STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 8880

Joint Petition of NorthStar Decommissioning Holdings, LLC, NorthStar Nuclear Decommissioning Company, LLC, NorthStar Group Services, Inc., LVI Parent Corporation, NorthStar Group Holdings, LLC, Entergy Nuclear Vermont Investment Company, LLC and Entergy Nuclear Operations, Inc., and any other necessary affiliated entities to transfer ownership of Entergy Nuclear Vermont Yankee, LLC, and for certain ancillary approvals, pursuant to 30 V.S.A. §§ 107, 231, and 232	Evidentiary Hearings in Montpelier, Vermont May 10, 11, and 14, 2018

Order entered: 12/06/2018

PRESENT: Margaret Cheney, Commissioner
Sarah Hofmann, Commissioner

APPEARANCES: *See Appendix A*

ORDER APPROVING ACQUISITION OF ENTERGY NUCLEAR VERMONT YANKEE, INC. BY NORTHSTAR DECOMMISSIONING HOLDINGS, LLC AND GRANTING OTHER REQUESTS SUBJECT TO MEMORANDUM OF UNDERSTANDING

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I. INTRODUCTION

In this Order, the Vermont Public Utility Commission ("Commission" or "PUC") approves the transfer of ownership of the Vermont Yankee Nuclear Power Station in Vernon, Vermont ("VY Station") from Entergy,[1] the current owner, to NorthStar,[2] a national provider of large-scale demolition services. The VY Station, which began operation in 1972, stopped generating electric power in December 2014. Upon the change in ownership, NorthStar will be responsible for decommissioning the VY Station, restoring the site, and managing the spent nuclear fuel that is stored there.

The primary benefit of the proposal for Vermont is NorthStar's commitment to accelerate

[1] For purposes of the petition and generally in this Order, "Entergy" refers to Entergy Nuclear Vermont Investment Company, LLC ("ENVIC") and Entergy Nuclear Operations, Inc. ("ENOI"), and any other necessary affiliated entities to transfer ownership of Entergy Nuclear Vermont Yankee, LLC ("ENVY").

[2] For purposes of the petition and generally in this Order, "NorthStar" refers to NorthStar Decommissioning Holdings, LLC ("NDH"), NorthStar Nuclear Decommissioning Company, LLC ("NorthStar NDC"), NorthStar Group Services, Inc., LVI Parent Corporation, and NorthStar Group Holdings, LLC.

by more than 30 years the schedule for decommissioning and restoring most of the VY Station site and releasing it for other uses. NorthStar will begin these activities no later than 2021 and plans to complete them no later than the end of 2030. According to NorthStar's accelerated schedule, by 2030 most above-ground structures will be removed,[3] underground structures will be removed to a depth of at least four feet, and the site will be regraded and seeded. In contrast, Entergy had not planned to begin decommissioning before 2053 and, possibly, not until 2068 under its deferred decommissioning or SAFSTOR plan.

Under both proposals, all spent fuel assemblies would remain in dry storage within the Independent Spent Fuel Storage Installation ("ISFSI") portion of the VY Station site until the U.S. Department of Energy removes the spent nuclear fuel.

Upon the acquisition by NorthStar of an Entergy subsidiary, NorthStar will own the VY Station, the spent nuclear fuel stored on the site, the site property, and more than $500 million of dedicated trust funds that NorthStar will use for decommissioning and site restoration activities. NorthStar anticipates that the trust funds and claim recoveries from the U.S. Department of Energy ("DOE") will be adequate to cover the costs of decommissioning, site restoration, and spent fuel management activities.

During this proceeding, the parties generally agreed that earlier decommissioning and site restoration of the VY Station site would be preferable to delaying the work for decades. However, they initially differed about whether the resources available to NorthStar and the assurances offered by NorthStar and Entergy would be adequate to ensure the successful completion of decommissioning and site restoration activities.

