

**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, )  
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 )

Docket No. 8880

**SUMMARY OF PREFILED TESTIMONY OF BRIAN E. WINN**

Director of Finance & Economics Brian Winn introduces the other witnesses offered on behalf of the Department of Public Service, discusses the standard that the Department suggests the Public Utility Commission should apply in evaluating the Joint Petition, and presents the Department's recommendations as to what demonstration by Petitioners would support an overall general good determination.

Mr. Winn sponsors the following exhibits:

Exhibit DPS-BEW-1	Resume of Brian E. Winn
Exhibit DPS-BEW-2	A. DPS:NS.2-3
Exhibit DPS-BEW-3	A. DPS:JP.1-19
Exhibit DPS-BEW-4	A. DPS:NS.1-77(a)-(b)
Exhibit DPS-BEW-5	A. DPS:NS.2-18



1 Edison, I was a Utility Finance Consultant for Energy Management Associates. I also  
2 served in the United States Army from 1983 to 1987 as an Intelligence Analyst. My  
3 resume is included as Exhibit DPS-BEW-1.

4 Q3. Have you ever testified before the Vermont Public Utilities Commission?

5 A3. Yes, I have testified in Docket Nos. 8698/8710, 8827, 8871, 8881, 17-1238-INV, and 17-  
6 3112-INV.

7 Q4. What have the petitioners requested in this case?

8 A4. The Petitioners request: (i) Public Utility Commission (“Commission”) approval of the  
9 transfer of ownership of Entergy Nuclear Vermont Yankee, LLC (“ENVY”); (ii)  
10 Commission consent pursuant to 30 V.S.A. § 232 for ENVY to issue a note payable to  
11 Vermont Yankee Asset Retirement Management, LLC (“VYARM”) in the amount of  
12 \$145 million; (iii) Commission approval of an amendment to the Certificate of Public  
13 Good (“CPG”) issued by the Commission in Docket 7862 to substitute NorthStar Nuclear  
14 Decommissioning Company, LLC (“NorthStar NDC”) for Entergy Nuclear Operations,  
15 Inc. (“ENOI”), and to acknowledge the change in name of ENVY to NorthStar Vermont  
16 Yankee, LLC (“NorthStar VY”); (iv) Commission authorization of NorthStar NDC and  
17 its affiliates to assume the obligations of ENOI under prior Commission orders and CPGs  
18 to operate and to perform decommissioning and site restoration at the Vermont Yankee  
19 Nuclear Power Station (“VY Station”); (v) Commission approval of the site restoration  
20 standards proposed in the Joint Petition and associated direct prefiled testimony  
21 sponsored by the Petitioners; and (vi) a Commission order amending its previous order in  
22 Docket 7862 to: (a) allow for transfer of the assets of the separate Site Restoration Trust  
23 into a segregated sub-account within the Nuclear Decommissioning Trust; (b) cancel the  
24 existing provision that obliges Entergy Corporation to provide a \$20 million parent  
25 guarantee for site restoration; and (c) authorize withdrawal of funds from the site

1 restoration sub-account prior to exhaustion of the Nuclear Decommissioning Trust for  
2 payment of tasks that accomplish site restoration objectives in addition to nuclear  
3 decommissioning objectives. *See* Docket No. 8880, Joint Petition, at 8-9 (Dec. 16, 2016).

4 Q5. What is the purpose of your testimony in this case?

5 A5. First, my testimony provides a brief overview of the differences between NorthStar's  
6 proposal for decommissioning and the status quo scenario for decommissioning if the VY  
7 Station remains under Entergy's control. Second, my testimony introduces the other  
8 witnesses offering testimony on behalf of the Department. Third, my testimony will  
9 provide the Department's recommendations regarding information needed to evaluate  
10 whether the transaction would promote the general good of the State of Vermont, as it  
11 must under 30 V.S.A. §§ 107, 231, and 232, including specific discussion of the factors  
12 the Commission evaluates in the course of determining whether a transaction like the one  
13 Petitioners propose will promote the general good.

