

# Official Transcript of Proceedings

## NUCLEAR REGULATORY COMMISSION CORRECTED

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Public Meeting: Evening Session

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1 U. S. NUCLEAR REGULATORY COMMISSION

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3 MONTICELLO NUCLEAR GENERATING PLANT

4 LICENSE RENEWAL APPLICATION

5 ENVIRONMENTAL SCOPING PROCESS

6 \* \* \* \* \*

7 PUBLIC MEETING - EVENING SESSION

8 \* \* \* \* \*

9 THURSDAY,

10 JUNE 30, 2005

11 \* \* \* \* \*

12 MONTICELLO, MINNESOTA

13 \* \* \* \* \*

14 The meeting was held at 7:00 p.m. at the  
15 Monticello Community Center, 505 Walnut Street,  
16 Monticello, Minnesota, Chip Cameron, Facilitator,  
17 presiding.

18 PRESENT:

19 CHIP CAMERON, FACILITATOR

20 ANDREW KUGLER

21 JENNIFER DAVIS

22

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24

25

A-G-E-N-D-A

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## P-R-O-C-E-E-D-I-N-G-S

(7:00 p.m.)

1  
2  
3 MR. CAMERON: If everybody could take a seat,  
4 we'll get started with tonight's meeting. Good  
5 evening, everyone. My name is Chip Cameron, and I'm  
6 the special counsel for public liaison at the  
7 Nuclear Regulatory Commission, and I want to welcome  
8 you all to the NRC's public meeting tonight.

9 Our subject tonight is the environmental review  
10 that the NRC is going to do as part of its  
11 evaluation of an application that we received from  
12 Nuclear Management Company to renew the  
13 operating license for the Monticello facility. And  
14 it's my pleasure to serve as your facilitator  
15 tonight, and in that role I'll try to help all of  
16 you to have a productive meeting.

17 A few words about the process issues. The  
18 format for the meeting, ground rules. And I would  
19 like to introduce the speakers that are going to  
20 talk to you tonight from the NRC.

21 In terms of format, we're going to have a two-part  
22 format. The first part of the meeting will be to  
23 give you information on what the NRC looks at when it  
24 evaluates an application to renew an operating  
25 license. Specifically how we conduct the

1 environmental review as part of our evaluation. And  
2 we have two speakers from the NRC who will give you  
3 some context on that and some background.

4 The second part of the meeting is an  
5 opportunity for us to listen to you, your advice,  
6 recommendations, concerns, on the license renewal  
7 issues, and again specifically on the environmental  
8 review. What types of information should we look  
9 at? What types of alternatives should we consider?  
10 And we're also going to be taking written comments  
11 on these issues, and the NRC staff in few moments  
12 will tell you more about that, but I just want to  
13 emphasize that anything that's said tonight will  
14 carry the same weight as any comments that we get in  
15 writing.

16 In terms of ground rules, we're going to go on  
17 to you for questions after the NRC presentations to  
18 make sure that we've explained things clearly. And  
19 if you have a question, just signal me; and I'll  
20 bring you this cordless microphone and please  
21 introduce yourself to us. And I will just ask that  
22 one person speak at a time. I don't think we're  
23 going to have a problem with that tonight, but I  
24 want to make sure that we give our full attention to  
25 whomever has the floor.

1           And also I want to make sure that we get a  
2 clean transcript where we know who is speaking. And  
3 Carol Brausen is here. She's our stenographer.  
4 She's taking a transcript of the meeting, and that  
5 will be available to anyone who wants a copy. And  
6 it's also our record of the meeting of what  
7 transpired tonight.

8           The second part of the meeting is to give you  
9 an opportunity to give us advice and  
10 recommendations. And usually we ask people who are  
11 going to talk to fill out one of the yellow cards in  
12 the back of the room. It's not imperative that you  
13 do that to speak. We just like to know how many  
14 people are going to talk. So I think we have a  
15 couple speakers this evening. And if anybody has  
16 not filled out a card and if you want to speak, just  
17 let me know when we get to that part of the meeting.

18           Our speakers tonight, Mr. Andy Kugler, and Andy  
19 is the chief of the Environmental Review Section in  
20 and the Environmental Impact and License Renewal  
21 Program at the NRC. And Andy and his staff, they  
22 are responsible for the environmental reviews on  
23 license renewal applications, Early Site Permit  
24 applications, any reactive licensing issue on which  
25 we need to do some environmental work.

1           And Andy has been with the agency for about  
2 fifteen years at this point. He's a Reactor  
3 Engineer. He has been a Licensing Project Manager  
4 for specific reactors. He's also been the  
5 Environmental Project Manager for some prior license  
6 renewal applications. He comes to us from the  
7 nuclear industry. He was a Reactor Engineer for  
8 Grand Gulf Utilities at the River Bend.

