



Vermont Yankee Nuclear Power Station

Financial Assurance for Decommissioning

December 8, 2014

Agenda

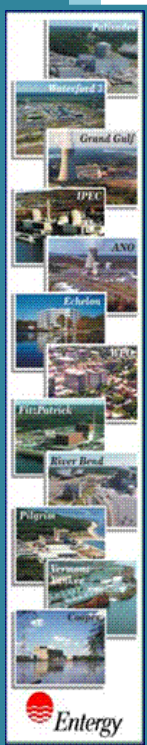
- Background
- VY Decommissioning Periods & Cost Estimate
- Financial Assurance Under 10 CFR 50.75
- Dry Fuel Storage Transfer Project
- Funding Plan Under 10 CFR 50.54(bb)
- Planned Submittals
- Summary

Attendees

Barrett Green - EWC Chief Financial Officer & Head, VY Decommissioning Project

Susan Raimo – Legal Counsel

Coley Chappell – VY Regulatory Assurance Manager



Background

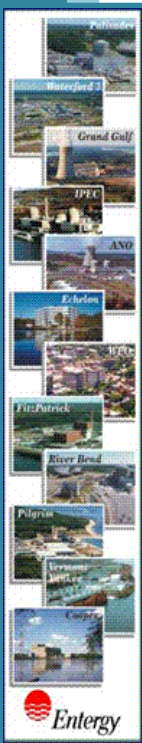
- Plan to shutdown VY at end of current operating cycle; currently planned for December 29, 2014
- A Post Shutdown Decommissioning Activities Report (PSDAR) and Site-specific Decommissioning Cost Estimate (DCE) are planned for submittal no sooner than December 19, 2014
- VY will be placed into SAFSTOR
- Reactor defueling is expected to be complete by mid-January 2015, at which point the certifications of permanent cessation of operations and permanent removal of fuel from the reactor vessel will be submitted in accordance with 10 CFR 50.82(a)(1)(i) and (ii).



VY Decommissioning Periods and Cost Estimate

Decommissioning Activities / Plant Status	Start	End	Years
Pre-Shutdown Planning	August 2013	December 2014	1.3
Plant Shutdown	December 29, 2014	-----	-----
Preparations for SAFSTOR Dormancy	December 29, 2014	April 30, 2016	1.3
Dormancy w/Wet Fuel Storage	2016	2020	5.2
Dormancy w/Dry Fuel Storage	2021	2052	31.5
Dormancy w/No Fuel Storage	2052	2068	15
Preparations for D&D	2068	2069	1.5
Large Component Removal	2069	2070	1.3
Plant Systems Removal and Building Decontamination	2070	2073	2.5
License Termination	2073	2073	0.7
Site Restoration	2073	2075	1.5
Shutdown to Completion of License Termination	-----	-----	59

Category	Sub Category	Sub Category Amount	Amount
License Termination			\$817M
Spent Fuel Management			\$368M
	Transfer to Dry Fuel Storage	\$143M	
	Spent Fuel Operations	\$225M	
Site Restoration			\$57M
TOTAL			\$1.243B



Financial Assurance Under 10 CFR 50.75

The current DCE reports \$817M in License Termination (LT) costs for a SAFSTOR case over the period 2015 to 2076. Using the current NDT balance and the allowed 2% growth rate, the NDT shows an overfunding of \$738M from this perspective, as of 9/30/14.

