

PSDAR FAQs	
Decommissioning Process/Oversight	
<b>What is decommissioning?</b>	<ul style="list-style-type: none"> <li>— Decommissioning a nuclear power plant is the process after operations have permanently ceased, including all steps needed to remove the plant safely from service and reduce residual radioactivity to a level that permits release of the property and termination of the NRC license. After decommissioning has been completed for Vermont Yankee, additional site restoration will be done to return the site to a designated future use.</li> </ul>
<b>On what date will you actually cease operations?</b>	<ul style="list-style-type: none"> <li>— We will not operate past December 31<sup>st</sup>, 2014. For internal operational planning purposes, our current plan is to cease operations on December 29.</li> <li>— Vermont Yankee began a gradual reduction of energy generation in September as part of a coast down period. Reactor power level and associated electrical generation will continually and gradually drop during this period due to the depletion of the fuel in the reactor. Coast down will culminate with the plant shutdown targeted for late December.</li> </ul>
<b>What is a Post Shutdown Decommissioning Activities Report?</b>	<ul style="list-style-type: none"> <li>— The PSDAR is a description of planned decommissioning activities, a schedule for accomplishing them and an estimate of expected costs. The report is due to the NRC within two years after a permanent shutdown of the plant and is made available for public review.</li> </ul>
<b>Do you need Vermont approval/agreement before you can file the PSDAR?</b>	<ul style="list-style-type: none"> <li>— Decommissioning and spent fuel management is covered by federal law under the oversight of the NRC.</li> <li>— We are committed to work in good faith with the State of Vermont to determine overall site restoration standards.</li> <li>— Vermont is kept informed of all activities at the plant site and has assigned a fulltime nuclear engineer to the site to facilitate communications on technical issues between VY and the state.</li> </ul>
<b>Why is Entergy submitting the PSDAR in December of 2014 when NRC allows two (2) years after cessation of operation?</b>	<ul style="list-style-type: none"> <li>— The NRC regulations provide for up to 2 years of planning prior to submitting a PSDAR but an early submittal is not precluded.</li> <li>— Since the announced shutdown of VY in August of 2013 the site has been actively engaged in decommissioning planning and development of the PSDAR.</li> <li>— The filing of the PSDAR begins the formal process for NRC review and moves the decommissioning project forward which supports a more timely completion.</li> <li>— The PSDAR is a 'living' document and can be revised as information or plans change during the project.</li> <li>— The State, local stakeholders, as well as the public, will have opportunities to comment on the PSDAR through the NRC review process. A NRC public meeting is tentatively scheduled for the end of January, 2015.</li> </ul>
<b>What is SAFSTOR?</b>	<ul style="list-style-type: none"> <li>— SAFSTOR is a federally approved decommissioning process in which complete plant dismantling is deferred and the nuclear facility maintained and monitored in a condition that allows the radioactivity to decay; afterwards, the plant is dismantled and the property decontaminated. The NRC requires that the decommissioning be completed within 60 years of a plant ceasing operations.</li> <li>— A longer decommissioning schedule allows both decommissioning fund growth and the natural reduction of radioactivity in plant systems.</li> </ul>

<p><b>What is the role of the NRC in decommissioning?</b></p>	<ul style="list-style-type: none"> <li>— The Nuclear Regulatory Commission oversees the public safety and radiological aspects of the decommissioning work itself as well as the sufficiency of funds necessary to complete decommissioning. NRC oversight ends when the site’s residual radioactivity reaches a level that permits release of the property and termination of the operating license.</li> <li>— See <a href="http://www.nrc.gov/reading-rm/doc-collections/fact-sheets/decommissioning.html">http://www.nrc.gov/reading-rm/doc-collections/fact-sheets/decommissioning.html</a></li> </ul>
<p><b>What is the role of Vermont in decommissioning?</b></p>	<ul style="list-style-type: none"> <li>— The state of Vermont is kept informed of all activities at the plant site. The state has assigned a full time nuclear engineer to the Vermont Yankee site to facilitate communications between Vermont Yankee and the State Department of Public Service on all technical issues of interest.</li> </ul>