9           MR. KUGLER: Gulf States Utilities.

10          MR. CAMERON: Gulf States Utilities. Not Grand  
11 Gulf. Gulf States Utilities at River Bend plant. And  
12 there he was a Reactor Engineer and also a licensed  
13 reactor operator. Before that, he was with the  
14 Nuclear Navy, Bachelor's degree in Mechanical  
15 Engineering from Cooper Union in Manhattan and a  
16 Master's degree in Technical Management from Johns  
17 Hopkins University.

18          Andy is going to welcome you and also give you  
19 an overview on license renewal. We're then going to  
20 get specifically to the environmental review, and we  
21 have the Project Manager on the environmental review  
22 on this license renewal application. Jennifer Davis  
23 is with us tonight, and she's going to tell you more  
24 about the environmental review.

25          And Jenny has been with us three years. She's

1       been involved in a number of license renewal  
2       applications on the environmental side, and this is  
3       her project management debut, so to speak. And she  
4       is an Archaeologist by training and has a Bachelor's  
5       degree in Historic Preservation from Mary Washington  
6       University? College?

7               MS. DAVIS: University.

8               MR. CAMERON: University in Fredericksburg,  
9       Virginia. And I would just thank all of you for  
10       being here tonight, and I'm going to turn it over to  
11       Andy.

12              MR. KUGLER: Thank you, Chip. I want to thank  
13       you all for coming out this evening for our meeting.  
14       As mentioned, we'll be primarily discussing our  
15       plans to prepare an Environmental Impact Statement  
16       for the license renewal application for Monticello.  
17       We'll also briefly describe the safety review  
18       process, just to give you some context for that part  
19       of our review. I hope the information that we  
20       provide for you will be useful and will help you to  
21       understand the role that you can play in helping us  
22       to ensure that we cover all the important issues in  
23       our environmental review.

24              I first would like to provide a little context  
25       for the license renewal process. The Atomic Energy

1 Act authorizes the NRC to license nuclear reactors  
2 for a period of 40 years. And for Monticello  
3 Nuclear Generating Plant, that license expires in  
4 the year 2010. Our regulations also provide that we  
5 can extend an operating license for a period of up  
6 to 20 years. And Nuclear Management Company has  
7 requested license renewal for Monticello.

8 As part of the NRC's review of the license  
9 renewal application, we do an environmental review.  
10 And in that review, we evaluate the impacts of  
11 operating the plant for an additional 20 years,  
12 impacts on the environment.

13 The purpose of this meeting this evening is to  
14 give you information on the process that we're going  
15 to be going through to perform that review and also  
16 to give you an opportunity to give us information on  
17 what you think should be considered during our  
18 environmental review. We call that scoping. We're  
19 looking at the scope of our review.

20 After the staff's presentation, we'll be happy  
21 to answer any questions that you have; and we look  
22 forward to hearing any comments you might have on  
23 the scope of our review. As Mr. Cameron mentioned,  
24 there are several members of our staff here who are  
25 available to answer any questions.

1           Before we get further into the discussion on  
2 license renewal, I want to tell you a little bit  
3 about the NRC, what it does and what our mission is.  
4 The Atomic Energy Act is the legislation that  
5 authorizes the NRC to regulate the commercial use of  
6 nuclear material in the United States. In carrying  
7 out that authority, our mission is three-fold. We  
8 protect human health and safety. We protect the  
9 environment. And we provide for the common defense  
10 and security.

11           We accomplish that mission through a  
12 combination of programs and processes, things such  
13 as enforcement actions, assessments of licensing  
14 performance, inspections and review of operating  
15 experience from power plants across the country.

16           Turning to the license renewal review in  
17 particular, it is similar in some ways to the  
18 process we went through when we originally licensed  
19 this plant. And that the process has two parts to  
20 it. There is a safety review and an environmental  
21 review. And then the safety review has some  
22 subparts to it. We do on-site audits and  
23 inspections. We develop a Safety Evaluation Report,  
24 and we also have the results of our review  
25 considered by an independent committee called the

1 Advisory Committee for Reactor Safeguards.

2 This slide is intended to give you the big  
3 picture of the overall process for license renewal  
4 for the NRC. This is our review process, and it  
5 shows both the safety review process, which is  
6 towards the top, and the environmental review  
7 process toward the bottom.

8 Breaking it down a bit, this slide shows just  
9 the safety review process. Now, the safety review  
10 involves the staff's evaluation of the safety  
11 information that was included in the license renewal  
12 application. We have a team of about 30 technical  
13 experts from both the NRC staff and our contractors  
14 who will be reviewing that information.

15 And that team is led by a Safety Project  
16 Manager, which would be Miss Davis's counterpart,  
17 whose name is Daniel Merzke. Some of you may have  
18 met him at the information meeting that was held  
19 here a short time ago.

