

**CONTAINS PROPRIETARY INFORMATION WITHHOLD UNDER 10 CFR § 2.390
(NOT PROPRIETARY WITHOUT ENCLOSURES 7P & 8P OF ATTACHMENT 2)**



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10 CFR 50.80
10 CFR 50.90
10 CFR 72.50

BVY 18-016

May 21, 2018

ATTN: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

SUBJECT: Response to Request for Additional Information Regarding the Request for Direct and Indirect License Transfers from Entergy to NorthStar (EPID No. L-2017-LLM-0002)
Vermont Yankee Nuclear Power Station
License No. DPR-28
Docket Nos. 50-271 and 72-59

- REFERENCES:
1. Letter, Entergy Nuclear Operations, Inc. to USNRC, "Application for Order Consenting to Direct and Indirect Transfers of Control of Licenses and Approving Conforming License Amendment and Notification of Amendment to Decommissioning Trust Agreement," BVY-17 005, dated February 9, 2017 (ML17045A140)
 2. Letter, Entergy Nuclear Operations, Inc. to USNRC, "Supplemental Information Regarding Application for Order Consenting to Direct and Indirect Transfers of Control of Licenses and Approving Conforming License Amendment and Notification of Amendment to Decommissioning Trust Agreement," BVY 17-027, dated August 22, 2017 (ML17234A141)
 3. Letter, Entergy Nuclear Operations, Inc. to USNRC, "Response to Request for Additional Information Regarding the Request for Direct and Indirect License Transfers from Entergy to NorthStar," BVY 17-043, dated December 4, 2017 (ML17339A896)
 4. Letter, NorthStar Group Services, Inc. to USNRC, "Supplemental Response to Request for Additional Information Regarding the Request for Direct and Indirect License Transfers from Entergy to NorthStar," dated December 22, 2017 (ML180009A459)
 5. March 2, 2018 Vermont Yankee Settlement Agreement (ML18066A044)

6. Letter, USNRC to Entergy Nuclear Operations, Inc., " Vermont Yankee Nuclear Power Station - Request for Additional Information Regarding the Request for Direct and Indirect License Transfers from Entergy to NorthStar (EPID No. L-2017-LLM-0002)" NVCY 17-024, dated April 5, 2018 (ML18045A817)

Dear Sir or Madam:

This "Response to Request for Additional Information Regarding the Request for Direct and Indirect License Transfers" is submitted by NorthStar Group Services, Inc. (NorthStar), on behalf of itself, Entergy Nuclear Vermont Yankee, LLC (ENVY), which is to be renamed NorthStar Vermont Yankee, LLC (NorthStar VY), NorthStar Nuclear Decommissioning Company, LLC (NorthStar NDC) and Entergy Nuclear Operations, Inc. (ENOI).

By letter dated February 9, 2017, ENOI, ENVY, and NorthStar NDC (together, Applicants) submitted an application for consent to the direct and indirect license transfers of Renewed Facility Operating License No. DPR-28 for Vermont Yankee Nuclear Power Station (VY) and the general license for the VY Independent Spent Fuel Storage Installation (ISFSI) from ENOI and ENVY to NorthStar NDC and NorthStar VY (Reference 1, as supplemented by Reference 2). Specifically, the Applicants requested the U.S. Nuclear Regulatory Commission's (NRC) written consent to the direct transfer of ENOI's licensed authority to NorthStar NDC, and to the indirect transfer of control of ENVY's licenses to NorthStar Decommissioning Holdings, LLC, and its parents, in accordance with Section 184 of the Atomic Energy Act, and Title 10 of the Code of Federal Regulations (CFR), sections 10 CFR 50.80 and 10 CFR 72.50.

In Reference 3, Applicants responded to NRC's Requests for Additional Information dated November 3, 2017 (ML17313A431), and in Reference 4, NorthStar provided a Supplemental Response, which indicated its plans to increase the financial Support Agreement to be provided by NorthStar to NorthStar VY to \$140 million. In March 2018, NorthStar entered into a settlement with several parties involved in proceedings in the State of Vermont, and this was provided to the NRC (Reference 5). Accordingly, the license amendments proposed in Attachments 2 and 3 of Reference 1 should be revised to substitute \$125 million with \$140 million. Mark-ups of the change page and the clean page affected are provided in Attachment 1.

In Reference 6, the NRC provided ENOI with a request for additional information (RAI). This submittal provides the response to the request for additional information and supplements Reference 1 in Attachment 2. Enclosures 7P & 8P to Attachment 2 contain proprietary commercial information, and NorthStar requests that these enclosures be withheld from public disclosure pursuant to 10 CFR 2.390 in their entirety. An affidavit supporting this request is provided with this letter.

This letter contains no new regulatory commitments.

In the event that the NRC has any questions about the transactions described in this letter or wishes to obtain any additional information, please contact Coley Chappell of ENOI at 802-451-3374, or contact Gregory G. DiCarlo of NorthStar Group Services, Inc. at 203-222-0584 x3051 or GDiCarlo@NorthStar.com.

I declare under penalty of perjury that the foregoing is true and correct. Executed on May 21, 2018.

Sincerely,

A handwritten signature in black ink, appearing to be "J. Parrott", written in a cursive style.

Attachments: 1. Change Pages for License Amendment
2. Response to Request for Additional Information

cc: Regional Administrator, Region 1
U.S. Nuclear Regulatory Commission
2100 Renaissance Blvd, Suite 100
King of Prussia, PA 19406-2713

Mr. Jack D. Parrott, Sr. Project Manager
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Mail Stop T-5A10
Washington, DC 20555

Ms. June Tierney, Commissioner
Vermont Department of Public Service
112 State Street – Drawer 20
Montpelier, Vermont 05602-2601

10 CFR 2.390
Affidavit of Gregory G. DiCarlo


I, Gregory G. DiCarlo, Vice President & General Counsel of NorthStar Group Services, Inc. do hereby affirm and state:

1. I am authorized to execute this affidavit on behalf of NorthStar Group Services, Inc. ("NorthStar");
2. NorthStar requests that Enclosures 7P and 8P to Attachment 2, which are being submitted under separate cover and labeled "CONFIDENTIAL INFORMATION SUBMITTED UNDER 10 CFR 2.390", be withheld from public disclosure under the provisions of 10 CFR 2.390(a)(4).
3. Enclosures 7P and 8P contain confidential commercial information, the disclosure of which would adversely affect NorthStar.
4. This information has been held in confidence by NorthStar. To the extent that NorthStar has shared this information with others, it has done so on a confidential basis.
5. NorthStar customarily keeps such information in confidence, and there is a rational basis for holding such information in confidence. The information is not available from public sources and could not be gathered readily from other publicly available information.
6. Public disclosure of this information would cause substantial harm to NorthStar's business interests because such information has significant commercial value to NorthStar, and its disclosure could adversely affect other NorthStar transactions.



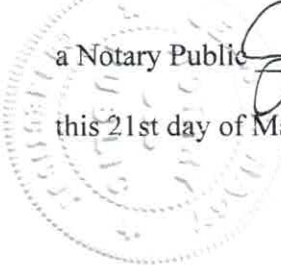
Gregory G. DiCarlo

Subscribed and sworn before me,

a Notary Public 

this 21st day of May, 2018.

JEAN S. NAGY
NOTARY PUBLIC
MY COMMISSION EXPIRES 05/31/2018



Attachment 1

Vermont Yankee Nuclear Power Station

Change Pages for License Amendment

(Changes to 1 Change Page and 1 Clean Page)

(iii) ~~Entergy Nuclear Vermont Yankee, LLC shall establish a standby trust to receive funds from the surety, if a surety is obtained, in the event that Entergy Nuclear Vermont Yankee, LLC defaults on its funding obligations for the decommissioning of Vermont Yankee. The standby trust agreement must be in a form acceptable to the NRC, and shall conform with all conditions otherwise applicable to the decommissioning trust agreement.~~

NorthStar

(iv) The surety agreement must provide that the agreement cannot be amended in any material respect, or terminated, without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation.

NorthStar Nuclear Decommissioning Company, LLC

~~Entergy Nuclear Vermont Yankee, LLC shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application for approval of the transfer of this license to Entergy Nuclear Vermont Yankee, LLC and Entergy Nuclear Operations, Inc., and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order~~

~~Entergy Nuclear Vermont Yankee, LLC and Entergy Nuclear Operations, Inc. shall take no action to cause Entergy Global Investments, Inc., or Entergy International Holdings Ltd. LLC, or their parent companies to void, cancel, or modify the lines of credit to provide funding for Vermont Yankee as represented in the application without prior written consent of the Director of the Office of Nuclear Reactor Regulation.~~

K. This paragraph deleted by Amendment No. 263.

NorthStar Group Services, Inc.

L. This paragraph deleted by Amendment No. 263.

the \$140 million Support Agreement

M. This paragraph deleted by Amendment No. 263.

N. Mitigation Strategy License Condition

Develop and maintain strategies for addressing large fires and explosions and that include the following key areas:

- (a) Fire fighting response strategy with the following elements:
 - 1. Pre-defined coordinated fire response strategy and guidance
 - 2. Assessment of mutual aid fire fighting assets
 - 3. Designated staging areas for equipment and materials
 - 4. Command and control
 - 5. Training of response personnel
- (b) Operations to mitigate fuel damage considering the following:
 - 1. Protection and use of personnel assets
 - 2. Communications

- (iii) NorthStar Vermont Yankee, LLC shall establish a standby trust to receive funds from the surety, if a surety is obtained, in the event that NorthStar Vermont Yankee, LLC defaults on its funding obligations for the decommissioning of Vermont Yankee. The standby trust agreement must be in a form acceptable to the NRC, and shall conform with all conditions otherwise applicable to the decommissioning trust agreement.
- (iv) The surety agreement must provide that the agreement cannot be amended in any material respect, or terminated, without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation.

NorthStar Vermont Yankee, LLC shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application for approval of the transfer of this license to NorthStar Vermont Yankee, LLC and NorthStar Nuclear Decommissioning Company, LLC and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order.

NorthStar Vermont Yankee, LLC and NorthStar Nuclear Decommissioning Company, LLC shall take no action to cause NorthStar Group Services, Inc. to void, cancel, or modify the \$140 million Support Agreement to provide funding for Vermont Yankee as represented in the application without prior written consent of the Director of the Office of Nuclear Reactor Regulation.

K. This paragraph deleted by Amendment No. 263.

L. This paragraph deleted by Amendment No. 263.

M. This paragraph deleted by Amendment No. 263.

N. Mitigation Strategy License Condition

Develop and maintain strategies for addressing large fires and explosions and that include the following key areas:

- (a) Fire fighting response strategy with the following elements:
 - 1. Pre-defined coordinated fire response strategy and guidance
 - 2. Assessment of mutual aid fire fighting assets
 - 3. Designated staging areas for equipment and materials
 - 4. Command and control
 - 5. Training of response personnel
- (b) Operations to mitigate fuel damage considering the following:
 - 1. Protection and use of personnel assets
 - 2. Communications

Attachment 2

Vermont Yankee Nuclear Power Station

Response to Request for Additional Information

**RESPONSE TO REQUEST FOR ADDITIONAL INFORMATION
REGARDING THE DIRECT AND INDIRECT LICENSE TRANSFER REQUEST
FOR VERMONT YANKEE NUCLEAR POWER STATION**

Background

This "Response to Request for Additional Information Regarding the Request for Direct and Indirect License Transfers" is submitted by NorthStar Group Services, Inc. (NorthStar), on behalf of itself, Entergy Nuclear Vermont Yankee, LLC (ENVY), which is to be renamed NorthStar Vermont Yankee, LLC (NorthStar VY), NorthStar Nuclear Decommissioning Company, LLC (NorthStar NDC), and Entergy Nuclear Operations, Inc. (ENOI).

By letter dated February 9, 2017, ENOI, ENVY, and NorthStar NDC (together, Applicants) submitted an application for consent to the direct and indirect license transfers of Renewed Facility Operating License No. DPR-28 for Vermont Yankee Nuclear Power Station (VY) and the general license for the VY Independent Spent Fuel Storage Installation (ISFSI) from ENOI and ENVY to NorthStar NDC and NorthStar VY. Specifically, the Applicants requested the U.S. Nuclear Regulatory Commission's (NRC) written consent to the direct transfer of ENOI's licensed authority to NorthStar NDC, and to the indirect transfer of control of ENVY's licenses to NorthStar Decommissioning Holdings, LLC, and its parents, in accordance with Section 184 of the Atomic Energy Act, and Title 10 of the Code of Federal Regulations (CFR), sections 10 CFR 50.80 and 10 CFR 72.50.

NRC regulations at 10 CFR 50.80 require the Commission's written consent for transfer of an operating license under Part 50 of the same chapter. Specifically, 10 CFR 50.80(c) states, in part, that "the Commission will approve an application for the transfer of a license, if the Commission determines: (1) That the proposed transferee is qualified to be the holder of the license; and (2) That the transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto."

The NRC has requested that the Applicants respond to the following Requests for Additional Information, and the responses that follow are provided by and submitted on behalf of NorthStar NDC and NorthStar VY.

Requests for Additional Information:

RAI – 1:

On page 4 of the February 9, 2017 application, the Applicants stated, in part:

...The NDT [Nuclear Decommissioning Trust] will also provide up to \$20 million in revolving funds for the spent fuel management costs necessary to maintain the ISFSI, subject to replenishment from recovery of claims under the Standard Contract, consistent with the requirements of 10 CFR 50.54(bb) and 50.82(a)(8)(vii).

The NRC staff stated in its November 3, 2017 RAI that it is unclear whether the potential recovery of claims against the U.S. Department of Energy (DOE) under the Standard Contract constitutes a reliable source of funds and requested the rationale as to why the Applicants believe that these funds will be replenished for the purposes of spent fuel management.

Page 3 of Attachment 1 to the Applicants' December 4, 2017 RAI response states, in part, that:

"NorthStar is not relying on the recovery of the Round 3 Dry Fuel Storage Project costs from DOE as part of its spent fuel management funding plan; it is only relying on the recovery of the 'Round 4' and later DOE claims, which are expected to involve claims for only ISFSI maintenance costs."

Additionally, page 6 of Attachment 1 states, in part, that:

"NorthStar VY anticipates that it will be able to enter into a settlement agreement with the DOE, which should provide for the annual recovery of ISFSI maintenance cost damages There may be a period of time where a settlement is unavailable due to ongoing litigation over the costs of the Dry Fuel Storage Project."

From these statements it does not yet appear that there has been a claim filed for DOE reimbursements that could be relied upon for spent fuel management costs after the requested license transfer, nor that a favorable judgment has been obtained for recovery of those costs. In addition, NorthStar will not have a settlement agreement in place with DOE for the recovery of spent fuel management costs immediately following the proposed transfer. NorthStar also anticipates a period of time where settlement with DOE would be unavailable due to ongoing litigation. In order to judge the reliability of future reimbursements for spent fuel management costs at VY, NRC staff has the following RAIs:

Response:

Specific responses to RAIs 1a through 1e are provided below. In addition, NorthStar would like to provide a general response to RAI-1 in order to address the financial assurance related findings that the NRC staff needs to make in connection with reviewing and approving the proposed transfer. First, and foremost, the NRC staff needs to make a finding that the decommissioning funding assurance required by 10 CFR 50.75 is provided to fund both all license termination costs and the proposed \$20 million "revolver" for funding spent fuel management activities, *i.e.*, reasonable assurance of the availability of funds.¹ NorthStar believes that it will satisfy 10 CFR 50.75 using the prepayment method, by having a sufficient balance in the nuclear decommissioning trust fund (NDT) at the time of license transfer with earnings credited at 2% to fund both the \$20 million revolver for ISFSI maintenance costs and all license termination costs. **Enclosure 1** is an annual cash flow analysis that demonstrates that there is reasonable assurance of funding to complete all license termination activities, even when setting aside \$20 million for spent fuel management. The analysis conservatively assumes that the first \$20 million in spent fuel management costs projected for years 2019-2022 are reimbursed from the NDT, and does not credit any future contributions to the NDT resulting from efforts to recover these costs from DOE. The beginning NDT balance (year 2019) is the minimum pre-tax balance required pursuant to the transaction agreements. Site Restoration costs and the funds² set aside for non-radiological clean-up activities are excluded from this analysis.

¹ Use of this \$20 million for spent fuel management purposes is subject to a separate request for exemption that will be made.

² Site restoration costs (estimated to be approximately \$25 million) are to be funded by a \$60 million segregated sub-account to be established within the NDT with existing Site Restoration Trust funds and additional contributions by Entergy at transaction close.