14 Q6. What is Entergy's current plan for decommissioning the VY Station?

15 A6. Entergy's general decommissioning approach for the VY Station is commonly referred to  
16 as SAFSTOR—a process in which the facility is placed in a “suspended animation,”  
17 allowing radioactivity to decay for an extended time before radioactive hazards are  
18 removed. Under Entergy's current plan, the VY Station would remain in SAFSTOR  
19 condition until decontamination and dismantlement activities begin by 2068<sup>1</sup>, and all  
20 activities will be completed by 2075. Entergy indicated that it selected a SAFSTOR  
21 approach to allow the nuclear decommissioning trust (NDT) to grow to provide adequate  
22 funding to complete decommissioning.

23 Q7. How does NorthStar's plan for decommissioning differ from Entergy's plan?

24 \_\_\_\_\_  
25 <sup>1</sup> ENVY and ENOI committed in a 2013 Settlement Agreement related to PUC Docket No. 7862 to make  
appropriate filings with the NRC to begin decommissioning earlier if sufficient funds are present in the NDT, which  
could lead to a different start date. *See* Exhibit DPS-DSD-5, at Attachment 2.

1 A7. NorthStar's proposed approach is commonly referred to as prompt DECON. This  
2 approach assumes that NorthStar will begin decontamination and dismantlement of the  
3 VY Station as early as 2019 but not later than 2021, and NorthStar assumes that  
4 decommissioning activities, other than spent fuel storage activities, will be complete by  
5 the end of 2026. Spent fuel will remain in dry storage in the independent spent fuel  
6 storage installation (ISFSI) until the Department of Energy (DOE) removes it from the  
7 site. The ISFSI subsequently will be decontaminated and dismantled. NorthStar's  
8 proposal assumes that both the decontamination and dismantlement work (necessary for  
9 NRC license termination) and the site restoration work can be completed entirely with the  
10 funds in the NDT and Site Restoration Trust (SRT), and estimates that approximately \$17  
11 million dollars will remain from the NDT and SRT after those activities are complete.

12 Q8. Please identify the witnesses, other than you, who will submit prefiled testimony on  
13 behalf of the Department, as well as the scope of their testimony.

14 A8. The other witnesses who will submit prefiled direct testimony on behalf of the  
15 Department are: Daniel S. Dane of Concentric Energy Advisors, Inc.; Warren Brewer of  
16 Four Points Group, Inc.; and Greg Maret of Four Points Group, Inc.

17 Mr. Dane will testify regarding: (1) the financial capability of NorthStar and its  
18 subsidiaries to assume the obligations acquired from Entergy, including an assessment of  
19 NorthStar's financial capacity to complete all decommissioning, dismantlement, and site  
20 restoration activities necessary to release the VY Station site for use consistent with site  
21 restoration standards established as part of this proceeding; (2) the financial capacity of  
22 Entergy and its subsidiaries to complete all decommissioning, dismantlement, and site  
23 restoration at the VY Station (3) the relative advantages and disadvantages, from a  
24 financial assurance perspective, of NorthStar's plan under the proposed transaction  
25 versus Entergy's plan under the status quo.

1 Mr. Brewer and Mr. Maret will testify regarding: (1) the work to be performed at the VY  
2 Station prior to the transfer; (2) NorthStar's plans and approach for the decommissioning  
3 of the VY Station; (3) how NorthStar's plans and approach differ from the plans and  
4 approach previously identified by Entergy; (4) how NorthStar's plans deviate from  
5 industry experience; and (5) possible risks associated with NorthStar's proposed plans.

6 Q9. Turning now to the statutory criteria applicable in this case, can you please identify the  
7 relevant factors that the Commission typically considers in evaluating a proposal like the  
8 one submitted in this case?

9 A9. Yes. The Joint Petition invokes Sections 107, 231, and 232, which involve a  
10 determination regarding whether the transfer of the CPG to NorthStar will promote the  
11 general good of the state under Section 231. In conducting its analysis, the Commission  
12 typically considers a number of factors.

