public accountant, Deloitte & Touche, LLP, evaluate the company's off-balance sheet transactions and provide an opinion on whether those transactions could materially adversely affect the company's ability to pay for decommissioning costs, as required by 10 CFR 30 Appendix A. Deloitte & Touche, LLP stated that it does not provide opinions of that nature. Nevertheless, Entergy Corporation's management has concluded that the amount of decommissioning-related parent guarantees at issue is very small as compared to the balance sheet amounts, and in its opinion, off-balance sheet transactions would not be expected to affect the company's ability to pay for decommissioning costs. The company's off-balance sheet transactions are described in its Securities and Exchange Commission filings, in particular, its 10-Q and 10-K filings.

There are no new commitments made in this letter. If you have any questions, please contact me at 601-368-5516.

Sincerely,

A handwritten signature in blue ink that reads "Bryan Ford".

BSF/ljs/aye

Attachments: 1. Independent Accountant's Report on Applying Agreed-Upon Procedures,
including CFO Letter to NRC demonstrating compliance with requirements

cc:

Mr. B. E. Green (TMBR)
Mr. J. R. Davis (ECH)
Mr. A. C. Bakken (ECH)
Mr. L. J. Smith (ECH)
Mr. C. F. Arnone (PAL)
Mr. L. M. Coyle (ECH)
Mr. T. Ngau (ECH)

USNRC Regional Administrator, Region III

USNRC Project Manager, Palisades
USNRC Project Manager, Big Rock Point

Michigan Department of Environmental Quality
Michigan Public Service Commission

ENOC-17-00005

Attachment 1

**Independent Accountant's Report on Applying Agreed-Upon Procedures, including CFO Letter
to NRC demonstrating compliance with requirements**



Deloitte & Touche LLP
One Shell Square
701 Poydras Street, Suite 4200
New Orleans, LA 70139-7704
USA

Tel: +1 504 581 2727
www.deloitte.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Entergy Corporation
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by Entergy Corporation (the "Company"), solely to assist the Company in connection with the Company's and the U.S. Nuclear Regulatory Commission's ("NRC") evaluation of the Company's compliance with the requirements specified in Appendix A, Section II A.2 to Part 30 of 10 CFR, the Financial Test: Alternative II (the "Financial Test") as of December 31, 2016, included in the accompanying letter from the Chief Financial Officer of the Company dated March 23, 2017 to the NRC. The Company's management is responsible for compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The following procedures were applied to the attached Schedules on pages 2 and 3 of Appendix A as indicated with respect to the symbols explained below.

- A. We compared these amounts to the Company's audited consolidated financial statements for the year ended December 31, 2016 and found such amounts to be in agreement.
- B. We compared the "Tangible Net Worth" amount as shown in the column "Per CFO's Letter" included in the Reconciling Schedule on page 3 of Appendix A to the "Tangible net worth" amount presented on line 5 of the Financial Test on page 2 of Appendix A and found such amounts to be in agreement.
- C. We proved the arithmetic accuracy and noted no exception after giving effect to rounding.
- D. We compared the "Net Book Value of Big Rock Point" as shown in the column "Per Financial Statements" included in the Reconciling Schedule on page 3 of Appendix A to internal accounting records prepared by employees of the Company and found such amounts to be in agreement. We make no comment with respect to the assumptions used in the preparation of the internal accounting records or schedules.
- E. We compared the "Current rating of most recent bond issuance of this firm" in relation to the August 19, 2016 bond issuance on line 2 of the Financial Test on page 2 of Appendix A to the Moody's Investors Service Report for Entergy Corporation dated September 2, 2016 provided to us by employees of the Company and noted no differences.

We inquired of the Chief Accounting Officer and Chief Financial Officer of the Company as to whether any off-balance sheet transactions exist that could materially adversely affect the ability of the Company to pay decommissioning costs. These Officers responded that they had no knowledge of any off-balance sheet transactions that could materially adversely affect the Company's ability to pay decommissioning costs other than those that may be disclosed in Entergy's 1934 Act SEC filings.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the board of directors and management of the Company and the NRC, and is not intended to be and should not be used by anyone other than these specified parties.

