

Guzman, Richard

From: Guzman, Richard
Sent: Thursday, September 05, 2013 4:32 PM
To: 'Jessica Azulay'
Cc: 'Tim Judson'
Subject: RE: another question about our petition

Ms. Azulay,

I am responding to your letter dated August 29, 2013, in which you were concerned that the Entergy subsidiaries were not being included in the NRC's 2.206 review. Just as all four licensees (i.e., Entergy Nuclear Operations, Inc. (operator of all three reactors who jointly possesses the licenses w/the other Entergy subsidiaries - Entergy Nuclear Vermont Yankee, LLC (owner of Vermont Yankee); Entergy Nuclear FitzPatrick, LLC (owner of FitzPatrick); and Entergy Nuclear Generation Co.(owner of Pilgrim) - were jointly referred to as "Entergy" in the petition, the federal register notice (FRN) was intended to do the same. However, I understand your concern, as the FRN only made mention of the petitioners' request for enforcement action against "Entergy Nuclear Operations, Inc. (Entergy)."

To clarify, the NRC's 2.206 Petition Review Board's intent is not to exclude the Entergy subsidiaries - namely, Entergy Nuclear Fitzpatrick, LLC; Entergy Nuclear Vermont Yankee, LLC; and Entergy Nuclear Generation Co. - from its evaluation. The PRB understands that the Petitioners' are requesting investigation and enforcement action against Entergy Nuclear Operations, Inc. as well as the Entergy subsidiaries that jointly possess the licenses for the three reactors that are subject of the Petition; the PRB has accepted the Petitioners' request for 2.206 consideration, and will review the petition accordingly.

Thank you for comment letter and interest on this matter.

Rich Guzman
Sr. Project Manager
NRR/DORL/LPL1-1
US NRC
301-415-1030

From: Jessica Azulay [<mailto:jessica@allianceforagreenconomy.org>]
Sent: Thursday, August 29, 2013 1:38 PM
To: Guzman, Richard
Subject: another question about our petition

Mr. Guzman,

In reading the federal register notice, we have some questions about the scope of the investigation NRC will conduct. Please see attached.

Jessica Azulay

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Richard Guzman
G20130211 Petition Manager
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

August 29, 2013

Mr. Guzman:

On behalf of the petitioners in 2.206 petition G20130211, I have a few questions regarding the Federal Register Notice "ADAMS Accession No. ML13154A331."

The notice only makes mention of our request for enforcement against Entergy Nuclear Operations, Inc. Yet, our petition clearly includes requests for investigation and enforcement action against Entergy Nuclear FitzPatrick, LLC, owner of FitzPatrick; Entergy Nuclear Vermont Yankee, LLC, owner of Vermont Yankee; and Entergy Nuclear Generation Co., owner of Pilgrim.

We would like to know whether the NRC intends to include these in the investigation and determination of financial qualifications for operating the reactors named in our petition. Our position, as outlined in our petition, is that the relationship between the above mentioned entities and Entergy Nuclear Operations is an important aspect of the financial qualifications question. In our view, NRC must determine which Entergy entity bears financial responsibility for each of these troubled reactors, and which makes the day-to-day decisions that could impact safety. It must be determined which assets can be called upon to maintain the reactor, sustain an outage and/or pay for the consequences of an accident. Those are the entities that must be investigated and tested for compliance with the financial qualifications regulations.

The financial relationships among the various Entergy corporate entities is very complex, involving not just the licensees, but the Entergy business units that carry out power marketing: namely, Entergy Nuclear Power Marketing (ENPM) and Entergy Wholesale Commodities. It is our understanding that the holders of the ownership licenses (ENF LLC, ENVY LLC, and ENGC LLC) derive their revenues through sales to Entergy Nuclear Power Marketing and/or other EWC business units, and that ENO, holder of the operating licenses, bills the the owner-licensees for its expenses.

This complex set of internal financial relationships raises even thornier questions about the impact of Entergy's insufficient sales revenues on operational decision-making and nuclear safety. While it is clear from the evidence already at hand that Entergy is in violation of the financial qualifications regulations, it is impossible for NRC to conduct a thorough review of our petition without evaluating the finances of the owner-licensees, as well as the operator-licensee, since the latter derives its revenues from billing the former, and it is the former's finances that are perhaps the greatest limiting factor.

We hope that the inclusion of Entergy's subsidiaries named in our petition has not been lost, as might seem the case from reading the federal register notice. Will you please clarify which entities NRC will be looking at to determine financial qualifications?

Sincerely,

-----/s/-----

Jessica Azulay, Organizer
Alliance for a Green Economy