20 He is in charge of the safety review. And he's  
21 in charge of pulling together the information from  
22 our safety evaluation and from the inspections to  
23 put together the Safety Evaluation Report and then  
24 provide that to the Advisory Committee on Reactor  
25 Safeguards.

1           The safety evaluation that we perform for  
2 license renewal focuses on how Nuclear Management  
3 Company will manage the aging of certain systems,  
4 structures and components during the license renewal  
5 period. Some of the programs that they would be  
6 using are already in place at the plant, and others  
7 would be put in place for license renewal.

8           The safety review process involves audits and  
9 on-site inspections. And for that we have  
10 inspections teams that are made up of staff from  
11 both from our headquarters and our regional office  
12 in Region III, Chicago.

13           I want to also mention at this point that the  
14 Region III office also has on site two resident  
15 inspectors, as we do at every plant. We have a  
16 minimum of two inspectors at every plant monitoring  
17 the day-to-day activities.

18           For this particular site for Monticello, the  
19 Senior Resident Inspector is Mr. Steven Ray, who is  
20 right here. And the Resident Inspector is Bob  
21 Orlikowski, who is right here. And these two  
22 gentlemen are assigned to Monticello, and they  
23 monitor operations there on a day-to-day basis to  
24 ensure the plant is operated in compliance with our  
25 regulations and in a safe manner.

1           The results of the inspections will be  
2           documented in separate inspection reports. And then  
3           that information will be incorporated into the  
4           staff's Safety Evaluation Report. After the Safety  
5           Evaluation Report is completed, it will be forwarded  
6           to the Advisory Committee on Reactor Safeguards.

7           Now, this is an independent body of technical  
8           experts who act as an advisory group to the  
9           Commission. The ACRS will review the license  
10          renewal application, and they'll review the staff's  
11          safety evaluation of that application. They will  
12          then come to their own conclusions and develop their  
13          own recommendations, and they will use that  
14          information to advise the Commission.

15          The second part of the license renewal review  
16          is, as I mentioned, the environmental review. And  
17          Miss Davis will go into more detail on this. I will  
18          just mention that it involves scoping, which is what  
19          we're going through right now. That's the process  
20          of gathering information on what we should review.  
21          And then we'll develop an Environmental Impact  
22          Statement.

23          We'll consider any comments that we receive  
24          this evening, and we'll also consider any comments  
25          that we receive in writing. There is a comment

1 period open on the scope of the review, and we  
2 expect that we will issue the draft Environmental  
3 Impact Statement in February of next year.

4 So as you can see from the overall slide, there  
5 are a number of inputs that are required to provide  
6 the Commission with the information it needs to make  
7 its decision on whether or not to grant a renewed  
8 license. They have to have the Safety Evaluation  
9 Report, the Environmental Impact Statement, the  
10 results of the inspections and the input from the  
11 Advisory Committee on Reactor Safeguards.

12 I would like to point out on this slide the  
13 hexagonal shapes. These are the places where the  
14 public can become involved in the process. If you  
15 look toward the bottom of the screen, there is the  
16 scoping meeting, which we're going through right  
17 now, in the scoping process. That's one of the  
18 early opportunities for involvement.

19 And later on in the environmental review, we'll  
20 come back after we issue the draft and hold  
21 additional public meetings and give you additional  
22 opportunity to comment. But there are a number of  
23 other opportunities in the process, including the  
24 meetings of the Advisory Committee on Reactor  
25 Safeguards. Those are open to the public.

1           That concludes my remarks. At this point I  
2 would like to turn it over to Miss Jennifer Davis to  
3 describe the environmental review in more detail.

4           MS. DAVIS: Thank you, Andy. My name is  
5 Jennifer Davis, and I'm the Environmental Project  
6 Manager. I am responsible for coordinating all the  
7 efforts of the NRC staff and various environmental  
8 experts at the National Labs to develop an  
9 Environmental Impact Statement associated with the  
10 renewal of Monticello Nuclear Generating Plant.

11           The National Environmental Policy Act of 1969  
12 requires that federal agencies follow a systematic  
13 approach in evaluating potential environmental  
14 impacts associated with certain actions. We're  
15 required to consider the impact of the proposed  
16 action and also any mitigation for those impacts  
17 that we consider to be significant.

18           We're also required to consider alternatives to  
19 the proposed action. In this case license renewal.  
20 And that includes the no-action alternative. In  
21 other words, if we decide not to approve the  
22 requested license renewal, what are the  
23 environmental impacts?

24           The Environmental Policy Act -- the National  
25 Environmental Policy Act and our Environmental

1 Impact Statement are disclosure tools. They're  
2 specifically structured to involve public  
3 participation, and this meeting is part of  
4 facilitating the public's participation in  
5 environmental review.