In early March 2018, NorthStar and Entergy (collectively, the "Joint Petitioners") entered into a memorandum of understanding ("MOU") with all the active parties to this case except the Conservation Law Foundation ("CLF"). The MOU includes commitments by the Joint Petitioners to provide additional financial assurances to support the completion of the project and describes processes for site characterization work, corrective actions, reporting, and oversight by Vermont State agencies, as well as certain site restoration standards. All the MOU parties now

[3] All above-ground structures are to be removed from the site by 2030 other than the spent nuclear fuel storage infrastructure and related security facilities, an electric transmission switchyard, an administrative office building, and a portion of a railroad spur. Exh. PUC-2 (MOU at ¶ 5.f.).

support approval of the Joint Petitioners' proposals subject to the terms and conditions of the MOU.

The significant remaining issues involve disagreements between CLF and the MOU parties about the adequacy of available financial resources and assurances to support project completion if the actual costs significantly exceed NorthStar's estimates. CLF maintains that the provided financial assurances are not adequate to protect against risks related to known and unknown sources of contamination at the site. CLF contends that the Joint Petitioners need to provide additional financial assurances to ensure project completion. The MOU parties argue that the MOU contains meaningful financial commitments to cover cost overruns and other risk mitigation measures that help ensure project completion even if these assurances do not eliminate all risk. The MOU parties also maintain that the current proposals represent an improvement over the status quo not just in terms of the timing of project commencement and completion but also in terms of the financial commitments and assurances that are available to support project completion.

The proposed transfer of the VY Station to NorthStar is also contingent on approval by the U.S. Nuclear Regulatory Commission ("NRC"). On October 11, 2018, after the end of the evidentiary hearings and the filing of briefs and reply briefs in this case, the NRC issued an order approving the transfer of NRC licenses for the VY Station to NorthStar. The NRC concluded that NorthStar is financially and technically qualified to hold the NRC licenses.

In this Order, we approve the proposals of NorthStar and Entergy subject to the requirements of the March 2018 MOU. We conclude, based on the evidence in the record, that the proposed acquisition and related proposals as modified by the MOU will promote the public good and the general good of the State. In reaching this conclusion, we have balanced any remaining risks of the proposals (as modified by the MOU) against the benefits and the risk reductions that they provide. Specifically, we take note of the following important elements:

- The entire package of financial assurances and risk mitigation measures that are set forth in the Joint Petitioners' proposals and the MOU, especially the enhanced financial assurances related to site restoration and the various risk mitigation measures related to non-radiological site characterization, required reporting, and oversight by State agencies as set forth in the MOU;

- The NRC order and the conclusions regarding NorthStar's financial and technical qualifications, including the determination, based in part on an independent cash flow analysis, that NorthStar had provided reasonable assurance of obtaining the funds necessary to cover the estimated cost of decommissioning the VY Station and the spent nuclear fuel storage area and the cost of spent fuel management in accordance with applicable NRC requirements; and
- The expected benefits for the State of Vermont and the broad support for the current proposals among the public and the parties (including State, regional, and local governmental authorities) with varied perspectives, views, interests, and responsibilities.

We conclude that the benefits of the current proposals outweigh the remaining potential risks for the State. We note that the risks associated with delayed decommissioning are likely to be equally or even more substantial and would likely be borne by those who did not benefit from the VY Station's electrical output. The additional financial assurances and other valuable risk-mitigation measures provided for in the MOU were of critical importance to us in reaching our decision, as was the broad support for the MOU among State agencies, other parties, and the public.

We emphasize the importance of the post-closing oversight activities by the relevant State agencies as further mitigation of any remaining risks. In addition to other measures that have the potential to mitigate post-closing risks, NorthStar will provide monthly summaries of all expenditures at the site, informative and detailed annual certifications regarding the project's progress, and prompt notification of material developments affecting NorthStar or the project. The State agencies will also have significant rights in overseeing the project, including the right to inspect books and records, to access the site, and to object to disbursements from certain sources of funds. The protections afforded by the MOU should allow for early identification of issues and, if necessary, reassessment of plans and schedules before available funds and resources are substantially reduced and reasonable alternatives become more limited. Given the importance of these protections, we trust that the State agencies will retain appropriate resources, devote the necessary time and attention, and constructively manage and coordinate their efforts to ensure that the available tools are used effectively in accordance with the interests of Vermont.

