

To: Dyer, NRR
Ref. G20070597

Cathy Jaegers - Re: Vermont Yankee PRB Teleconference (10/3/07, 2:00 -3:00 pm)

CYS:

EDO
DEDMRS
DEDR
DEDIA
AO
R1
OGC
Jones, OGC
Mensah, NRR

From: Raymond Shadis <shadis@prexar.com>
To: "James Kim" <JSK@nrc.gov>
Date: 10/03/2007 10:24 AM
Subject: Re: Vermont Yankee PRB Teleconference (10/3/07, 2:00 -3:00 pm)

Dear Mr. Kim,

The attached articles refer to continuing worker concern over unsafe practices and/or condition affecting at Vermont Yankee that affect public safety. Mentioned, as well, is a Union letter to NRC regarding Entergy's consolidation request. The letter is said to express concern about cross-contaminating safety-cultures with Vermont Yankee - where safety is an issue. Please place the attached articles, and if possible the referenced union letter, before the Petition Review Board in advance of this afternoon's teleconference. Again New England Coalition's chief concern is that workers are repeatedly and in concert claiming knowledge of conditions or practices that reduce margins of public safety but those conditions or practices are not being reported as required by regulation.

Thank you
Ray Shadis

At 01:54 PM 9/27/2007, you wrote:

Mr. Shadis,

The PRB teleconference has been scheduled from 2:00pm to 3:00pm on next Wednesday (10/3/07). Please call the NRC Operations Center, 301-816-5100 at 2:00 pm and asked to be connected to the Vermont Yankee 2.206 petition line.

Thanks
Jim Kim
301-415-4125

Raymond Shadis
Consultant to
New England Coalition
Post Office Box 98
Edgecomb, Maine 04556
207-882-7801
shadis@prexar.com

Template: EDO-001

file://C:\temp\GW\00002.HTM

E-RIDS: EDO-01

10/04/2007

Mail Envelope Properties (4703A5E4.12D : 3 : 28973)

Subject: Re: Vermont Yankee PRB Teleconference (10/3/07, 2:00 -3:00 pm)
Creation Date 10/03/2007 10:22:58 AM
From: Raymond Shadis <shadis@prexar.com>
Created By: shadis@prexar.com

Recipients

nrc.gov
OWGWPO04.HQGWDO01
JSK (James Kim)

Post Office

OWGWPO04.HQGWDO01

Route
nrc.gov

Files	Size	Date & Time
TEXT.htm	1616	
2007-09-22 - Entergys Request to Consolidate.doc		28672
2007-9-29 Entergy Union Spar.doc		27648
Mime.822	80588	

Options

Expiration Date: None
Priority: Standard
ReplyRequested: No
Return Notification: None

Concealed Subject: No
Security: Standard

Entergy's request to consolidate opposed by union

By BOB AUDETTE, Reformer Staff
Brattleboro Reformer

Saturday, September 22

BRATTLEBORO -- A request by Entergy to consolidate five of its nuclear power plants into one holding company could have safety ramifications, according to a union which represents workers at the Pilgrim nuclear power station in Plymouth, Mass.

"A decision by the Nuclear Regulatory Commission to approve Entergy's proposed transfer may have a negative impact on the safe operation of Pilgrim," wrote attorneys representing Utility Workers Union of America Local 369.

"Because some of the facilities with which PNPS would be more closely affiliated after the proposed transfer, notably Vermont Yankee and Indian Point, are known to have safety problems, Local 369 is concerned that under the new 'control' structure ... those safety problems could 'migrate' to PNPS."

The union is asking the NRC to allow it to intervene in the proceedings "and asks that its views be taken into account by the NRC in determining whether to grant its consent."

In response, attorneys for Entergy asked the NRC to return the petition "with no further action" because it violates the NRC's procedures.

"The NRC staff has not yet published in the Federal Register its notice of receipt of Entergy's application ... which would identify the proposed actions under consideration and thereby define the scope of any proceeding."

The five nuclear power plants in question are Pilgrim, Vermont Yankee, Indian Point on the Hudson River, James A. FitzPatrick in Oswego, N.Y., and Palisades in South Haven, Mich.

The five plants are considered "merchant" plants because they are allowed to sell power directly to utility companies such as Central Vermont Power Supply and Green Mountain Power and the cost of the power is set by demand. The other plants in Entergy's fleet are regulated by the states they operate in and profit margins are set by those states.

Currently, all five plants are considered separate operating entities under Entergy Nuclear Holding Company, a subsidiary of Entergy Corporation. Entergy would like to consolidate the five plants into Entergy Nuclear Finance Holding, Llc.

Entergy owns five state-regulated reactors at four sites in Arkansas, Louisiana and Mississippi, which would not be affected by the change.

"This is intended to simplify and centralize the ownership structure for this business," said Wayne Leonard, Entergy CEO, during a July "earnings call."

The transfer of licenses to the new entity will not affect operations at the five plants, nor will it affect staffing, said Leonard, who insisted the request wasn't in preparation for a sell-off of the properties.

"Not that there wouldn't be a number of interested parties," said Leonard. "It simply doesn't meet the guiding principles and it is extraordinarily inefficient from the tax perspective."