6 The Commission has determined that an  
7 Environmental Impact Statement will be prepared for  
8 all license renewals. In preparing the EIS, the NRC  
9 conducts a scoping process. The purpose of scoping  
10 is to identify the significant issues to be analyzed  
11 in depth. We are now gathering information for the  
12 EIS and are here to collect public comments on the  
13 scope of the review. In other words, what  
14 environmental issues should we consider for the  
15 scope of our review?

16 Staff developed a Generic EIS or GEIS, as we  
17 call it, that addressed a number of issues that are  
18 common to all nuclear power plants. Staff is  
19 supplementing that Generic EIS with a site-specific  
20 EIS that will address the issues that are specific  
21 to Monticello. The staff also evaluates conclusions  
22 reached in the GEIS to determine if there is any new  
23 and significant information that would change any of  
24 those conclusions.

25 I think I'll give you a few seconds to just

1 read this slide. It's a little complicated.  
2 Basically this slide shows our legal decision  
3 standard for the environmental review. And what it  
4 basically is trying to say, is license renewal  
5 acceptable from an environmental standpoint?

6 Now, this slide is just an expansion of the  
7 lower part of the slide that Andy had up a few  
8 minutes ago. It shows a greater -- it shows the  
9 environmental review process in greater detail.

10 Starting with the first box, we received  
11 Nuclear Management Company's application for the  
12 license renewal of Monticello on March 24th, 2005.  
13 On June 2nd, 2005, we issued a *Federal Register*  
14 notice of intent to prepare an environmental impact  
15 statement and conduct scoping process.

16 This started a 60-day clock that is defined as  
17 the scoping period, which we're in right now. This  
18 meeting is part of the scoping process, so that we  
19 can get comments from the public to help us scope  
20 out the bounds of our review.

21 After the end of the scoping period, which will  
22 be August 2nd, we will issue a scoping summary  
23 report that will address all comments that we  
24 receive from all sources during the scoping process.  
25 This past week we've actually been on site, the last

1 two days in particular, conducting our environmental  
2 site audit. Members of the NRC staff, as well as a  
3 team of environmental experts from Lawrence  
4 Livermore National Laboratory, Argonne National  
5 Laboratory and Pacific Northwest National  
6 Laboratory, conducted an environmental site  
7 audit to help gather information for the scoping  
8 process.

9 If in the conduct of our review, we require  
10 additional information beyond what was already  
11 provided to us in the application, we will then  
12 issue a request for additional information. We plan  
13 to issue that request for additional information by  
14 August 26th of this year, if needed. And  
15 approximately eight weeks later, we will expect to  
16 have an answer back from NMC. And then based on all  
17 the information we have in hand, we will publish a  
18 draft of the Environmental Impact Statement for  
19 public comment. We plan on publishing this draft  
20 EIS in February of 2006. And when that draft is  
21 published, it will go out for a 75-day public  
22 comment period.

23 We plan to hold another set of meetings out  
24 here in March of 2006 to gather your comments on the  
25 draft EIS. Once we receive the comments on the

1 draft EIS, we will develop our final EIS, which we  
2 plan to publish in September of 2006.

3 Now, this slide just shows where we gather all  
4 our information from. In addition to our site  
5 audit, we communicate with federal, state and local  
6 officials, as well as local service agencies. For  
7 example, we hold meetings with the State Historic  
8 Preservation Officer, U.S. Fish and Wildlife  
9 Service, Monticello City, Wright and Sherburne  
10 County officials. And finally we do consider all  
11 the public comments that we receive.

12 For the review, we established a team made up  
13 of experts from members of the NRC staff  
14 supplemented by members -- supplemented by experts  
15 in various fields from national labs. This slide  
16 gives you an idea of the areas of expertise that  
17 they evaluate. Some of these areas are terrestrial  
18 and aquatic ecology, archaeology, socioeconomics and  
19 radiation protection, just to name a few.

20 This slide just recaps a couple of key  
21 milestone dates in our schedule. As mentioned, we  
22 are currently in the middle of our scoping comment  
23 period which ends August 2nd. All comments, whether  
24 in the form of a letter or e-mail, as well as  
25 comments received from this transcribed public

1 meeting, will be considered.

2 Earlier I mentioned a GEIS, the Generic  
3 Environmental Impact Statement, for the license  
4 renewal of nuclear power plants. That's an  
5 Environmental Impact Statement that takes into  
6 account the issues that affect all nuclear power  
7 plants that may come in to us for license renewal.

8 We will be publishing a Monticello  
9 site-specific supplement to the Generic EIS or a  
10 SEIS, "S" for supplemental. That supplement will be  
11 issued in draft form in February, with a 75-day  
12 public comment period. After considering your  
13 comments on the draft, they will be published in  
14 final form in September of 2006.