To ensure appropriate legal documentation of certain financial assurances in the MOU, this Order is conditioned on the receipt of notification, prior to the transfer of ownership, from the Vermont Department of Public Service ("Department" or "DPS") that the Department is satisfied, based on a review of the final form of certain insurance and escrow documents, that the documents meet the requirements of the MOU and, to the extent reasonably possible, will protect the interests of the State of Vermont in the event of NorthStar's insolvency.

We appreciate the collaborative efforts of NorthStar, Entergy, State agencies, regional authorities, town officials, and the other parties to the MOU to reach an agreement that we believe is beneficial for Vermont. The collaborative efforts that led to the MOU provide a substantial and realistic basis for similar cooperation, transparency, and productive consultations during the decommissioning and site restoration process. Although we are persuaded by the arguments made by the MOU parties, we also commend CLF for its efforts in identifying potential concerns with the proposed transaction following the MOU. These efforts, and the efforts of the MOU parties to address concerns raised by CLF, have, in our view, been constructive in considering and resolving this case.

II. PROCEDURAL HISTORY AND EVIDENTIARY RECORD

The procedural history in this case is set forth in Appendix B to this Order.

During the evidentiary hearing before the Commission, all prefiled testimony and exhibits set forth in the stipulated joint exhibit list (joint exhibit-1) were admitted into the evidentiary record. In addition, on October 24, 2018, the Commission proposed on its own motion to admit supplemental testimony and exhibits filed after the evidentiary hearing. No party objected to the admission of the supplemental testimony and exhibits or requested further process with respect to these documents. Accordingly, the following written supplemental testimony and exhibits are admitted into the evidentiary record: supplemental testimony of Scott State filed on May 23, June 21, July 3, and October 19, 2018, and all exhibits filed with such testimony (exhibits JP-SES-19 through JP-SES-27); [4] and supplemental testimony of T. Michael Twomey filed on June 21, 2018. The Commission also admits into the record the amendments to

[4] These exhibits include the NRC order (exh. JP-SES-24), related NRC documents (exhs. JP-SES-25 to 27), and a revised support agreement (exh. JP-SES-23).

paragraph 13 of the MOU filed with the Commission on July 31, October 30, and December 3, 2018, as exhibits PUC-5, PUC-6, and PUC-7, respectively.[5]

III. POSITIONS OF THE PARTIES

On March 2, 2018, NorthStar and Entergy (the "Joint Petitioners") entered into a memorandum of understanding with the following other parties to this case: the Department, the Vermont Agency of Natural Resources ("ANR"), the Elnu Abenaki Tribe, the Abenaki Nation of Missisquoi, the Windham Regional Commission, the New England Coalition on Nuclear Pollution, Inc. ("NEC"), the Town of Vernon Planning and Economic Development Commission, and, as to certain provisions, the Vermont Attorney General's Office (collectively, together with the Joint Petitioners, "the MOU Parties"). The MOU Parties jointly request or support the Commission's approval of the Joint Petitioners' proposals subject to the terms and conditions of the MOU.[6]

CLF opposes the petition and maintains that the financial assurances available under the MOU are insufficient. It contends that the Commission should deny the proposed transfer of ownership and responsibility for the operation of VY Station. In the alternative, it requests that the Commission direct the Joint Petitioners to provide additional financial assurances to support the proposed transfer.

IV. PUBLIC COMMENTS

The Commission received numerous comments from members of the public who attended the public hearings held on April 6, 2017, in Vernon and on April 12, 2018, in Brattleboro, and received approximately 50 written comments. The Commission appreciates those members of the public who took the time to convey their views on the proposed transaction. Such comments help guide the Commission's attention to specific issues that otherwise might not be raised in the case.

Public comments play an important role in helping to ensure a thorough exploration of the factors that the Commission should consider in developing an evidentiary record, even

[5] Any party that wishes to challenge the admission of the amendments to the MOU may contest such admission in a separate motion or in any motion for reconsideration it may file.

[6] *See* exh. PUC-2 (MOU at ¶ 1) and Vermont Attorney General's Office Brief of 6/11/18 at 1.

though public comments are not evidence in a case. These comments also help the Commission understand how its decisions affect citizens across the state.

