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VY Daily News

Wednesday, May 26, 2004

If you have news items to contribute contact Pat Lyman - plyma90@entergy.com

Rutland Herald, Wednesday, May 26, 2004 Front page, above fold)

Entergy: Utilities liable for cost of search

<<https://www.vermonttoday.com/subscribe/>> By SUSAN SMALLHEER Herald Staff

Entergy Nuclear has put the former owners of Vermont Yankee nuclear power plant on notice that it holds them financially responsible for the missing nuclear fuel rods.

Entergy bought the Vernon reactor in July 2002 from Vermont Yankee Nuclear Power Corp., a consortium of New England utilities led by Central Vermont Public Service Corp. and Green Mountain Power Co.

Entergy spokesman Robert Williams said Tuesday the company interpreted its 2002 purchase-and-sales agreement to mean that the Vermont utilities and their partners were on the hook for the cost of finding the missing fuel rod pieces.

"We want to ensure a common view of our agreement. It's our reading that the costs remain with Vermont Yankee Nuclear Power Corp.," Williams said. "I'm not going to get into specifics, but the costs remain with VYNPC."

Since the fuel rods were discovered missing last month, Entergy has brought in several remote cameras to search the spent fuel pool, and has started a detailed review of computer and written documents to try and track down where the fuel went.

Investigators will also be sent to three low-level nuclear waste sites in Nevada, South Carolina and Washington state, where Vermont Yankee sent its waste from the past 32 years.

Entergy Nuclear paid \$180 million for the Vernon reactor in July 2002. It was a move widely interpreted as an attempt by its Vermont and New England owners to get out from under the financial liability of owning a

B-32

nuclear power plant.

Bruce Wiggett, president of VYNPC, said he interpreted Entergy's notice as the company "reserving its right" to sue the former owners over the missing fuel rod pieces.

"It's a potential lawsuit, I suspect," Wiggett said.

"Our position is we need more information, and we're assessing the situation," Wiggett said. "We thought they purchased all the nuclear liabilities. That's one of the things we're trying to analyze as well, what under the agreement makes us liable."

Wiggett, the longtime chief financial officer for the original owners of the plant, now oversees a staff of three, including himself. The company's offices are located within Entergy's corporate offices in Brattleboro.

Wiggett said all documents that might have to do with the missing fuel rod pieces were turned over to Entergy when the plant was sold.

Stephen Costello, spokesman for CVPS, referred all comment about Entergy's letter to Wiggett. CVPS, in a recent filing with the Securities and Exchange Commission, acknowledged the financial uncertainty associated with the missing rods.

"We cannot predict the outcome of this matter at this time," the CVPS notice with SEC concluded.

"ENVY (Entergy Nuclear Vermont Yankee) informed VYNPC that it believes that VYNPC is responsible under the purchase and sale agreement between VYNPC and ENVY, for all costs arising in connection with ENVY's inspection," both utilities stated to their stockholders in the filing.

Green Mountain Power included an identical notice in a SEC filing earlier this month.

Dorothy Schnure, spokeswoman for Green Mountain Power, said the Entergy letter was "a pro forma" notice.

"We don't have a lot of information yet. It's very early in the process," she said.

She said Green Mountain had to include the notice about Entergy's assertions in its quarterly earnings report to the SEC because it had the potential to affect the company's earnings.

"We had to report that this was going on," she said.

According to filings with the SEC, CVPS owns 35 percent of Vermont Yankee Nuclear Power Corp., Green Mountain Power, 20 percent; National Grid, 22.5 percent; Northeast Utilities, 9.5 percent, Central Maine Power and Public Service Co. of New Hampshire, both 4 percent.

By all accounts, the missing fuel pieces were missing long before Entergy Nuclear bought the plant, even though they were only discovered missing last month.

The last time someone saw the fuel rod pieces, which are 7 and 17 inches long and about the thickness of a Magic Marker pen, was in 1980. They were removed from the reactor core in 1979 because they were damaged and leaking excess amounts of radiation.

The fuel rod pieces were supposed to have been stored in a stainless steel pail, which had been outfitted with special tubes to hold them. A close-up inspection by Entergy and an inspector from the Nuclear Regulatory Commission on April 20 revealed they were missing.

Vermont Yankee is the only currently operating nuclear reactor that has discovered it has lost some of its

nuclear fuel; the other 103 commercial reactors in the country are supposed to be completing an inventory of their nuclear material.

John Sayles, deputy commissioner of the Department of Public Service, said the department was unaware of the action by Entergy against the former owners. He declined any comment on the purchase-and-sales agreement between Entergy and the plant's former owners.

The sale was approved by the Public Service Board in July 2002, with the support of the Department of Public Service, which acts as the ratepayers' advocate.

