



WILLIAM T. COTTE
Vice President
Nuclear Operations

August 15, 1989

U.S. Nuclear Regulatory Commission
Mail Station P1-137
Washington, D.C. 20555

Attention: Document Control Desk

Gentlemen:

SUBJECT: Grand Gulf Nuclear Station
Unit 1
Docket No. 50-416
License No. NPF-29
Entergy Operations, Inc.
Proposed Amendment to the Operating
License (PCOL-89/07)
AECM-89/0147

System Energy Resources, Inc. (System Energy) is submitting by this letter a proposed amendment to the Grand Gulf Operating License. (PCOL-89/07).

BACKGROUND

In requests to the Nuclear Regulatory Commission on July 1, 1988, Arkansas Power & Light Company (AP&L) and Louisiana Power & Light Company (LP&L) submitted proposed license amendments to designate System Energy as the licensed operator for Arkansas Nuclear One (ANO) and Waterford 3, respectively. AP&L, LP&L and System Energy are wholly-owned subsidiaries of Entergy Corporation (Entergy), formerly known as Middle South Utilities, Inc. Entergy now plans for a new company, to be called Entergy Operations, Inc. (EOI), to become its system-wide nuclear operating company instead of System Energy as originally proposed. EOI will be a wholly-owned subsidiary of Entergy.

System Energy, on behalf of itself, South Mississippi Electric Power Association (SMEPA) and Mississippi Power & Light Company (MP&L) (collectively Joint Licensees) as holders of the license for Grand Gulf Nuclear Station (Grand Gulf), Unit 1, hereby submits the attached application to amend Facility Operating License No. NPF-29 for Grand Gulf Unit 1. This application requests NRC approval for EOI to assume operating and management responsibility for Grand Gulf Unit 1. This letter, in combination with similar letters from AP&L and LP&L, provides joint information relative to the applications and the status/schedule of other required state and federal regulatory approvals. The submittals from AP&L and LP&L supplement the previous license amendment applications filed on July 1, 1988.

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OPERATING AGREEMENTS

Drafts of the proposed AP&L/EOI, LP&L/EOI and System Energy/EOI Operating Agreements are scheduled to be submitted to the Securities and Exchange Commission (SEC) in September 1989 as part of the application of System Energy, AP&L and LP&L requesting approval of the proposed consolidation.

AP&L and LP&L filed a draft of their respective Operating Agreements with EOI with the Arkansas Public Service Commission (APSC) on June 21, 1989 and with the Louisiana Public Service Commission (LPSC) on August 10, 1989. A copy of the formal submittal to the SEC including all of the draft Operating Agreements will be submitted to the NRC for review contemporaneously with the SEC filing. The Operating Agreements include the provisions described in the application which is attached.

PAYMENT OF CIVIL PENALTIES

Any civil penalties levied by the NRC, if and when they may be incurred by EOI for ANO Units 1 and 2, Waterford 3 or Grand Gulf Unit 1 related activities, should be levied by NRC against EOI. The NRC should expect payment to be made by EOI.

STATUS OF REGULATORY APPROVALS

The plan for EOI to assume operating and management responsibility for ANO and Waterford 3 is subject to the approvals of the APSC for ANO, the LPSC for Waterford 3. AP&L has filed with the APSC for ANO and LP&L has filed with the LPSC for Waterford 3 applications seeking approval for EOI to assume operating responsibility. Also in September, AP&L, LP&L and System Energy plan to file an application with the SEC seeking approval of the proposed consolidation. Progress toward these regulatory approvals required for the consolidation effort will proceed independently of each other. Therefore, it is requested that the NRC issue the Safety Evaluation Report (SER) for the consolidation request separately from the operating license amendment approvals. AP&L, LP&L and System Energy will make separate requests for issuance of license amendments for their respective plants at such time as other prerequisite regulatory approvals have been obtained and EOI is ready to assume operating responsibility for the applicable facility. System Energy will keep the NRC informed of the status of regulatory agency reviews.

PUBLIC INFORMATION

The system-wide communications plan developed for the consolidation activities in mid-1988 has been updated to keep key internal and external audiences up to date. Specifically, plans call for press releases at appropriate regulatory milestones, and periodic meetings with state and local officials as well as community leaders. Employees have been kept informed through the Nuclear Horizons newsletter which has been published six times in 1989.

Employees will continue to be kept informed by publication of Nuclear Horizons, employee meetings, plant visits and video tapes. Dates for these actions will correspond to appropriate regulatory activities or other milestones.