13 Q10. What are those factors?

14 A10. The Commission stated in its Order in Docket 7770, "For a prospective direct or indirect  
15 owner, manager or operator of a business subject to the [Commission]'s jurisdiction, we  
16 apply certain suitability standards, which involve, as appropriate, assessments of  
17 technical and managerial competence, of financial strength and soundness, and of matters  
18 related to reputation and conduct (often stated as whether the owner, manager or operator  
19 will be a fair partner for Vermont)." Docket 7770, Order of June 15, 2012, at 23.

20 Q11. Are those factors relevant in this proceeding?

21 A11. Yes. Following the proposed transaction, NorthStar NDC would be an operator of a  
22 business subject to the Commission's jurisdiction, NorthStar Decommissioning Holdings,  
23 LLC would be a direct owner of a business subject to the Commission's jurisdiction, and  
24 the remaining NorthStar Petitioners would be indirect owners of a business subject to the  
25 Commission's jurisdiction. As such, consideration of each NorthStar entity with respect

1 to technical and managerial competence, financial strength and soundness, and reputation  
2 and conduct (i.e., its prospects for being a fair partner for the State) is appropriate. It is  
3 particularly important to evaluate NorthStar's parent company, NorthStar Group  
4 Services, Inc., which has committed to provide a \$125 million support agreement to  
5 ensure NorthStar VY meets its obligations at the VY Station, should the transaction  
6 proceed.<sup>2</sup>

7 Q12. Are the 30 V.S.A. § 248(b) factors also relevant in this proceeding?

8 A12. Yes. The Joint Petition invokes Sections 107, 231, and 232, but not Section 248 (Docket  
9 No. 8880, Joint Petition, at 1). Although a determination of whether transfer of the CPG  
10 to NorthStar would promote the general good of the state under Section 231, the  
11 Commission will consider Section 248 criteria as well.<sup>3</sup> The Joint Petitioners have  
12 acknowledged that such consideration is appropriate by presenting evidence related to the  
13 effect of the proposed transaction on the orderly development of the region<sup>4</sup> (see Section  
14 248(b)(1)); the economic benefit to the State and its residents<sup>5</sup> (see Section 248(b)(4));  
15 the effect of the proposed transaction on aesthetics, historic sites, air and water purity, the  
16 natural environment, the use of natural resources, and public health and safety<sup>6</sup> (see  
17 Section 248(b)(5)); and the proposed transaction's consistency with the State's  
18 Comprehensive Energy Plan<sup>7</sup> (see Section 248(b)(7)).

19 **NorthStar's Technical and Managerial Competence**

20 Q13. Are there specific questions the Department is exploring regarding the NorthStar entities'  
21 technical and managerial abilities?

22 <sup>2</sup> Prefiled Testimony of Scott State at 19:5-8.

23 <sup>3</sup> See, e.g., *Amended Petition of Entergy Nuclear Vermont Yankee, LLC, and Entergy Nuclear Operations, Inc., for  
amendment of their Certificate of Public Good and other approvals required under 30 V.S.A. § 231(a)*, Docket No.  
7862, 2013 WL 1282452, at \*3 (Vt. P.S.B. Mar. 22, 2013).

24 <sup>4</sup> See, e.g., Prefiled Testimony of Harry Dodson at 2:17-20.

25 <sup>5</sup> See, e.g., Prefiled Testimony of Mark P. Berkman at 8:8-12.

<sup>6</sup> See, e.g., Prefiled Testimony of Harry Dodson at 9:18-23.

<sup>7</sup> See, e.g., Prefiled Testimony of Susan Tierney at 5:8-12.

