

June 22, 2004

The Honorable Charles F. Bass  
Member, United States House  
of Representatives  
One West Street, Suite 208  
Keene, New Hampshire 03431

Dear Congressman Bass:

I am responding on behalf of the U.S. Nuclear Regulatory Commission (NRC) to your letter dated April 7, 2004, in which you forwarded a copy of a letter from your constituent, Mr. Fred M. Slavic. Mr. Slavic expressed concerns regarding (1) a request by Entergy Nuclear Vermont Yankee, LLC, and Entergy Nuclear Operations, Inc., to increase the power level at the Vermont Yankee Nuclear Power Station (Vermont Yankee); (2) continued operation of Vermont Yankee given the age of the plant; and (3) the effects of an accident at the plant and insurance coverage related to the Price-Anderson Act. The purpose of this letter is to address Mr. Slavic's concerns.

Mr. Slavic also requested in his letter that you induce the NRC to perform an independent safety inspection of Vermont Yankee, as proposed by the Vermont Public Service Board. In an NRC letter to you dated May 4, 2004, a copy of the NRC's response to the Vermont Public Service Board's request for an independent engineering assessment was provided. The response to the Board contains a more detailed account of the new engineering inspection that the NRC intends to conduct at Vermont Yankee. The Commission believes this inspection is appropriate for addressing the NRC's oversight responsibilities and is also responsive to the Board's concerns. For your convenience, I have enclosed a copy of the letter to the Vermont Public Service Board.

The NRC staff is still reviewing the Vermont Yankee power uprate request and has not reached any conclusions concerning the acceptability of the proposed change. The Commission believes that the extensive technical review that the NRC staff is conducting, along with the planned inspections at Vermont Yankee, will ensure that any issues related to the proposed power uprate that could affect safe operation of the plant will be identified. The NRC staff will not approve the Vermont Yankee uprate, or any proposed change to a plant license, unless it concludes that the proposed change will be executed in a manner that assures the public's health and safety.

Mr. Slavic raised a concern about the age of Vermont Yankee and indicated his belief that the plant was expected to close after 30 years of operation. Consistent with NRC regulations, Vermont Yankee was granted a 40-year operating license in 1972. NRC requires plant operators to test and monitor the operability of plant equipment important for assuring public health and safety. NRC's processes include frequent inspection of the nuclear plants to verify that these requirements are met.

Mr. Slavic indicated that Vermont Yankee “does not have many of the safety features that newer plants have.” The U.S. fleet of nuclear power plants includes several vintages and designs. Regardless of the vintage or design of a particular nuclear power plant, the NRC carries out rigorous safety reviews and inspections to ensure that the plant is designed and operated in a manner that protects public health and safety. The reviews and inspections for initial licensing of each of the operating plants, and in relation to plant changes and operating experience, have confirmed that the designs of these plants, including that of Vermont Yankee, provide an adequate level of protection of public health and safety.

Mr. Slavic also expressed concerns regarding the effects of an accident at the plant and insurance coverage related to the Price-Anderson Act. The Price-Anderson Act, which was enacted in 1957, provides a system to pay funds for claims by members of the public for personal injury and property damage resulting from a nuclear incident. The system facilitates the prompt and equitable settlement of claims. The Price-Anderson Act does not prevent claimants from filing suit against a power reactor licensee. It would cover claims for damage from a catastrophic accident during operation of the reactor as well as during storage of spent fuel at the reactor site. The Price-Anderson Act provides approximately \$10 billion in insurance to pay these claims under a two-layer insurance system. Large commercial reactor licensees, such as Vermont Yankee, participate in this system. The first layer provides \$300 million in private insurance, the maximum currently available from the private insurance market. In the event of a nuclear incident causing damages exceeding \$300 million, large reactor licensees would be assessed an equal share of the damages in excess of the primary insurance layer. The maximum deferred premium, or secondary layer, is currently \$95.8 million per reactor. With over 100 reactors in this layer, total insurance is approximately \$10 billion.

Information regarding the Price-Anderson Act and nuclear power industry accident liability can be found on the NRC website at <http://www.nrc.gov/reading-rm/doc-collections/fact-sheets/funds.html> and the NRC staff’s Congressional testimony (October 24, 2001 and January 23, 2002) related to this subject can be found at <http://www.nrc.gov/reading-rm/doc-collections/congress-docs/congress-testimony/>.

I hope the enclosed information is useful in addressing Mr. Slavic’s concerns. If you have any questions or need further information, please do not hesitate to contact us.

Sincerely,

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Jeffrey S. Merrifield  
Acting Chairman

Enclosure:  
Letter to the Vermont Public Service Board