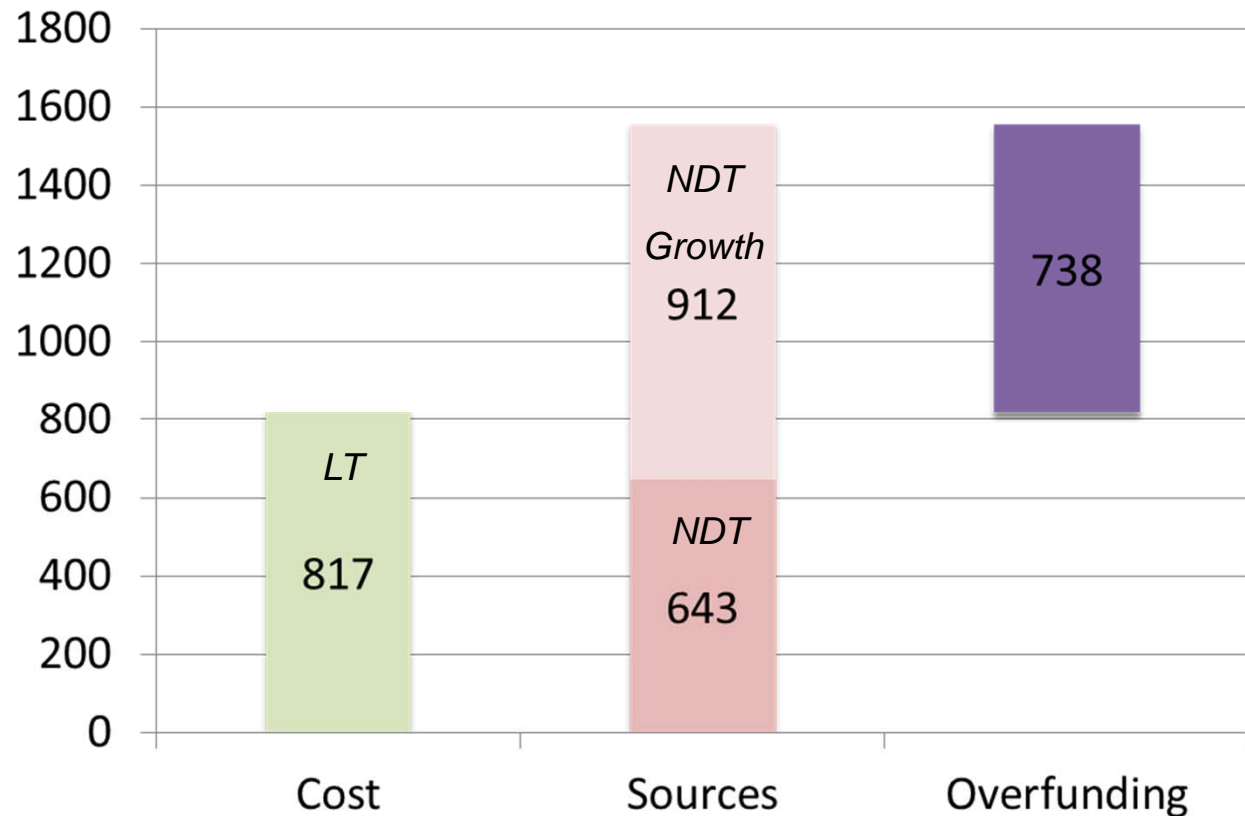
Based upon this:

The current \$40M Entergy guarantee which was put in place in 2009 is no longer required and may be cancelled.

The overfunding may be applied to Spent Fuel Management costs after obtaining a commingled funds exemption from the NRC.

License Termination

2015-2076; \$M₂₀₁₄



Financial Assurance Under 10 CFR 50.75

Parent Guarantee and Lines of Credit

Parent Guarantee

\$40M parent guarantee was issued in 2010 to address a projected decommissioning funding shortfall for VY at that time

Adequate financial assurance is shown by an excess trust fund balance of \$47M above the NRC minimum as reported in March 2014

Lines of Credit

Two lines of credit (LOC) put in place during VY license transfer to ensure additional funding for VY operations and maintenance if needed (\$70M total)

The VY operating license requires written consent from Director, Office of Nuclear Reactor Regulations (NRR) prior to modification or cancellation of these LOCs

VY plans to rely upon its decommissioning trust fund to pay for the costs associated with activities necessary to support the planned decommissioning of VY



Financial Assurance Under 10 CFR 50.75

Means of Adjusting Decommissioning Funding Assurance (10 CFR 50.82(a)(8)(iv))

10 CFR 50.82(a)(8)(iv):

(iv) For decommissioning activities that delay completion of decommissioning by including a period of storage or surveillance, the licensee shall provide a means of adjusting cost estimates and associated funding levels over the storage or surveillance period.