1 A13. There are. Although NorthStar appears to have considerable experience in  
2 decommissioning projects, it has never taken the lead on a *nuclear* decommissioning  
3 project, nor a project of the scale and complexity of the decommissioning of the VY  
4 Station. Exhibit DPS-BEW-2 . That makes it important to explore whether NorthStar  
5 has the necessary competencies. Equally as important, the approach that NorthStar  
6 proposes is without precedent in some respects, Four Points Group Report at 30-32,  
7 making it more difficult to gauge whether NorthStar has the competencies necessary to  
8 execute on its proposal. Finally, our examination of NorthStar's proposed approach to  
9 decommissioning the plant has identified a number of risks that we are exploring in this  
10 proceeding.

11 Q14. Can you summarize the focus of the Department's questions regarding technical and  
12 managerial risks identified in reviewing the NorthStar proposal?

13 A14. The focus of our inquiry is possible risk associated with NorthStar's approach, including  
14 how NorthStar management has assessed risks associated with decommissioning the VY  
15 Station, such as the following:

16 1. Unknown site conditions:

17 a. The adequacy of site characterization—currently, historical information without  
18 recent site sampling—risks affecting the work scope and, therefore, creating  
19 unanticipated costs.

20 b. Whether NorthStar has considered and appropriately accounted for tritium and  
21 Carbon 14 latencies in concrete and foundations onsite.

22 2. Spent fuel assumptions:

23 a. NorthStar's reliance on Entergy's exemption to use NDT funds for spent fuel  
24 management.

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- 1                   b. The potential for repackaging costs, including construction of new facilities and site  
2                   contamination, related to eventual transfer of spent fuel to DOE.  
3                   c. The potential for lower recovery from the DOE than estimated, and delay in  
4                   recovery beyond that assumed by NorthStar.

5           3. Unanticipated site restoration costs:

- 6                   a. NorthStar proposes spending much less onsite restoration than what Entergy has  
7                   pledged to fund that work  
8                   b. Concurrent NRC license termination and site restoration activities could lead to  
9                   increased contamination spread and an increase in the volume of contaminated  
10                  waste, which could increase overall disposal costs.  
11                  c. The absence of a proposed methodology for disciplined cost allocation between the  
12                  trust funds for concurrent work could lead to shortfalls in the funds available for site  
13                  restoration.

14          4. Departures from industry practice:

- 15                  a. Leaving subsurface equipment in place could make backfilling more complicated.  
16                  b. Lack of precedent for rubblization in New England decommissionings, which,  
17                  coupled with the currently incomplete site characterization, raises questions about  
18                  NorthStar's cost estimates for surveying and characterizing.  
19                  c. NorthStar's proposed use of fixatives in combination with high energy (explosive)  
20                  demolition may add a risk of contamination spread.  
21                  d. How expected costs for waste disposal compare to published rates, or, in the case of  
22                  greater-than-Class-C waste, factor into NorthStar's estimate, and to what extent are  
23                  the latter recoverable from DOE.  
24  
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1 e. NorthStar's contingency approach is lower than both industry norm (15-25%) and  
2 Entergy's (17.3%), and further does not retain or escrow the funds for potential  
3 overruns incurred during the license termination and site restoration processes.

4 Q15. Has NorthStar demonstrated the technical and managerial competence needed to  
5 determine that the transaction promotes the general good of the State?

6 A15. Based on the information provided to date, the Department still has questions concerning  
7 the technical and managerial capabilities of NorthStar. NorthStar's experience, coupled  
8 with that of the primary subcontractors it has identified, suggests that they have the type  
9 of technical expertise and project management proficiency that a successful  
10 decommissioning and restoration of the VY Station will require. However, the substance  
11 of the transaction and the decommissioning plan as presented still include a number of  
12 unresolved risks. A number of those risks are specific to the plan proposed by NorthStar,  
13 i.e. immediate decommissioning, as opposed to SAFSTOR. A comprehensive and  
14 current site characterization (including sampling) may help to alleviate some risk; the  
15 lessons learned from previous decommissioning projects outlined in the Four Points  
16 Group analysis indicate that unknown site conditions are the largest risk to the scope of  
17 work and, therefore, largest driver of unanticipated costs. The Department also will  
18 continue to explore these important issues through further discovery, including  
19 depositions; surrebuttal testimony by Department witnesses; and cross-examination of  
20 Petitioners' witnesses to provide the Commission with the necessary evidence for an  
21 assessment of NorthStar's competence and overall general good determination.

