

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 8880

Joint Petition of NorthStar Decommissioning Holdings, LLC, NorthStar Nuclear Decommissioning Company, LLC, NorthStar Group Services, Inc., LVI Parent Corporation, NorthStar Group Holdings, LLC, Entergy Nuclear Vermont Investment Company, LLC and Entergy Nuclear Operations, Inc., and any other necessary affiliated entities to transfer ownership of Entergy Nuclear Vermont Yankee, LLC, and for certain ancillary approvals, pursuant to 30 V.S.A. §§ 107, 231, and 232

Order entered: 06/11/2018

**ORDER RE: CERTAIN REQUESTS AND
CONFIDENTIAL TREATMENT OF NORTHSTAR FINANCIAL STATEMENTS**

Motion of NorthStar Petitioners for Protective Order

On May 21, 2018, the NorthStar Petitioners¹ filed a motion with the Vermont Public Utility Commission (“Commission”) for a protective order related to the 2017 financial statements of NorthStar Group Holdings, LLC and NorthStar Group Services, Inc. These financial statements were covered by a record request made by the Commission on May 11, 2018, during the evidentiary hearings in this case. As the NorthStar Petitioners note in their motion, the Commission previously determined in its Protective Order for Prefiled Evidence of January 11, 2018 (the “Protective Order”) that a *prima facie* case had been made for confidential treatment of redacted information concerning NorthStar financial statements and financial data that were discussed or included in certain prefiled testimony of the Vermont Department of Public Service. None of the other parties objected or otherwise responded to the motion.

The Commission concludes in this Order that the NorthStar Petitioners have similarly made a *prima facie* case that confidential treatment of the 2017 financial statements of North

¹ The NorthStar Petitioners are NorthStar Decommissioning Holdings, LLC, NorthStar Nuclear Decommissioning Company, LLC, NorthStar Group Services, Inc., LVI Parent Corporation, and NorthStar Group Holdings, LLC.

Star Group Holdings, LLC and NorthStar Group Services, Inc. is warranted. Consistent with the Protective Order, and subject to its terms and conditions, such financial statements shall be submitted and kept under seal until 90 days after the closing of the acquisition of Entergy Nuclear Vermont Yankee, LLC (“ENVY”) by NorthStar Decommissioning Holdings, LLC or, if the acquisition does not close, until January 11, 2025.

Response of NorthStar Petitioners to record request for other financial statements

During the evidentiary hearings, the Commission also requested financial statements for three other companies, JFL-NGS Partners, LLC; JFL-NGS Holdings, LLC; and JFL-GP Investor IV, LLC, that would indirectly own the renamed ENVY following the proposed acquisition.² In a response to this record request filed on May 25, 2018, the NorthStar Petitioners stated that JF Lehman & Co. “does not maintain financial statements for the pass-through investment entities it established for ownership of NorthStar Group Holdings, LLC and its subsidiaries.”

The Commission requests that the NorthStar Petitioners confirm that no audited or unaudited financial statements exist for JFL-GP Investor IV, LLC, JFL-NGS Holdings, LLC, or JFL-NGS Partners, LLC and also requests that the NorthStar Petitioners advise the Commission as to whether investors in each of such companies have received any financial statements or financial reports related to any of these companies. To the extent that investors in JFL-GP Investor IV, LLC, JFL-NGS Holdings, LLC, or JFL-NGS Partners, LLC have received such financial statements or financial reports, the Commission requests that the NorthStar Petitioners provide copies of such statements or reports to the Commission. The NorthStar petitioners shall respond to this request in the form of additional supplemental prefiled testimony by June 21, 2018.

Exhibit JP-SES-19: NRC Filing of May 21, 2018

On May 23, 2018, the Joint Petitioners³ filed with the Commission the supplemental prefiled testimony of Scott State together with a copy of a letter to the U.S. Nuclear Regulatory Commission dated May 21, 2018, which was filed as exhibit JP-SES-19 (the “NRC Letter”).⁴ In

² Tr. (5/11/18) at 7 and 35.

³ The Joint Petitioners are the North Star Petitioners and Entergy Nuclear Vermont Investment Company, LLC and Entergy Nuclear Operations, Inc.

⁴ In their cover letter, the joint petitioners asked whether the Commission would prefer in future similar circumstances that explanatory information be conveyed in the form of a letter rather than prefiled testimony. The

footnotes to enclosures 1, 2, and 3 of attachment 2 to the NRC Letter, the Commission notes the following statement: “Beginning NDT Balance of \$513 million is the minimum pre-tax balance required pursuant to MIPA/DCAA.”

The Joint Petitioners are requested to reconcile in the form of supplemental prefiled testimony the statement in the footnotes regarding the minimum required NDT balance of \$513 million with the testimony of Michael Twomey during the evidentiary hearing that under the MIPA the combined balance of the NDT and SRT at closing has to be at least \$538 million (which could result in an NDT balance at closing of less than \$513 million):

I think one way to think about it, as the juxtaposition of the MOU requirements and the contractual requirements is that the minimum balance has to be 538. We know there will be 60 million in the SRT. So there would have to be at least 478 million in the NDT.⁵

The Joint Petitioners shall provide such explanatory supplemental prefiled testimony by June 21, 2018,

June 1 Letter re Alternative Approach to Tax Issue

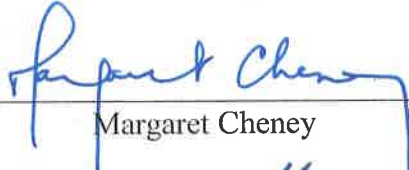

On June 1, 2018, the Joint Petitioners filed a letter with the Commission describing an alternative approach the Joint Petitioners have developed to provide comfort to the North Star Petitioners in light of the notification from the Internal Revenue Service that it will not issue the requested private letter concerning the tax treatment of the proposed transactions. The Commission notes that Entergy Nuclear Vermont Yankee, LLC (“ENVY”) now plans to transfer certain excluded assets to another Entergy affiliate as early as this month. The Commission requests that the Joint Petitioners file a letter with the Commission by June 21, 2018, that includes a brief description of the excluded assets, in addition to the Governor Hunt House, that are being transferred by ENVY to the affiliate.

SO ORDERED.

Commission prefers that filings in similar circumstances continue to be made through supplemental prefiled testimony.

⁵ Tr. (5/10/18) Twomey at 65. *See, also*, tr. (5/10/18) Twomey at 60 and generally at 60-69.

Dated at Montpelier, Vermont, this 11th day of June, 2018.

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)	PUBLIC UTILITY
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Margaret Cheney)	COMMISSION
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)	
Sarah Hoffmann)	OF VERMONT

OFFICE OF THE CLERK

Filed: June 11, 2018

Attest: 
Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

PUC Case No. 8880 - SERVICE LIST

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