Still, the action "naturally suggests additional alternatives (including) a joint venture, spin, carve, split or other actions that may be forthcoming in the future," said Leonard.

If the NRC agrees to Entergy's request, it would be the first time that a nuclear power company had moved its merchant reactors under one umbrella with its own credit rating and financing, separate from its parent company.

But Local 369 might stand in the way of Entergy's plans and is asking the NRC to conduct an evidentiary hearing into the transfer.

The 350 union employees at Pilgrim "have an obvious, direct and substantial interest in Pilgrim's safe operation," wrote attorneys representing the union in a brief filed Sept. 20.

The transfer could also affect the future careers of the union employees at Pilgrim, wrote the attorneys, "if other potential employers come to view PNPS operations similar to those at Vermont Yankee."

Furthermore, they wrote, "the structural change may result in 'cross-contamination' from less safe plants to those with a better safety culture. While it is possible that the 'contamination' would travel in the other direction ... Local 369 does not wish to gamble the safety of its member and their families on that chance. This is not an idle concern, as there have been recent and significant safety issues at Vermont Yankee."

While Entergy attorneys are asking the NRC to deny the petition because it is "premature," they insisted the union "will not be prejudiced by (the rejection) because it will be free to file its petition once the NRC publishes a notice of consideration of the pending application and provides and opportunity for interested parties to request a hearing."

Bob Audette can be reached at raudette@reformer.com or 802-254-2311, ext. 273.

Entergy, Pilgrim labor union spar over license transfer request

By BOB AUDETTE, Reformer Staff

Brattleboro Reformer

Saturday, September 29

BRATTLEBORO -- Rather than returning the petition as requested by Entergy, a Massachusetts labor union is asking the Nuclear Regulatory Commission to hang on to the document until its ready to officially receive it.

The petition, submitted by Utility Workers Union of America, Local 369, which represents 350 workers at the Pilgrim nuclear power station in Plymouth, Mass., is a request to be heard in an Entergy application to consolidate control of five of its nuclear power plants and transfer them into one holding company.

Union attorneys have claimed the transfer could have a negative effect on safety at Pilgrim.

"There have been recent and significant safety issues at Vermont Yankee," wrote union attorneys in a Sept. 18 filing to the NRC, and Local 369 "does not wish to gamble the safety of its members and their families" on the chance that safety problems at Yankee could "cross-contaminate" operations at Pilgrim.

The transfer could also affect the careers of the union employees at Pilgrim "if other potential employers come to view PNPS operations similar to those at Vermont Yankee," they wrote.

There's only one sticking point, contested Entergy attorneys in a response filed two days later: The NRC has received its "statement of purpose" that it plans to "centralize ownership and control" of five of its power plants into one holding company, but it has yet to publish the receipt in the Federal Register, making the union's petition "premature."

Therefore, wrote Entergy attorneys, the NRC should return the document to sender.

But on Thursday, the Union asked the NRC to hold on to the petition until it was ready to confirm receipt, rather than return it and cause what Entergy, in its Sept. 20 filing, called 'unnecessary inefficiencies' in the as-of-yet undefined scope of the hearings.

"If the commission declines to grant Local 369's petition," wrote union attorneys, it requested the NRC hold it until it publishes the notice in the Federal Register.

"There is no reason for the commission to spend its resources (and postage) on 'promptly return(ing)' Local 369's petition," especially because the union would just resubmit it later anyway, wrote the attorneys quoting from Entergy's filing.

Entergy owns and operates Pilgrim and Vermont Yankee nuclear power plant in Vernon. The company told the NRC July 30 that it would like to bring those two plants -- along with Indian Point on the Hudson River, James A. FitzPatrick in Oswego, N.Y., and Palisades in South Haven, Mich. -- under the umbrella of Entergy Nuclear Finance Holding, Llc. Currently, each plant operates independently of each other.

"Because some of the facilities with which PNPS would be more closely affiliated after the proposed transfer, notably Vermont Yankee and Indian Point, are known to have safety problems, Local 369 is concerned that under the new 'control' structure ... those safety problems could 'migrate' to PNPS," wrote attorneys representing the union in its Sept. filing.

The five plants are considered "merchant" plants because they are allowed to sell power directly to utility companies such as Central Vermont Power Supply and Green Mountain Power and the cost of the power is set by demand. The other plants in Entergy's fleet are regulated by the states they operate in and profit margins are set by those states.

Entergy owns five state-regulated reactors at four sites in Arkansas, Louisiana and Mississippi, which would not be affected by the change.

"This is intended to simplify and centralize the ownership structure for this business," said Wayne Leonard, Entergy CEO, during a July "earnings call," who contended the transfer of licenses to the new entity would not affect operations at the five plants, nor will it affect staffing.

The proposed transfer isn't in preparation of selling off any of its properties, said Leonard, though "other actions that may be forthcoming in the future," such as a sale, weren't entirely off the table

The move is intended to consolidate debt and increase the amount the holding company can borrow to make upgrades on reactors in operation or to build new reactors. It would be the first time that a nuclear power company had moved its merchant reactors under one umbrella with its own credit rating and financing.

Bob Audette can be reached at raudette@reformer.com or 802-254-2311, ext. 273.