In addition, NorthStar has made several commitments in the Vermont Yankee Settlement Agreement dated March 2, 2018 (Reference 5) (VT Settlement Agreement) that augment the assurance of funding for decommissioning. NorthStar will contribute \$30 million to an escrow account at the time of the transaction closing, with \$20 million to be provided by Entergy and \$10 million to be provided by NorthStar. In addition, when decommissioning activities are conducted by NorthStar NDC or its subcontractors, NorthStar NDC will issue invoices to NorthStar VY for payment for this work through withdrawals from the NDT. After NorthStar VY has withdrawn the first \$100 million from the NDT to pay for such work, NorthStar VY will take 10% of the amount that is due and payable by NorthStar VY to NorthStar NDC, and it will deposit this amount into the escrow account. NorthStar NDC will defer its receivable or entitlement to this 10% of each invoice up to \$25 million. Thus, by 2024 NorthStar VY is expected to maintain a \$55 million escrow account of additional cash on hand to fund decommissioning, beyond the funds available from the NDT. This escrow account will remain available to pay for decommissioning expenses and/or site restoration costs, in addition to the NDT balance, until after partial site release and partial restoration of the site is completed. At a minimum, NRC can credit an additional \$30 million in decommissioning funding assurance being committed and available in connection with the license transfer, because this balance that will be on hand at closing should be classified by the NRC staff as equivalent to a prepaid NDT, surety or letter of credit pursuant to 10 CFR 50.75(e)(vi). The cash flow analysis in **Enclosure 1** conservatively does not take credit for this additional financial assurance.

In addition to the financial assurance for decommissioning required by 10 CFR 50.75, NorthStar understands that under 10 CFR 50.54(bb) the NRC staff needs to approve “the program by which the licensee intends to manage and provide funding for the management of all irradiated fuel.” NorthStar has developed cash flow analyses to demonstrate that it has an adequate program for managing and funding the management of irradiated fuel using two paths based upon different assumptions. These cash flow analyses are provided as **Enclosures 2 and 3**. These cash flow analyses do not take credit for the initial \$30 million escrow account deposit or the additional \$25 million that will be accumulated in the escrow account. Site Restoration costs and funds are excluded from these analyses.

Enclosure 2 (Path A): NorthStar VY will maintain contractual rights under the Standard Contract with the DOE that will allow it to sue DOE and recover funding for the costs it will incur managing the irradiated fuel at VY, because DOE has breached its obligations under this contract. As described in greater detail below, ENVY has successfully recovered substantial amounts previously for the management of irradiated fuel. Nevertheless, in **Enclosure 2**, NorthStar conservatively assumes that the recoveries from the Round 3 claim would not be received until 2023.

The Round 3 claim will be filed by ENVY no later than 30 days after the completion of the dry fuel storage campaign, and ENVY will seek damages for the dry fuel storage campaign, as well as approximately \$30 million in operations and maintenance (O&M) costs for the ISFSI that were previously funded from the NDT (January 1, 2014 through the date of filing the Round 3 claim). Pursuant to Section 2(a)(7) of the VT Settlement Agreement, NorthStar VY will retain \$10 million of the Round 3 ISFSI O&M costs recovered from DOE. This amount will be obligated and used to pay future ISFSI O&M costs and/or decommissioning expenses. The analysis in **Enclosure 2** conservatively allows five years for resolution of the Round 3 claim, including any potential appeal.

NorthStar expects that once the Round 3 claim has been resolved, NorthStar VY will be able to enter into a settlement agreement with DOE to recover its ongoing annual ISFSI O&M expenses. Thus, the analysis in **Enclosure 2** assumes that by no later than 2024, NorthStar VY

will recover the maintenance costs for the period from late 2018 through 2023. Thereafter, ISFSI O&M costs would be incurred in each year and recovered in the next calendar year. Recoveries from DOE of any ISFSI O&M expenses funded by the NDT will be retained by NorthStar VY to be obligated and used to pay for future ISFSI O&M and/or decommissioning expenses on an ongoing basis, as reflected in **Enclosure 2**.

Enclosure 2 then conservatively assumes that the irradiated fuel remains on-site until 2052. Moreover, this analysis conservatively shows that even if NorthStar did not commit to limit withdrawals for spent fuel management to \$20 million, the NDT would have adequate funds to cover both license termination costs and spent fuel management costs, when the expected damage recoveries from DOE are taken into account. **Enclosure 2** demonstrates an adequate program under Path A for funding the management of irradiated fuel at VY.

NorthStar notes for clarification that due to the \$20 million limitation of the NDT revolver for purposes of paying for ISFSI O&M expenses, NorthStar VY may need to obtain funds from its parent to cover costs incurred through 2023, depending upon the timing of recoveries from DOE pursuant to a settlement or litigation. Once the expected damage recoveries are received, it expects to cover funding provided by its parent, e.g., repay the loans from its parent, and fund ongoing annual ISFSI O&M costs using the \$20 million NDT revolver.

Enclosure 3 (Path B): Alternatively, NorthStar provides an analysis in **Enclosure 3** for a spent fuel management program that assumes no recovery of damages from the DOE. Both Interim Storage Partners, LLC (ISP) and Holtec International are actively developing commercial consolidated interim storage facilities (CISF) in Texas and New Mexico, respectively. ISP is a joint venture that has been formed by NorthStar's teaming partners, Orano USA LLC (Orano USA, formerly known as, AREVA Nuclear Materials LLC) and Waste Control Specialists, LLC (WCS).

On February 28, 2018, the NRC staff issued a letter accepting Holtec's application for the planned CISF in New Mexico for review and indicating that the review would be completed by July 2020. (ADAMS Accession No. ML18059A251.) Also, on March 13, 2018, Orano USA and WCS announced that they would be asking the NRC staff to resume review of the application for the planned CISF in Texas. This application was accepted for review by NRC staff letter dated January 26, 2017, but on April 18, 2017, WCS requested that the review be temporarily suspended. (ADAMS Accession Nos. ML17018A168 & ML17110A206.)

Given the prospects for consolidated interim storage options, it is reasonable to assume that VY's spent fuel will be removed from the site far sooner than 2052. NorthStar projects that an off-site interim storage option will be available by no later than the mid-2020s, and therefore, it should be able to remove the irradiated fuel from VY by no later than 2030.

The analysis in **Enclosure 3** shows that even without any damage recoveries from DOE, NorthStar VY would have adequate resources from the NDT and by calling the Support Agreement, under which its parent is obligated to provide funding of up to \$140 million to fund the management of spent fuel. Moreover, the analysis shows that even if the spent fuel were not moved off-site by 2030, the NDT balance and available capacity from the \$140 million Support Agreement at the end of 2030 would fund ISFSI O&M for several more years. This alternative Path B demonstrates an adequate program for funding the management of irradiated fuel at VY.

RAI 1a. Identify all litigation to date that ENVY has instituted or joined in against the DOE or other U.S. government entity to recover the costs of spent fuel storage at VY, including the

dates of filing and the amounts sought. Also, identify the current status of each such litigation and the results of each such litigation to date.

Response:

ENVY has filed two rounds of claims for damages to date. The results of this litigation are summarized below.

Round 1:

- Original complaint filed November 2003 due to statute of limitations following 1998 breach of contract
- Stayed, pre-trial decisions unrelated to quantum of damages through 2009
- Trial activities began in 2010 seeking about \$55 million for damages through April 2008
- Trial court judgment September 2010 for \$46.6 million
- Appealed, remanded, revised trial decision issued March 2013 for \$40.7 million.
- Payment from U.S. Treasury received April 11, 2013

Round 2:

- Second complaint filed April 2014
- Pretrial filings in 2016, seeking approximately \$19.3 million for damages from May 1, 2008 through December 31, 2013
- May 5, 2016 Joint Stipulation and Request to Cancel Trial filed and granted
- Judgement issued for \$19.14 million on May 6, 2016
- Payment from U.S. Treasury received June 27, 2016

RAI 1b. For any current or future litigation in which a judgment has not yet been obtained, explain the likelihood that such litigation will result in a judgment in favor of the licensee, the expected date of judgment, and the expected date for termination of all related appeals.

Response:

There is no currently pending litigation. However, ENVY has current contractual rights under the Standard Contract, and it believes that it is entitled to be compensated for damages that it continues to incur. Given the governing law with respect to government contracts, costs first must be incurred before ENVY can make a claim for damages. Although ENVY could have filed claims more frequently, it has elected to allow damages to accumulate over several years before filing a claim in order to avoid excessive litigation-related costs. Filing lawsuits every year, or more frequently, would require time and effort, as well as legal costs, that can be avoided by consolidating claims for several years into one lawsuit.

Under the VT Settlement Agreement, ENVY has committed to file a "Round 3" claim no later than 30 days after the completion of the dry fuel storage campaign, which is now expected to be complete by the end of September 2018. It is expected that ENVY will seek, among other costs, approximately \$145 million in damages for the dry fuel storage campaign and approximately \$30 million for ISFSI O&M costs from 2014 through the date of filing the claim.

Given past recoveries by ENVY and other companies that have incurred damages under the Standard Contract with DOE (see Reference 3), Entergy and NorthStar believe that most of these damages will be recovered. As reflected in Column 6 of **Enclosure 2**, however, the "Path A" funding plan only takes credit for \$10 million of that recovery. In addition, Entergy and NorthStar are conservatively planning that the claim would both go to trial in the U.S. Court of

Federal Claims and be the subject of an appeal to the U.S. Court of Appeals for the Federal Circuit. Therefore, the damages recovery is conservatively projected for 2023.

An expected Round 4 claim would be filed between 2020 and 2023, depending upon the status of the Round 3 claim. The Round 4 claim would seek recovery of ISFSI O&M costs incurred for the period from the end of the Round 3 claim through the time of the Round 4 claim. NorthStar expects that upon resolution of the Round 3 claim, it will be able to enter into a settlement agreement with DOE (DOE Settlement Agreement) that will resolve the Round 4 claim and govern the annual recovery of ISFSI O&M costs for the term of the DOE Settlement Agreement. NorthStar further expects to extend or renew the DOE Settlement Agreement for the recovery of ongoing ISFSI O&M costs.

DOE has established standardized terms for its settlements and milestones for its review and processing of settlement claim submissions. Under the DOE Settlement Agreement, NorthStar VY would be expected to fund annual O&M costs, and then each year submit a claim for the recovery of those costs, which would be paid in approximately 3-5 months. ISFSI O&M cost claims have not been controversial, and industry experience is that these damages claims are routinely recovered with few, if any, disallowances when costs are properly documented. A copy of the DOE's form of Settlement Agreement is provided as **Enclosure 4**.

NorthStar's confidence in its ability to enter into a settlement with DOE is bolstered by the fact that DOE has entered into settlement agreements with Portland General Electric Company (PGE) and Pacific Gas and Electric Company (PG&E) regarding the ISFSI O&M costs for both Trojan and Humboldt Bay, respectively, after these companies first litigated and resolved initial damages claims regarding recovery of spent fuel management costs.

PGE initially brought a claim for damages against DOE in the amount of approximately \$111.7 million to recover the costs of constructing an ISFSI, moving spent nuclear fuel to dry cask storage, operating the ISFSI, and certain wet storage costs. The government asserted various defenses and offsets, and following a trial in 2011 and further testimony presented in 2012, the litigation resulted in an Order issued by the Court of Federal Claims on November 30, 2012. *Portland General Electric Co. v. United States*, 107 Fed.Cl. 633 (2012). The parties then reached a settlement in the amount of approximately \$70.3 million for this claim. Thereafter, the parties agreed that further litigation was unnecessary and entered into a settlement to cover the further annual ISFSI O&M expenses. PGE's recoveries under this settlement were described in further detail in the December 4, 2017 Response to RAIs (Reference 3).

Over several years, PG&E sought to recover its costs for managing spent nuclear fuel at Humboldt Bay, as well as ISFSI and other costs relating to Diablo Canyon. The initial decision of the Court of Federal Claims was appealed to the United States Court of Appeals for the Federal Circuit, which remanded the case in 2008. *Pac. Gas & Elec. Co. v. United States*, 536 F.3d 1282 (Fed. Cir. 2008). On remand, the Court of Federal Claims awarded damages of approximately \$89 million, of which approximately \$52.3 million was for Humboldt Bay spent fuel management costs. *Pac. Gas & Elec. Co. v. United States*, 92 Fed. Cl. 175, 179 (2010). This decision was affirmed by the Federal Circuit on February 21, 2012. *Pac. Gas & Elec. Co. v. United States*, 668 F.3d 1346 (Fed. Cir. 2012). Thereafter, the parties concluded that further litigation was unnecessary, entered into a settlement which covers ongoing annual costs, and informed the Court of Federal Claims regarding the settlement on September 20, 2012.

These precedents suggest clearly that, once the Round 3 claims are resolved, NorthStar VY will be able to reach settlement regarding recovery from DOE of the ongoing ISFSI maintenance costs that are at issue in the NRC's review of the pending license transfer application. Nevertheless, as further assurance regarding its reliance on a future DOE Settlement Agreement, NorthStar VY agrees that, as a condition to the license transfer approval, it will commit to obtain a performance bond if a Settlement Agreement is not entered into by January 1, 2022. The performance bond will be effective January 1, 2022, initially in the amount of \$4.3 million, and it will be renewed annually. This amount covers the annual amount of ISFSI O&M costs projected for 2022-2024. If a settlement is not reached by January 1, 2024, this amount will be increased to \$9.3 million, which covers the annual amount of ISFSI O&M costs projected for years after 2024.

NorthStar expects to use \$20 million from the VY NDT, which would cover the cumulative ISFSI O&M costs through the end of 2021 and beginning of 2022. Thus, the performance bond would commence in the first year that funds would be required from another source, and the performance bond would continue annually and be increased to cover the estimated costs until a DOE Settlement Agreement is formally executed. This proposed performance bond, if acceptable to the NRC staff, would provide further assurance that funds would be available to cover the annual O&M expense.

Accordingly, NorthStar proposes that the aforementioned commitment to conditionally obtain a performance bond be included as a condition to the license transfer approval. **Enclosure 5** is a prequalification letter from Aspen American Insurance Company and Everest Reinsurance Company, which demonstrates NorthStar's capability of obtaining the \$4.3 million and \$9.3 million performance bonds, if needed.

RAI 1c. If NorthStar's plan for spent fuel management funding relies on potential litigation for claims that have not yet been filed with the U.S. Court of Federal Claims, please provide the expected filing date of any such claims, expected amount of any such claims, the likelihood that such litigation will result in a judgment in favor of the licensee, the expected date of judgement, and the expected date for termination of appeals.

Response:

See response to RAI-1b.

RAI 1d. If NorthStar intends to enter into a settlement agreement with DOE for the recovery of spent fuel management costs, please provide an estimate of how long NorthStar anticipates that a settlement agreement with DOE would be unavailable, the anticipated date of settlement, and an explanation of the basis for these estimates.

Response:

See response to RAI-1b.

RAI 1e. For any current or future litigation in which a judgment has not yet been obtained, explain why the current licensee(s) or NorthStar Group Services, Inc. (Parent) is (are) unable or unwilling to guarantee the payment of such funds to NorthStar (Subsidiary), to provide financial assurance for payment of the costs of spent fuel management at VY.

Response:

NorthStar is able, is willing, and has, in fact, agreed to provide funds to NorthStar VY, if funds are needed to meet NRC requirements, including the funding of ISFSI O&M costs.

NorthStar has committed to provide a \$140 million financial Support Agreement that follows the form of agreements that have been provided by numerous applicants in license transfer reviews as a legally binding parental commitment to provide funds to the licensee if funds are needed for nuclear reactor operations. The NRC staff has repeatedly relied upon such support agreements in making findings that an applicant is financially qualified to have a reactor license transferred to the applicant.³ This same form of Support Agreement clearly is adequate to reflect a NorthStar's commitment to fund NorthStar VY's decommissioning obligations, including its ISFSI O&M expenses.

RAI – 2:

Enclosure 6 of Attachment 1 to the February 9, 2017 license transfer application contains the proposed Support Agreement between NorthStar Group Services, Inc. (Parent) and NorthStar Vermont Yankee, LLC (Subsidiary) (together, the Parties to the agreement). The proposed Support Agreement contains a list of items to which the Parties agree. Item 2 of that list contains the text:

No Guarantee. This Support Agreement is not, and nothing herein contained, and no action taken pursuant hereto by Parent shall be construed as, or deemed to constitute, a direct or indirect guarantee by Parent to any person of the payment of the Operating Costs or of any liability or obligation of any kind or character whatsoever of the Subsidiary. This Agreement may, however, be relied upon by the NRC in determining the financial qualifications of the Subsidiary to hold the NRC License.