Wiggett said VYNPC had already responded to the Entergy letter. The company's sole job is to act as the broker for power contracts between Entergy and the former utility owners.

Only one other nuclear utility, the owners of Millstone 1 reactor in Connecticut, has lost old radioactive fuel. Millstone spent \$10 million over two years in its futile attempt to find its missing fuel rods.

Williams said he had no idea how much Entergy had spent so far on the search for the fuel rod pieces.

"We are focusing on the search itself and we are committed to keeping the former owners informed," Williams said.

Contact Susan Smallheer at susan.smallheer@rutlandherald.com.

Burlington Free Press, Wednesday, May 26, 2004(Editorial)

Let the wind blow free

<http://gcirm.burlingtonfreepress.com/RealMedia/ads/click_nx.ads/news.burlingtonfreepress.com/opinion/opinionstory/@Frame1> cc22.8,84,48,(T);About the only thing that backers of a huge wind farm on Glebe Mountain seem willing to negotiate is the surrender terms for their opponents. That's why folks fearing the mountain's desecration were right to end the charade over collaborative planning on the project.

Citing the developer's insistence to push the project ahead, the Glebe Mountain Group withdrew last week from an almost year-long joint-planning effort. The wind project is sponsored by Catamount Energy Corp., a subsidiary of Central Vermont Public Service.

"Catamount has consistently stated its intent to proceed with a massively scaled project even though necessary studies have not yet been carried out, and for seemingly without any regard for the views of other participants," said James Wilbur, chairman of the Glebe Mountain Group.

The project calls for the installation of 27 wind turbines, roughly 300 feet tall, on the Glebe Mountain ridgeline, which runs from Londonderry to Windham. The turbines, which would generate as much as 50 megawatts of power, would be required to include flashing warning lights for low-flying aircraft.

At a stockholders' meeting earlier this month, CVPS President Robert Young said that the company was determined to develop the site and has formed a partnership with the Marubeni Corp. of Japan, which has wide expertise in wind power.

Glebe Mountain is not alone. Plans are afoot for wind projects across the state, including the Lowell Mountain range in the Northeast Kingdom, East Mountain in East Haven and Little Equinox Mountain near Manchester.

Vermonters who prize this state's incomparable beauty must reject construction of huge wind farms on the state's mountaintops. While wind has a place in other parts of the country, it simply doesn't work in a state

that depends heavily on tourists seeking rural serenity and to encounter nature in its most dazzling splendor.

Who wants to come to Vermont to see industrial-sized electrical power generating facilities on scarred, despoiled mountaintops?

Wind power also represents a potential threat to Vermonters who love the outdoors. Gov. Jim Douglas has asked for studies of how wind projects might affect wildlife, notably birds that might be slaughtered in the turbines' sweeping blades. Hunters worry that wind power might frighten away game and destroy habitat. Hikers and other people could find their search for the solace of nature disrupted by noisy, clattering wind turbines and the transmission lines, roads and other support elements needed to produce energy.

Strong citizen resistance is critical as wind-power plans move toward review by the Public Service Board. Let the wind blow free on Vermont's mountains.

AP, Wednesday, May 26, 2004

05.26.2004 06:53 A.M.

Company says former plant owners responsible for rods

The Associated Press

RUTLAND, Vt. (AP) - Entergy Nuclear is telling the former owners of the Vermont Yankee nuclear plant that it holds them financially responsible for the pieces of fuel rod that went missing last month.

Entergy bought the Vernon reactor for \$180 million in July 2002 from Vermont Yankee Nuclear Power Corp., a consortium of New England utilities led by Central Vermont Public Service Corp. and Green Mountain Power Co.

Entergy spokesman Robert Williams said Tuesday the company interpreted its purchase-and-sales agreement to mean that the Vermont utilities and their partners were on the hook for the cost of finding the missing fuel rod pieces.

"We want to ensure a common view of our agreement. It's our reading that the costs remain with Vermont Yankee Nuclear Power Corp.," Williams said. "I'm not going to get into specifics, but the costs remain with VYNPC."

Bruce Wiggett, president of the nuclear power corporation, said he interpreted Entergy's notice as the company "reserving its right" to sue the former owners over the missing fuel rod pieces.

"Our position is we need more information, and we're assessing the situation," Wiggett said. "We thought they purchased all the nuclear liabilities. That's one of the things we're trying to analyze as well, what under the agreement makes us liable."

Wiggett said all documents that might have to do with the missing fuel rod pieces were turned over to Entergy when the plant was sold.

The last time someone saw the fuel rod pieces, which are 7 and 17 inches long and about the thickness of a Magic Marker pen, was in 1980. They were removed from the reactor core in 1979 because they were damaged and leaking excess amounts of radiation.