15 This slide just identifies your primary points  
16 of contact with NRC for the preparation of the  
17 Environmental Impact Statement. And it also  
18 identifies where documents related to our review may  
19 be found in the local area. Buffalo Public Library,  
20 as well as the Monticello Public Library, have  
21 agreed to make license renewal application available  
22 for public inspection.

23 In addition, they have also offered to display  
24 our correspondence related to the whole license  
25 renewal process. This includes staff correspondence

1 with other federal and state, as well as our  
2 correspondence with NMC. The draft environmental  
3 impact statement will also be available at each  
4 library that is published. These documents will  
5 also be available on the NRC's Website at  
6 [www.nrc.gov](http://www.nrc.gov).

7 In addition, as you came in, you were asked to  
8 fill in a registration card at our table. If you  
9 included your address on that card, we will send you  
10 a copy of the draft and the final Environmental  
11 Impact Statement. If you have not filled out a card  
12 and would like to receive a copy of the draft,  
13 please see Jason at the back of the room.

14 Now, in addition to providing comments at this  
15 meeting, there are two ways that you can submit  
16 comments for our environmental review process. You  
17 can provide written comments to our Chief of Rules  
18 and Directives Branch at the address on the screen.  
19 You can also make comments in person if you happen  
20 to be in the local area, Rockville, Maryland.

21 And, finally, we've also established a specific  
22 e-mail address at the NRC for the purpose of  
23 receiving your comments on the development of our  
24 draft Environmental Impact Statement and what you  
25 think the scope of our review should be. And that

1 e-mail address is MonticelloEIS@nrc.gov. All of  
2 your comments will be received and collected and  
3 considered. So that is the close of my remarks.  
4 Thank you.

5 MR. CAMERON: Thank you very much, Jennifer.  
6 Thank you, Andy. Are there any questions about what  
7 you've heard tonight? Any questions about the  
8 license renewal process? Okay. Great. And we're  
9 going to go to our -- Andy?

10 MR. KUGLER: I just wanted to add one thing  
11 because I realized that there was an aspect of the  
12 review that I didn't make mention of, and I think  
13 it's important. But if you look toward the lower  
14 right of the screen, there is a block there that  
15 mentions a hearing. There is an opportunity for the  
16 public to request a formal hearing on the license  
17 renewal application. This is both for safety and  
18 environmental.

19 And that opportunity for hearing is ongoing.  
20 Anybody who would interested in requesting a hearing  
21 has until July 11th to file a petition to intervene.  
22 And I want to make mention of that because it is an  
23 important process. And if you have an interest in  
24 doing that, I wanted to make sure you were aware of  
25 the opportunity and aware of the deadline that you

1 have to meet. And if you have any questions  
2 regarding the review process, we can answer those  
3 questions as well.

4 MR. CAMERON: And just to distinguish that --  
5 I'm glad you added that. Just to distinguish that  
6 hearing from the public meetings that we do, this  
7 hearing is an adjudicatory hearing before  
8 administrative judges from the Atomic Safety and  
9 Licensing Board panel at the Nuclear Regulatory  
10 Commission. Thank you, Andy. Thank you, Jennifer.

11 Any questions? We're going to go for comments.  
12 And if there is any questions after that, we'll be  
13 glad to answer them then, too. And we're fortunate  
14 to have Mayor Clint Herbst with us tonight, the  
15 Mayor of Monticello, and he's going to be our first  
16 speaker. Mayor Herbst.

17 MAYOR HERBST: Thank you. I guess I was asked  
18 to come and speak just a little bit about what I  
19 feel Xcel has been for the community. And I kind of  
20 consider myself an expert, not as far as the  
21 day-to-day operations, but being that we moved here  
22 in 1972 and I've continued to raise my family here.  
23 Also, I feel that it's a very safe operation, a much  
24 needed operation, being that now I'm on the  
25 government side of it, to see what kind of impact

1 Xcel does have on the community and what kind of  
2 impact they could potentially have on the community  
3 if there was any problem with relays and things.

4 I feel very confident that I can speak for  
5 previous councils because this is an issue that came  
6 up quite some time ago, and Xcel kind of delayed it  
7 for some reason. They're looking at different  
8 things. But, past councils and the present council, I  
9 think are well behind Xcel, hoping that everything  
10 goes well, hoping that they stay a part of, a huge  
11 part of the community like they have been.

12 After seeing what you have to go through for  
13 licensing, you guys should probably get in the  
14 liquor industry because we put them on the consent  
15 agenda and run them right through. So I just hope  
16 everything goes well. And whatever I can do as far  
17 as the public side of it or the government side of  
18 this, I would like to extend my hand out and just  
19 let me know what I can do. Thank you.

20 MR. CAMERON: Thank you very much, Mayor. And  
21 we also want to thank you and the town for the use  
22 of the facility, great facility tonight. Thank you  
23 very much for that.