Dry Fuel Storage Transfer Project

VY will have 2996 spent fuel assemblies in wet storage at the VY site after defueling the reactor

The dry fuel transfer project will require:

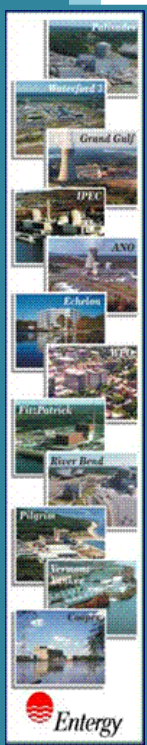
- construction of second ISFSI pad,
- procurement of 45 additional dry fuel casks (13 currently loaded/stored at VY)

Dry fuel transfer costs comprise \$143M of the \$368M in Spent Fuel Management costs identified in the Decommissioning Cost Estimate

VY expects to fund this work through:

- Committed Third Party Revolving Credit Facility (\$60M capacity).
- Uncommitted Third Party Revolving Credit Facility (\$85M capacity).

VY will use recoveries from the litigation with DOE to repay borrowings from the credit facilities.



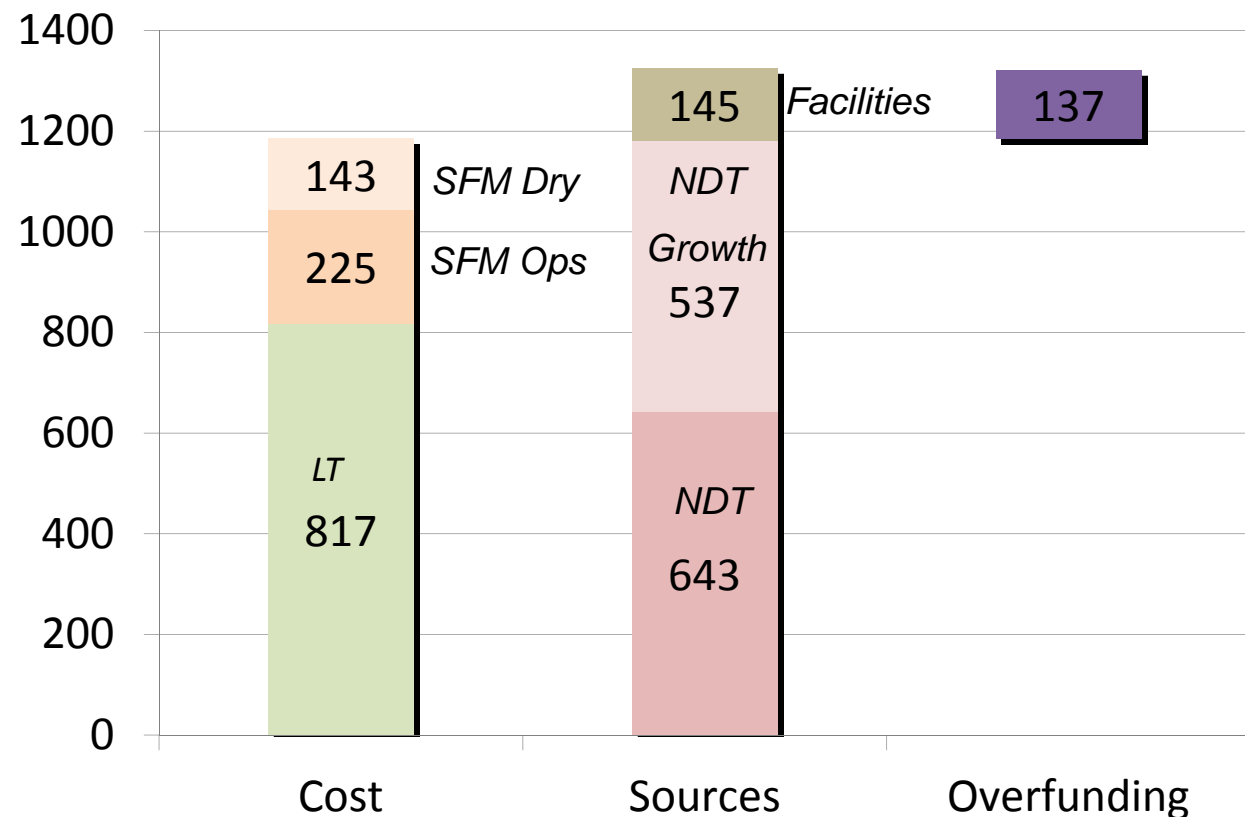
Funding Plan Under 10 CFR 50.54(bb)

