

STATE OF VERMONT
PUBLIC SERVICE BOARD

Petition of Entergy Nuclear Vermont Yankee, LLC)
and Entergy Nuclear Operations, Inc. for a Certificate)
of Public Good, pursuant to 30 V.S.A. § 248 and)
10 V.S.A. § 6522 to construct a Second Independent)
Spent Fuel Storage Installation at the Vermont Yankee)
Nuclear Power Station)

Docket No. 8300

PREFILED SURREBUTTAL TESTIMONY OF
CHRISTOPHER RECCHIA

ON BEHALF OF THE
VERMONT DEPARTMENT OF PUBLIC SERVICE

December 23, 2015

Summary: Commissioner Recchia's surrebuttal testimony responds to the prefiled rebuttal testimony of T. Michael Twomey and George Thomas on behalf of Entergy VY. The testimony also supplements Commissioner Recchia's prefiled direct testimony dated August 19, 2015.

Prefiled Surrebuttal Testimony
of
Christopher Recchia

1 **Q1. Please state your name and occupation.**

2 A1. My name is Christopher Recchia and I am the Commissioner of the Vermont Department
3 of Public Service ("Department" or "DPS"). My business address is 112 State Street,
4 Montpelier, Vermont.
5

6 **Q2. Have you previously submitted prefiled direct testimony in this docket proceeding?**

7 A2. Yes. I submitted prefiled direct testimony on August 19, 2015.
8

9 **Q3. What is the purpose of your testimony?**

10 A3. My testimony outlines the Department's support of Entergy's recent announcement that it
11 will begin transfer of spent nuclear fuel from the VY Station's spent fuel pool to dry cask
12 storage upon the existing ISFSI pad in 2017 – two years earlier than had initially been
13 anticipated by Entergy. My testimony also provides additional explanation for the
14 Department's conclusion that there is sufficient information to find that Entergy Vermont
15 Yankee, LLC and Entergy Nuclear Operations, Inc. (collectively "Entergy VY") has met
16 the adequate financial assurance criterion, and it makes a clarification to my prefiled
17 direct testimony.
18

19 **Q4. Is it your understanding that Entergy VY now plans to begin transferring spent
20 nuclear fuel from the VY Station spent fuel to dry cask storage starting in 2017?**

21 A4. Yes. My understanding, based on review of Mr. Thomas' prefiled rebuttal testimony
22 dated October 21, 2015 and a press release issued by Entergy VY on December 16, 2015,
23 is that Entergy VY currently plans to start transfer of spent nuclear fuel from the VY
24 Station spent fuel pool and into dry cask storage on the existing ISFSI pad in 2017. This
25 is two years earlier than the 2019 start date outlined in Entergy's petition and supporting

1 prefiled direct testimony. I also understand that Entergy continues to plan to complete
2 transfer of the spent nuclear fuel into dry cask storage by the end of 2020, which is the
3 same time reflected in Entergy's petition.
4

5 **Q5. Do you support Entergy's plan to move the start date for spent nuclear fuel transfer**
6 **to 2017?**

7 A5. Yes. I support this decision.
8

9 **Q6. Please explain why.**

10 A6. The advanced start date for spent fuel transfer from the spent fuel pool to dry cask storage
11 presents a number of potential benefits to Vermont and its citizens. First, a 2017 fuel
12 transfer start date provides Entergy VY with more time to address any contingencies that
13 may arise if technical problems are encountered during the fuel transfer to dry cask
14 storage with less chance of impacting the 2020 completion date. Second, an earlier start
15 date may make it possible for Entergy VY to complete the transfer of all spent nuclear
16 fuel out of the spent fuel pool prior to the end of 2020, although Entergy VY has made no
17 indication that it is considering an early completion schedule at this time.
18

19 I also note that Entergy VY has stated in rebuttal testimony and in its recent press release
20 that the earlier fuel transfer start date will not change the overall costs associated with
21 ISFSI pad construction and the fuel transfer campaigns. While the start date change does
22 not impact the overall cost analysis for the Project, as stated above, it may reduce the risk
23 of cost overruns in response to any potential technical problems by allowing more time to
24 fashion cost-effective methods of resolving those problems without jeopardizing the 2020
25 fuel transfer campaign end date.
26

27 **Q7. Do you continue to believe that there is sufficient information for the Public Service**
28 **Board ("Board" or "PSB") to find that adequate financial assurance exists,**
29 **pursuant to 10 V.S.A. § 6522(b)(1), for the management of spent fuel at Vermont**

Yankee for a time period reasonably expected to be necessary, including through decommissioning, and for as long as it is located in the state?

A7. Yes. After review of Mr. Twomey's rebuttal testimony and Entergy VY's responses to the Department's latest set of information requests, I continue to believe that there is sufficient information for the PSB to find that adequate financial assurance exists for the management of spent fuel at the VY site. Entergy's use of approximately \$145 million in credit facilities, coupled with its demonstrated ability to recover spent fuel management costs from the U.S. Department of Energy ("DOE") provides a basis, in my opinion, to find that adequate financial assurance exists.

I would like to highlight a feature of one of the credit facilities Entergy intends to use to fund the construction of the second ISFSI pad and transfer of the spent nuclear fuel that provides additional financial assurance. In discovery answer A.DPS:EN.3-4, Mr. Twomey notes that the \$60 million committed credit agreement contains an option allowing Entergy VY to increase the aggregate amount it can borrow above and beyond the \$60 million. To be clear, I am neither recommending that Entergy VY exercise that option to increase the aggregate borrowing amount of the committed credit agreement at this time, nor that Entergy VY should be required to exercise the option in any way as a condition for issuance of the certificate of public good in this proceeding. The option does, however, provide an additional source of adequate financial assurance for spent fuel management at the site.

Q8. Is there anything else you would like to discuss in your testimony?

A8. Yes. I would like to make a clarification to the direct testimony I prefiled on August 19, 2015. My initial testimony recognized Entergy VY's stated intention to seek monies from DOE for breach of contract and to use that money to reimburse the decommissioning trust fund for spent nuclear fuel management. I would like to clarify that under the terms of the Settlement Agreement between Vermont state agencies and Entergy VY dated December 23, 2013, monies recovered from DOE for

1 decommissioning trust fund reimbursement may not necessarily go back to the trust fund.
2 Instead, those monies may be deposited into a trust separate from the decommissioning
3 trust fund. This separate trust contains protections to limit withdrawal of the deposited
4 funds to activities and expenses that are related to decommissioning, spent fuel
5 management, and site restoration at the VY site.
6

7 **Q9. Does this conclude your testimony?**

8 **A9. Yes.**