<p><b>How will you honor your commitment to start the decommissioning process as soon as possible in the wake of the PSDAR?</b></p>	<ul style="list-style-type: none"> <li>— The PSDAR does not change the commitment to the state on starting the decommissioning as soon as NDT funds are adequate to complete decommissioning and remaining spent fuel management activities. Starting the physical decommissioning process at that time remains in everyone’s best interest.</li> </ul>
<p><b>Since SAFSTOR can last up to 60 years, is that how long you anticipate it will take to complete decommissioning?</b></p>	<ul style="list-style-type: none"> <li>— ENVY has committed to seek authority from the NRC to commence major decommissioning activities within 120 days after it has made a reasonable determination that the funds in the NDT are adequate to complete decommissioning and remaining spent nuclear fuel management activities.</li> <li>— Many factors can affect the SAFSTOR duration, and we cannot say with any certainty at this time how long SAFSTOR may last. It will depend on the growth of the decommissioning fund and the timing of the DOE’s removal of spent fuel from the site. Under the terms of the settlement agreement, ENVY agreed to seek NRC approval to initiate the actual decontamination and dismantlement process when it was determined that there were adequate funds in the NDT. Cost analyses that include expected recoveries from the federal government for its failure to remove VYNPS’ spent nuclear fuel suggest that potentially as early as the 2040s, it is possible for dismantling and decontamination activities to commence.</li> </ul>
<p><b>Is SAFSTOR just a stall tactic by Entergy?</b></p>	<ul style="list-style-type: none"> <li>— No. SAFSTOR is an option authorized by NRC and acknowledged as an option by state regulators. It allows time for radiological decay for a safer decommissioning process and proper funding to complete License Termination.</li> </ul>
<p><b>Haven’t other plants been decommissioned faster than 60 years? (Maine Yankee decommissioned within 8 years? Yankee Rowe took about 14 years?)</b></p>	<ul style="list-style-type: none"> <li>— Each situation is unique. We believe the SAFSTOR method is the appropriate choice for this situation. SAFSTOR maintains the facility in a condition that allows it to be safely stored until the removal of radioactive materials and components, eventually permitting unrestricted use of the area. (Decommissioning of Maine Yankee and Yankee Rowe continued to collect funds from ratepayers of the utilities that were joint owners of the plants during decommissioning. When Maine Yankee made the decision to shut down and decommission in 1997, it obtained FERC’s approval to increase its decommissioning collections from ratepayers from \$14.9 M per year to \$33.6 M per year.)</li> </ul>

<b>Decommissioning Financials</b>	—
<b>What is the Nuclear Decommissioning Trust?</b>	— The Nuclear Decommissioning Trust (NDT) contains funds set aside for spending after the plant ceases operation and including the work to transition the plant to SAFSTOR as well as the eventual dismantling and decontamination of the site.
<b>How is the Nuclear Decommissioning Trust funded?</b>	<ul style="list-style-type: none"> <li>— The plant owner maintains the Nuclear Decommissioning Trust in order to finance decommissioning costs and other post-shutdown costs.</li> <li>— The NDT was funded by ratepayer contributions before Entergy purchased the plant. Entergy was not required to contribute additional funds to the NDT by the NRC or Vermont when purchased the plant in 2002.</li> </ul>
<b>How is money in the fund managed by Entergy?</b>	<ul style="list-style-type: none"> <li>— The trust equity holdings are managed by a trustee and invested in stock index fund under specific controlling guidelines. Since January 31, 2010, the market value of the trust fund accounts has grown to \$665 million (as of November 30, 2014) from \$427.6 million.</li> <li>— Under the December 2013 settlement with Vermont, Entergy agreed to fund a separate trust for site restoration. Entergy made an initial \$10 million deposit with an additional \$15 million to be added over the period 2015-2017. The value of this trust was \$10.9 million (as of November 30, 2014).</li> </ul>
<b>What is a Decommissioning Cost Estimate?</b>	— A Decommissioning Cost Estimate (DCE) is a study done to estimate costs to decommission a nuclear plant including labor, fuel, disposal fees, etc.