22 **NorthStar's Financial Strength and Soundness**

23 Q16. Does the Department have questions regarding NorthStar's financial strength and  
24 soundness?  
25

1 A16. Yes. Based on the information provided to date, experts retained by the Department have  
2 highlighted the following areas of inquiry related to the financial strength and soundness  
3 of NorthStar and its proposed management and disbursement of funds:

- 4 1. NorthStar's relatively small balance sheet, high leverage, tight coverage ratios, and lack of  
5 audited financial statements raise questions about its ability to fund the support agreement.
- 6 2. NorthStar's line-item approach to contingency, under which cost underruns on each task are  
7 absorbed by NorthStar as profit, leads to questions about available funding for potential  
8 future cost overruns.
- 9 3. The reliance on rapid recovery of spent fuel management costs from the DOE appears  
10 unrealistic based on historical recoveries.
- 11 4. Uncertainties concerning the sustainability of NorthStar's financial model in the event that  
12 certain risks, such as those identified in Q&A 14, are realized during decommissioning and  
13 site restoration.

14 Q17. Please describe the financial assurances offered by NorthStar and Entergy.

15 A17. NorthStar proposes that it and its subcontractors will post performance bonds or obtain  
16 other financial assurances covering 57% of the total project cost (Exhibit DPS-DSD-27);  
17 that NorthStar Group Services, Inc. will provide a support agreement that would allow  
18 NorthStar VY to access an additional \$125 million for license termination and spent fuel  
19 management activities (State PFT 19:5-8); and that NorthStar VY will obtain an  
20 additional \$25 million contingent letter of credit payable to a secondary decommissioning  
21 trust if certain milestones are not met (State PFT 18:20-19:4). Entergy provides a \$20  
22 million parent guarantee to fund site restoration and committed to provide an additional  
23 parent guarantee of up to \$40 million<sup>8</sup> to fund license termination. Entergy, like  
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25 <sup>8</sup> The NRC also could require Entergy to provide additional funding sources to complete license termination activities.

1 NorthStar, could require its subcontractors to post performance bonds (though Entergy is  
2 not required to do so). If it did, the material difference between the two approaches  
3 would be the \$125 million support agreement from NorthStar vs. the \$60 million of  
4 parent guarantees from Entergy.

5 Q18. Does the Department have questions regarding the ability of either NorthStar or Entergy  
6 to fund those financial assurance mechanisms?

7 A18. Entergy's finances demonstrate no issue with it funding the parent guarantees. Entergy is  
8 an investment grade rated, publicly traded corporation with billions in assets. NorthStar  
9 is measurably smaller than Entergy, holding assets less than 1% of those held by Entergy.  
10 With respect to NorthStar Group Services, Inc., there is a risk that the company would  
11 not be able to fund the \$125 million support agreement. Department expert Daniel S.  
12 Dane of Concentric Energy Advisors conducted an extensive analysis of the recent  
13 financial performance of NorthStar Group Services, Inc. and the other affiliated  
14 NorthStar entities, which raises concerns—based on the relatively small balance sheets,  
15 high leverage, tight coverage ratios, and lack of audited financial statements— about  
16 NorthStar's overall ability to fund the support agreement.

