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June 4, 2015

William Dean, Director
Office of Nuclear Reactor Regulation
Nuclear Regulatory Commission
Washington D.C. 20555-0001

Re: Docket No. 50-271; April 16, 2015 and April 21, 2015 NRC letters allowing Entergy to cancel \$110 million in credit lines and parental guarantees

Dear Director Dean,

The State of Vermont writes to respond to the NRC's Staff's two recent evaluations in April 2015 of Entergy Corporation's request to cancel two credit lines and a parental guarantee totaling \$110 million for the Vermont Yankee Nuclear Power Station (Vermont Yankee). The NRC's Staff's evaluations were based on a conclusion that Entergy's decommissioning trust fund was adequate to cover all remaining costs at Vermont Yankee. However, the State of Vermont has filed—on multiple occasions—objections explaining why Entergy's decommissioning analysis contains serious flaws and requires further evaluation. It is thus premature for the NRC Staff to state conclusions (via the April letters) about Entergy's decommissioning plans.

On April 16, 2015, the Staff evaluated Entergy's request to cancel two lines of credit totaling \$70 million for Vermont Yankee.¹ On April 21, 2015, the Staff evaluated Entergy's request to cancel a parent company guaranty of \$40 million (dated January 28, 2010).²

In both letters, the Staff stated that it believed Entergy's decommissioning trust fund was adequate, based on Entergy's updated status report and December 19, 2014 Post-Shutdown Decommissioning Activities Report (PSDAR).

¹ The original basis for the two credit lines (\$35 million each) was to augment the revenue needed to operate Vermont Yankee. The NRC Staff stated that since Vermont Yankee has now ceased operating, any "costs for remaining activities associated with the decommissioning of VY will be funded from the VY nuclear decommissioning trust fund." NRC Letter, April 16, 2015 at 2 (ADAMS Accession No. ML15097A361).

² The original basis for the parental guaranty was to "address a decommissioning funding shortfall in 2009." NRC Letter, April 21, 2015 at 2 (ADAMS Accession No. ML15107A074).

However, Entergy's decommissioning analysis is inadequate and requires further oversight and evaluation by the NRC. The State of Vermont has explained this in multiple recent filings, including: (1) "March 6, 2015 Comments" (ADAMS Accession No. ML15111A085; Docket Nos. NRC 2015-0004 & 50-271); and (2) "April 20, 2015 Petition for Leave to Intervene" (ADAMS Accession No. ML15111A087; Docket Nos. NRC 2015-0029 & 50-271). Some issues include:

- The PSDAR did not correctly account for contingency costs. March 6, 2015 Comments at 18-19.
- Additional contamination (strontium-90) was discovered at Vermont Yankee after Entergy submitted its PSDAR, and the additional costs of this clean-up have not been accounted for by Entergy. March 6, 2015 Comments at 12-14; April 20, 2015 Petition at 22-23.
- Entergy plans to use the decommissioning trust fund for expenses that are not "decommissioning activities" under 10 C.F.R. § 50.2. March 6, 2015 Comments at 19-23 & 25-39; April 20, 2015 Petition at 9-10 & 20-25.

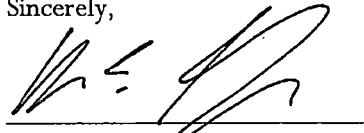
Both the March 6, 2015 Comments and the April 20, 2015 Petition ask the NRC to take specific actions requiring more financial assurance from Entergy and more evaluation to ensure that the decommissioning trust fund will cover all appropriate costs at Vermont Yankee.

Given these pending issues, the Staff should not have concluded, via two short letters in April, that Entergy has "satisfied decommissioning funding assurance requirements." Such discussion and analysis were neither required nor appropriate for resolving Entergy's requests (particularly for the April 16 Letter and the credit lines covering operating costs, which do not involve decommissioning). It was also inappropriate for the Staff to note in the April 21 Letter that the Staff was satisfied with Entergy's new regulatory commitment to provide a parental guaranty of \$40 million or 10% of the decommissioning trust fund's balance, whichever is less, in the event that the trust fund reaches a shortfall requiring additional funding. The State had already filed detailed Comments explaining that this proposal from Entergy gives no assurance, because at the very moment where a parental guarantee is needed because the fund is depleted, Entergy would be providing 10% of zero, which is nothing. See March 6, 2015 Comments at 6-7.

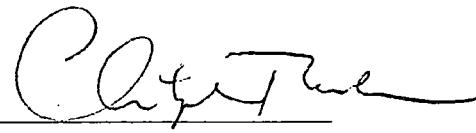
In sum, a more comprehensive decommissioning cost analysis is needed. To be clear, our concerns are related less to whether the parental guarantees should be eliminated or not, when compared to our core concern centered on the premature weighing in by NRC Staff about the adequacy of the decommissioning trust fund. The NRC Staff should withdraw its premature conclusions regarding the decommissioning trust fund until that full evaluation is completed and the NRC has fully responded to the issues in the State's March 6, 2015 Comments and April 20, 2015 Petition.

Thank you for your attention to this matter, and we look forward to your response.

Sincerely,



William E. Griffin
Chief Assistant Attorney General



Christopher Recchia, Commissioner
Vermont Department of Public Service

cc: Annette L. Vietti-Cook, Secretary of the Commission