An inspection by Entergy and the Nuclear Regulatory Commission on April 20 revealed they were missing.

Since then Entergy has used cameras to search the spent fuel pool, and has started a detailed review of

computer and written documents to try and track down where the fuel went.

Investigators will also go to three low-level nuclear waste sites in Nevada, South Carolina and Washington state, where Vermont Yankee sent its waste from the past 32 years.

Williams said he had no idea how much Entergy had spent so far on the search for the fuel rod pieces.

Boston Globe, Sunday, May 23, 2004

PEAKS & VALLEYS

Pressure builds on Vt. Yankee

By B.J. Roche | May 23, 2004

State officials are turning up the heat on Vermont Yankee, the state's only nuclear power plant, over the whereabouts of two small pieces of highly radioactive spent fuel rods. The pieces, which were removed from the reactor in 1979, were discovered missing last month, and a plant official said last week that the rods were probably removed from the reactor with other waste and shipped to a low-level waste facility. Some are citing the incident, along with the discovery of 16 hairline cracks in the reactor's steam dryer, to argue that the plant should be denied permission to increase its power output by 20 percent. The 32-year-old plant is located in Vernon, on the Connecticut River across from New Hampshire. It was bought by Entergy Nuclear in 2002, and provides Vermont with about a third of its power. "We're deadly opposed," says Peter Alexander, director of the New England Coalition on Nuclear Pollution. "The fact that they don't know when these fuel rods went missing, whether it was six months ago or 25 years ago, makes you wonder: What else might be lacking?" He's not alone; the New Hampshire Senate has asked the Nuclear Regulatory Commission to conduct an independent safety assessment, and Vermont Senator James Jeffords last week criticized the NRC for failing in its oversight.

B.J. Roche, who writes from Western Massachusetts, can be reached at peaks@globe.com <<mailto:peaks@globe.com>>

New York Times, Wednesday, May 26, 2004(Online)

Westchester to Examine Ways of Shutting Indian Point Plant

By The New York Times

WHITE PLAINS, May 25 - Aiming to create a new weapon in the fight against the Indian Point nuclear power plant, Westchester County will spend \$385,000 studying how to shut down the controversial plant, the county executive, Andrew Spano, said on Tuesday.

"This is by far the most comprehensive study of a nuclear power plant and the effect of closing it," Mr. Spano said. "We want to determine the best way to shut the plant down."

Mr. Spano said the study would address, among other things, whether and how Entergy, which owns Indian Point, could be encouraged to voluntarily replace the reactors; what it would cost to take over Indian Point, either by purchase or condemnation, if Entergy refused to act voluntarily; what it

would cost to replace the lost energy; what the effect would be on the tax base of municipalities and school districts; and what the effect would be on energy rates for Westchester residents and businesses.

An Entergy spokesman, James Steets, said any plan for a county buyout of the nuclear facility "defied common sense."

DHS/IAIP Daily Open Source Infrastructure Report 26 May 2004: Energy.gov, Wednesday, May 26, 2004(Online)

Department of Energy Announces Study of Advanced New Nuclear Power Plant at TVA Site

WASHINGTON, DC - The U.S. Department of Energy (DOE) today announced that it will cooperate with an industry team led by the Tennessee Valley Authority (TVA) to conduct a detailed study of the potential construction of a two-unit Advanced Boiling Water Reactor (ABWR) nuclear plant on Bellefonte site near Hollywood, Ala. This study, which will cost a total of \$4.25 million over the next 10 months, will help TVA decide whether to build a new, advanced technology nuclear plant at the site by the middle of the next decade which could produce more than 2600 megawatts of electric energy. DOE will fund half of the cost associated with the study.

"We see this study as an important step in industry's consideration of building new nuclear power plants in this country," Secretary of Energy Spencer Abraham stated. "Nuclear power is the only large-scale source of domestically produced electricity that does not produce greenhouse gases. It is, therefore, one of our most important energy sources today and has tremendous potential to support the Nation's energy and environmental goals in the future."

"As a leader in the use and deployment of nuclear power, TVA's decision to lead a team to conduct this study is a positive signal regarding the future of nuclear energy," Kyle McSlarrow, Deputy Secretary of Energy during a visit to the Bellefonte site said.

Deputy Secretary McSlarrow also visited TVA's Browns Ferry plant during his visit to Alabama, which is the site of a major project to prepare the facility's Unit 1 reactor to begin operations by 2007. When started, the 1200 megawatt Browns Ferry Unit 1 plant will be the first new nuclear plant to come on line in the United States in this century. He was joined by Alabama Senator Jeff Sessions in making this announcement. Senator Sessions, one of the Senate's strongest supporters of nuclear power, has been a steadfast proponent of building a new nuclear plant at the Bellefonte site.