In the December 4, 2017 response to RAI 2, the Applicants state that the Support Agreement provides “an additional source of available funding to cover ongoing ISFSI maintenance costs.” In addition, the Applicants state that the Support Agreement will provide “parental financial support in the form of capital or loans...” From the information provided by the Applicants, it is unclear how the NRC can rely on the Support Agreement as “an additional source of available funding,” to operate and maintain the ISFSI until DOE takes title and possession of the fuel, when the “No Guarantee” term of the Support Agreement specifically states that the agreement is not a guarantee, and the Support Agreement does not constitute parent company guarantee as described in NRC regulations. Please provide the basis for your view that the NRC should rely upon the Support Agreement as a source of available funding in the absence of a guarantee that the specified funds will be provided by NorthStar Group Services, Inc.

³ See, e.g., Letter from FirstEnergy Nuclear Operating Company to U.S. Nuclear Regulatory Commission, “Application for Order Consenting to Transfer of Licenses,” Enclosure A, Exhibit F (form of \$400 million Support Agreement) (June 30, 2015) (ADAMS Accession No. ML15181A366); “Order Approving Direct Transfer of License,” Safety Evaluation, at pages 5-6 (Apr. 15, 2016) (ADAMS Accession No. ML16083A003); “Order Approving Direct Transfer of License,” Safety Evaluation, at pages 5-6 (Apr. 14, 2017) (ADAMS Accession No. ML17081A433).

Response:

The “No Guarantee” language in Section 2 of the financial Support Agreement is intended to assure that third parties (other than the NRC or the State of Vermont) cannot attempt to enforce the terms of the Support Agreement. However, the terms of the agreement make clear that this is a binding financial commitment on the part of NorthStar that is enforceable by NorthStar VY and the NRC. In that regard, Section 1 of the Support Agreement provides, “From time to time, upon request of the Subsidiary, Parent *shall provide or cause to be provided* to the Subsidiary such funds as the Subsidiary determines to be necessary to pay the Decommissioning Costs; provided, however, in any event the aggregate amount which Parent is obligated to provide under this Agreement shall not exceed \$140 million.” (Emphasis added.) The NRC has approved numerous license transfer applications relying upon financial support agreements that include the same “No Guarantee” language contained in Section 2 of the Support Agreement to be provided by NorthStar to NorthStar VY.

Nevertheless, in order to clarify the intent of the Support Agreement, NorthStar proposes to revise Section 2 of the Support Agreement as follows:

2. *No Guarantee to Third Parties.* This Support Agreement is not, and nothing herein contained, and no action taken pursuant hereto by Parent shall be construed as, or deemed to constitute, a direct or indirect guarantee by Parent to any third party of the payment of the Decommissioning Costs or of any liability or obligation of any kind or character whatsoever of the Subsidiary. This Agreement may, however, be relied upon by the NRC in determining the financial qualifications of the Subsidiary to hold the NRC License, including funding the costs associated with the spent fuel management program, and by the State of Vermont in approving financial assurance for the completion of decommissioning and site restoration.

A revised Form of Support Agreement reflecting this change is provided as **Enclosure 6**. This revised form also reflects terms agreed to in the VT Settlement Agreement, including the amount of \$140 million, as previously stated to NRC in Reference 4.

As demonstrated in Enclosure 1, the NDT is expected to cover the license termination costs to be incurred by NorthStar VY. Moreover, NorthStar expects to provide resources to NorthStar VY (through working capital and/or credit facilities) that are adequate for NorthStar VY to fund its ongoing expenses, including ISFSI O&M costs. In addition to these resources, the \$140 million Support Agreement is intended to establish a binding obligation, enforceable by NRC and NorthStar VY, for NorthStar to fund NorthStar VY's costs as necessary, including annual ISFSI O&M costs. For example, it could be used to require the funding of the approximately \$9-10 million per year in ISFSI O&M expense, and therefore, it supports the “Path B” program by which NorthStar VY intends to manage and provide funding for the management of all irradiated fuel without taking credit for DOE recoveries.

NorthStar currently generates approximately \$500 million in annual revenue from multiple service lines, providing a source of recurring earnings and cash flow that is independent of NorthStar VY. As a private company, NorthStar manages the business with a focus on EBITDA (earnings before interest, taxes, depreciation, and amortization) and free cash flow. Management believes that this is the proper focus in this context, because ISFSI O&M expense is a cash obligation to be serviced.

NorthStar's ability to generate future free cash flows was enhanced by a successful recapitalization transaction completed in 2017 with J.F. Lehman & Company. This transaction significantly reduced NorthStar's total debt, also reducing future interest expense and annual debt service requirements. In addition, the transaction also provided NorthStar with a \$55 million revolving credit facility. This facility currently supports \$20 million worth of letters of credit, so that \$35 million in borrowing capacity is currently available, up from approximately \$28 million at the end of 2017. This level of credit capacity provides significant base capacity, before even looking to the growing project escrow account or cash flows from NorthStar's other operations to support the \$140 million funding commitment.

NorthStar's audited financial statements for 2017 are provided in a separately bound proprietary **Enclosure 7P**. These financial statements also include information regarding the amount of the line of credit capacity that would be made available to fund NorthStar VY activities when needed. NorthStar is a privately held company, and its financial statements are confidential. As such, NorthStar requests that **Enclosure 7P** be withheld from public disclosure pursuant to 10 CFR 2.390.

Based on its current strategy and capitalization, NorthStar anticipates additional future growth, and the previously discussed 2017 recapitalization transaction will provide a continuing benefit to NorthStar's future operating results and cash flows. NorthStar is also providing its most recent operating and cash flow projections for 2018-2020 in **Enclosure 8P**. This information is also confidential, and as such, NorthStar requests that this document also be withheld from public disclosure pursuant to 10 CFR 2.390. NorthStar's projected annual cash flows show that NorthStar will have the financial capacity to support NorthStar VY's projected annual costs of ISFSI O&M expense, even assuming no recoveries from DOE.

The NRC staff will have the opportunity to periodically evaluate NorthStar's financial condition. After the VY license is transferred to NorthStar VY, NorthStar will submit annual financial statements to the NRC in order to satisfy the annual reporting requirement in 10 CFR 50.71(b).

RAI – 3:

RAI 1 of the NRC Staff's November 3, 2017 RAI requested the Applicants to state whether they intend to apply for an exemption from 10 CFR 50.82(a)(8)(1)(A), or provide the rationale for why the Applicants believe that the exemption issued to ENOI to use nuclear decommissioning trust (NDT) funds for spent fuel management in accordance with ENOI's Irradiated Fuel Management Plan and Post Shutdown Decommissioning Activities Report (PSDAR) would also apply to NorthStar VY upon transfer of the VY license, including applicability of the rationale that supports ENOI's exemption.

The Applicants' RAI response stated that NorthStar NDC and NorthStar VY do not intend to apply for an exemption from 10 CFR 50.82(a)(8)(1)(A) because NorthStar NDC and NorthStar VY plan to assume the regulatory rights and obligations of ENOI and ENVY, including exemptions. As such, NorthStar NDC and NorthStar VY believe that the exemption granted to ENOI/ENVY regarding the use of NDT funds for spent fuel management will continue to apply. The response acknowledges the changed circumstances or assumptions upon which the exemption was granted (e.g., NorthStar intends to accelerate decommissioning using a planned prompt DECON approach, and NorthStar only intends to use up to a maximum of \$20 million in NDT funds for spent fuel management at any one time).

The exemption granted to ENOI was an exemption from the requirements of 10 CFR 50.82(a)(8)(i)(A) that restricts the use of NDT withdrawals to expenses for legitimate

decommissioning activities consistent with the definition of decommissioning which appears in 10 CFR 50.2. This definition does not include activities associated with irradiated fuel management. Therefore, an exemption from 10 CFR 50.82(a)(8)(i)(A) was issued to allow ENOI to use funds from the NDT for irradiated fuel management.

The basis for the exemption was the licensees' compliance with the exemption criteria of: 1) 10 CFR 50.12(a)(1), requiring that the exemption be authorized by law, not present an undue risk to the public health and safety, and be consistent with the common defense and security; and, 2) a demonstration of special circumstances as required in 50.12(a)(2)(ii), showing that application of the rule (10 CFR 50.82(a)(8)(i)(A)) is not necessary to achieve the underlying purpose of the rule, and that compliance would result in undue hardship or other costs that are significantly in excess of those contemplated when the regulation was adopted.

The NRC granted ENOI's exemption request, having determined that the exemption was authorized by law and consistent with the common defense and security, and did not present an undue risk to public health and safety, based on the licensees' site-specific cost estimate and the cash flow analysis, showing that the use of a portion of the NDT for irradiated fuel management would not adversely impact ENOI's ability to complete radiological decommissioning within 60 years and terminate the VY license.

In granting ENOI's exemption request, the NRC also determined that application of the rule is not necessary to achieve the underlying purpose of the rule because the underlying purpose in this case is to provide reasonable assurance that adequate funds will be available for radiological decommissioning of the reactor. If the current licensee takes 60 years to decommission Vermont Yankee, as indicated in the PSDAR, and assumes a 2% annual real rate of return, as allowed by 50.75(e)(1)(ii), then the projected earnings of the trust combined with the current funds in the trust and planned future contributions provide assurance that there would be adequate funding to complete all NRC required decommissioning activities and conduct irradiated fuel management in accordance with the updated fuel management plan and PSDAR.

In addition, in granting the exemption, the NRC determined that precluding access to excess funds in the Trust, because irradiated fuel management is not associated with radiological decommissioning, would create an unnecessary financial burden without any corresponding safety benefit since the licensees' cost analysis showed that the Trust would have sufficient funds to cover the cost of activities associated with irradiated fuel management, in addition to radiological decommissioning. The NRC concluded that requiring compliance with the rule would have imposed an unnecessary and undue burden significantly in excess of that contemplated when the regulation was adopted.

In reviewing the Applicants' response to the NRC staff's RAI, the staff observed that the previous showing of special circumstances did not appear to apply, in that a 60-year period would not be available for funds in the NDT to grow to a level sufficient to pay for both projected decommissioning costs AND spent fuel management. Please address how the special circumstances that were shown to support the current exemption would continue to apply if the license transfer request is granted.

Response:

The special circumstances apply, because NorthStar VY has committed to limiting any access to NDT funds for purposes of spent fuel management to \$20 million on a "revolving" basis and to return recoveries for ISFSI O&M expenses from DOE to the trust fund. The cash flow analysis provided in **Enclosure 1** demonstrates that the planned NDT balances are sufficient to

fund both the \$20 million and all license termination costs assuming DECON, rather than SAFSTOR. Precluding access to \$20 million in excess funds in the NDT would create an unnecessary financial burden without any corresponding safety benefit, because the cost analysis shows that the NDT would have sufficient funds to cover \$20 million worth of the cost of activities associated with irradiated fuel management, in addition to radiological decommissioning.

Nevertheless, NorthStar VY will submit a specific exemption request regarding the use of NDT funds for spent fuel management up to \$20 million. The NRC staff can impose a condition to the license transfer or to the exemption that such use of NDT funds will be limited to \$20 million. Any such condition should make clear that this limitation would apply on a “revolving” basis; any future contributions to the NDT would reduce the amount deemed withdrawn for purposes of the \$20 million “draw down” limitation.

RAI – 4:

The NRC staff has learned that on March 2, 2018 (ADAMS Accession No. ML18066A044), the Applicants, certain State of Vermont agencies, and others, entered into a settlement agreement (Agreement) concerning the proposed purchase and sale (Proposed Transaction) of VY from Entergy to NorthStar. In that Agreement, the parties agreed to the approval of the Proposed Transaction by the Vermont Public Utility Commission, if all terms and conditions described in the Agreement are met. The NRC staff was not consulted regarding the Agreement and was not aware of its specific terms and conditions prior to its execution. To assist the staff in assessing any impact of the Agreement on the license transfer application, the NRC staff has the following RAIs:

RAI 4a. Please describe how the terms and conditions of the Agreement affect the financial and technical information submitted by the Applicants to the NRC regarding the license transfer application.

Response:

The terms and conditions of the VT Settlement Agreement do not have any adverse effect on the financial and technical information submitted by the Applicants to the NRC regarding the license transfer application. The Applicants agreed in the VT Settlement Agreement to establish additional and enhanced mechanisms (sources of funding) that further assure that the decommissioning and site restoration will be completed as planned.

For example, the escrow account that NorthStar has committed to establish at the transaction closing is described in response to RAI-1. In addition, NorthStar’s teaming partner Orano USA has agreed to provide a \$25 million guaranty at transaction closing to be available for decommissioning and/or site restoration. Also, NorthStar will obtain a \$30 million Pollution Legal Liability policy at transaction closing to cover previously unknown or not fully characterized non-radiological environmental conditions. Finally, NorthStar VY has agreed to not make payments from the NDT for each work scope that exceed the pre-established amounts in its pay item disbursement schedule; this assures that individual scopes of work during decommissioning must be accomplished in accordance with the original budget on a “fixed price” basis.

RAI 4b. On page 4, section 2.c, of the Agreement, NorthStar agrees to establish an escrow account that may be used to fund completion of decommissioning and/or site restoration activities at the VY Station site. However, the source of funding for this account is unclear.

Language in this section suggests, in part, that funds withdrawn from the Nuclear Decommissioning Trust (NDT) for decommissioning expenses could be deposited into the escrow account. Specifically, this section states:

“...NorthStar shall deposit an additional \$25 million into the escrow account over time, which shall be accomplished by depositing 10% of each invoice paid with funds from the NDT for decommissioning or site restoration...”

NRC regulations in 10 CFR 50.82(a)(8)(i)(A) restrict the use of NDT withdrawals to expenses for legitimate decommissioning activities consistent with the definition of decommissioning in 10 CFR 50.2, which do not include expenses for meeting State site restoration requirements. Please clarify the source of funds to be deposited into the escrow account as described in this Agreement (initial deposit of \$30 million and subsequent deposit of \$25 million, in increments). In addition, please confirm whether any of the terms and conditions of the Agreement contemplate that the NDT would be used for expenses other than for decommissioning as defined in NRC regulations at 10 CFR 50.2.

Response:

As previously indicated, the initial \$30 million deposited into the escrow account will be funded with \$20 million from Entergy and with \$10 million from NorthStar. Under the terms of the Decommissioning Completion Assurance Agreement (DCAA), an estimated \$30 million in future recoveries from the Round 3 DOE litigation were to be retained by NorthStar VY. Given Entergy's agreement to “pre-fund” \$20 million in the escrow account, the DCAA will be amended to provide that only \$10 million of the Round 3 DOE recoveries would be retained by NorthStar VY.

After the initial funding of the escrow account at closing, NorthStar NDC and its subcontractors will conduct decommissioning activities. NorthStar NDC will submit invoices for that decommissioning work to NorthStar VY, which will withdraw funds from the NDT to pay for these invoices. Thus, the funds withdrawn from the NDT will only be used to pay legitimate decommissioning expenses. After NorthStar VY has withdrawn the first \$100 million from the NDT, however, it will not immediately pay NorthStar NDC 100% of the amounts invoiced and withdrawn from the NDT, but rather will withhold 10% of these amounts and deposit the withheld 10%, up to \$25 million, into the escrow account. NorthStar NDC has committed to defer receipt of payment (up to \$25 million) for the decommissioning work that it and its subcontractors perform.

Funds contributed to and accumulated in the escrow account will be available for decommissioning and site restoration expenses in the event that the NDT and segregated site restoration subaccount discussed further below do not have sufficient funds. Once the conditions specified in paragraph 2(c)(2) of the VT Settlement Agreement have been satisfied, any unused escrow account funds will be released to NorthStar VY for payment to NorthStar NDC. Thus, the NDT funds for license termination will only pay legitimate decommissioning expenses, but NorthStar NDC is voluntarily agreeing to allow a portion of what it is entitled to receive for decommissioning expenses to be deferred and held in the escrow account.

To the extent that any invoices are for site restoration activities, those invoices are to be paid from a segregated site restoration account that will be established within the NDT. ENVY currently maintains a separate site restoration trust, but upon approval from the Vermont Public Utility Commission, those assets will be transferred into a segregated account within the Internal Revenue Code Section 468A “qualified fund” in the NDT. The site restoration account will have

a \$60 million balance. As with invoices for decommissioning expenses, 10% of the amount withdrawn from the site restoration account to pay an invoice for site restoration activities will be withheld and deposited into the escrow account until the withheld amounts, both for license termination and site restoration work, total \$25 million.