17 Q19. Please elaborate on specific questions regarding NorthStar's approach to managing  
18 contingency funds?

19 A19. NorthStar's proposed approach to account for potential cost increases is unusual and  
20 raises questions about how NorthStar will assure the project will be fully funded.  
21 NorthStar proposes a 10% premium on each line-item task that it has identified in its  
22 Disbursement Schedule. *See* Exhibit DPS-BEW-3; Exhibit DPS-BEW-4. That 10%  
23 premium would be available as a contingency for that particular line item, but would  
24 otherwise be disbursed to NorthStar as profit if that particular line item is completed at or  
25 below its budgeted cost. Exhibit DPS-BEW-5. That departs from the standard approach,

1 in which unused contingency would remain in the NDT or SRT as appropriate, and would  
2 be available to fund subsequent cost overruns. Although the funds disbursed to NorthStar  
3 as profit could be made available to fund later cost overruns, NorthStar has made no  
4 binding commitment to make those funds available in that way. *Id.*

5 Q20. Are there aspects of cost estimates that are relevant in assessing whether NorthStar has or  
6 will have the financial viability to complete the project?

7 A20. While there are differences in the assumptions between the two models, NorthStar's  
8 overall decommissioning cost estimate (DCE) is roughly similar to that of Entergy. That  
9 said, NorthStar makes assumptions in its DCE, some of which are outlined in Q&A 14,  
10 that could increase the risk of its plan. If NorthStar's assumptions are correct, the funds  
11 from the nuclear decommissioning and site restoration trusts would be sufficient to meet  
12 the costs of decommissioning as laid out in NorthStar's DCE. NorthStar's DCE does not,  
13 however, account for the potential cost overruns that it would face in the event that those  
14 assumptions are incorrect. Additional information regarding the condition of the VY  
15 Station site, which has not been made available by Joint Petitioners to date, would help  
16 inform a final assessment of the reasonableness of those assumptions, and so of  
17 NorthStar's DCE.

18 Q21. On balance has NorthStar demonstrated adequate financial strength and soundness to  
19 satisfy the Department that the proposed transaction will promote the general good of the  
20 State?

21 A21. Based on the information provided to date, NorthStar has not made a sufficient  
22 demonstration. While NorthStar has offered three layers of assurance—performance  
23 bonds and other financial assurances covering 57% of the project, the \$125 million  
24 support agreement, and a \$25 million contingent letter of credit—it has not demonstrated  
25 that it has the financial capacity to fund the support agreement. That issue is compounded

1 by the fact that NorthStar's approach to contingency and the risks related to its cost  
2 estimates may make it more likely that there will be a need to draw on that agreement.  
3 The Department will continue to explore funding sources and sufficiency through further  
4 discovery, including depositions; surrebuttal testimony by Department witnesses; and  
5 cross-examination of Petitioners' witnesses to provide the Commission with all evidence  
6 necessary to make a more final assessment of NorthStar's financial strength and  
7 soundness and overall general good determination.

8 **NorthStar's Reputation and Conduct**

9 Q22. Do you have questions about the reputation and conduct of NorthStar entities and  
10 whether the proposed transaction will promote the general good of the State?

11 A22. That is difficult to determine at this juncture. The NorthStar entities have not previously  
12 engaged in business subject to the Commission's jurisdiction, so unlike Entergy, there is  
13 no history of dealings with the State on which to base an evaluation of NorthStar's  
14 capacity to serve as a fair partner. Further, NorthStar's short operational history (the  
15 company was formed in 2014) means there is not an extensive track record to inform an  
16 evaluation of NorthStar's reputation and dealings elsewhere. NorthStar's lack of dealings  
17 in Vermont and in the business of decommissioning nuclear plants present reputational  
18 concerns that NorthStar Group Holdings, LLC and the other non-operating NorthStar  
19 entities may walk away from NorthStar Vermont Yankee, LLC, the entity with the  
20 decommissioning obligation, should circumstances call for a significant amount of  
21 financial support from their equity investors. The extent to which NorthStar is, now and  
22 going forward, transparent and cooperative with the Commission, with the Department,  
23 with the other intervenors, and with stakeholders outside of this proceeding will go a long  
24 way toward indicating whether NorthStar is likely to be a fair partner for Vermont in the  
25 event the proposed transaction is approved.

1 Q23. Does the Department agree with Mr. Dane's recommendations for ways in which  
2 NorthStar might provide greater assurances of its financial capabilities?

