

December 22, 2008

Mrs. Susan M. Hudson, Clerk
Vermont Public Service Board
112 State Street - Drawer 20
Montpelier, VT 05620-2701

Re: Docket No. 7440, DPS Act 189 reliability assessment

Dear Mrs. Hudson:

Enclosed please find for filing in the above-referenced Docket the original and seven copies of the Act 189 comprehensive reliability assessment of the Entergy Nuclear Vermont Yankee (VY) generating station in Vernon, Vermont.

Please note that the Department's consultants performed a detailed evaluation of VY's root cause analyses for the 2007 and 2008 cooling tower incidents, and the 2004 transformer fire. A summary and the conclusions of those evaluations are included in Section 1.2.5 of the assessment report. The Department expects to file the complete detailed evaluations as an Appendix to the report on or before January 2, 2009.

Additionally, a significant amount of material in the report has been redacted as potentially subject to a claim of confidentiality by VY. As the Board is aware, the Board order approving the protective agreement in this Docket did not apply to the exchange of information between VY and the consultants performing the reliability assessment.¹ Accordingly, the report prepared by the consultants was prepared based on their best assessment of claims of confidentiality made by the personnel at VY with whom they interacted.² As a result, the information marked as confidential in the report has not yet

¹ Order of 9/26/08.

² It should be noted that the DPS instructed its consultants to err on the side of caution in identifying confidential material.

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been vetted pursuant to the process normally embodied in Board protective orders.³ The Department anticipates that VY, after having an opportunity to review the report, will provide the Department with a list of information in the report that is currently redacted, that can be made public, as well as averments for any remaining information it deems confidential pursuant to the procedures outlined in the September 26, 2008 protective order. Following that, a new public version will be generated and filed with the Board and all parties.

Thank you for your attention to this matter. Please feel free to call with any questions.

Cordially,

Sarah Hofmann, Director for Public Advocacy

John J. Cotter, Special Counsel

enc.

Cc: Service list w/enc.

³ The Department did not provide VY with an advance opportunity to review the report and the company has therefore not yet been able to provide any input into what information should or should not be considered proprietary.