RAI – 5:

Page 9 of Attachment 1 to the December 4, 2017 RAI response contains a table that shows NorthStar's management and technical role in various decommissioning projects. In particular, for the four research reactor projects licensed by the NRC (at the Universities of Illinois, Arizona, Washington, and the State University of New York at Buffalo) the table indicates that NorthStar was the "Principal Lead Contractor" for these decommissioning projects. In addition, Appendix E of the December 4, 2017 RAI response contains the NorthStar project profiles of those four NRC regulated research reactor decommissioning projects plus an additional NRC regulated non-power reactor decommissioning project (the A.J. Blockey reactor), and describes NorthStar's scope of work on that project as the "prime contractor."

NRC records of the licensing and oversight of the decommissioning of two most recently decommissioned research reactors (the A.J. Blockey reactor and the State University of New York at Buffalo reactor) indicate that the companies ENERCON Services and/or AECOM were the principal contractor interface with the NRC.

RAI 5a. Please describe NorthStar's relationship with ENERCON and AECOM and the licensees on the two most recently decommissioned research reactors, and explain how NorthStar's principal role in these projects differed from the principal roles of the companies that NRC interacted with.

Response:

AJ Blotcky - NorthStar was previously known as LVI Services (LVI). LVI contracted with the Department of Veterans Affairs (VA) on January 29, 2015 (Contract No. VA701-15-C-0005) to perform as the Decommissioning Operations Contractor (DOC) to manage the physical decommissioning work, prepare required documents in support of the project, provide health physics support, radiation surveys, and support waste packaging, transportation, and disposal. AECOM independently contracted with the VA as the VA's Technical Representative contractor to oversee the operations of the DOC and provide other technical support to the VA project team, including development of the License Termination Plan. ENERCON was a subcontractor to LVI to perform radiological health physics, final status surveys, and waste disposal services. AECOM performed characterization work at this facility prior to the decommissioning contract award to LVI.

University at Buffalo - On August 12, 2012, LVI entered into Contract No. T500037 with the University at Buffalo in 2012 to decommission the Buffalo Material Research Center. LVI managed the project and performed/managed all planning, dismantlement, decontamination, and waste packaging, transportation, and disposal, as well as facility demolition. ENERCON independently contracted with the University of Buffalo to provide operations oversight and technical support to the University staff. ENERCON performed the Final Status Surveys and reporting. ENERCON also performed facility characterization for approximately 2 years prior to contract award to LVI. NorthStar is not aware of AECOM having any role in this project.

In a letter dated April 11, 2014 (ADAMS Accession No. ML14106A489), the University of Buffalo submitted an April 11, 2014 ENERCON letter, in which ENERCON states: "The policy was

followed by **the decommissioning contractor (LVI)**, supported by the oversight contractor (ENERCON), and endorsed by the licensee (SUNY)." (Emphasis added.)

Supplemental Information - Both ENERCON and AECOM had roles in the University of Illinois project that NorthStar has also referenced. On June 10, 2010, LVI contracted with the University of Illinois to decommission the University of Illinois TRIGA reactor and structure, pursuant to RFP 1JJJ1109. LVI managed the project and performed all planning, dismantlement, decontamination, waste packaging, facility demolition, and site restoration. ENERCON was a subcontractor to LVI to perform radiological health physics, low level radioactive waste transportation and disposal, and final status survey services. AECOM provided technical support services to ENERCON, including a radiation safety officer and radiological consultant. AECOM performed facility characterization for the University prior to the contract award that was made to LVI.

RAI 5b. Please provide a resume for the Director of Health Physics and Waste Operations that indicates the dates when the relevant experience listed was obtained, and compare his experience with the experience described for the radiation protection manager in ANSI/ANS-3.1-2014 (Section 4.3.3, "Radiation protection") that has been endorsed by NRC in Draft Regulatory Guide DG-1329 (ADAMS Accession No. ML16091A267).

Response:

The Director of Health Physics and Waste Operations is a NorthStar project management position and will not fulfill the ANSI/ANS-3.1-2014 criteria for middle level manager. NorthStar will staff a Radiation Protection Manager who reports to the Director of Health Physics and Waste Operations. Michael T. Pletcher will be the NorthStar Radiation Protection Manager at the Vermont Yankee Nuclear Station. Mr. Pletcher is currently the Entergy Radiation Protection Manager at VY, and he will become a NorthStar employee upon the transaction closing. Mr. Pletcher will typically be responsible for the development and administration of programs and policies in the specific areas of radiation protection. Mr. Pletcher will implement programs and policies and will have one or more first line supervisors reporting to him.

Mr. Pletcher has the education, training, and experience to fulfill the requirements of ANSI/ANS-3.1-2014 (Section 4.3.3, Radiation Protection) middle level manager and radiation protection manager. Mr. Pletcher holds a baccalaureate degree in Science and Technology (Nuclear Technologies) from Excelsior College, Albany, NY. Mr. Pletcher has over 26 years of nuclear power plant experience at the Vermont Yankee Nuclear Station. Mr. Pletcher's experience is listed in **Enclosure 9**, and summarized as follows:

- ✓ Related experience- 36 years
- ✓ Naval nuclear power plant experience- 6 years
- ✓ Commercial nuclear power plant experience-26 years
- ✓ Supervisor and management experience-
 - Supervisor Radiation Protection at ChemNuclear Systems- 3.25 years
 - Supervisor Radiation Protection at Vermont Yankee Nuclear Station – 5.75 years
 - Shift Technical Advisor at Vermont Yankee Nuclear Station-3.3 years
 - Control Room Supervisor at Vermont Yankee Nuclear Station-7.4 years
 - Radiation Protection and Chemistry Manager at Vermont Yankee Nuclear Station-3.25 years

✓ Other experience-

- Radiation Control Technician at Vermont Yankee Nuclear Station-3.25 years
- Radiation Protection Training Coordinator at Vermont Yankee Nuclear Station-3.5 years

RAI 5c. The NRC staff has learned that one of NorthStar's strategic partners for the decommissioning of VY, Waste Control Specialists (WCS), was purchased by J.F. Lehman & Company in January 2018. Please provide information on the acquisition of WCS, how that acquisition may affect WCS' participation in the strategic partnership, and if the acquisition would have any effect on the proposed license transfer and VY decommissioning. Also, specifically describe the effect of the acquisition on the participation of the WCS individuals identified in Enclosure 3 to the license transfer application dated February 9, 2017, and in Attachment 1 of the Applicant's first RAI response dated December 4, 2017.

Response:

J.F. Lehman & Company owns NorthStar, and NorthStar was closely involved with the acquisition of Waste Control Specialists (WCS). Scott E. State, the Chief Executive Officer (CEO) of NorthStar, is now the CEO of WCS, and Gregory G. DiCarlo, the General Counsel of NorthStar, is now the General Counsel of WCS. As an affiliated company with the same leadership, NorthStar's partnership with WCS has been strengthened by the J.F. Lehman & Company acquisition of WCS. There is no adverse impact on the proposed license transfer, and there is no change to the information previously provided in the application or in the previous RAI response, except that WCS has a new President and Chief Operating Officer, David Carlson. Mr. Carlson replaces Rodney A. Baltzer, and his resume is attached as **Enclosure 10.**

Enclosures to Attachment 2

Enclosure 1 – Cash Flow Analysis (License Termination Plus \$20 million for Spent Fuel)

Enclosure 2 – Cash Flow Analysis (With Expected DOE Recoveries)

Enclosure 3 – Cash Flow Analysis (Without Expected DOE Recoveries)

Enclosure 4 – Form of DOE Settlement Agreement

Enclosure 5 – Prequalification Letter

Enclosure 6 – Form of Financial Support Agreement

Enclosure 7 – Reserved (Proprietary Enclosure 7P)

Enclosure 8 – Reserved (Proprietary Enclosure 8P)

Enclosure 9 – Resume of Michael T. Pletcher

Enclosure 10 – Resume of David Carlson

Proprietary Enclosures

Enclosure 7P – 2017 Audited Financial Information

Enclosure 8P – 2018-2020 Cash Flow Projections

(79 pages including this cover page)

Enclosure 1
Cash Flow Analysis
(License Termination Plus \$20 million for Spent Fuel)

ENCLOSURE 1

NorthStar Nuclear Power Station - Prompt D&D Methodology

Annual Cash Flow Analysis - Total License Termination, Spent Fuel Management less Dry Fuel Costs

(In Thousands of Period of Performance Dollars)

Base Case NDT Model - \$20M Spent Fuel Management Withdrawals

Year	Column 1 50.75 License Termination Cost	Column 2 50.54 (bb) Spent Fuel Management Cost (1) (2)	Column 3 Total Withdrawals (Sum of Columns 1-2)	Column 4 Beginning of Year Trust Fund Balance (3)	Column 5 Total Withdraws	Column 6 DOE Recovery	Column 7 Trust Fund Earnings (4)	Column 8 Year Ending Trust Fund Balance
2019	66,672	9,241	75,913	513,350	(75,913)	0	8,749	446,186
2020	65,612	6,141	71,753	446,186	(71,753)	0	7,489	381,921
2021	69,745	4,241	73,986	381,921	(73,986)	0	6,159	314,094
2022	78,438	377	78,815	314,094	(78,815)	0	4,706	239,985
2023	87,519	-	87,519	239,985	(87,519)	0	3,049	155,515
2024	76,253	-	76,253	155,515	(76,253)	0	1,585	80,847
2025	41,369	-	41,369	80,847	(41,369)	0	790	40,268
2026	9,390	-	9,390	40,268	(9,390)	0	618	31,495
2027	0	-	0	31,495	0	0	630	32,125
2028	0	-	0	32,125	0	0	643	32,768
2029	0	-	0	32,768	0	0	655	33,423
2030	0	-	0	33,423	0	0	668	34,092
2031	0	-	0	34,092	0	0	682	34,773
2032	0	-	0	34,773	0	0	695	35,469
2033	0	-	0	35,469	0	0	709	36,178
2034	0	-	0	36,178	0	0	724	36,902
2035	0	-	0	36,902	0	0	738	37,640
2036	0	-	0	37,640	0	0	753	38,393
2037	0	-	0	38,393	0	0	768	39,161
2038	0	-	0	39,161	0	0	783	39,944
2039	0	-	0	39,944	0	0	799	40,743
2040	0	-	0	40,743	0	0	815	41,557
2041	0	-	0	41,557	0	0	831	42,389
2042	0	-	0	42,389	0	0	848	43,236
2043	0	-	0	43,236	0	0	865	44,101
2044	0	-	0	44,101	0	0	882	44,983
2045	0	-	0	44,983	0	0	900	45,883
2046	0	-	0	45,883	0	0	918	46,800
2047	0	-	0	46,800	0	0	936	47,736
2048	0	-	0	47,736	0	0	955	48,691
2049	0	-	0	48,691	0	0	974	49,665
2050	0	-	0	49,665	0	0	993	50,658
2051	0	-	0	50,658	0	0	1,013	51,671
2052	3,454	-	3,454	51,671	(3,454)	0	964	49,182
2053								
	498,452	20,000	518,452	513,350	(518,452)	0	54,284	49,182

518,452

- Footnotes:**
- (1) Annual Spent ISFSI Operations Costs
 - (2) ISFSI Costs Paid from NDT limited to \$20 million
 - (3) Beginning NDT Balance of \$513 million is the minimum pre-tax balance required pursuant to MIPA/DCAA
 - (4) 2% annual earnings rate

Enclosure 2
Cash Flow Analysis
(With Expected DOE Recoveries)

ENCLOSURE 2

NorthStar Nuclear Power Station - Prompt D&D Methodology

Annual Cash Flow Analysis - Total License Termination, Spent Fuel Management less Dry Fuel Costs

(In Thousands of Period of Performance Dollars)

Base Case NDT Model - with DOE Standard Contract Spent Fuel Management Cost Recoveries

Year	Column 1 50.75 License Termination Cost	Column 2 50.54 (bb) Spent Fuel Management Cost (1)	Column 3 Total Withdrawals (Sum of Columns 1-2)	Column 4 Beginning of Year Trust Fund Balance (2)	Column 5 Total Withdraws	Column 6 DOE Recovery (3) (4) (5)	Column 7 Trust Fund Earnings (6)	Column 8 Year Ending Trust Fund Balance
2019	66,672	9,241	75,913	513,350	(75,913)	0	8,749	446,186
2020	65,612	6,141	71,753	446,186	(71,753)	0	7,489	381,921
2021	69,745	4,241	73,986	381,921	(73,986)	0	6,159	314,094
2022	78,438	4,241	82,679	314,094	(82,679)	0	4,628	236,043
2023	87,519	4,241	91,760	236,043	(91,760)	10,000	3,086	157,369
2024	76,253	4,241	80,494	157,369	(80,494)	21,205	1,962	100,042
2025	41,369	8,657	50,026	100,042	(50,026)	4,241	1,085	55,342
2026	9,390	5,104	14,494	55,342	(14,494)	8,657	990	50,495
2027	0	9,276	9,276	50,495	(9,276)	5,104	926	47,250
2028	0	9,276	9,276	47,250	(9,276)	9,276	945	48,195
2029	0	9,276	9,276	48,195	(9,276)	9,276	964	49,159
2030	0	9,276	9,276	49,159	(9,276)	9,276	983	50,142
2031	0	9,276	9,276	50,142	(9,276)	9,276	1,003	51,145
2032	0	9,276	9,276	51,145	(9,276)	9,276	1,023	52,168
2033	0	9,276	9,276	52,168	(9,276)	9,276	1,043	53,211
2034	0	9,276	9,276	53,211	(9,276)	9,276	1,064	54,275
2035	0	9,276	9,276	54,275	(9,276)	9,276	1,086	55,361
2036	0	9,276	9,276	55,361	(9,276)	9,276	1,107	56,468
2037	0	9,276	9,276	56,468	(9,276)	9,276	1,129	57,597
2038	0	9,276	9,276	57,597	(9,276)	9,276	1,152	58,749
2039	0	9,276	9,276	58,749	(9,276)	9,276	1,175	59,924
2040	0	9,276	9,276	59,924	(9,276)	9,276	1,198	61,123
2041	0	9,276	9,276	61,123	(9,276)	9,276	1,222	62,345
2042	0	9,276	9,276	62,345	(9,276)	9,276	1,247	63,592
2043	0	9,276	9,276	63,592	(9,276)	9,276	1,272	64,864
2044	0	9,276	9,276	64,864	(9,276)	9,276	1,297	66,161
2045	0	9,276	9,276	66,161	(9,276)	9,276	1,323	67,484
2046	0	9,276	9,276	67,484	(9,276)	9,276	1,350	68,834
2047	0	9,276	9,276	68,834	(9,276)	9,276	1,377	70,211
2048	0	9,276	9,276	70,211	(9,276)	9,276	1,404	71,615
2049	0	9,276	9,276	71,615	(9,276)	9,276	1,432	73,047
2050	0	9,276	9,276	73,047	(9,276)	9,276	1,461	74,508
2051	0	9,276	9,276	74,508	(9,276)	9,276	1,490	75,998
2052	3,454	9,807	13,261	75,998	(13,261)	9,276	1,440	73,453
2053				73,453	0	9,807	1,665	84,925
	498,452	287,802	786,254	513,350	(786,254)	290,902	66,927	84,925

- Footnotes:**
- (1) Annual Spent ISFSI Operations Costs
 - (2) Beginning NDT Balance of \$513 million is the minimum pre-tax balance required pursuant to MIPA/DCAA
 - (3) \$10 million DOE Round 3 Claim Recovery in 2023
 - (4) \$21.205 million DOE Recovery in 2024 is for Round 4 claim (2019 thru 2022 @\$4.241 million/year)
 - (5) 2025 thru 2031 DOE Recoveries based on annual claims paid by DOE pursuant to post litigation Settlement Agreement
 - (6) 2% annual earnings rate

Enclosure 3
Cash Flow Analysis
(Without Expected DOE Recoveries)

