

SieneI, Beth

From: Thayer, Jay
Sent: Wednesday, November 05, 2003 4:55 PM
To: VTY - All Users
Subject: Power Uprate Project Announcement
Importance: High

To The Vermont Yankee Team,

In testimony filed today with the Public Service Board, Vermont Yankee outlined the details of a settlement agreement between the Vermont Public Service Department and Entergy Nuclear Vermont Yankee on the pending power uprate permit application.

Entergy and the Department reached agreement on two major consumer benefit incentives. The first, an Entergy Revenue Sharing Fund which is designed to provide a stream of payments to Vermont, based on our uprate power generation, targeted at the following: 1) to aid in the recently announced State program to clean-up Lake Champlain; 2) to provide heating assistance to low-income Vermonters; and 3) to provide additional resources to the State's economic development efforts. The second incentive, an outage protection agreement, protects Vermont's two largest utilities in the unlikely event of power uprate related outages or plant derates during the first 3 years after uprate.

I am extremely pleased with this agreement and look forward to continuing the Public Service Board approval process with the Department's support. This agreement should help provide the additional guarantees and benefits needed to move the project along. I want to thank all VY employees who have contributed to this effort. Whether you were directly involved with the negotiations or have been involved with the safe and successful day to day operations of the plant, your contribution is vital to the overall success of this project.

I particularly want to thank the folks who worked hundreds of hours on gathering information for the discovery process. Although this part of the PSB process came under fire in the press recently, it was through no fault of the dedicated VY employees who put in long hours of very hard work on this project. In the past two weeks, this process has been improved and it was their hard work that made it possible.

In addition to the agreement reached between the Department and Vermont Yankee, Vermont Yankee signed a 3 year power contract with Vermont Electric Cooperative (VEC) several weeks ago. The contract will provide 10 megawatts of power beginning in January of 2004 with the power coming from Entergy's Pilgrim Nuclear Plant in Plymouth Massachusetts. Once the power uprate power is available from Vermont Yankee, the power will be provided to VEC by Vermont Yankee. As I have indicated in the past, this contract is right in line with Entergy's goals of providing competitively priced power to the region with the additional power available from power uprate.

I will continue to keep you up to date with our progress and key accomplishments towards our goal

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of approval and implementation of our Power Uprate project.

Jay