<b>What is the current cost of decommissioning?</b>	<ul style="list-style-type: none"> <li>— The case that ENVY is filing with the NRC is a SAFSTOR case with a total cost of \$1,242 million over the period 2014 to 2076.</li> <li>— In this case, the specific cost components are license termination \$817 million, spent fuel management \$368 million and site restoration \$57 million.</li> <li>— In this case, the spending for preparations (to get into dormancy) is \$419 million over the period 2014 to 2020.</li> <li>— Consistent with the settlement agreement with Vermont, ENVY also provided estimates of prompt decommissioning, which range from \$1.3 to \$1.6 billion, in the October 2014 Site Assessment Study. (There is less waste to dispose of in the SAFSTOR scenario because the radioactivity decays over time.)</li> </ul>
<b>How did Entergy arrive at the estimates in the DCE?</b>	<ul style="list-style-type: none"> <li>— A comprehensive review of plant structures, components and conditions on the plant site and industry experience in decommissioning projects were considered.</li> <li>— The best cost estimator in the business is TLG Engineering. (Entergy recognized that and bought the company back in 2000.) With their combined experience, the TLG team has performed work for roughly 85 percent of the commercial nuclear plants in the United States, all nuclear plants in Canada and some facilities overseas.</li> </ul>
<b>How much is in the current decommissioning fund?</b>	As of November 30, 2014, market value of the Vermont Yankee Nuclear Power Station's nuclear decommissioning trust accounts was \$665 million. That represents a doubling of the fund value since Entergy purchased the plant in 2002. It is recognized that there will be fluctuations in the fund value over time, but we watch it closely.
<b>Has the Decommissioning Cost Estimate changed over the years?</b>	— Estimates are a combination of expected labor rates, disposal fees, timetables of decommissioning work, changes in regulation and assumptions on DOE performance in nuclear fuel removal. The possibility that the plant would be placed in SAFSTOR to allow fund growth has been acknowledged by state regulators since approving the sale to Entergy in 2002. We are confident that the fund will grow to cover decommissioning expense and we will ensure that the fund remains in compliance with federal regulations in the meantime.

<b>How will you fund an NDT shortfall, if there is one? Do you think you can use credit facilities or parent guarantees, or will you need to contribute cash to the NDT?</b>	<ul style="list-style-type: none"> <li>— We do not expect that we will be required to put any additional funds into the nuclear decommissioning trust.</li> <li>— We expect to finance a portion of spent fuel management costs with repayment of the financing from spent fuel litigation recoveries from the federal government.</li> </ul>
<b>Does the Nuclear Decommissioning Trust cover all site restoration costs?</b>	<ul style="list-style-type: none"> <li>— If NDT funds are not sufficient to cover site restoration costs, under the December 2013 settlement with Vermont, Entergy agreed to fund a separate trust for site restoration. Entergy made an initial \$10 million deposit with an additional \$15 million to be added over the period 2015-2017. The value of this trust was \$10.9 million (as of November 30, 2014).</li> </ul>
<b>As the decommissioning process advances, can we expect a funding shortfall, and if so, how will this impact the decommissioning process?</b>	<ul style="list-style-type: none"> <li>— The fund will certainly fluctuate over the short term as it has in the past. But, we expect to see the fund grow in value over the longer term. Cost analyses that include expected recoveries from the federal government for its failure to remove VY's spent nuclear fuel suggest that potentially as early as the 2040s, it is possible for dismantling and decontamination activities to commence.</li> </ul>
<b>Isn't it true you are using SAFSTOR because you don't have enough money in the decommissioning fund to do the job faster than 60 years?</b>	<ul style="list-style-type: none"> <li>— The Vermont Public Service Board found: "In Docket No. 6545 [its order approving Entergy's acquisition of Vermont Yankee], the Board determined that if the decommissioning trust funds that Entergy maintains were insufficient to complete immediate decommissioning upon plant closure, Vermont Yankee could be placed in SAFSTOR to allow the funds to increase in value until sufficient funds exist and that such an approach would not expose the state to any unnecessary risk, because SAFSTOR is a safe alternative to immediate decommissioning."</li> </ul>
