

October 23, 2002

Mr. Raymond Shadis
New England Coalition on Nuclear Pollution
P.O. Box 545
Brattleboro, VT 05302

Dear Mr. Shadis:

By letter dated September 4, 2002, you asked five questions regarding the transfer of ownership of certain transmission facilities from Vermont Electric Power Company, Inc. (VELCO), to Entergy Nuclear Vermont Yankee, LLC (ENVY, the licensee), the owner of Vermont Yankee Nuclear Power Station (VY). These minor transmission facilities are located in the switchyard of VY on licensee-controlled property. Your five questions are addressed as follows:

1. "How is it that these 'transmission facilities' may be treated apart from the October 5, 2001 transfer of facility operating license and proposed license amendments?"

The October 5, 2001, letter to the U.S. Nuclear Regulatory Commission (NRC) from Vermont Yankee Nuclear Power Corporation (VYNPC) was a proposal from VYNPC, ENVY, and Entergy Nuclear Operations, Inc. (ENO), to transfer Facility Operating License No. DPR-28 for VY from VYNPC to ENVY and ENO. On May 17, 2002, the NRC issued an Order approving the proposed transfer. Upon the closing of the transfer, the NRC issued conforming Amendment No. 208 dated July 31, 2002, placing the names of the new owners and operator in the operating license and technical specifications.

The transmission facilities in question are located in the switchyard on licensee-controlled property. The licensee controls the access to these transmission facilities but they are owned by VELCO. They are not subject to the facility operating license, and therefore, were not part of the transfer application. It is not uncommon for transmission facilities owned by a transmission system company to be located on licensee-controlled areas. The Federal Energy Regulatory Commission has jurisdiction over transmission facilities.

2. "If in the transfer VELCO retained ownership of the 'transmission facilities' within the switchyard, was this area treated under rules for partial site release to a non-licensee?"

No, for the following reasons. First, there is no final rule governing partial-site releases, so it would have been impossible for the sale of the transmission facilities to have been "treated under rules for partial site release." Until the rule becomes final, all requests for partial-site releases are examined on a case-by-case basis in accordance with Regulatory Issue Summary 2000-19, "Partial Release of Reactor Site For Unrestricted Use Before NRC Approval of the License Termination Plan," dated October 24, 2000. Second, the partial-site release rule will not cover this situation. The NRC staff's understanding is that the previous owner of VY did not own the subject transmission facilities, so the subsequent license transfer and VELCO's decision to sell the

equipment now cannot be considered a part of the sale of the licensee's site. A partial-site release occurs when a power reactor licensee seeks approval to release part of its reactor facility or site for unrestricted use before termination of the operating license. That is not the situation here.

3. "Was, for example, Final Site Survey (FSS) or Historical Site Assessment (HSA) performed, before these 'transmission facilities' were transferred out of the license?"

Neither a Final Site Survey nor a Historical Site Assessment are required as part of the NRC license transfer process. An FSS and HSA are done on the termination of a license, not as part of a license transfer.

4. "Was the U.S. Environmental Protection Agency notified so that it might pursue RCRA and other interests?"

The staff does not know whether the U.S. Environmental Protection Agency has been notified. We do note that you have copied them on your September 4, 2002, letter.

5. "My limited understanding of the purchase and sale agreement, filed with the application for transfer of operating license, is that it segregated the switchyards in their entirety and assigned them to a party other than the licensee. Were protocols for partial site release observed including Notice, HSA, and FSS? If not why not?"

All transmission equipment owned by VYNPC was transferred to ENVY and ENO. There was no transfer of property for unrestricted use from the licensee's controlled area to a third party; therefore, no partial-site release was required. An FSS and HSA are done on the termination of a license, not as part of a license transfer.

Sincerely,

/RA/

Stuart A. Richards, Director
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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