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STATE OF VERMONT
DEPARTMENT OF PUBLIC SERVICE

November 1, 2001

Secretary
Nuclear Regulatory Commission
Washington, D.C. 20555-0001

The Vermont Department of Public Service ("the Department") serves as public advocate in proceedings before the Vermont Public Service Board. The Department is currently active in Vermont Public Service Board Docket 6545, regarding the proposed sale of Vermont Yankee Nuclear Power Station to Entergy Nuclear Vermont Yankee. In order to assist the Department in carrying out our responsibilities in Docket 6545, I would like to request the information below from the agency.

By way of background to our questions, please note the following excerpts from related documents. In the NRC License Transfer Application for Entergy Nuclear Vermont Yankee dated October 5, 2001, it is stated on page 9 of Enclosure 1:

Except as described above, Entergy Nuclear VY and [Entergy Nuclear Operations] ENO will not reduce, replace or withdraw these lines of credit without the *express consent of the NRC*. Further, neither [Entergy Global Investments, Inc.] EGI nor [Entergy International Holdings Ltd. LLC] EIHL lines of credit may be amended without prior *approval of the NRC* and prior written approval of VYNPC. (Emphasis added.)

In testimony submitted on September 27, 2001, to the Vermont Public Service Board in Docket No. 6545, Michael R. Kansler, Entergy Senior Vice President and Chief Operating Officer, represents that Entergy Nuclear Vermont Yankee will have reasonable assurance of financial capability, in part, because use of a credit line is monitored and approved by the NRC. It is stated on page 10:

Reports will be made to the NRC when funds are drawn from this facility [a \$35 million line of credit with EIHL], and the funds will not be reduced, replaced or withdrawn without *the express NRC approval*. (Emphasis added.)

Post-it® Fax Note	7671	Date	11-15	# of pages	2
To	Bob Pulsifer	From	Bill Sheverson		
Co./Dept.	NRC	Co.	VT-DPS		
Phone #		Phone #	802 828 3349		
Fax #	301-415-2102	Fax #			

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The responses to the following questions would be greatly appreciated:

1. Please state what action NRC will take if Entergy Nuclear Vermont Yankee reports use of the credit line in accordance with Mr. Kansler's commitment.
2. Please provide a copy of NRC's policy statement or procedure which controls how the agency considers reports of Limited Liability Corporations' usage of financial assurance funds.
3. If NRC does not have a policy statement or procedure which controls how the agency considers reports of Limited Liability Corporations' usage of financial assurance funds, please provide information and guidance available on how NRC would handle these reports.
4. Please state the basis upon which NRC would grant approval for Entergy Nuclear Vermont Yankee financial assurance funds to be reduced, replaced or withdrawn, if requested by Entergy Nuclear Vermont Yankee.
5. Please provide a copy of NRC's policy statement or procedure which controls how the agency considers approval of requests of Limit Liability Corporations to reduce, replace or withdrawn its financial assurance funds.
6. If NRC does not have a policy statement or procedure which controls how the agency considers approval of requests of Limit Liability Corporations to reduce, replace or withdrawn its financial assurance funds, please provide information and guidance available on how NRC would handle these requests for approval.

In order to be useful for Docket 6545, please provide your responses by November 23, 2001.

Sincerely,



Christine Salembier, Commissioner
NRC State Liaison Officer

cc:

Service List for Docket No. 6545
Vermont Public Service Board