



April 17, 2019

10 CFR 50.80(b) and (c)
10 CFR 50.34

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

Pilgrim Nuclear Power Station
Renewed Facility Operating License No. DPR-35
NRC Docket Nos. 50-293 and 72-1044

Subject: Response to NRC Request for Additional Information

- References:
- [1] Letter from A. Christopher Bakken III, (Entergy Nuclear Operations, Inc) to U.S. Nuclear Regulatory Commission - Application for Order Consenting to Direct and Indirect Transfers of Control of Licenses and Approving Conforming License Amendment; and Request for Exemption from 10 CFR 50.82(a)(8)(i)(A) for Pilgrim Nuclear Power Station, dated November 16, 2018 (ADAMS Accession No. ML18320A031).
 - [2] Letter from Pamela B. Cowan, (Holtec Decommissioning International) to U.S. Nuclear Regulatory Commission – Notification of Revised Post Shutdown Decommissioning Activities Report and Revised Site-Specific Decommissioning Cost Estimate for Pilgrim Nuclear Power Station, dated November 16, 2018 (ADAMS Accession No. ML18320A040).
 - [3] Email from Scott P. Wall, (U.S. Nuclear Regulatory Commission) to Philip Couture (Entergy Nuclear Operations, Inc)—RAI-IRAB-1—Pilgrim— Application for Order Consenting to Direct and Indirect Transfers of Control of Licenses and Approving Conforming License Amendment, dated March 21, 2019 (ADAMS Accession No. ML19086A349).

Please find attached the “Response to NRC Request for Additional Information (RAI) Regarding the Request for Direct and Indirect Pilgrim License Transfers, RAI-IRAB-1” prepared and submitted herein by Holtec Decommissioning International, LLC (HDI).

By letter dated November 16, 2018 (Reference 1), as supplemented by letter dated November 16, 2018 (Reference 2), Entergy Nuclear Operations, Inc. (ENOI), on behalf of itself and Entergy Nuclear Generation Company (ENGCO) (to be known as Holtec Pilgrim, LLC), Holtec International (Holtec), and Holtec Decommissioning International, LLC (HDI) (together, "Applicants"), requested that the U.S. Nuclear Regulatory Commission (NRC) consent to: (1) the indirect transfer of control of the Renewed Facility Operating License No. DPR-35 for the Pilgrim Nuclear Power Station (Pilgrim), as well as the general license for the Pilgrim Independent Spent Fuel Storage Installation (ISFSI) (collectively the "Licenses"), to Holtec; and (2) the direct transfer of ENOI's operating authority (i.e., its authority to



conduct licensed activities at Pilgrim) to HDI. In addition, the Applicants requested that the NRC approve a conforming administrative amendment to the Licenses to reflect the proposed direct transfer of the Licenses from ENOI to HDI; a planned name change for ENGC from ENGC to Holtec Pilgrim, LLC; and deletion of certain license conditions to reflect satisfaction and termination of all ENGC obligations after the license transfer and equity sale. In addition, HDI submitted an exemption request, as an enclosure to the letter dated November 16, 2018, to allow HDI to use a portion of the nuclear decommissioning trust for spent fuel management and site restoration costs.

In Reference 3, The NRC provided ENOI with a request for additional information. The HDI response to this RAI is provided in the Enclosure to this letter.

This letter contains no new regulatory commitments.

In the event that the NRC has any questions about the transactions described in this letter or needs to obtain any additional information, please contact the undersigned at 724-493-1833 or a.sterdis@holtec.com.

I declare under penalty of perjury that the foregoing is true and correct. Executed on April 17, 2019.

Respectfully,

A handwritten signature in cursive script that reads "Andrea L. Sterdis".

Andrea L. Sterdis
Vice President Regulatory and Environmental Affairs
Holtec Decommissioning International, LLC

Enclosure: Response to NRC Request for Additional Information (RAI) Regarding the Request for Direct and Indirect Pilgrim License Transfers, RAI-IRAB-1



cc (w/Enclosure):

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NRC Senior Resident Inspector
Pilgrim Nuclear Power Station

Enclosure
Pilgrim Nuclear Power Station
HDI Response to U.S. NRC Request for Additional Information (RAI)
Regarding the Request for Direct and Indirect Pilgrim License
Transfers

RAI-IRAB-1

RAI-IRAB-1

Provide additional information that justifies that HDI's management and technical support organization will have enough resources (i.e. corporate structure, management and technical support organization staff capacities, internal procedures, etc.) to conduct licensed activities at multiple sites.