ENCLOSURE 3

NorthStar Nuclear Power Station - Prompt D&D Methodology										
Annual Cash Flow Analysis - Total License Termination, Spent Fuel Management less Dry Fuel Costs										
(In Thousands of Period of Performance Dollars)										
Base Case NDT Model - \$20M Spent Fuel Management Withdrawals - 2030 Fuel Pick-up										
Year	Column 1 50.75 License Termination Cost	Column 2 50.54 (bb) Spent Fuel Management Cost (1)	Column 4 Spent Fuel Management & Interest Cost Paid by Support Agreement (2)	Column 5 Total Withdrawals (Sum of Columns 1-3)	Column 6 Beginning of Year Trust Fund Balance (3)	Column 7 Total Withdraws	Column 8 DOE Recovery	Column 9 Trust Fund Earnings (4)	Column 10 Year Ending Trust Fund Balance	Column 11 \$140M Support Agreement Funding by NorthStar (5)
2019	66,672	9,241		75,913	513,350	(75,913)	0	8,749	446,186	0
2020	65,612	6,141		71,753	446,186	(71,753)	0	7,489	381,921	0
2021	69,745	4,241		73,986	381,921	(73,986)	0	6,159	314,094	0
2022	78,438	4,241	(3,864)	78,815	314,094	(78,815)	0	4,706	239,985	3,864
2023	87,519	4,241	(4,241)	87,519	239,985	(87,519)	0	3,049	155,515	4,241
2024	76,253	4,241	(4,241)	76,253	155,515	(76,253)	0	1,585	80,847	4,241
2025	41,369	8,657	(8,657)	41,369	80,847	(41,369)	0	790	40,268	8,657
2026	9,390	5,104	(5,104)	9,390	40,268	(9,390)	0	618	31,495	5,104
2027	0	9,276	(9,276)	0	31,495	0	0	630	32,125	9,276
2028	0	9,276	(9,276)	0	32,125	0	0	643	32,768	9,276
2029	0	9,276	(9,276)	0	32,768	0	0	655	33,423	9,276
2030	3,454	9,276	(12,730)	0	33,423	0	0	668	34,092	12,730
2031										0
	498,452	83,211	(66,665)	514,998	513,350	(514,998)	0	35,740	34,092	66,665
Total Spent Fuel Management Costs			83,211	514,998						
Paid by Support NorthStar Agreement			(66,665)						34,092	
Spent Fuel Costs Paid from NDT			16,546	(Proposed Agreement w/NRC)					73,335	73,335
									TOTAL FUNDING SURPLUS	107,427
										140,000

- Footnotes:**
- (1) Annual Spent ISFSI Operations Costs
 - (2) ISFSI Costs Paid by NorthStar via Support Agreement (All SFM Costs > \$20 million)
 - (3) Beginning NDT Balance of \$513 million is the minimum pre-tax balance required pursuant to MIPA/DCAA
 - (4) 2% annual earnings rate
 - (5) Funding provided by \$140 million NorthStar Support Agreement

Enclosure 4
Form of DOE Settlement Agreement

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[CASE CAPTION]

SETTLEMENT AGREEMENT

Purpose And Recitals

The purpose of this agreement is to settle upon the amount owed to Plaintiff on its claims pending before the trial or appellate court and establish an administrative process for the payment of future claims for costs paid through the term of the agreement. The agreement consists of this section and the following sections: II. Resolution Of Plaintiff's Claims; III. Allowable Costs To Be Claimed; IV. Future Final Allowable Cost Determinations; V. Procedures For Binding Arbitration; VI. Termination Of Settlement, Releases, And Reservations Of Rights; VII. Warranties And Representations; VIII. Payment Of Fees Pursuant To The Contract; IX. Acceptance By DOE Of Casks, Canisters, Or Other Equipment; and X. Additional Terms And Provisions. To obviate the need for any further litigation or judicial proceedings, including any further trial or adjudication of any issue of law or fact, and without constituting an admission of liability on the part of the United States, and for no purpose other than those stated, the parties stipulate and agree as follows:

A. "Plaintiff" for these purposes is **[name of plaintiff or plaintiffs]**. (Unless the context requires otherwise, the singular shall include the plural, and vice versa.) With the consent of the United States, this agreement shall inure to the benefit of, and be assignable to, successors or affiliates of Plaintiff, or other parties to whom the Standard Contracts (as identified below) are assigned.

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B. Plaintiff is the Purchaser under a Standard Contract with the United States Department of Energy (“DOE”) for the acceptance of spent nuclear fuel (“SNF”) and high-level radioactive waste (“HLW”) under the Nuclear Waste Policy Act, the material terms of which are reproduced at 10 C.F.R. § 961.11, and which is numbered **DE-CR01-83NEXXXXXX** (for these purposes, the “Contract”).

C. The Contract covers the **[names of nuclear plant or plants]** (for these purposes, the “Site”).

D. The Contract required DOE to commence acceptance of SNF/HLW “not later than January 31, 1998.” DOE has not commenced acceptance of SNF/HLW. Plaintiff has filed a lawsuit against the Government, alleging entitlement to recovery of damages because DOE has not commenced acceptance of SNF/HLW. That lawsuit is currently pending before the **United States Court of Appeals for the Federal Circuit/United States Court of Federal Claims, No. XXXX-XXX/No. XX-XXXX** (the “Lawsuit.”)

Resolution Of Plaintiff’s Claims

Plaintiff has offered to settle the Lawsuit and to waive any claims for costs paid and injuries sustained through December 31, 2013, in exchange for the payment of \$[**amount**] for costs paid through [**end date of current claims**] and the payment of subsequent claims pursuant to the process set forth in section IV, below. Plaintiff’s offer has been accepted by the authorized representative of the Attorney General. Each party will bear its own legal costs, attorney fees, and expenses.

Allowable Costs To Be Claimed

This section defines the costs that will be deemed allowable for purposes of annual claims submitted under this agreement for costs paid through December 31, 2013. Costs are

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allowable, and therefore recoverable, pursuant to this Agreement to the extent, and only to the extent, that they are (1) reasonable; (2) allocable to a project traceable to DOE's delay; (3) within the categories of costs identified in section III.C below as allowable and are not designated as unallowable; and (4) determined by the Contracting Officer to be allowable under the review provisions set forth in section IV of this agreement.

Determining Reasonableness

Costs will be deemed "reasonable" if, in their nature and amount, they do not exceed those that would be paid by a prudent person or entity in the conduct of Plaintiff's competitive business. What is "reasonable" depends upon a variety of considerations and circumstances, including whether a cost (a) is the type generally recognized as ordinary and necessary for the conduct of Plaintiff's business or the Contract performance, considering normal and reasonable lead times for the design, procurement and fabrication of SNF/HLW storage equipment, and facilities and ancillary activities related thereto; (b) is consistent with generally accepted sound business practices, arms-length bargaining, and Federal and state laws and regulations; and (c) is incurred in accordance with Plaintiff's established business practices.

Determining Allocability

A cost is allocable to a project traceable to DOE's delay if it (a) is paid specifically for a project that was made necessary by DOE's delay in commencing SNF acceptance and that, but for DOE's delay, would not have been necessary; or (b) benefits both a delay-related project and other work, and can be distributed to them in reasonable proportion to the benefits received. If Plaintiff incurs costs that are attributable to both the storage of Plaintiff's Allocations, as defined below, and to other work at the Site and can be distributed to the projects in reasonable proportion to the benefits received, Plaintiff may claim the portion of the costs distributed to

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managing and storing SNF as an allowable cost. If Plaintiff's claim includes costs that have been distributed to projects for the storage of Plaintiff's Allocations, Plaintiff must clearly indicate the distributed costs and clearly establish and explain the basis for the distribution in Plaintiff's claim if Plaintiff fails to do so, the DOE Contracting Officer or his designee may determine that the claim is incomplete, pursuant to section IV.B below.

Categories Of Costs Expressly Identified As Allowable And Unallowable

Definition And Use Of "Plaintiff's Allocations."

For purposes of this agreement, "Plaintiff's Allocations" means the allocations of SNF set forth in Attachment 1. To determine Plaintiff's Allocations, DOE applied the rates set forth in Table 2.1 at page 7 of the 1987 Annual Capacity Report for the years 1998-2007 and set forth on page 61 of the Mission Plan Amendment, issued by the Office of Civilian Radioactive Waste Management, dated June 1987, for the years 2008-13 to DOE's 2004 Acceptance Priority Ranking.

Plaintiff's Allocations shall not be reduced or modified for any reasons, including, but not limited to, for accommodation of acceptance of Greater-Than-Class-C radioactive waste or HLW, or deferral or delay of acceptance of Failed or Non-Standard Fuel.

For purposes of determining whether costs are allowable because they were paid to store Plaintiff's Allocations, Plaintiff may use its Allocations for any of Plaintiff's Contracts or Sites. However, Plaintiff must use the Allocations in a manner consistent with minimizing the total SNF's storage costs that Plaintiff would have incurred at all of its sites had DOE taken delivery of SNF from Plaintiff in accordance with Plaintiff's Allocations and consistent with Plaintiff's documented business practices.

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Categories Of Costs Expressly Designated As Allowable. The following categories of costs are allowable, provided that (1) the costs are directly related to the storage of Plaintiff's Allocations, as that term is defined above; (2) at the time of its submission of its annual claim pursuant to section IV, Plaintiff has paid for the item or service for which it seeks reimbursement pursuant to this agreement by cash, check, wire transfer, or other form of actual payment; and (3) the costs satisfy the reasonableness and allocability requirements identified above.

Additional Pool Storage – Costs to purchase, license, and install new, additional or replacement storage racks or to make available additional storage spaces to the extent, and only to the extent, necessary to provide additional capacity in the spent fuel pool at the Site;

Dry Storage Costs – Costs to purchase storage casks and canisters, including those canisters that may be licensed for transport, and transfer casks for the storage of SNF at the Independent Spent Fuel Storage Installation ("ISFSI"); costs to load fuel into and to transport canisters and casks for storage at the ISFSI; costs of ancillary equipment for casks and cask loading, including, but not limited to, lifting yokes, crawlers, tugs, dollies, and vacuum drying equipment; costs to conduct initial loading demonstrations required by the Nuclear Regulatory Commission ("NRC"); costs of training and development of procedures; costs for cask loading campaign mobilization and demobilization; costs to study and to evaluate SNF storage options; costs for quality assurance inspections of cask vendors; costs for security improvements required by NRC for the ISFSI; costs of maintaining and operating the ISFSI; costs for security improvements or upgrades required to comply with Plaintiff's security plan approved by the NRC; and costs to design, license and build the ISFSI pad, including costs of

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building the portion of the ISFSI pad that will be required for the storage of Plaintiff's SNF in addition to Plaintiff's Allocations, provided that Plaintiff can demonstrate that it was more cost effective to incur the costs to design, license and build the ISFSI pad during the claim period rather than after termination of the agreement. If Plaintiff previously constructed an ISFSI for reasons other than to store SNF Plaintiff's Allocations or needs to place or places items other than casks or canisters containing Plaintiff's Allocations in dry storage, only the costs attributable to the portion of the ISFSI needed to store Plaintiff's Allocations will be allowable.

Modifications Of The Existing Plant – Costs paid to modify cranes to the extent, and only to the extent, necessary to increase the rated lifting capacity of the crane used in the loading of SNF from the fuel storage pool, provided that Plaintiff can establish that these modifications would not have been necessary to meet the requirements of NUREG-0612 or load SNF in casks or canisters provided by DOE had DOE begun performance in 1998; building modifications that Plaintiff can establish would not have been necessary to load SNF in casks or canisters provided by DOE (e.g., seismic restraints for fuel pool or upgrades to floor of cask loading area); and costs to improve the haul path from the fuel building to the ISFSI, to the extent that the haul path is different from the path that Plaintiff would have used to deliver fuel to DOE. If Plaintiff incurs costs for site modifications or equipment purchases to store Plaintiff's Allocations that otherwise benefit the operation of the plant, including crane modifications for purposes other than loading storage canisters or casks, the cost reimbursed will be proportional to the benefit to the operation of the plant.

Property Taxes – Costs paid as a result of any increase in assessed property tax resulting from and traceable to projects, as identified in the preceding three paragraphs, that were undertaken to provide additional storage for Plaintiff's Allocations.

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Labor And Overhead – The cost of labor charged directly by Plaintiff's employees to any project that is otherwise allowable shall be considered allowable, provided that the hours expended on such project are charged in accordance with Plaintiffs standard time recordation system and are identified at the individual employee level. In addition, the following types of overhead charges will be deemed allowable provided that the charges are calculated in accordance with Plaintiff's established accounting practice and policy: (a) payroll overheads or "burdens" associated with labor hours charged to allowable projects; and (b) non-payroll overheads allocated to allowable projects claimed up to a maximum of five percent of the portion of Plaintiffs claim which is otherwise allowable and to which such non-payroll overheads are allocated.

Categories Of Costs Expressly Designated As Unallowable. Any category of cost not expressly identified in section III.C.2 above is unallowable.

Unallowable costs include, but are not limited to, the following:

Any cost that, although listed in the categories of allowable costs, resulted from Plaintiffs actions, inactions, errors, or omissions rather than as a direct result of DOE's delay.

Costs in claims predicated upon adjustments to Plaintiff's Allocations based upon the plus-or-minus-20 percent quantity adjustment provision in Art. V.B.2 of the Contract, the exchanges provision in Art. V.E of the Contract, or the priority for shutdown reactors provision in Art. VI.B.1.b of the Contract.

Monies paid for the development of off-site storage initiatives including, but not limited to, Private Fuel Storage, LLC.

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Interest-related claims, including, but not limited to, cost of capital claims, Allowance for Funds Used During Construction claims, time-value-of-money claims, and claims to recover interest on borrowings.

Costs paid as the result of requirements mandated by a legislature or governmental agency as a condition to approval of projects deemed to be allowable costs or otherwise enacted by a legislature or promulgated by an agency as a consequence of DOE's delay.

Overhead costs other than those expressly described as allowable in section 111.C.2.e.

Costs paid for spent fuel characterization.

Claims for generic NRC fees paid pursuant to 10 C.F.R. Part 171.

Costs paid for the characterization, storage, disposal, or management of "Greater-Than-Class-C" radioactive waste generated at Plaintiff's Site.

Costs paid for the maintenance or repair of cranes or other plant equipment necessary for the operation of the plant or for the shipment of fuel off-site.

Consequential damages, penalties, fines, delay charges, or any other ancillary costs; and

Costs paid by Plaintiff for the presentation of claims to the contracting Officer pursuant to this agreement.

Future Final Allowable Cost Determinations

This section describes the administrative claims process for the annual determination of allowable costs owed to Plaintiff as the result of DOE's delay. If any of the deadlines set forth in this section fall on a Saturday, Sunday or Federal holiday, the deadline shall be the next business

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day. All deadlines set forth below may be extended by written agreement of the parties, as applicable. Notices and other submissions described in this section shall be provided by overnight courier unless otherwise indicated.

Submission Of Claims For Allowable Costs

Plaintiff shall submit claims annually for the payment of allowable costs to the DOE Contracting Officer. Plaintiff shall submit its first claim after execution of this agreement no later than [date]. Plaintiff must submit subsequent claims by that same date each year. In each annual claim, Plaintiff either will request payment for allowable costs or will indicate that the request for payment is being deferred. Plaintiff may defer the submission of a claim for up to three years if the amount of allowable costs to be claimed is less than \$500,000. When a deferred claim is submitted, Plaintiff must submit it no later than [same day] of the year in which it is submitted. Absent deferral or a mutually agreed upon extension of time, if Plaintiff fails to submit a timely claim, Plaintiff foregoes the opportunity to recover costs for that claim period.

Plaintiff shall submit claims in writing to the DOE Contracting Officer for the Contract. In the claim, Plaintiff shall include claimed allowable costs that it has paid since the last date of the costs claimed in the prior submission. The DOE Contracting Officer will not consider claims for costs paid during the time period covered by a prior submission. Plaintiff will include sufficient supporting documentation to allow the DOE Contracting Officer to verify that the costs have been paid and properly recorded in Plaintiff's accounting system. An authorized representative of Plaintiff must sign the claim and certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of Plaintiffs knowledge and belief, and that the amount requested accurately reflects the allowable and reasonable costs for which Plaintiff believes the Government is liable under this agreement.

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DOE Determination Of Allowable Costs

Initial Sufficiency Review. Assuming that Plaintiff has submitted an annual or deferred claim by [date] of any calendar year, the DOE Contracting Officer or his designee will have until [insert date 14 days after the submission deadline], and in no event less than 14 calendar days after the date that DOE receives Plaintiff's claim, to review the claim and to determine whether it is sufficiently complete to allow DOE to proceed with its review. On or before the 14th day, the DOE Contracting Officer or his designee will notify Plaintiff by electronic mail and either (a) state that the claim appears to be complete or (b) state that the claim is incomplete and identify the areas of the claim that are deficient. If the DOE Contracting Officer determines that the claim is incomplete, DOE's notice of deficiencies will include a new date by which Plaintiff must re-submit its claim. The new date will be for only the claim period at issue and will not change the annual date for the submission of Plaintiff's claim set forth in section IV.A.1. above.