The Bellefonte project will detail the cost and schedule for building a two-unit Advanced Boiling Water Reactor (ABWR) plant. This technology is a Generation III nuclear power plant that is based on a design developed by General Electric and was certified by the Nuclear Regulatory Commission (NRC) in 1997. While no plant using this technology has been built in the United States, three ABWR plants are successfully operating in Japan and three additional units are under construction in Japan and Taiwan.

The specific design that will be evaluated for the Bellefonte site will reflect modifications made by the Japanese firm, Toshiba, reflecting that company's successful experience with the technology in Japan.

TVA will lead a project team that includes General Electric, Toshiba, Bechtel, Global Nuclear Fuels-America, and the Nation's only uranium enrichment supplier, USEC Inc. Following completion of the study in April 2005, TVA will make a decision whether to file a combined Construction and Operating License (COL) application with the NRC and consider subsequent steps for building a new nuclear plant. The department will provide approximately \$2.1 million in matching funds to conduct the cost and schedule study.

The project, to be conducted under the department's Nuclear Power 2010 program, was proposed by TVA

in response to a program financial assistance solicitation issued on Nov. 20, 2003. The Nuclear Power 2010 program is an important component of the department's strategy to implement the National Energy Policy recommendation to expand the role of nuclear energy in the United States as a major component of our Nation's energy policy. The program seeks to achieve an industry decision in 2005 to proceed with a COL application for at least one new nuclear power plant that can begin commercial operation early in the next decade.

Neither TVA nor the other two consortia have made a decision to place an order for a new nuclear plant at this time, but each proposed project will help address the complex issues that must be resolved before a new plant is ordered.

Media contact: Hope Williams, 202/586-5806

Syracuse.com, Tuesday, May 25, 2004

Electric grid monitors sign cooperative agreement

The Associated Press
5/25/2004, 8:36 p.m. ET

CARMEL, Ind. (AP) -- Three regional electricity grid monitors that oversee power transmission across much of the East, Midwest and South have agreed to share data and strengthen coordination aimed at preventing blackouts and improving reliability.

The parties to the agreement, which took effect Monday, are the Midwest Independent Transmission System Operator, PJM Interconnection and the Tennessee Valley Authority.

The Midwest ISO, based in the Indianapolis suburb of Carmel, and Valley Forge, Pa.-based PJM have been blamed by some regulators for a lack of coordination before a blackout last August that darkened homes in eight states and Canada.

The Midwest ISO and PJM announced in December an agreement intended to give each organization a broader perspective on the electrical grid and establish procedures to help improve the grid's reliability. This week's announcement adds the TVA.

TVA Chairman Glenn McCullough Jr. said the agreement is a significant step in coordinating electricity flow through the grid.

The Midwest ISO's members are spread in a hopscotch pattern across 15 states from Ohio to Montana and the Canadian province of Manitoba. PJM Interconnection oversees power grid operations in all or parts of eight states from New Jersey to Illinois, as well as the District of Columbia.

The federally owned TVA operates a public power system in seven southeastern states.

EEl Daily Energy News, Tuesday, May 25, 2004(Online)

Transformer Problems, Leaks Affect Power at Four Nuclear Plants

Three nuclear power plants were shut down or faced a reduction in power recently, Reuters reporters. Salem 2, operated by Public Service Enterprise Group Inc., had a failure by a 230-volt transformer, forcing

the 1,150 MW unit offline on May 21. Surry 2, operated by Dominion Resources Inc., took the 812 MW unit offline after a transformer in a switchyard exploded and caught fire. And Turkey Point 3, operated by FPL Group Inc., went to 50 percent power on Monday according to an NRC status report, the newswire said.

Reuters reported that FirstEnergy Corp. was expecting to return the 1,320 MW Perry nuclear unit to service next week after a pipe coupling and pump shaft broke last week, forcing the unit offline. The Salem unit will be offline while a new transformer is put in place and officials determine the cause of the incident.

At Surry 2, workers found a leaking auxiliary feedwater system pipe after the shutdown, forcing additional time offline, company officials said. Wrote Reuters: "The company was repairing the leak and expected to return the unit to service when the work is done. The auxiliary feedwater system is on the secondary (nonradioactive) side of the plant."

Reuters (re: Salem 2) <<http://www.reuters.com/newsArticle.jhtml?type=topNews&storyID=5238268>> ;

Reuters (re: Perry) <<http://www.reuters.com/newsArticle.jhtml?type=topNews&storyID=5238120>> ;

Reuters (re: Surry 2) <<http://www.reuters.com/newsArticle.jhtml?type=topNews&storyID=5237015>> ;

Reuters (re:

Turkey Point 3) <<http://www.reuters.com/newsArticle.jhtml?type=topNews&storyID=5235131>> , May 24.