The public comments the Commission received discussed a variety of benefits and concerns. Some of the issues addressed include:

- The importance of thoroughly investigating the proposed transfer;
- The economic, public, and environmental benefits of accelerated decommissioning and the economic, public and environmental risks if accelerated decommissioning is unsuccessful;
- The improvements to the proposed transfer resulting from the MOU;
- The importance of rigorous oversight throughout the decommissioning process and site restoration process by the State of Vermont;
- Ensuring the adequacy of the nuclear decommissioning trust and site restoration trust funds;
- Ensuring that the terms of the proposed transfer are sufficiently protective and are actually achieved;
- Concerns about Entergy's liability for the VY Station site;
- The financial and technical qualifications of NorthStar and its partners;
- Opportunities for continued public involvement in the decommissioning process; and
- Concerns about the ultimate disposition of the waste stored at the VY Station site.

In the many comments that we received, very few members of the public stated a preference for the longer decommissioning process that would result under Entergy's proposed SAFSTOR alternative. Instead, most commenters voiced cautious support for the accelerated decommissioning plan proposed by NorthStar, with two primary concerns: that the proposal needed to be thoroughly vetted prior to approval, and that the entire cleanup process needed to be closely monitored to ensure compliance. A large majority of the members of the public who spoke at the public hearing in Brattleboro after the parties reached the agreement in the MOU supported the transfer of the VY Station to NorthStar.

The Commission also received comments from the Vermont Division for Historic Preservation ("DHP"), the six citizen members of the Vermont Nuclear Decommissioning Citizens Advisory Panel ("VNDCAP"), and Associated Industries of Vermont ("AIV"). In its

comments, DHP reported that the archaeological studies performed at the VY Station did not identify any significant archaeological sites but did identify sections of the property where there had been no prior disturbance. DHP also states that it did not seek to intervene as a party to the case because it "concluded that the proposed transfer of ownership did not have the potential to adversely affect historic sites, because the site has been significantly disturbed and the scope of work described as part of the decommissioning process did not indicate any plans to impact previously undisturbed areas."[7] The citizen members of the VNDCAP concluded that it was in "everyone's best interest for the plant to be decommissioned and the site restored to use as soon as possible," but urged the Commission to carefully review the petition with special attention paid to the offered financial assurances and the proposed site restoration standards.[8] AIV, which intervened but did not actively participate as a party in this case, expressed support for the proposed transaction at the second public hearing.[9]

V. PROPOSED TRANSACTIONS AND APPLICABLE STANDARDS

See Appendix C for simplified organizational charts showing the current Entergy ownership structure and the post-transfer NorthStar structure.

Entergy Nuclear Vermont Yankee, LLC ("ENVY") and Entergy Nuclear Operations, Inc. ("ENOI") hold a certificate of public good ("CPG") issued by the Commission under Section 231 to own and operate the VY Station. Entergy Nuclear Vermont Investment Corporation, LLC ("ENVIC") currently holds all membership interests of ENVY.

The Joint Petitioners propose that the indirect ownership of the VY Station be transferred from Entergy to NorthStar through the sale of 100% of the membership interests of ENVY to North Star Decommissioning Holdings, LLC ("NDH"). They also seek to substitute a NorthStar company, NorthStar Nuclear Decommissioning Company ("North Star NDC"), for Entergy Nuclear Operations, Inc. ("ENOI") as the joint holder (together with a renamed ENVY) of the CPG to own and operate the VY Station. The Joint Petitioners further request that the Commission consent to the issuance by ENVY of a promissory note in the approximate amount

[7] DHP Comments dated 10/18/17.

[8] VNDCAP Comments dated 4/6/17.

[9] Comments of B. Sayre at public hearing on 4/12/18.

of $145 million to a newly created subsidiary of ENVIC, Vermont Yankee Asset Retirement Management, LLC ("VYARM").

In addition, the Joint Petitioners seek (a) modification of the Final Order in Docket 7862 to allow for the contribution of the assets of the site restoration trust into a segregated sub-account of the nuclear decommissioning trust and (b) approval of the site restoration standards set forth in the MOU.

The specific approvals requested in the petition are largely governed by 30 V.S.A. §§ 107,[10] 231,[11] and 232.[12] The applicable standard to be met under each of these statutory sections is generally the same—whether the proposed transaction will promote the public and the general good of the State.