90-Day DOE Review. Within 90 calendar days of the date that the DOE Contracting Officer or his designee notifies Plaintiff that its claim appears to be complete, DOE shall issue and provide to Plaintiff a determination identifying those claimed costs deemed to be allowable ("DOE Determination"). Should the DOE Contracting Officer or his designee find that any claimed costs are not allowable or reasonable, the DOE Contracting Officer or his designee shall identify those claimed costs and state the reason(s) for that finding in the DOE Determination.

Should the DOE Contracting Officer or his designee conclude, at any time during DOE's review of the claim, that Plaintiff has not supplied sufficient supporting documentation or information to allow reasonable verification of the paid costs, the DOE Contracting Officer or

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his designee shall request from Plaintiff the necessary additional documentation or information needed. Plaintiff shall supply the additional documentation or information within 10 calendar days of DOE's request. If Plaintiff fails to supply the requested documentation or information within 10 days, the DOE Contracting Officer or his designee may adjust the schedule for the issuance of the DOE Determination as the Contracting Officer determines is necessary to accommodate Plaintiff's delay in providing the information or may find in the DOE Determination that the costs for which the additional information or documentation are sought are not allowable.

If the DOE Contracting Officer fails to provide Plaintiff with the DOE Determination within the 90-day period, absent written agreement to extend the date, Plaintiff's claim shall be deemed denied in its entirety on the date on which DOE should have provided the DOE Determination, DOE's Determination shall be deemed to be zero, and Plaintiff may pursue binding arbitration, as set forth in section V. No other judicial, administrative, or other remedies may be pursued, other than settlement.

Plaintiff's Response To DOE Determination

Within 30 days of the date Plaintiff receives the DOE Determination, Plaintiff shall provide to the DOE Contracting Officer and the Department of Justice ("DOJ"), written notice that Plaintiff either (i) accepts the DOE Determination; (ii) believes that the DOE Contracting Officer has committed an error that warrants further discussion; or (iii) intends to pursue binding arbitration with respect to its claim. In the event that Plaintiff elects to engage in further discussion with DOE, DOE shall provide to Plaintiff within 30 days of receipt of notice of such election a supplemental determination (even if its determination does not change as a result of discussions with Plaintiff), which shall become the DOE Determination for purposes of this

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agreement, and Plaintiff shall be afforded an additional 30 days to make the election described above.

Acceptance By Plaintiff of DOE's Determination

If Plaintiff accepts the DOE Determination, DOJ shall, within 30 days of the receipt of written notice of such acceptance, obtain from the Attorney General's authorized representative either the necessary approval to pay Plaintiff the amount set forth in the DOE Determination or a determination that the DOE Determination has not been accepted.

If the Attorney General's authorized representative approves payment to Plaintiff of the amount set forth in the accepted DOE Determination, DOJ shall provide Plaintiff and DOE with written notice within the 30-day period regarding the determination of the Attorney General's authorized representative. In such a circumstance, the DOE Determination shall become the Final Allowable Cost Determination and shall not be subject to any further challenge, litigation, or dispute resolution process, including judicial review. The Final Allowable Cost Determination shall be deemed to be a "compromise settlement," made by the Attorney General's authorized representative, pursuant to 31 U.S.C. § 1304, of claims referred to the Attorney General for defense of imminent litigation or suits against the United States, or against its agencies or officials upon obligations or liabilities of the United States, for purposes of 28 U.S.C. § 2414. Plaintiff may immediately present to the Government a Final Allowable Cost Determination for payment. The authorized representative of the Attorney General shall execute promptly all necessary approvals to effectuate payment of the Final Allowable Cost Determination.

If the Attorney General's authorized representative does not approve the DOE Determination, DOJ will so notify Plaintiff within the 30-day period and Plaintiff may

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either (a) treat any alternate amount approved by Attorney General's authorized representative as the Final Allowable Cost Determination, as set forth in section 1 V.C.1.b, or (b) elect to pursue binding arbitration as set forth in section V. No other judicial, administrative, or other remedies may be pursued, other than settlement.

If, within the 30 days following receipt of Plaintiff's acceptance of the DOE's Determination, DOJ fails to advise Plaintiff that the Attorney General's authorized representative has accepted or rejected the DOE Determination, and the parties do not agree in writing to extend this deadline, DOE's Determination shall be deemed to be zero, and Plaintiff may pursue binding arbitration, as set forth in section V. No other judicial, administrative, or other remedies may be pursued, other than settlement.

Rejection By Plaintiff of DOE's Determination

If Plaintiff rejects the DOE Determination, Plaintiff may pursue binding arbitration, as set forth in section V. No other judicial, administrative, or other remedies may be pursued, other than settlement.

Procedures For Binding Arbitration

Commencement Of Arbitration

To pursue arbitration under this agreement, Plaintiff shall, within 30 days of the action identified in the previous sections that entitles Plaintiff to pursue arbitration, send to DOJ and the DOE Contracting Officer a notice, signed by an authorized representative of Plaintiff, reflecting its intent to proceed with arbitration and certifying that the claim it intends to submit to arbitration is made in good faith, that the supporting data are accurate and complete to the best of Plaintiff's knowledge and belief, and that the amount requested accurately reflects the allowable and reasonable costs for which Plaintiff believes the Government is liable under this agreement.

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The notice must also identify the categories and amounts of the costs that Plaintiff seeks to recover through arbitration, regardless of whether these costs were determined to be allowable by the DOE Contracting Officer as part of the DOE Determination. The amount that Plaintiff seeks to recover through arbitration may not exceed the amount of its claim certified pursuant to section IV.A.2 of this agreement. If these conditions are satisfied, the Attorney General's authorized representative shall be deemed to have authorized the submission of the dispute to binding arbitration subject to the following limitation. The parties agree that the arbitrator's authority in any arbitration commenced pursuant to this Agreement is limited to an award not to exceed the amount certified for arbitration by Plaintiff.

Selection Of Neutral

The parties shall jointly select an independent neutral. If the parties cannot agree on an independent neutral within 30 days of the approval of the dispute for arbitration, the parties will submit a request to the Civilian Board of Contract Appeals for appointment of a member of that Board to act as an independent neutral.

Rules Governing Arbitration

The independent neutral shall review only the written submissions of the parties and shall not consider any evidence not previously submitted to DOE unless the independent neutral determines that more information is needed. Other rules governing the arbitration shall be decided upon by the parties in consultation with the independent neutral. The independent neutral shall render a written opinion within 30 days of receipt of the submissions of the parties, or within a time period agreed upon by the parties and the independent neutral. In the opinion, the neutral shall address the disagreement and render a finding of an amount, if any, that should

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be paid to Plaintiff (hereinafter, the “Neutral’s Finding”). This amount may be any amount between zero and the amount of Plaintiffs certified claim.

Final Allowable Cost Determination

Subject to the limitation set forth in paragraph V.A. the Final Allowable Cost Determination shall be determined by reference to the Neutral’s Finding; provided, however, that (1) if the amount set forth in the Neutral’s Finding is within five percent of the DOE Determination, the Final Allowable Cost Determination shall be either the Neutral’s Finding or the amount of the DOE Determination, whichever is lower; (2) if the amount set forth in the Neutral’s Finding is within five percent of the amount certified for arbitration by Plaintiff, the Final Allowable Cost Determination shall be the amount certified for arbitration by Plaintiff; and (3) the arbitrator shall not have authority to award more than the amount certified for arbitration by Plaintiff. If the amount certified for arbitration by Plaintiff does not exceed the DOE Determination by more than five percent, the amount set forth in the Neutral’s Finding shall be the Final Allowable Cost Determination.

Finality

The Final Allowable Cost Determination reached through binding arbitration shall not be subject to any further dispute resolution process, including judicial review. The Final Allowable Cost Determination shall be deemed to be a compromise settlement, made by the Attorney General’s authorized representative, of claims referred to the Attorney General for defense of imminent litigation or suits against the United States, or against its agencies or officials upon obligations or liabilities of the United States, for purposes of 28 U.S.C. § 2414. The parties intend that such a Final Allowable Cost Determination shall constitute a “compromise settlement” under 31 U.S.C. § 1304. Plaintiff may immediately present to the Government a

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Final Allowable Cost Determination for payment. The authorized representative of the Attorney General shall execute promptly all necessary approvals to effectuate such payment.

Termination Of Settlement, Releases, And Reservation Of Rights

Termination Date

Plaintiff may submit claims for costs paid up to and including December 31, 2013. With the payment of costs paid as of December 31, 2013, the parties' obligations under this agreement shall terminate and be discharged. The parties may extend the termination date for this agreement by mutual written agreement.

Releases

Upon satisfaction of the terms set forth in this agreement, including but not limited to payments of the amounts determined pursuant to sections II and IV, Plaintiff releases, waives, and abandons all claims against the United States, its political subdivisions, its officers, agents, and employees that arise out of or relate to DOE's delay in performance of its obligations under the Contract, with respect to costs paid and injuries sustained prior to December 31, 2013, regardless of whether such claims were included in the Lawsuit or subsequent claims submitted pursuant to this agreement, including but not limited to any claims for legal costs, expenses, attorney fees, compensatory damages, and exemplary damages. This release is not limited to claims for breach of contract and includes all claims arising from DOE's delay, including claims for diminution-in-value and takings.

Reservation Of Rights

Plaintiff and the United States expressly reserve any and all rights related to claims, costs paid, obligations, rights and duties under the Contract after December 31, 2013 (or, if extended, the date to which the agreement is extended) and, after the expiration of this

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agreement, may raise or pursue any defenses, claims for additional partial breach, total breach, or rescission of the Contract, or any other right or remedies afforded at law. However, in the adjudication of claims or defenses after the termination date, including those for total breach or rescission, the parties shall not seek to adjust the amounts paid pursuant to this agreement or obtain a refund of the fees paid by Plaintiff pursuant to Art. VIII of the Standard Contract prior to the termination date of this agreement.

To defend against any such future claims, the United States may rely upon any and all defenses, including affirmative defenses. Additionally, the United States further reserves the right to deduct from future claims any costs that Plaintiff would have paid after December 31, 2013, or any mutually agreed upon extension, had DOE timely commenced acceptance of SNF in accordance with the Standard Contract.

Plaintiff and the United States also reserve the right to take discovery regarding any matter that is relevant to any party's claim or defense that arises out of, or relates to, costs paid by Plaintiff after December 31, 2013, or any mutually agreed upon extension, and arises out of or relates to DOE's delay in performance of its obligations under the Contract. Such discovery also may include discovery into matters that arise out of, or relate to, Plaintiff's claims for costs paid prior to December 31, 2013, or any mutually agreed upon extension, to the extent that those prior claims relate to claims brought after the termination date.

Plaintiff shall retain the right to seek reimbursement for the costs, if any, of storing Plaintiff's Allocations that are paid after the expiration of the term of this Agreement.

Warranties And Representations

Plaintiff warrants and represents that Plaintiff is the holder of the Contracts, and that no other actions or suits by Plaintiff are pending with respect to the claims advanced in the Lawsuit,

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nor will such actions or suits be filed by Plaintiff in any court, administrative agency, or legislative body, except as contemplated by this agreement. Plaintiff also warrants and represents that it owns all claims arising under the Contracts attributable to DOE's delays. Plaintiff agrees to indemnify and to reimburse the Government for any monies that the Government may be required to pay to other parties for claims arising under or related to the Contracts attributable to DOE's delays. Plaintiff further warrants and represents that it has made no assignment or transfer of any of the claims advanced in the Lawsuit, although Plaintiff may be obligated by certain contractual arrangements or otherwise to distribute portions of recoveries received by Plaintiff to other parties. Any such distribution shall be the sole obligation of Plaintiff. Should there be now or in the future any violation by Plaintiff of these warranties and representations, any amount paid by the United States to Plaintiff pursuant to this agreement shall be refunded promptly by Plaintiff to the United States, together with interest thereon at the rates provided in 41 U.S.C. § 611, computed from the date the United States makes payment.

Payment Of Fees Pursuant To The Contract

A. Quarterly fees. During the period covered by this agreement, Plaintiff will continue to pay the quarterly fees as required by the Standard Contract, Art. VIII. If Plaintiff fails to pay the required fees during a period covered by a claim submitted pursuant to this agreement, the United States will have no obligation to evaluate or to pay Plaintiff's claim for costs paid during that same period.

B. One-Time Fee. [**where applicable**] Plaintiff further agrees that it will pay the outstanding one-time fee with all applicable interest charges prior to DOE first taking title to SNF/HLW covered by the Contract, regardless of any other arrangements Plaintiff may have regarding the payment of the one-time fee. Contract, Arts. VIII.A.2 and VIII.B.2. When DOE is

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able to perform its obligations pursuant to the Contract and requests the payment of the one-time fee from Plaintiff, DOE shall have no performance obligation until the one-time fee is paid by Plaintiff.

Acceptance By DOE Of Casks, Canisters Or Other Equipment

DOE shall, in its sole discretion, have the right to take possession of the storage and/or transportation casks or canisters and any ancillary, portable equipment utilized in cask loading or operation of storage facility for which the United States has compensated Plaintiff pursuant to this agreement—as is, where is—when no longer needed for use by Plaintiff.

A. Equipment Other Than Casks And Canisters. Six months prior to Plaintiff disposing of equipment other than casks and canisters, Plaintiff shall notify the DOE Contracting Officer of the planned disposal to allow DOE the opportunity to exercise this option. DOE will notify Plaintiff of its election within 60 days of Plaintiff's notice. Should DOE elect not to exercise this option, Plaintiff will be responsible for the disposition of such equipment, but the costs of such disposition shall be allowable and, if otherwise reasonable, payable to Plaintiff pursuant to this agreement.

B. Casks And Canisters. Five years prior to the projected acceptance of SNF stored by Plaintiff in any cask or canister, DOE shall inform Plaintiff of its election regarding the acceptance of those casks and canisters. The five-year requirement for notice shall not be applicable if the schedule for DOE's performance does not allow for that much notice, but in no event shall DOE provide less than six months notice. If DOE elects not to take possession of the casks or canisters, Plaintiff will be responsible for the disposition of the casks and/or canisters, but the costs of such disposition shall be allowable and, if otherwise reasonable, payable to Plaintiff pursuant to this agreement.

**FOR PURPOSES OF SETTLEMENT DISCUSSIONS ONLY
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Additional Terms And Provisions

A. Upon execution of this Agreement, Plaintiff agrees to join with the United States in stipulating to dismiss the Lawsuit with prejudice, subject to the terms of this Agreement.

B. This agreement is for the purpose of settling the Lawsuit and Plaintiff's claims for costs paid or injuries sustained through December 31, 2013, or any mutually agreed upon extension, and for no other purpose. Accordingly, this agreement shall not bind the parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the parties or counsel for the parties have or may acquire an interest, except as is necessary to effect the terms of the agreement or to comply with regulatory obligations.

C. Plaintiff's counsel represents that he has been and is authorized to enter this agreement on behalf of Plaintiff.

D. Any provision of this agreement that is held, after the date of the execution of this agreement, to be illegal, invalid, or unenforceable by a court or agency of competent jurisdiction under present or future laws that apply to this agreement shall be fully severable. In place of any severed provision, the parties may agree to substitute a legal, valid and enforceable provision that is as similar as possible to the severed provision.

E. This document constitutes a complete integration of the agreement between the parties and supersedes any and all prior oral or written representations, understandings, or agreements among or between them.

F. This agreement is intended to benefit only the parties, their successors, and their assignees. It is not intended to benefit, directly or indirectly, any other individual, group of individuals, organization, or entity.

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G. This agreement is in no way related to or concerned with income or other taxes for which Plaintiff is now liable or may become liable in the future as a result of this agreement.

H. No provision of this agreement shall excuse Plaintiff from its obligation to make reasonable efforts to mitigate the costs for which it seeks reimbursement pursuant to this agreement.

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NOT ADMISSIBLE UNDER FED. R. EVID. 408**

AGREED TO:

FOR THE GOVERNMENT:

Date

Director
Commercial Litigation Branch,
Civil Division
U.S. Department of Justice
1100 L Street, N.W.
Attn: Classification Unit, 8th Floor
Washington, D.C. 20530

AUTHORIZED REPRESENTATIVE OF
THE ATTORNEY GENERAL

FOR THE PLAINTIFF:

[COUNSEL NAME]
[COUNSEL ADDRESS]

Date

ATTORNEY AND AUTHORIZED
REPRESENTATIVE OF
[PLAINTIFF]

Enclosure 5
Prequalification Letter



May 21, 2018

U.S. Nuclear Regulatory Commission
Washington, DC 20555-001

Re: *NorthStar Group Services, Inc. and Subsidiaries*

To Whom It May Concern:

Aspen American Insurance Company, rated "A", FSC "XV", by AM Best and Everest Reinsurance Company, rated "A+", FSC "XV" by AM Best and both licensed to do business in all fifty States, and Listed on the U.S. Treasury Department's Listing of Approved Sureties (Department Circular 570), acting as sureties for NorthStar Group Services, Inc. and its operating subsidiaries, including NorthStar Nuclear Decommissioning Company, LLC (collectively "NorthStar"), have been providing bid and final bonds for both public and private work.