24 We're going to hear from the license applicant  
25 and the owner now to hear about their vision of

1 license renewal. And first we're going to go to  
2 Mr. Tom Palmisano of Nuclear Management Company.  
3 And then we're going to hear from Kent Larsen of  
4 Xcel. Tom?

5 MR. PALMISANO: Thank you. Well, thank you  
6 very much. I appreciate the opportunity to speak  
7 tonight. My name is Tom Palmisano. I'm the Site  
8 Vice-President for the Monticello Nuclear Plant.  
9 And I'm here tonight -- well, I have overall  
10 responsibility for operation of Monticello on behalf  
11 of Nuclear Management Company.

12 I'm here tonight to provide my support and  
13 comments on our request to renew the operating  
14 license for the Monticello plant. The mission of  
15 everyone who works at Monticello is very clear and  
16 very simple: safe, reliable, and economic operation  
17 of the plant.

18 And, quite frankly, the safety of the public  
19 and the safety of our employees is the No. 1  
20 priority and has been and continues to be as we  
21 operate. And as part of that, two of our key values  
22 includes being a good neighbor and a good steward of  
23 the environment in which we operate, and certainly  
24 that's very pertinent to tonight.

25 We have over 500 employees, NMC employees and

1 Xcel employees, that are highly experienced, well  
2 trained and committed to the safe, reliable, and  
3 economic and continued operation of Monticello. All  
4 of our employees go through rigorous training to  
5 continuously hone their skills, learn new procedures,  
6 and information. And absolutely no one is exempt  
7 from that training, to ensure that our entire work  
8 force, no matter what their role is, is at their  
9 best.

10 We continuously improve our training based on  
11 advancements in technology in our plant, best  
12 practices we learn through benchmarking with our  
13 other NMC plants throughout the nuclear industry,  
14 and feedback from our employees as they identify  
15 better ways to gain skill and knowledge they need to  
16 do their jobs even better.

17 One example of this high quality training is  
18 our control room simulator that we use to train  
19 principally our operators and some of our other  
20 staff members. The NRC requires that an operator  
21 undergo a year-long training and qualification  
22 program. And part of that is utilizing this  
23 simulator -- [it's an exact replicate of the control  
24 room and models of the plant] -- to receive an NRC  
25 operators's license, which qualifies an employee to

1 work in the control room and operate the nuclear  
2 plant.

3 Our operators who are already licensed are also  
4 required to spend five to six weeks a year of  
5 training on that simulator, continuously updating  
6 their knowledge and their skills and their  
7 proficiency.

8 We also, at Monticello, have extensive processes  
9 and detailed procedures that are continuously  
10 reviewed and updated to cover every aspect of our  
11 operation at Monticello. There are over 8,800  
12 procedures that cover operations, maintenance,  
13 engineering, training, security, and emergency  
14 response scenarios. And that's, quite frankly, just  
15 an example of the range of procedures that we have.

16 Our emergency response procedures and drills,  
17 for example, examine just how our employees react in  
18 the event of an emergency. The emergency plan has  
19 only one focus, and that's safety of the public.  
20 It's safety of the employees and safety of the  
21 plant.

22 Emergency response drills are conducted several  
23 times a year to test our abilities and carefully  
24 examine areas in which we can improve and prevent  
25 situations based on the formal emergency plan which

1 is thoroughly reviewed and monitored by federal  
2 agencies. The rigorous standards we abide by are  
3 set for review thoroughly by the Nuclear Regulatory  
4 Commission and FEMA, the Federal Emergency  
5 Management Agency.

6 We have a collaborative approach with respect  
7 to emergency planning at Monticello, which results  
8 in a team effort between our employees and between  
9 Wright and Sherburne Counties, the State of  
10 Minnesota, the Nuclear Regulatory Commission, FEMA,  
11 just to mention a few. All total, we have over a  
12 thousand people that are part of our emergency  
13 response teams, and we have consistently  
14 demonstrated our ability to protect the health and  
15 safety of the public and our employees, and we will  
16 continue to work with our partners at the NRC to  
17 maintain the high standards for safety excellence.

18 The Monticello plant has been well maintained  
19 over its lifetime. Approximately every two years,  
20 we perform a refueling and maintenance operation, in  
21 which we typically carry out over 2,500 individual  
22 maintenance and inspection activities. And this is  
23 in addition to the ongoing maintenance, inspection  
24 and rigorous testing activities that are performed  
25 during the period where the plant is operating at

1 full power.

2 Over the years, we have continued to invest in  
3 a wide range of equipment improvements that take  
4 advantage of technology and materials to ensure  
5 future reliable and safe operation. As computer  
6 training methods have evolved, we have been able to  
7 broaden the range of training to our work force.  
8 And as we move forward, we will continue to upgrade  
9 and improve equipment and technology for use at  
10 Monticello.

