

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Joint Petition of NorthStar Decommissioning)
Holdings, LLC, NorthStar Nuclear Decommissioning)
Company, LLC, NorthStar Group Services, Inc., LVI)
Parent Corporation, NorthStar Group Holdings, LLC,) Docket No. 8880
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)

**DEPARTMENT OF PUBLIC SERVICE’S NOTICE OF AVAILABILITY OF
ADDITIONAL PUBLIC TESTIMONY**

The Department of Public Service (“Department”) hereby provides notice that portions of the prefiled direct testimony of Department witnesses that the Department provisionally redacted in the versions of that testimony filed publicly with the Public Utility Commission (“Commission”) on August 30, 2017, may be treated as public and not confidential. Petitioners NorthStar Decommissioning Holdings, LLC; NorthStar Group Holdings, LLC; LVI Parent Corp.; NorthStar Group Services, Inc.; and NorthStar Nuclear Decommissioning Company, LLC (together “NorthStar”) notified the Department that the portions of testimony identified below may be made public.

I. BACKGROUND

On August 29, 2017, NorthStar, along with Entergy Nuclear Vermont Investment Company, LLC and Entergy Nuclear Operations, Inc. (together “Entergy,” and together with NorthStar “Joint Petitioners”), filed a motion “for a protective order requiring certain prefiled testimony, exhibits, and discovery responses to be submitted under seal into the evidentiary record because they contain confidential information of one or both Joint Petitioners.” Joint

Petitioners' Motion for Protective Order Requiring Certain Prefiled Testimony, Exhibits, and Discovery Responses To Be Submitted Under Seal into the Evidentiary Record, at 1 (Aug. 29, 2017). Joint Petitioners committed to "meet and confer with the Department promptly in an attempt to make available a more complete (less redacted) public version" of the Department witnesses' testimony. *Id.* at 5.

On August 30, 2017, the Department filed through ePUC public versions of each of its witnesses' prefiled testimony and associated exhibits, in which it provisionally redacted portions of those materials that in the Department's estimation potentially could constitute "confidential information of one or both Joint Petitioners." *See id.* at 1.

The Department also filed unredacted versions of its witnesses' testimony and associated exhibits under seal, and served that testimony and those exhibits on the parties to the docket entitled to receive those materials pursuant to the Commission's "Procedural Order Re: Protective Agreement" (May 26, 2017) and "Procedural Order on Motion for Special Confidentiality Protocols" (June 15, 2017).

On September 5, 2017, NorthStar identified portions of testimony of Department witnesses that were redacted but that NorthStar determined could be treated as public, pursuant to its commitment to "meet and confer with the Department promptly in an attempt to make available a more complete (less redacted) public version" of the Department witnesses' testimony. Motion for Protective Order, at 5. *See also* Exhibit 1, E-mail from Joslyn L. Wilschek, Esq., Primmer Piper Eggleston & Cramer PC, to Bonnie Heiple, Esq., Wilmer Cutler Pickering Hale and Dorr LLP, Re: "Docket 8880: Release of Redacted Text and NorthStar Deposition dates" (Sept. 8, 2017, 11:07 a.m.).

II. TESTIMONY TO BE TREATED AS PUBLIC

Accordingly, the following portions of testimony submitted on behalf of the Department may be treated as public.

From the Prefiled Testimony of Daniel S. Dane:

- Page 32, Lines 17-20: “NorthStar’s Deal Model reflects the economics of the Proposed Transaction from NorthStar’s perspective. The Deal Model begins with an assumed \$538 million NDT/SRT trust fund balance that will be transferred at the close of the Proposed Transaction.”
- Page 36, Line 19 through Page 37, Line 4: “According to the Deal Model this forecasted closing balance is sufficient to cover NorthStar’s estimates of the costs to decommission VY and restore the site, pay applicable taxes on unrealized gains on the transfer of the NDT, and cover the costs to manage spent fuel on the ISFSI until it is accepted by the DOE, with the interim deficit expected to be made up by DOE recoveries and growth in the funds in the trust until they are expended.”
- Page 41, Lines 12-14: “At \$125 million, the Support Agreement represents approximately 14% of NorthStar’s total decommissioning cost projection, including site restoration and SNF management.”

From the Prefiled Testimony of Gregory A. Maret:

- Page 5, Lines 10-16: “Information provided by NorthStar suggests that it relies on decontamination for more than is typical (e.g., it assumes that decontamination would reduce contamination of systems and structures, as opposed to simply preventing further spread), and that NorthStar therefore anticipates those activities would reduce the

amount of contaminated material that must be packaged, shipped to, and disposed of at a licensed facility. As a result, the cost to dispose of waste materials may be understated.”