NorthStar and its affiliated Companies are part of an overall bonding program with a capacity up to \$150,000,000.00. Performance and Payment Bonds will be provided for projects up to and including a single contract in excess of \$25,000,000.00 and the Sureties would be willing to consider larger projects. They have an outstanding reputation for successful completion of projects.

We consider NorthStar highly qualified to provide construction services. Please note that the decision to issue Performance and Payment Bonds is a matter between NorthStar and the Sureties, and will be subject to our standard underwriting at the time of the final bond request, which will include but not be limited to acceptability of the contract documents, bond forms and financing. We assume no liability to third parties or to you if for any reason we do not execute said Bonds.

Aspen American Insurance Company
Everest Reinsurance Company

By 
Susan Lupski, Attorney-In-Fact

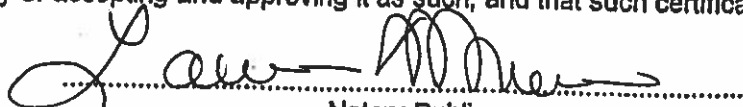
Agent: *Alliant Insurance Services Inc.*
333 Earle Ovington Boulevard, Suite 700
Uniondale, NY 11553
(516) 414-8900



ACKNOWLEDGMENT OF SURETY COMPANY

STATE OF NEW YORK
COUNTY OF NASSAU } SS

On this May 21, 2018, before me personally came Susan Lupski
to me known, who, being by me duly sworn, did depose and say; that he/she resides in
..... Nassau County, State of ...New York....., that he/she is the Attorney-in-Fact of the
Aspen American Insurance Company and Everest Reinsurance Company
..... the corporation described in which executed the
above instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is
such corporate seal; that it was so affixed by the Board of Directors of said corporation; and that he/she signed
his/her name thereto by like order; and the affiant did further depose and say that the Superintendent of
Insurance of the State of New York, has, pursuant to Section 1111 of the Insurance Law of the State of New
York, issued to ...Aspen American Insurance Company and Everest Reinsurance Company (Surety) his/her certificate of
qualification evidencing the qualification of said Company and its sufficiency under any law of the State of New
York as surety and guarantor, and the propriety of accepting and approving it as such; and that such certificate
has not been revoked.


Notary Public

NY acknowledgement

LAURAJEAN MURTAGH
Notary Public, State of New York
No. 01MU6319758
Qualified in Nassau County
Commission Expires 02/23/2019



Aspen American Insurance Company
175 Capital Boulevard, Rocky Hill, CT 06067

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, THAT Aspen American Insurance Company, a corporation duly organized under the laws of the State of Texas, and having its principal offices in Rocky Hill, Connecticut, (hereinafter the "Company") does hereby make, constitute and appoint: Camille Maitland; Mia Woo-Warren; Colette R. Chisholm; Desiree Cardlin; George O. Brewster; Gerard S. Macholz; Lee Ferrucci; Nelly Renchiwich; Rita Sagistano; Robert T. Pearson; Susan Lupski; Thomas Bean; Vincent A. Walsh, Michelle Wannamaker and Dana Granice of Alliant Insurance Services, Inc. its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge on behalf of the Company, at any place within the United States, the following instrument(s) by his/her sole signature and act: any and all bonds, recognizances, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto, and to bind the Company thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Company. All acts of said Attorney(s)-in-Fact done pursuant to the authority herein given are hereby ratified and confirmed.

This appointment is made under and by authority of the following Resolutions of the Board of Directors of said Company effective on April 7, 2011, which Resolutions are now in full force and effect;

VOTED: All Executive Officers of the Company (including the President, any Executive, Senior or Assistant Vice President, any Vice President, any Treasurer, Assistant Treasurer, or Secretary or Assistant Secretary) may appoint Attorneys-in-Fact to act for and on behalf of the Company to sign with the Company's name and seal with the Company's seal, bonds, recognizances, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said Executive Officers at any time may remove any such appointee and revoke the power given him or her.

VOTED: The foregoing authority for certain classes of officers of the Company to appoint Attorneys-in-Fact by virtue of a Power of Attorney to sign and seal bonds, recognizances, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, as well as to revoke any such Power of Attorney, is hereby granted specifically to the following individual officers of Aspen Specialty Insurance Management, Inc.:

Michael Toppi, Executive Vice President, Scott Sadowsky, Senior Vice President, Kevin Gillen, Senior Vice President, Mathew Raino, Vice President, and Ryan Field, Senior Vice President.

This Power of Attorney may be signed and sealed by facsimile (mechanical or printed) under and by authority of the following Resolution voted by the Boards of Directors of Aspen American Insurance Company, which Resolution is now in full force and effect:

VOTED: That the signature of any of the Officers identified by title or specifically named above may be affixed by facsimile to any Power of Attorney for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any and all consents incident thereto, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company. Any such power so executed and certified by such facsimile signature and/or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking so executed.

IN WITNESS WHEREOF, Aspen American Insurance Company has caused this instrument to be signed and its corporate seal to be hereto affixed this 29th day of November, 2016

STATE OF CONNECTICUT

SS. ROCKY HILL

COUNTY OF HARTFORD

Aspen American Insurance Company

Ryan Field, Senior Vice President

On this 29th day of November, 2016 before me personally came Ryan Field to me known, who being by me duly sworn, did depose and say; that he/she is Senior Vice President, of Aspen American Insurance Company, the Company described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the Company by authority of his/her office under the above Resolutions thereof.

Vanessa Arias
Notary Public

My commission expires: February 28, 2019

Vanessa Arias
Notary Public
State of Connecticut

My Commission Expires February 28, 2019

CERTIFICATE

I, the undersigned, Ryan Field of Aspen American Insurance Company, a stock corporation of the State of Texas, do hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolutions of the Boards of Directors, as set forth above, are now and remain in full force and effect.

Given under my hand and seal of said Company, in Rocky Hill, Connecticut, this 21st day of May, 2018

By:

Name: Ryan Field, Senior Vice President



* For verification of the authenticity of the Power of Attorney you may call (860) 760-7725 or email: vanessa.arias@aspen-insurance.com

Aspen American Insurance Company
STATUTORY STATEMENT OF FINANCIAL CONDITION
December 31, 2016

Assets

Bonds	\$ 223,739,323
Common stocks	143,788,052
Cash and short term investments	163,135,579
Other invested assets	7,150,000
Premiums in course of collection	55,484,382
Amounts recoverable from reinsurers	131,268,464
Receivable from Federal Crop Insurance Corporation	150,111,082
Other assets	6,403,850
Total Assets	<u>\$ 881,080,732</u>

Liabilities

Reserve for losses and adjustment expenses	\$ 155,437,315
Commissions payable, contingent commissions and other similar charges	24,911,055
Unearned premiums	35,638,465
Ceded reinsurance premiums payable	89,884,254
Amounts withheld or retained by company for account of others	110,938,471
Payable to parent, subsidiaries and affiliates	727,462
Retroactive Reinsurance Payable	91,518,533
Retroactive Reinsurance Reserve - Direct	4,650,947
Retroactive Reinsurance Reserve - Ceded	(91,368,533)
Reserve for taxes, expenses and other liabilities	4,252,060
Total Liabilities	<u>426,590,029</u>

Surplus as regards policyholders	<u>454,490,703</u>
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Total Surplus and Liabilities	<u>\$ 881,080,732</u>
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Treasurer




Chief Financial Officer

State of Connecticut
County of Hartford

Peter Clifton Felix, Treasurer and Kenneth Gerald Cadematori, Chief Financial Officer being duly sworn, of Aspen American Insurance Company, Texas; and that the foregoing is a true and correct statement of financial condition of said company, as of December 31, 2016. This unaudited financial statement is in agreement with Aspen American Insurance Company's December 31, 2016 filings to the NAIC and to the State of Texas.

Subscribed and sworn to before me, this 6th day of March 2017.



Notary Public

KIM D. SLIVA
NOTARY PUBLIC
MY COMMISSION EXPIRES JUNE 30, 2021

POWER OF ATTORNEY
EVEREST REINSURANCE COMPANY
DELAWARE

KNOW ALL PERSONS BY THESE PRESENTS: That Everest Reinsurance Company, a corporation of the State of Delaware ("Company") having its principal office located at 477 Martinsville Road, Liberty Corner, New Jersey 07938, do hereby nominate, constitute, and appoint:

Desiree Cardlin, Colette R. Chisholm, Camille Maitland, George O. Brewster, Gerard S. Macholz, Nelly Renchiwich, Rita Sagistano, Thomas Bean, Robert T. Pearson, Susan Lupski, Dana Granice, Michelle Wannamaker

its true and lawful Attorney(s)-in-fact to make, execute, attest, seal and deliver for and on its behalf, as surety, and as its act and deed, where required, any and all bonds and undertakings in the nature thereof, for the penal sum of no one of which is in any event to exceed UNLIMITED, reserving for itself the full power of substitution and revocation.

Such bonds and undertakings, when duly executed by the aforesaid Attorney(s)-in-fact shall be binding upon the Company as fully and to the same extent as if such bonds and undertakings were signed by the President and Secretary of the Company and sealed with its corporate seal.

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Board of Directors of Company ("Board") on the 28th day of July 2016:

RESOLVED, that the President, any Executive Vice President, and any Senior Vice President and Anthony Romano are hereby appointed by the Board as authorized to make, execute, seal and deliver for and on behalf of the Company, any and all bonds, undertakings, contracts or obligations in surety or co-surety with others and that the Secretary or any Assistant Secretary of the Company be and that each of them hereby is authorized to attest to the execution of any such bonds, undertakings, contracts or obligations in surety or co-surety and attach thereto the corporate seal of the Company.

RESOLVED, FURTHER, that the President, any Executive Vice President, and any Senior Vice President and Anthony Romano are hereby authorized to execute powers of attorney qualifying the attorney named in the given power of attorney to execute, on behalf of the Company, bonds and undertakings in surety or co-surety with others, and that the Secretary or any Assistant Secretary of the Company be, and that each of them is hereby authorized to attest the execution of any such power of attorney, and to attach thereto the corporate seal of the Company.

RESOLVED, FURTHER, that the signature of such officers named in the preceding resolutions and the corporate seal of the Company may be affixed to such powers of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be thereafter valid and binding upon the Company with respect to any bond, undertaking, contract or obligation in surety or co-surety with others to which it is attached.

IN WITNESS WHEREOF, Everest Reinsurance Company has caused their corporate seals to be affixed hereto, and these presents to be signed by their duly authorized officers this 28th day of July 2016.



Nicole Chase
Attest: Nicole Chase, Assistant Secretary

Everest Reinsurance Company

Anthony Romano
By: Anthony Romano, Vice President

On this 28th day of July 2016, before me personally came Anthony Romano, known to me, who, being duly sworn, did execute the above instrument; that he knows the seal of said Company; that the seal affixed to the aforesaid instrument is such corporate seal and was affixed thereto, and that he executed said instrument by like order.

LINDA BOISSELLE
Notary Public, State of New York
No 01B06239736
Qualified in Queens County
Term Expires April 25, 2019

Linda Boisselle
Linda, Boisselle, Notary Public

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company, at the Liberty Corner, this 28 day of MAY 21 2018 2018.

**EVEREST REINSURANCE COMPANY
STATEMENTS OF FINANCIAL CONDITION**

	December 31,	
	2017	2016
ASSETS		
Bonds	\$ 3,672,234,234	\$ 4,758,879,245
Stocks	451,346,228	279,147,599
Short-term investments	-	133,755,171
Other invested assets	2,238,399,502	2,268,609,528
Cash and cash equivalents	243,245,188	217,717,016
Accounts receivable-premium balances	1,583,153,684	1,503,187,815
Reinsurance recoverable	612,084,447	709,386,205
Other assets	685,600,063	354,146,316
Total Assets	\$ 9,486,063,346	\$ 10,224,828,895
LIABILITIES		
Loss and loss adjustment expense reserve	\$ 3,661,132,517	\$ 4,204,956,587
Unearned premium reserve	1,310,324,727	536,374,512
Ceded reinsurance premium payable (net of ceding commission)	494,144,179	904,844,063
Reserve for commissions, taxes and other liabilities	628,609,659	943,532,424
Total Liabilities	\$ 6,094,211,082	\$ 6,589,707,586
SURPLUS AND OTHER FUNDS		
Common capital stock	\$ 10,000,000	\$ 10,000,000
Contributed Surplus	987,509,603	987,239,852
Unassigned surplus	2,394,342,661	2,637,881,457
Total capital and surplus	\$ 3,391,852,264	\$ 3,635,121,309
Total Liabilities and Surplus	\$ 9,486,063,346	\$ 10,224,828,895

Bonds and stocks are valued on a basis promulgated by the National Association of Insurance Commissioners

Margaret Horn

Signed before me by Margaret Horn this 17th day of April 2018

Lorraine N Day



LORRAINE N. DAY
NOTARY PUBLIC
STATE OF NEW JERSEY
COMMISSION # 2259023
MY COMMISSION EXPIRES AUG 3, 2020



Enclosure 6
Form of Financial Support Agreement

**SUPPORT AGREEMENT BETWEEN
NORTHSTAR GROUP SERVICES, INC. AND
NORTHSTAR VERMONT YANKEE, LLC**

THIS SUPPORT AGREEMENT (this “Agreement”), dated as of _____, 2018, is made by and between NorthStar Group Services, Inc., a Delaware corporation (“Parent”), and NorthStar Vermont Yankee, LLC a Delaware limited liability company f/k/a Entergy Nuclear Vermont Yankee, LLC (the “Subsidiary”).

WITNESSETH:

WHEREAS, Parent is the indirect owner of 100% of the outstanding interests in the Subsidiary;

WHEREAS, the Subsidiary owns the Vermont Yankee Nuclear Power Station, located in Vernon, Vermont (“VYNPS”), Renewed Facility Operating License No. DPR-28 on the basis of which the Subsidiary and NorthStar Nuclear Decommissioning Company, LLC, a Delaware limited liability company, under the ownership of Parent, are authorized to own, possess maintain and decommission the VYNPS facilities and nuclear material (the “NRC License”); and

WHEREAS, Parent and the Subsidiary desire to take certain actions to assure the Subsidiary’s ability to pay the expenses of maintaining and decommissioning VYNPS safely and protecting the public health and safety and to meet Nuclear Regulatory Commission (“NRC”) and State of Vermont requirements until the NRC License is terminated and site restoration under state-law requirements is complete (collectively, the “Decommissioning Costs”).

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. *Availability of Funding; Use of Proceeds.* From time to time, upon request of the Subsidiary, Parent shall provide or cause to be provided to the Subsidiary such funds as the Subsidiary determines to be necessary to pay the Decommissioning Costs; provided, however, in any event the aggregate amount which Parent is obligated to provide under this Agreement shall not exceed \$140 million.
2. *No Guarantee to Third Parties.* This Support Agreement is not, and nothing herein contained, and no action taken pursuant hereto by Parent shall be construed as, or deemed to constitute, a direct or indirect guarantee by Parent to any third party of the payment of the Decommissioning Costs or of any liability or obligation of any kind or character whatsoever of the Subsidiary. This Agreement may, however, be relied upon by the NRC in determining the financial qualifications of the Subsidiary to hold the NRC License, including funding the costs associated with the spent fuel management program, and by the State of

Vermont in approving financial assurance for the completion of decommissioning and site restoration.

3. *Waivers.* Parent hereby waives any failure or delay on the part of the Subsidiary in asserting or enforcing any of its rights or in making any claims or demands hereunder.
4. *Amendments and Termination.* This Agreement may not be amended or modified at any time without 30 days' prior written notice to the NRC, the Vermont Agency of Natural Resources, and the Vermont Attorney General's Office. This Agreement shall terminate at such time as Parent or any affiliate is no longer the direct or indirect owner of any of the shares or other ownership interests in the Subsidiary. This Agreement shall also terminate with respect to the Decommissioning Costs at such time as the NRC License is terminated for all areas of the VYNPS site and the Vermont Agency of Natural Resources has determined that site restoration is complete.
5. *Successors.* This Agreement shall be binding upon the parties hereto and their respective successors and assigns.
6. *Third Parties.* Except as expressly provided in Sections 2 and 4 with respect to the NRC and the State of Vermont, this Agreement is not intended for the benefit of any person other than the parties hereto, and shall not confer or be deemed to confer upon any other such person any benefits, rights, or remedies hereunder.
7. *Governing Law.* This Agreement shall be governed by the laws of the State of Delaware.
8. *Subsidiary Covenants.* The Subsidiary shall take no action to (a) cause Parent, or its successors and assigns, to void, cancel or otherwise modify its \$140 million support commitment hereunder; (b) cause Parent to fail to perform its commitments hereunder or (c) impair Parent's performance hereunder, or remove or interfere with the Subsidiary's ability to draw upon Parent's commitment, in each case, without the prior written consent of the NRC's Director of the Office of Nuclear Reactor Regulation. Further, the Subsidiary shall inform the NRC in writing any time that it draws upon the \$140 million commitment.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

NorthStar Group Services, Inc.

