

State of Vermont
Department of Public Service
112 State Street
Drawer 20
Montpelier, VT 05620-2601
TEL: 802-828-2811

FAX: 802-828-2342
TTY VT: 800-734-8390
email: vtgps@state.vt.us
<http://publicservice.vermont.gov/>

June 23, 2011

50-271

Mr. Eric Leeds, Director
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

Re: Decommissioning funding assurance for Vermont Yankee

Dear Director Leeds:

This letter is to request your help in preventing Entergy Corporation from canceling the \$40 million parent company guarantee required by the U.S. Nuclear Regulatory Commission for funding assurance for the decommissioning of Vermont Yankee Nuclear Power Station. By letter dated March 31, 2011, Entergy Nuclear Operations informed the NRC that it "intended to take the necessary steps to cancel" its existing parent company guarantee that had previously been required by the NRC to provide decommissioning funding assurance for Vermont Yankee since 2009. On April 29, 2011, Entergy Nuclear Operations sent an additional letter to NRC indicating the "cancellation will become effective 120 days after receipt of this notice by the NRC and Entergy Nuclear Vermont Yankee, LLC, as evidenced by the return receipts."

I want to thank you for the job you do in ensuring funding assurance from the nuclear operators on radiological decommissioning. The states depend on you to make sure the funding is there when it is time to decommission a plant. We also very much appreciate the Commission's consistent stand that the states have a legitimate role in the regulation of generation of any kind within its borders, including nuclear. Vermont takes very seriously its role in reviewing land use, power needs, alternatives, costs, economic impacts, and reliability for any generation source.

As you probably know, Vermont has not determined that Vermont Yankee meets the state criteria for continued operation. Since the state processes have not concluded, it is premature for Entergy to claim that the decommissioning funding assurance required by the NRC is no longer needed because the plant will operate until 2032. The NRC has rightly required that there is reasonable assurance of funding for decommissioning plants at the time the funding is needed. Unless the state issues a new Certificate of Public Good to Vermont Yankee, that funding must be considered to be needed in 2012, not 2032. NRC therefore should not allow Entergy to cancel the parent company guarantee at this time.

VE03

NRR

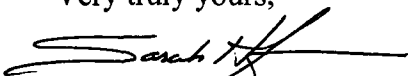


Chairman Jaczko has been quite clear in his public statements that NRC licensing is only one piece of "a variety of permits and other actions" that Entergy needs to operate for an additional twenty years. *New York Times* article of 3/10/11 by Matthew Wald. Likewise in the official press release that was issued upon NRC issuing the license renewal for Vermont Yankee, the NRC further acknowledged "other approval processes outside of NRC" and the need for NRC to "continue to ensure Vermont Yankee is meeting the appropriate public health and safety standard regardless of the reactor's ultimate status." Radiological decommissioning funding assurance is one of those public health and safety standards that must be enforced with vigor and with an acknowledgement of the actual permitting status of the plant. Entergy should be held to providing decommissioning funding assurance, including a parent company guarantee, for a 2012 cessation of operations unless the state process concludes in a manner that allows Vermont Yankee to continue operation past 2012.

Finally, if Entergy is permitted to cancel its parent company guarantee, I would urge that NRC utilize what appears to be an unused provision of the Federal Regulations that allows NRC to work independently or in cooperation with the FERC and the licensee's State PUC to "take additional actions as appropriate on a case-by-case basis, including modification of a licensee's schedule for the accumulation of decommissioning funds." See 10 C.F.R. § 50.75(e)(2). This Department would welcome the chance to work with you to find a way to take action under this regulation to require Entergy Nuclear Vermont Yankee to contribute to the accumulation of the decommissioning funds between now and cessation of operations.

When Vermont Yankee ceases operation, we want the plant to have the necessary funding available upon shut-down to begin decommissioning as soon as feasible. I want the NRC to be a partner in that endeavor. Thank you for your consideration of this issue that is of vital importance to the state of Vermont.

Very truly yours,



Sarah Hofmann
Deputy Commissioner

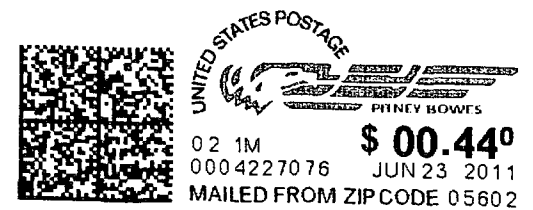
cc: William Dean, Regional Administrator
Senator Patrick Leahy
Senator Bernie Sanders
Representative Peter Welch
John F. McCann, Entergy Nuclear Operations



PSD6
Department of Public Service
112 State Street, Drawer 20
Montpelier, VT 05620-2601

13416

Mr. Eric Leeds
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852



2085282739 0042