11 Since Monticello began operating in 1971, there  
12 have been many changes that show the nuclear  
13 industry's dedication and commitment to improve its  
14 record of safety and security. I would add that the  
15 regulations, set forth by the Nuclear Regulatory  
16 Commission, that we abide by and to which we are held  
17 accountable are the most stringent of any industry,  
18 and the inspections are more rigorous to maintain  
19 that record of safe and reliable operation.

20 One example is security at all nuclear plants.  
21 Security at nuclear plants across the nation has  
22 increased emphasis and scrutiny since the tragic  
23 events of September 11th, 2001. Security at  
24 Monticello is no exception, and we have taken  
25 extensive precautions and implemented new policies

1 and procedures to ensure the safety and well-being  
2 of the community and our employees is ensured. This  
3 includes several million dollars in additional  
4 resources and new equipment, and we will continue to  
5 work with the NRC to review and evaluate our  
6 security procedures to make certain that we are  
7 using the most effective methods possible.

8 The operation of Monticello today and in the  
9 future requires commitment and diligence to everyday  
10 tasks we all perform. Just last year we set a  
11 record for the most megawatt hours of electrical  
12 power produced by the plant since it began operation  
13 in 1971. As this -- as the performance standards  
14 for nuclear plants continues to rise, so does ours  
15 in Monticello.

16 Monticello is a strong supporter of the  
17 environment. We take great care in our daily  
18 activities to ensure that the environment is well  
19 protected. Our employees feel fortunate that the  
20 location of Monticello rests on the bank of the  
21 Mississippi River within the reaches of the  
22 Montissippi County Park and the Lake Maria State  
23 Park.

24 The site is home to numerous wildlife, aquatic  
25 species and plant life. Our efforts have made

1 Monticello a safe and sound habitat for many years,  
2 and it remains our commitment to maintain that for  
3 years to come.

4 On a different note, Monticello is more than a  
5 power plant operated by highly skilled workers.  
6 It's part of the community. Not only does the plant  
7 rely on many local companies for goods and services,  
8 but our employees live and contribute to the  
9 surrounding -- live in and contribute to the  
10 surrounding communities.

11 We are proud to participate and give back to  
12 the community in a variety of ways including:  
13 serving on county and township boards; as leaders of  
14 the civic and community organizations; as sport  
15 coaches; on church committees; boards and councils;  
16 and as members of charitable organizations. Our  
17 employees also help raise money for local United Way  
18 organizations, for Relay for Life, American Cancer  
19 Society, Rotary Club and STARS Hockey Association,  
20 just to name a few.

21 We sponsor events in the community, including  
22 Big Brothers and Big Sisters Haunted Hayride,  
23 Monticello-Big Lake Hospital Auxiliary and Chamber  
24 of Commerce golf tournaments, and are extremely proud  
25 to have been a sponsor of the Welcome Home ceremony

1 for Monticello's Delta Battery Military Unit last  
2 month.

3 In conclusion, the Monticello plant has been a  
4 productive contributor to the energy needs of the  
5 State of Minnesota and a valuable asset and good  
6 neighbor for the surrounding communities. We remain  
7 committed to operating the plant safely, reliably  
8 and economically, and being focused on being a good  
9 neighbor and a good steward for our environment. I  
10 and the rest the employees at Monticello look  
11 forward to serving you and meeting the needs of the  
12 community for many years to come. Thank you.

13 MR. CAMERON: Thank you very much,  
14 Mr. Palmisano. I'm now going to go to Mr. Kent  
15 Larsen from Xcel.

16 MR. LARSEN: Thank you, Jim. I appreciate the  
17 opportunity to be with you tonight to talk about  
18 Xcel Energy and the Monticello Nuclear Plant. I'm  
19 Kent Larson, Xcel Energy's Vice-President for  
20 Minnesota. I would like to share why license  
21 renewal is the most economical and responsible  
22 energy choice for our one and a half million  
23 customers in the Upper Midwest. As you are well  
24 aware, the Nuclear Management Company, which  
25 operates Monticello on a day-to-day basis, filed an

1 application in March on behalf of Xcel Energy to  
2 renew the operating license for Monticello.

3 First let me give you a brief overview of the  
4 plant. The operating license for Monticello was  
5 issued in January, 1971, allowing for operation for  
6 40 years. That license expires in 2010.

7 The plant generates 600 megawatts of base load  
8 energy, which is approximately 9 percent of Xcel  
9 Energy's total generating capacity in Minnesota.  
10 Combined with our other nuclear plant at Prairie  
11 Island, nuclear energy accounts for nearly  
12 25 percent of the electricity consumed in Minnesota.