By:

Name:

Title:

NorthStar Vermont Yankee, LLC

By:

Name:

Title:

**Enclosures 7 & 8
(Intentionally Omitted)**

Enclosure 9
Resume of Michael T. Pletcher

Resume Michael T. Pletcher

Experience

January 2015 to Present

Vermont Yankee

Vernon, VT

Radiation Protection/Chemistry Manager

Primary Function/Mission

This position is responsible for implementation of radiation protection and chemistry activities at an Entergy Nuclear plant.

Duties/Responsibilities

Oversee and implement all aspects for the Radiation Protection Program.

Oversee control and disposal of radioactive waste.

Oversee administration of the ALARA program. Assure personnel radiation exposure is maintained ALARA.

Oversee dosimetry for plant employees and contractors. Review departmental work assignments to ensure staff are responding appropriately to department and organizational needs.

Coordinate activities with other departments to ensure appropriate radiological controls are established for work activities.

Control department costs through maximization of staff productivity and tracking expenditures within budget parameters.

Develop and maintain procedures and documentation that govern radiation protection activities.

Represent the department at plant meetings to discuss and resolve matters effecting nuclear plant safety, industrial safety, radiological safety, and environmental conditions.

Interface with regulatory and industry representatives on behalf of station activities.

Oversee implementation of the radiological environmental monitoring programs.

Oversee implementation of the non-radiological monitoring programs.

September 07 to January 2015

Vermont Yankee

Vernon, VT

Control Room Supervisor

Primary Function/Mission

Closely monitor plant response to off normal and emergency conditions. Provide the Shift Manager with information pertinent to mitigation strategies for the plant conditions. Direct crew actions specified in the applicable EOPs, Emergency Plan, and NRC reporting requirements.

Duties/Responsibilities

Direct the day to day activities of the operations crew. Assume the responsibilities and authorities of the Shift Manager in the Control Room temporarily should the Shift Manager not be present during transient or accident situations. Inform the Shift Manager of any abnormal conditions or changes to plant status and ensure initiation of procedurally required steps to initiate corrective actions.

May 04 to September 07

Vermont Yankee

Vernon, VT

Shift Technical Advisor

Primary Function/Mission

Closely monitor plant response to off normal and emergency conditions. Provide the Shift Manager with information pertinent to mitigation strategies for the plant conditions. Keep the Shift

Manager apprised of the actions specified in the applicable EOPs, Emergency Plan, and NRC reporting requirements.

Duties/Responsibilities

Assist the operating crew in monitoring and evaluating plant parameters. Act as the fire brigade leader and assume direct control of plant firefighting efforts. Evaluate In-Service test results for applicable plant equipment surveillances. Review plant events, maintenance or construction activities as they relate to plant safety and technical specifications. Participate in the corrective action process by investigating and proposing appropriate corrective actions.

Aug 98 to April 2004

Vermont Yankee

Vernon, VT

Radiation Protection Supervisor

Primary Function/Mission

To utilize and oversee the use of procedures to control and minimize exposure of personnel and the public at large to external and internal radiation; to control the use of and the work around radioactive material on site.

Duties/Responsibilities

Supervise and direct technicians: in the procedures to control work with radioactive material and implementation of radiation protection requirements ensuring that necessary radiation protection coverage is provided; in the performance of surveys and sampling for the purpose of detection and control of radiation and contamination at the plant site; in the performance of Radwaste duties including surveying packaging, labeling, and records development when required; in testing and calibration of the portable and fixed radiation monitoring devices.

Recommend and implement changes to existing radiation protection methods, procedures and applications to improve overall plant operation. Ensure that plant programmatic controls, methods and practices are followed to minimize and maintain personnel radiation exposure ALARA. Ensure that reports, records and logs are accurate and properly maintained. Participate in the training and evaluation of RP Technicians.

Feb 95 to Aug 98

Vermont Yankee

Brattleboro, VT

Radiation Protection Training Coordinator

Primary Function/Mission

Development, implementation and presentation of the INPO accredited Radiation Protection Initial and Continuing Training Programs.

Duties/Responsibilities

Develop, implement, and administer the accredited Radiation Protection training program in accordance with specific training needs and the approved Vermont Yankee procedure or Training Program Description. Prepare, review and maintain applicable training procedures, programs and lesson plans. Serve as the Radiation Protection Liaison for QA audits, INPO assist visits, INPO accreditation visits, and plant evaluations. Analyze and evaluate industry events, emergent issues, regulatory documents and formulate an effective delivery mechanism for increasing awareness of lessons learned throughout the industry. Coordinate with department liaisons to ensure that all Radiation Protection Department personnel qualification is maintained and current. Review all qualification cards to verify accuracy of information. Establish and maintain a strong interdepartmental relationship to ensure that the Radiation Protection Training Program remains a viable training tool that provides a positive influence on the safe operation and maintenance of Vermont Yankee.

Nov 91 to Feb 95

VermontYankee
Radiation Protection Technician
Primary Function/Mission

Vernon, VT

Ensure that procedures and controls are performed to minimize exposure of personnel and the public at large to external and internal radiation.

Duties/Responsibilities

Perform under direct supervision the following duties in a safe and efficient manner using accepted safety guidelines, procedures and equipment. Survey, inspect, clean, test and repair respiratory protective equipment as required. Survey, stock and collect protective clothing. Conduct radiation/contamination surveys of various areas of the plant. Perform duties such as establishing and maintaining the radiological postings throughout the plant. Serve as a member of the Fire Brigade. Perform routine response checks and calibration of radiological monitoring equipment. Perform surveys for the unrestricted release of materials from controlled areas.

Sep 90 to Oct 91

Chem-Nuclear Environmental Services, Inc.
Supervisor, Mixed and Hazardous Waste Operations/Project Supervisor
Duties and Responsibilities

Golden, CO

Supervise and direct Radiological Control Technicians, Radioactive Material Shipping Specialists, and WasteWater Treatment Technicians in the routine performance of their jobs at remote field projects under the control of CNES. Write health and safety plans specific to field project scope and implement the health and safety program for the duration of the project. Interface with customer representatives and regulatory agencies to ensure that adequate resolution was reached for any radiological or safety problems identified. Provide cost estimate to the business development group to assist in bid proposal preparation. Provide input to cost control specialists for the development and maintenance of project schedules. Track project costs and maintain expenditures within budget. Provide billing information to the accounting department monthly for all projects controlled from the Western Operations Office.

July 88 to Aug 90

Chem-Nuclear Systems, Inc.
Radiological Controls Supervisor/Radioactive Materials Shipping Specialist
Duties and Responsibilities

Columbia, SC

Radiological Controls Supervisor - Supervise and direct Technicians: in the company procedures to work with radioactive material, implementation of radiological control requirements ensuring that necessary coverage was provided; in the performance of surveys and sampling for the purpose of detection and control of radiation and contamination at the project site. Ensure that programmatic controls were implemented to maintain personnel exposure ALARA. Ensure that reports, records and logs were accurate, complete, properly maintained and transferred to document control upon project completion.

Radioactive Materials Shipping Specialist – Properly classify, package and prepare radioactive materials for shipment over public highway. Ensure that all shipments of radioactive materials are in compliance with the applicable portions of 10 CFR, 49 CFR and any state and local regulations.

Enclosure 10
Resume of David Carlson

DAVID S. CARLSON

david.s.carlson@gmail.com

Mobile: +1 865-201-3191

Operations, Sales, and Finance Executive

Strategically minded business leader with a consistent history of growing businesses, reducing costs, increasing profits, and providing clear organizational focus. Proven to be highly adaptable to a broad variety of roles and circumstances. Notable strengths include:

Turnaround Management – Transformed troubled financial and operational situations at three companies and established solid financial and organizational growth.

Profitability Generator – Drove double-digit profit growth at four companies, including a 10x improvement in net income.

Strategic Catalyst – Revamped incoherent company objectives at three companies to focus on clear goals, organizational and financial performance, and strategic growth.

Financial Expert - As an operations leader that also thinks like a CFO, I have driven the integration of financial and operational objectives in every position that I have held.

I am a hands-on leader delivering results to commercial, government and international customers.

Core Competencies

- | | | |
|-------------------------|----------------------------|--------------------------|
| ➤ Operations Management | ➤ Corporate Administration | ➤ Strategic Planning |
| ➤ Financial Management | ➤ International Projects | ➤ Technology Development |

Industries

- | | | | |
|----------------------|-------------------|-----------------------|------------------|
| ➤ Manufacturing | ➤ Government | ➤ Industrial Services | ➤ Nuclear Energy |
| ➤ Water Purification | ➤ Decommissioning | ➤ Waste Management | ➤ Nuclear Waste |

PROFESSIONAL EXPERIENCE



*Waste Control Specialists – LLRW Disposal
Treatment, storage and disposal of Class A, B and C low-level
radioactive waste, hazardous waste and byproduct material*

PRESIDENT and Chief Operating Officer, Dallas, TX (2018-Current)

Executive responsible for all aspects of operating a low level radioactive waste disposal site including sales, finance, regulatory and government affairs, operations, and compliance.



*Veolia Nuclear Solutions (Kurion) – Nuclear-focussed business unit of a
€25 billion global water and waste treatment company
[Veolia acquired Kurion in 2016]*

SENIOR VICE PRESIDENT, Richland, WA / Tokyo, Japan (2014-2018)

Executive responsible for the Separation Business Line (removal of radionuclides and other contaminants from liquids) and Stabilization Business Line (vitrification and waste treatment).

- Leads Business Development and Sales to government and commercial entities in Japan, United Kingdom, Canada, and the US.
- Accountable for P&L of business lines with full strategic and operational responsibility
- Directs proposal and execution strategy of major projects
- Manages applied research and development and technology optimization in support of the Business Lines
- Program Management – Personally led a 9-month (\$50 million+) turn-key nuclear-grade water treatment project (sell, design, build, license, operate) for Kurion at the TEPCO reactor site in Fukushima Japan in 2014. Built a design team and an execution organization from one employee and no processes to a fully functional project group in less than a month.
- Technology Development - Conceptualized, designed, fabricated and commissioned first-of-a-kind water treatment equipment on an accelerated schedule, and successfully demonstrated tritium removal from contaminated water under a ¥1 billion grant from the METI in Japan.



Innovative Startup funded by the Altira Group. Formed to commercialize an advanced technology nuclear reactor that was developed at Los Alamos National Lab.

CHIEF OPERATING OFFICER, Denver, CO (2011-2014)

Led the employee and contractor team responsible for design and licensing of the Gen4 Reactor.

- Defined market strategy, led R&D activities, engineering and design, and licensing.
- Coordinated with government officials in Canada and the US on licensing issues.
- Conducted equity raising activities including identification of potential investors, creation of presentation materials, and presentation to investors.
- Led successful proposal activities to secure government research grants.



Manufacturer of water purification equipment for military, pharma, beverage, oil and gas, ships, and desalination. Owned by Altus Capital. Annual revenues of \$50M with 180 employees.

CHIEF OPERATING OFFICER, Knoxville, TN (2007-2010)

Recruited to identify and resolve sales and operational issues. Accountable for all aspects of manufacturing, product development, worldwide sales and marketing, quality, and financial performance.

Direct leadership responsibility for a talented team of 15 direct reports and a staff of over 150.

- Sales - Strategic architect of a \$386M, 5 year contract award, the largest in company history. Added sales process discipline, implemented CRM, and completed a major marketing refresh.
- Revenue - Drove a 3x increase in highly profitable aftermarket parts sales, while simultaneously improving margins.
- Profit - Grew Profits by over 30% through operational improvements and cost savings, in spite of an unprecedented economic downturn.
- Cash - Reduced inventory by more than \$5M, improved contract cash-flow, and aggressively pursued receivables, resulting in a strong cash position and a significant reduction in debt.
- Strategy - Developed/implemented a clear strategy for organic and acquisition-based growth.



\$1.8B international company with over 5,500 employees, providing support to nuclear utilities and government nuclear sites.

DEPUTY DIRECTOR, Magnox Electric, England (2006-2007)

Launched efforts in the UK in support of Magnox nuclear reactor decommissioning. Represented EnergySolutions on the executive management team in preparation for the re-compete of £300M annual contract, and applied EnergySolutions capabilities and vision to foster Magnox successes.

- Implemented innovative decommissioning and waste strategies for 20 Magnox reactors.
- Key role in activities leading to the acquisition of Magnox Electric Ltd by EnergySolutions.



\$300M publicly-traded company providing nuclear waste management services and disposal to nuclear utilities, commercial customers, and the federal government.

[In 2006 EnergySolutions acquired Duratek]

CHIEF OPERATING OFFICER, Oak Ridge, TN (2005-2006)

Senior operating executive accountable for all aspects of Duratek's commercial operations and \$150M annual budget. Provided leadership to 5 vice president level direct reports and 550 employees.

- Streamlined Duratek's commercial operations, reducing indirect costs \$5M annually.
- Re-energized and refocused the organization on strategic and higher growth markets.
- Profitably facilitated a deal that resulted in the acquisition of Duratek for \$396M. I returned to headquarters to support the deal including coordination with investment bankers, management presentations to buyers, administration of internal and external communications, and management of Hart-Scott-Rodino antitrust review and clearance.

DAVID S. CARLSON—PAGE 3

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SENIOR VICE PRESIDENT, ADMINISTRATION, Columbia, MD (2000–2005)

Brought onboard to manage the integration of accounting, information systems, business processes, financial reporting, facilities, and infrastructure for two newly acquired companies. Successfully integrated the acquisitions, and led all aspects of strategic planning and M&A.

- Implemented a new ERP system and integrated business processes of three companies into one.
- Corrected flawed business processes, repositioned the company from a loss of (\$9M) in 2000 to \$18M of net income in 2005.
- Designed and implemented a comprehensive program of planning, controls and accountability as well as implementing KPIs and a Balanced Scorecard approach.
- Implemented processes for compliance with Sarbanes-Oxley Section 404.



*Waste Management Nuclear Services included Chem-Nuclear, Waste Management Federal Services, and Rust Geotech
[In 2000, WMNS was sold to Duratek]*

DIVISION MANAGER, Chem-Nuclear Systems, Columbia, SC (1999–2000)

Selected to lead commercial nuclear operations including large component transportation and disposal, nuclear fuel pool cleanup, nuclear plant outage services, engineering, design, training, and other special projects. Directed five manager-level direct reports and \$15M annual P&L.



*890-square-mile federal research facility located in eastern Idaho.
Lab management team was composed of Lockheed Martin,
Waste Management, B&W and Duke Power.*

DIRECTOR, Idaho Falls, ID (1995–1999)

Responsible for a \$90M annual budget, leadership of 10 direct reports, and more than 500 fulltime and subcontract employees.

- Spearheaded completion of major environmental cleanup at multiple sites across the laboratory including groundwater, contaminated soils, and facility demolition and decommissioning on projects that were contaminated with hazardous waste, radioactive waste, and unexploded ordinance.
- Defined, initiated, and managed a comprehensive program that addressed legacy environmental issues and eliminated Notices of Violation from the site for the balance of the contract term.

Professional Experience Prior to 1995:

- Rust Geotech, (Waste Management Subsidiary): General Manager, Albuquerque NM
- Chem-Nuclear Systems: Program/Project Manager, Columbia SC & Albuquerque NM
- US Navy Submarine Force: Groton CT; Scotland; Washington DC

Additional Experience:



CAPTAIN, U.S. Navy Reserve, Naval Sea Systems Command, (1990–2006)

Augmented naval engineering senior management at shipyards, weapons stations, and headquarters for this \$30B, 60,000 employee organization. Completed projects to improve technical and operational performance. Conducted management inspections of Navy industrial facilities using Malcolm Baldrige National Quality Award criteria.

EDUCATION

BS, Mechanical Engineering
US Naval Academy, Annapolis, MD

MS, Engineering Management
Catholic University of America, Washington, DC