<b>Spent Fuel Management</b>	—
<b>What is the spent fuel pool?</b>	<ul style="list-style-type: none"> <li>— The spent fuel pool is a deep pool of water containing storage racks for storing fuel assemblies in the reactor building. The water provides shielding and cooling of the radioactive fuel assemblies after they are removed from the reactor.</li> </ul>
<b>What are dry casks?</b>	<ul style="list-style-type: none"> <li>— Dry cask storage is a technology that places used fuel in upright containers fabricated of stainless steel and concrete and requiring only natural air circulation and little maintenance. The 13 casks presently in place on a concrete pad at Vermont Yankee each hold 68 used fuel assemblies.</li> </ul>
<b>How does the safety of a spent fuel pool compare with dry casks?</b>	<ul style="list-style-type: none"> <li>— Storing fuel safely within the spent fuel pool and in dry cask storage has been extensively reviewed by the NRC, most recently in its Continued Storage Rule, and we are confident that both methods provide safe storage until such time as the federal government removes the spent fuel.</li> <li>— Before transferring used fuel assemblies from wet to dry storage, general industry practice is to keep the spent fuel assemblies in the spent fuel pool for several years to allow them to cool before they are transferred to dry cask storage.</li> </ul>

<b>Why are casks stored on site?</b>	<ul style="list-style-type: none"> <li>— The casks must be stored on the plant site until the U.S. Department of Energy removes them as the Nuclear Waste Policy Act and the Department's contract with Vermont Yankee requires.</li> <li>— The casks are stored on the site because there is no facility licensed by the NRC to receive possession of or to possess spent nuclear fuel from Vermont Yankee, and Vermont Yankee has not been licensed by the NRC to transfer spent nuclear fuel to another location. Within the Vermont Yankee site, the casks will be stored on an interim spent fuel storage installation located to take advantage of the plant security perimeter and the proximity of the reactor building to the storage pad.</li> </ul>
<b>How long will spent fuel be kept in pools in the plant?</b>	<ul style="list-style-type: none"> <li>— We expect the transition of fuel from wet to dry storage will be complete by mid-2020, assuming that we receive all required approvals to construct a new dry spent fuel storage pad in a timely manner.</li> </ul>
<b>When will dry casks be moved from the site?</b>	<ul style="list-style-type: none"> <li>— The fuel will be moved from the Vermont Yankee site once the U.S. Department of Energy establishes a schedule and mechanism for receiving it from nuclear utilities. The establishment of a permanent repository has been delayed, but the agency has the authority to develop an interim central storage capability as a temporary alternative.</li> </ul>
<b>Does cost of spent fuel management come from the decommissioning trust?</b>	<ul style="list-style-type: none"> <li>— Entergy expects to cover spent fuel costs in the first instance with funds from two credit facilities and from the decommissioning trust. Recoveries from the U.S. Department of Energy will be used to repay the financing, and under the settlement with Vermont, recoveries of any funds used for spent fuel management activities withdrawn from the trust will be retained by Vermont Yankee to meet its decommissioning and other liabilities. A trial court decision on ENVY's first spent fuel damages claims awarded Vermont Yankee \$40.7 million. ENVY's second claim was filed in April 2014.</li> </ul>
<b>What is the status of approvals for an additional dry cask storage pad?</b>	<ul style="list-style-type: none"> <li>— As we committed to do, on June 30, 2014, Entergy filed an application with the Vermont Public Service Board for a certificate of public good to construct a second dry cask storage pad after providing the required prior notice to the Town of Vernon Planning Board and the Windham Regional Planning Commission. With a reasonable period for regulatory review and public input, it is likely that the transfer of all VY spent fuel from wet storage to dry completed by mid-2020.</li> </ul>