Shareholders will be brought up to date through a Nuclear Consolidation update in the Entergy Corporation Quarterly Report brochure scheduled for release September 1, 1989.

SIGNIFICANT ORGANIZATIONAL CHANGES

Selected licensee programs are governed by formal plans which require NRC review and acceptance or approval. The staff's review in this regard focuses on the specific plan and the technical qualifications of the organization which will be responsible for implementing the plan. Changes to such plans that involve a decrease in effectiveness of the plan require prior NRC review and approval. The Quality Assurance Program, the Emergency Plan, and the Security Plan are examples of such programs governed by appropriate regulations.

Following issuance of a license amendment approving EOI as operator of ANO 1 and 2, Grand Gulf Unit 1 or Waterford 3, EOI will inform the NRC in advance and obtain prior NRC approval of planned changes to organizations covered by such formal plans where the changes involve centralization or consolidation of functions and/or personnel.

It is envisioned that this will be necessary for the first change involving centralization or consolidation of functions covered by such formal plans. For subsequent changes, EOI will make a determination as to whether or not NRC review and prior approval is required in accordance with the appropriate provisions of 10 CFR 50.54 or other applicable regulations.

In addition, EOI intends to continue the current AP&L, System Energy and LP&L practice of informing the NRC and soliciting their comments on significant organizational changes affecting ANO 1 and 2, Grand Gulf Unit 1 and Waterford 3. Special emphasis will be given to any changes involving centralization or consolidation occurring subsequent to approval of the license amendments.

FUEL TRANSSHIPMENT BETWEEN SITES

Your letters of July 28, 1988 and July 29, 1988, stated that the NRC intends to stipulate in license conditions that fuel not be relocated between ANO and Waterford 3 without specific NRC review and approval. Such a license condition would be consistent with our understanding of the regulations and the licenses as proposed to be amended. This condition is also consistent with the commitments regarding fuel transshipment in our July 1, 1988 submittals. EOI also will not relocate fuel between Grand Gulf Unit 1 and the other two sites.

SYSTEM ENERGY ENDORSEMENT AND CONCURRENCE

This letter in combination with similar letters from AP&L and LP&L provide joint submittals on EOI becoming the system-wide nuclear operating company. System Energy endorses and concurs with the AP&L and LP&L applications.

In accordance with the provisions of 10 CFR 50.4, the signed original of the requested amendment is enclosed and the appropriate copies will be distributed. The attachment provides the technical justification and discussion to support the requested amendment. This amendment has been reviewed and accepted by the Plant Safety Review Committee and the Safety Review Committee.

Based on the guidelines presented in 10CFR50.92, System Energy has concluded that this proposed amendment involves no significant hazards considerations.

Yours truly,

A handwritten signature in dark ink, appearing to be "W. S. Carter".

WTC:tkm

Attachments: 1. Affirmation per 10CFR50.30
2. GGNS PCOL-89/07.

cc: (See Next Page)

cc: Mr. D. C. Hintz (w/a)
Mr. T. H. Cloninger (w/a)
Mr. J. G. Cesare (w/o)
Mr. R. B. McGehee (w/a)
Mr. N. S. Reynolds (w/a)
Mr. H. L. Thomas (w/a)
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Dr. Alton B. Cobb (w/a)
State Health Officer
State Board of Health
P.O. Box 1700
Jackson, Mississippi 39205

BEFORE THE
UNITED STATES NUCLEAR REGULATORY COMMISSION

LICENSE NO. NPF-29

DOCKET NO. 50-416

IN THE MATTER OF
MISSISSIPPI POWER & LIGHT COMPANY
and
SYSTEM ENERGY RESOURCES, INC.
and
SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

AFFIRMATION

I, W. T. Cottle, being duly sworn, state that I am Vice President, Nuclear Operations of System Energy Resources, Inc.; that on behalf of System Energy Resources, Inc., and South Mississippi Electric Power Association I am authorized by System Energy Resources, Inc. to sign and file with the Nuclear Regulatory Commission, this application for amendment of the Operating License of the Grand Gulf Nuclear Station; that I signed this application as Vice President, Nuclear Operations of System Energy Resources, Inc.; and that the statements made and the matters set forth therein are true and correct to the best of my knowledge, information and belief.

W T Cottle
W. T. Cottle

STATE OF MISSISSIPPI
COUNTY OF ~~HINDS~~ Claiborne pg 8-15-89

SUBSCRIBED AND SWORN TO before me, a Notary Public, in and for the County and State above named, this 15 day of August, 1989.

(SEAL)

Patricia McGehegan
Notary Public

My commission expires:
My Commission Expires July 1, 1993