HDI Response to RAI-IRAB-1

To ensure that HDI's management and technical support organization will have sufficient resources (i.e. corporate structure, management and technical support organization staff capacities, internal procedures, etc.) to conduct licensed activities at multiple sites, HDI will be using a fleet model to manage and conduct the decommissioning of its shutdown nuclear power plants. In particular, the HDI decommissioning fleet corporate organization infrastructure is based on a Governance, Oversight, Support and Performance (GOSP) management model, and each of the model principles are discussed in further detail below. In summary, this fleet model provides for efficiency by establishing standard processes, procedures, and approaches at the corporate level and at the decommissioning sites, similar to the model used by many operating plant fleets. In addition, each of HDI's decommissioning sites will have dedicated leadership reporting to the same HDI corporate executive team and sufficient technical support from the CDI site organizations mainly made up of experienced incumbents and supplemented as needed by additional Holtec and SNC-Lavalin resources. Note also that the scope of HDI's licensed responsibilities at each site, while just as important, will be much smaller in scope than at an operating site and will primarily be maintaining the facility in a safe condition (including the storage, control and maintenance of the spent nuclear fuel), possessing and disposing of radioactive material, decommissioning and decontaminating the site, and maintaining the Independent Spent Fuel Storage Installation (ISFSI) until the spent nuclear fuel is removed from the site and the ISFSI can be decommissioned.

Governance

HDI will implement governance procedures at both the HDI corporate level and at the site level. At the corporate level, for example, HDI will implement a procedure related to control of trust fund withdrawals that will apply at all sites for which it is the licensed operator, to ensure consistency and increase efficiencies. At the site level, HDI plans on initially adopting the former licensee's applicable existing policies, programs, and procedures, with minimal to no revisions or substitutions, which will ensure a seamless transition after license transfer. As decommissioning progresses at the sites, HDI intends to make changes to the site governance documents in accordance with NRC regulations, with the overall goal of standardizing site governance documents across the HDI fleet as much as practicable. This approach allows efficiency in oversight and the application of site-specific lessons-learned and operating experience to the other sites in the HDI fleet.

Oversight

The executive leadership team at the HDI corporate level will oversee the safety, operation, and decommissioning at the Oyster Creek and Pilgrim sites. The corporate executive leadership team consists of the HDI Vice President of Licensing; Treasurer & NDT Management; Vice President of Technical Support; Senior Vice President and Chief Operating Officer; Vice President of Quality Assurance and

Nuclear Oversight; President and Chief Nuclear Officer; and the Holtec Executive Committee (see organization charts provided at page 8 of Oyster Creek LTA and page 7 of Pilgrim LTA). The HDI Site Vice President at each site will further support the corporate executive team's oversight over HDI's sites. HDI will hold meetings with the HDI Site Vice Presidents and the HDI corporate executive leadership team to share experience for efficiency and support in implementation and improvement. The corporate HDI and CDI executive team is structured and staffed in anticipation of supporting multiple sites' planning and decommissioning activities, with the capacity to expand as needed, as HDI continues to expand its nuclear decommissioning business.

Support

The onsite organizations will include incumbent plant staff who will be retained at license transfer. Additional support during multiple decommissioning projects will be provided by the CDI corporate organization, which because of its affiliation with both SNC-Lavalin and Holtec International, its large corporate parents, has easy access to technical and project resources as needed if issues arise. As the Applications indicate, SNC-Lavalin has a workforce of over 50,000, and through its subsidiary, Atkins, has substantial decommissioning expertise and experience, while Holtec International is an industry leader in spent fuel management.

Performance

The performance, or implementation, function for the GOSP model at each site will primarily be achieved through CDI, although the CDI staff at each site performing most of the regulatory required functions following license transfer will have been retained from the current licensee. Specifically, HDI is working with CDI to retain the incumbent personnel, with special emphasis on the senior leadership and plant operating experts, in place at each nuclear plant at the time of license transfer. These incumbent plant experts who are and have been responsible for conducting the activities to maintain the plant in a safe and compliant condition, will bring vast amounts of site history, knowledge and experience to the team. These incumbent nuclear professionals are experienced in owning, maintaining and executing the existing policies, programs and procedures. These incumbent senior leadership and plant operating experts, along with additional existing plant staff that are retained in the organization at License Transfer, will be supplemented by experts in decommissioning and dismantlement to fully round out successful and experienced teams at each site.

As reflected in Figure A-1 of the Pilgrim Application, each site will initially have its own HDI Site Vice President. In addition, separate management teams that will be employed by CDI but under HDI's direction and control, will report to the Site Vice President. These include separate Decommissioning General Managers, as well as separate managers for the various functional areas. The establishment of separate management teams for each site will allow appropriate, direct, supervision of the decommissioning activities at each site.

In addition, to ensure uninterrupted plant operation and decommissioning of the sites at license transfer, HDI is currently working with the existing site and corporate functional area managers at both Exelon and Entergy to identify the applicable corporate and site policies, programs and procedures to be adopted by HDI upon license transfer.