License Termination & Spent Fuel
2015-2076; \$M2014 as of 9/30/14

The current DCE reports \$817M in License Termination and \$368M in Spent Fuel Management costs for a SAFSTOR case over the period 2015 to 2076.

\$143M of the Spent Fuel Management costs will be funded through two credit facilities(\$145M), so the total License Termination and Spent Fuel Management funding to be provided from the NDT (assuming commingled funds exemption approval) is \$1043M.

Using the current NDT balance and the allowed 2% growth rate, the NDT shows an overfunding of \$137M from this perspective.



Planned Submittals

Irradiated Fuel Management Program Update

Current Approved 10 CFR 50.54(bb) Irradiated Fuel Management Program

- Assumes VY will request and obtain commingled funds exemption
- Includes commitment to obtain \$127M in funding in 2026 (when NDT surplus has been spent)

Planned 10 CFR 50.54(bb) Irradiated Fuel Management Program Update

- Will continue to assume that VY will request and obtain commingled funds exemption
- Will describe spent fuel funding strategy and provide cash flow analysis to show planned expenditures from the trust fund for license termination (\$817M) and spent fuel operations (\$225M) over time
- Will describe funding plan for Dry Fuel Transfer project (\$143M)
- Will not cite expected litigations recoveries from DOE spent fuel litigation (although they are substantial)
- Existing commitment to make \$127M contribution to decommissioning trust fund in 2026 will be cancelled
- Will demonstrate that trust fund has sufficient funds to cover both the estimated costs of license termination and the operational portions of spent fuel management



Planned Submittals

Commingled Funds Exemption Request

Exemptions will be requested from the following regulations:

- 10 CFR 50.82(a)(8)(i)(A) - to allow use of a portion of the funds from the VY decommissioning trust for the management of irradiated fuel (Spent Fuel Operations up to \$225M)
- 10 CFR 50.75(h)(1)(iv) - to allow trust fund disbursements for spent fuel management activities to be made without prior notice, similar to withdrawals in accordance with 10 CFR 50.82(a)(8)



Planned Submittals: Timeline

Submittal	Planned Date
PSDAR/DCE	December 19, 2014
Request to Remove Lines of Credit	December 2014 (will request approval within 90 days)
Notification of Elimination of Parent Guarantee	December 2014 (will provide 120 day notification)
Decommissioning Trust Fund Status Report	December 2014
Certifications of Permanent Cessation of Operations and Permanent Removal of Fuel	January 2015
Irradiated Fuel Management Program Update	TBD (following PSDAR submittal)
Commingled Funds Exemption Request	TBD (following PSDAR submittal and will request approval within 6 months)



Summary: Decommissioning Funding Sources

VY expects have the following funding sources to meet expenditures in the Decommissioning Cost Estimate:

- Existing nuclear decommissioning trust (balance of \$655M on 10/31/14)
- Site Restoration Trust (balance of \$10M on 10/31/14)
- Two Third Party Revolving Credit Facilities (\$145M total capacity) to support fuel transfer to dry fuel storage
- Expected litigation recoveries from DOE Spent Fuel litigation (although these will not be relied upon in the NRC filings)





Questions?