3 A23. Yes, the Department agrees with the recommendations offered in Mr. Dane's testimony.  
4 The Department would also like to see more effort by Petitioners to mitigate the risks  
5 identified in the Department's testimony and to provide further assurances concerning the  
6 Proposed Transaction, including additional and/or alternative funding sources and  
7 amounts.

8 Q24. Please identify the § 248 criteria relevant to the Commission's review in this proceeding.

9 A24. The following Section 248 criteria are relevant to the Commission's consideration of the  
10 petition:

- 11 • Section 248(b)(1): whether the proposed transaction will "unduly interfere with the orderly  
12 development of the region";
- 13 • Section 248(b)(4): whether the proposed transaction will "result in an economic benefit to  
14 the State and its residents"; and
- 15 • Section 248(b)(5): whether the proposed transaction will "have an undue adverse effect on  
16 aesthetics, historic sites, air and water purity, the natural environment, the use of natural  
17 resources, and the public health and safety."

18 Q25. Would approval of the petition "unduly interfere with the orderly development of the  
19 region," under Section 248(b)(1)?

20 A25. Prompt decommissioning and site restoration would not interfere with the orderly  
21 development of the Windham region from the Department's perspective.

22 Q26. Would approval of the petition "result in an economic benefit to the State and its  
23 residents," under Section 248(b)(4)?

24 A26. Possibly, but not necessarily. The Department currently does not have any significant  
25 dispute with the conclusions of Dr. Mark Berkman regarding the economic benefit that

1 would accrue to the State of Vermont and the Windham region if NorthStar's  
2 decommissioning plans were executed as envisioned. However, there is a possibility that  
3 cost escalations resulting from the risks discussed above coupled with an inability of  
4 NorthStar to meet those increased financial demands could have an opposite effect.

5 Q27. Would approval of the petition "have an undue adverse effect on aesthetics, historic sites,  
6 air and water purity, the natural environment, the use of natural resources, and the public  
7 health and safety," under Section 248(b)(5)?

8 A27. The Department does not believe that the proposed transaction would have an adverse  
9 effect on aesthetics or historic sites. The Department defers to the testimony of the  
10 Vermont Agency of Natural Resources (ANR) regarding the other criteria of Section  
11 248(b)(5).

12 Q28. You previously mentioned that the Joint Petitioners presented evidence regarding an  
13 additional factor, Section 248(b)(7), related to whether the proposed transaction is  
14 consistent with Vermont's Comprehensive Energy Plan. Is that factor relevant to this  
15 proceeding?

16 A28. No. Whether or not the proposed transaction goes forward, it will have no effect on the  
17 operation of the VY Station, which is and will remain out of operation. Any discussion of  
18 the potential for using the VY Station site for different modes of energy generation  
19 following site restoration is too speculative at this stage to take into account with regard  
20 to that criterion.

21 Q29. Based on the information currently available to the Department, does the proposed  
22 transaction promote the general good of the State?

23 A29. As the transaction is currently structured and based on the information provided by  
24 Petitioners to date, the Department still has significant questions regarding the level of  
25 risk inherent in the proposed transaction, the assessment of that risk, and NorthStar's



1 ability to mitigate that risk with sufficient financial assurances. While the Department  
2 appreciates that the risk can never be reduced to zero, that is not the standard by which it  
3 evaluates the proposal. Especially in light of the potential risks to ratepayers and  
4 taxpayers, Joint Petitioners must address the identified concerns to demonstrate that the  
5 proposed transaction would promote the general good. The Department will continue to  
6 explore these important issues through further discovery, including depositions;  
7 surrebuttal testimony by Department witnesses; and cross-examination of Petitioners'  
8 witnesses to provide the Commission with the necessary evidence to make a final  
9 assessment of Joint Petitioners' proposal and overall general good determination.

10 Q30. Does that conclude your testimony?

11 A30. Yes, at this time.

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