- Page 5, Lines 17-22:
 - “4. NorthStar intends to use fixatives, which are typically used to lock contamination in place. Information provided by NorthStar suggests that it relies on use of fixatives to reduce the amount of contaminated material that must be disposed of at a licensed facility. As a result, because the use of fixatives does not reduce contamination, the cost to dispose of waste materials may be understated.”
- Page 6, Lines 6-9:
 - “6. NorthStar proposes to use explosive demolition for at least one radiologically contaminated structure. NorthStar has not demonstrated (including by providing analyses) that it could adequately control the spread of radioactive material during the proposed demolition.”
- Page 13, Lines 18-19: “The risk with NorthStar’s assumptions relates to the waste burial rates assumed by NorthStar.”
- Page 14, Lines 9-15:
 - “Q30: What risk did you identify with NorthStar’s approach to decontamination?”
 - A30: NorthStar includes substantial effort and cost for decontamination services. It is not clear whether NorthStar is relying on decontamination in an effort to reduce the volume of material that must be disposed of as radioactive waste. If so, this assumption is non-conservative—again, since decontamination does not

generally make contaminated materials free of contamination—and would likely result in underestimating the cost of waste disposal.”

- Page 15, Lines 1-6:
 - “Q32: What risk did you identify with NorthStar’s approach to the use of fixatives?
 - A32: NorthStar appears to identify fixatives as a method of decontamination, as opposed to merely locking contamination in place. To the extent that NorthStar relies on fixatives to offer a benefit to the disposal options for a given material, this is a non-conservative assumption and will likely result in underestimating the cost of waste disposal.”
- Page 15, Line 21 through Page 16, Line 4:
 - “Q35: Has this approach to apply fixatives prior to explosive demolition been used before with commercial nuclear plant decommissioning?
 - A35: To my understanding this approach would be unprecedented. NorthStar did not provide analysis to support the contention that such demolition could be accomplished without the spread of radioactive and non-radioactive contamination.”

From the Prefiled Testimony of Warren K. Brewer:

- Page 23, Lines 19-21: “Based on the magnitude of costs for fuel transfer to DOE in the NorthStar plan, NorthStar assumes that sealed spent fuel canisters will be accepted by DOE without repackaging.”

- Page 29, Lines 8-18:
 - “Q48: What are the additional costs related to recovery of spent fuel management costs from DOE based on the NorthStar financial model?”
 - A48: The NorthStar model assumes recoveries from DOE every year. As a result there will be costs every year for preparation of the claims. There may also be costs for discussing the claimed costs with DOE or responding to requests for additional information from DOE. NorthStar includes ‘litigation costs’ in its model, but identifies them as costs for renewing the reimbursement agreement and not as costs for preparing and submitting annual claims. While the costs for such items in any given year would not necessarily be significant, if the costs were very conservatively assumed to be only \$50,000 per year, the total would be over \$1 million for the entire project.”
- Page 29, Line 19 through Page 30, Line 9:
 - “Q49: What is your opinion regarding the assumed timing of recoveries from DOE in the NorthStar model?”
 - A49: Based on the calculations, the NorthStar model assumes recovery of prior year costs at the beginning of the following year. Assuming claims are filed annually consistent with the model, once the year ended, there would be some time required for NorthStar to prepare the claim to be submitted to the DOE. There would then be a period for DOE review of the claim before making any payments to NorthStar. Thus, the NorthStar assumption of immediate recovery is unreasonable. A more reasonable assumption would be that the costs would be recovered by the middle of the year following the year the costs are incurred. In

response to discovery, NorthStar stated it will take six to nine months for DOE to process claims once made. However, that is not what is reflected in the NorthStar financial model.”

III. CONCLUSION

The Department is committed to making publicly available as much information as possible in this docket. To that end, the Department appreciates that Joint Petitioners have agreed to allow public access to the portions of testimony identified in this notice.

The Department is prepared to file, at the request or by order of the Commission, public versions of its testimony and associated exhibits without redaction of the portions identified in this notice, and of any other testimony or information contained in exhibits deemed by the Commission, in the course of ruling on Joint Petitioners’ August 29 Motion, not to be entitled to confidential treatment under the Commission’s May 26 and/or June 15 Orders.

Dated at Montpelier, Vermont, this 11th day of September 2017.

VERMONT PUBLIC SERVICE DEPARTMENT

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