Delsittle + Touche LLP

March 23, 2017



Entergy Services, Inc.
639 Loyola Avenue
New Orleans, LA 70113

March 23, 2017

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

Subject: Entergy Corporation Parent – Guarantee of Funds for Decommissioning: Letter from Chief Financial Officer to Demonstrate Financial Assurance

I am the chief financial officer of Entergy Corporation, 639 Loyola Avenue, New Orleans, LA 70113, a corporation. This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in Title 10, Part 50, of the *Code of Federal Regulations* (10 CFR Part 50).

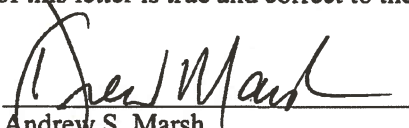
This firm guarantees, through the parent company guarantee submitted to demonstrate compliance under 10 CFR Part 50, the decommissioning of the following facility owned or operated by subsidiaries of this firm. The current cost estimate or certified amount for decommissioning, and the amount being guaranteed, is shown for the facility:

<u>Name of Facility</u>	<u>Location of Facility</u>	<u>Current Cost Estimate</u>	<u>Amount Being Guaranteed</u>
Big Rock Point Independent Spent Fuel Storage Installation License Nos. DPR-06, SFGL-16	Charlevoix, MI	\$ 2,500,438 ¹	\$ 5,000,000

Entergy Corporation is required to file a Form 10-K with the U.S. Securities and Exchange Commission for the latest fiscal year.

The fiscal year of Entergy Corporation ends on December 31st. The figures for the following items (Financial Test II) marked with an asterisk are derived from Entergy Corporation's independently audited, year-end financial statements and footnotes for the latest completed fiscal year, ended December 31, 2016.

I hereby certify that the content of this letter is true and correct to the best of my knowledge.


Andrew S. Marsh
Executive Vice President and Chief Financial Officer

3/23/17
Date

¹ See 10 CFR §72.30 filing for Big Rock Point, dated December 17, 2015, Accession No. ML15351A524. Updated to \$2016.



FINANCIAL TEST: ALTERNATIVE II
(10 CFR Part 30 App. A. Section II A.2.)
Entergy Corporation Parent Guarantee of Funds For Decommissioning
Dollars in thousands

- | | | | |
|-----|--|-------------|-----------|
| 1. | Guaranteed amount for Big Rock Point Independent Spent Fuel Storage Installation, License Nos. DPR-06, SFGL-16 (total cost of all cost estimates should be stated in paragraphs above) | \$5,000 | |
| 2. | Current rating of most recent bond issuance of this firm | | |
| | Rating <u>Baa3</u> E | | |
| | Name of rating service <u>Moody's</u> | | |
| 3. | Date of issuance of bond <u>August 19, 2016</u> | | |
| 4. | Date of maturity of bond <u>September 1, 2026</u> | | |
| *5. | Tangible net worth** (if any portion of estimates for decommissioning is included in total liabilities on your firm's financial statements, you may add the amount of that portion to this line) | \$7,907,488 | B |
| *6. | Total assets in United States (required only if less than 90 percent of firm's assets are located in the United States) | | N/A |
| | | <u>Yes</u> | <u>No</u> |
| 7. | Is line 5 at least \$21,000? | X | C |
| 8. | Is line 5 at least 6 times line 1? | X | C |
| 9. | Are at least 90 percent of firm's assets located in the United States? If not, complete line 10. | X | |
| 10. | Is line 6 at least 6 times line 1? | | N/A |
| 11. | Is the rating specified on line 2 "BBB" (including adjustments of + and -) or better (if issued by Standard & Poor's) or "Baa" (including adjustments of 1, 2, or 3) or better (if issued by Moody's)? | X | |

* Denotes figures derived from financial statements.

** Tangible net worth is defined as net worth minus goodwill, patents, trademarks, and copyrights.

**RECONCILING SCHEDULE
ENTERGY CORPORATION
YEAR ENDED DECEMBER 31, 2016
Dollars in thousands**

<u>Line Number in CFO's Letter</u>	<u>Per Financial Statements</u>	<u>Recon- ciling Items</u>	<u>Per CFO's Letter</u>
Total Assets	\$45,904,434	A	
Less: Total Current Liabilities	(3,200,096)	A	
Less: Total Non-Current Liabilities	(34,419,344)	A	
Less: Goodwill	(377,172)	A	
Less: Net Book Value of Big Rock Point	<u>(334)</u>	D	
Tangible Net Worth	\$ 7,907,488	C	\$7,907,488 B