13 Xcel energy nuclear plants have an average  
14 five-year capacity factor of 91.7 percent, compared  
15 to the national average of 89.2 percent. Just last  
16 year, Monticello set a record for the most  
17 electrical production by the plant since beginning  
18 operation in 1971, topping 500 gigawatts of power  
19 produced.

20 Monticello has operated safely and reliably for  
21 35 years. We are committed to maintaining safe,  
22 environmental protections to operate for an  
23 additional 20 years. Our No. 1 priority is always  
24 the health and safety of the public. Every day  
25 Monticello employees come to work with a serious

1 mission of working safely and maintaining an  
2 environment in which we work, live, and watch our  
3 families grow.

4 In addition to ensuring that Monticello  
5 operates safely and reliably, it's also Xcel  
6 Energy's responsibility and obligation to ensure  
7 that our customers have safe, reliable,  
8 environmentally sound, and affordable energy that  
9 they need.

10 Monticello is integral to meeting the needs of  
11 our residential and business customers, which demand  
12 for electricity grows at a rate of 1.6 percent  
13 annually. In order to acquire needed generation, we  
14 have an extensive resource planning process that  
15 takes many factors into account, including fuel  
16 supply, infrastructure capabilities, environmental  
17 impacts, proximity to customers and costs.

18 Xcel Energy submitted its latest Integrated  
19 Resource Plan last November. All of our studies and  
20 forecasts show the best way to maintain a reliable,  
21 cost-effective energy infrastructure in Minnesota is  
22 to use a diverse fuel mix that includes  
23 emission-free nuclear power generated at Monticello  
24 and Prairie Island.

25 Our analysis shows that keeping Monticello and

1 Prairie Island as part the diverse energy mix will  
2 benefit our customers by an estimated \$1 billion in  
3 today's dollars during the license extension  
4 periods, compared with the next best replacement  
5 options. Our analysis also shows that keeping the  
6 plants running will result in significantly lower  
7 air emissions that would occur if we were -- if they  
8 were shut down, replaced by the only realistic  
9 alternative, coal or natural gas-fired plants.

10 Monticello is essentially a base-load component  
11 of our generation fleet in Minnesota that has  
12 allowed Xcel Energy to economically meet our  
13 customer's daily generation needs. Without it, we  
14 would have to build new power plants, new  
15 transmission lines; and we would not have the access  
16 to affordable energy that we enjoy today. License  
17 renewal will allow Xcel Energy customers to use the  
18 economical power generated by Monticello for years  
19 to come.

20 Access to economical and reliable generation is  
21 vital for continued economic growth in Minnesota.  
22 While this state has many natural resources, fuel is  
23 not one of them. We must support all of our fuel,  
24 and keeping nuclear as part of the mix is key to  
25 helping us maintain fuel diversity. Fuel diversity

1 is the backbone of our goal to providing affordable  
2 energy to our customers while continuing to reduce  
3 the environmental impacts of our operations.

4 Monticello also provides significant benefits  
5 to the local and state economies by providing more  
6 than 500 full-time jobs supporting families. The  
7 plant and its employees purchase numerous goods and  
8 services from local businesses and contribute to the  
9 local charities and community organizations. The  
10 plant also provides significant tax relief to the  
11 local community. Xcel Energy is committed to be a  
12 good neighbor and fostering continued economic  
13 growth in the region.

14 In closing, continued operation of the  
15 Monticello plant is vitally important to the state's  
16 energy needs, important to the local economy and  
17 important to more than 500 employees who keep it  
18 running every day. To look forward to operating --  
19 we look forward to operating Monticello safely for  
20 many years to come. Thank you very much for the  
21 opportunity to speak on license renewal and this  
22 process.

23 MR. CAMERON: Thank you. Thank you,  
24 Mr. Larsen. Is there anybody else who wants to  
25 speak tonight? Are there any questions that have

1 occurred to anybody? Okay. Great. I would just  
2 thank all of you for coming out tonight, and I'm  
3 going to ask Andy Kugler to close the meeting out  
4 for us. Andy, do you want to use this, or do you  
5 want to --

6 MR. KUGLER: It doesn't matter.

7 I would also like to thank you all for coming this  
8 evening. We appreciate the time that you took to  
9 be here. I hope that what we have provided to you  
10 will be helpful. If you have any comments, there is  
11 still time to provide comments to us. As I mentioned,  
12 if you're interested in the hearing process, there is  
13 also still time left for that.

14 In the packet of information you received,  
15 there is a meeting feedback form. This is a form,  
16 if you have any ideas on ways that we could do these  
17 meetings better in a way that will be more useful to  
18 you, you can provide us with feedback. You can  
19 either fill it out, drop it off in the back, or you  
20 can mail it back to us with prepaid postage. Other  
21 than that, I want to thank you again for being here  
22 this evening and have a safe trip home. Thank you.

23 (Meeting adjourned at 7:47 p.m.)

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