The factors considered by the Commission in making this determination necessarily vary from case to case depending on specific circumstances and evidence related to the effects of the proposed actions on Vermont, ratepayers, and others. In cases involving changes in the ownership and operation of a business subject to the Commission's jurisdiction, the Commission evaluates, among other things, the technical, managerial, financial, and reputational attributes of the proposed owner or operator.[13] Under the circumstances specific to the future ownership and

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[10] Section 107 requires a company, such as NDH and its parent companies, seeking to "directly or indirectly acquire a controlling interest in any company subject to the jurisdiction" of the Commission to first obtain approval of the Commission. The Commission may grant approval "upon finding that such an acquisition will promote the public good." 30 V.S.A. § 107(a) and (b).

[11] The Joint Petitioners' proposal that NorthStar NDC replace ENOI as the joint holder of the CPG to own and operate the VY Station requires Commission approval under Section 231. Section 231 requires an entity such as NorthStar NDC "that desires to own or operate a business over which the Public Utility Commission has jurisdiction" to petition the Commission and for the Commission to determine "whether the operation of such business will promote the general good of the State." 30 V.S.A. § 231(a).

[12] Section 232 prohibits ENVY from issuing the proposed promissory note without the consent of the Commission and a finding by the Commission that the issuance "will promote the general good of the State." 30 V.S.A. § 232(a).

[13] *Amended Joint Petition of Cent. Vermont Pub. Serv. et al.*, Docket 7770, Order of 6/15/12 at 23. *See also Amended Petition of Entergy Nuclear Vermont Yankee, LLC, and Entergy Nuclear Operations, Inc., for amendment of their certificate of public good and other approvals*, Docket 7862, Order of 3/28/14 at 16-17 and 38; *Joint Petition of Green Mountain Power Corporation, Northern New England Energy Corporation and Northstars Merger Subsidiary Corp.*, Docket 7213 Order at 9-10; *Joint Petition of Bell Atlantic Corp. and GTE Corp. for approval of Agreement and Plan of Merger*, Docket 6150, Order of 9/13/99 at 48-49; *Joint Petition of New England Telephone & Telegraph Co. and Bell Atlantic Corp. for Approval of a Merger*, Docket 5900, Order of 2/26/97 at 5-9; *Petition of Entergy Nuclear Vermont Yankee and Entergy Nuclear Operations for approval of an indirect transfer of control*, Docket 7404, Order of 6/24/10 at 6-8; *Joint petition of Central Vermont Public Service Corporation and Vermont Electric Cooperative for approval of the transfer of assets of VEC's Southern District territory to CVPS,*

operation of the VY Station, the Commission needs to assess whether NorthStar VY will have adequate funding and financial resources to successfully complete the proposed decommissioning and site restoration process, whether NorthStar and the team it has assembled have the technical skills, expertise, and experience to manage and conduct required decommissioning and site restoration activities, and whether NorthStar has demonstrated that it will be a fair partner for Vermont.

Each of the matters for which Commission action is requested is part of an interrelated set of proposals as set forth in the petition and the MOU that are tied to the proposed acquisition of ENVY by NorthStar. Accordingly, these action items must be evaluated individually and in the context of the entire set of proposals. In determining whether the proposals as a whole promote the public and general good of the State of Vermont, the most important considerations for the Commission relate to the benefits, risks, and feasibility of NorthStar's decommissioning and site restoration plans and the extent to which the interests of Vermont will be adequately and appropriately protected if the proposals are approved.

VI. FINDINGS

A. Background

1. The VY Station is a former electricity generating facility that, when operational, employed a boiling water nuclear reactor. The VY Station is located adjacent to the Connecticut River in the town of Vernon, Windham County, Vermont. Exh. DPS-DSD-5 (Post-Shutdown Decommissioning Activities Report ("PSDAR") of 12/19/14 at 1).

2. ENVY, a Delaware limited liability company, owns the VY Station. Joint Petition of 12/16/16 ("Petition") at 3 (¶1) – 4 (¶ 6); Scott E. State for Joint Petitioners ("State") pf. at 16.

Docket 7210, Order of 12/4/06 at 9-11; *Joint Petition of Citizens Communications Company to sell, and Vermont Electric Cooperative to purchase Citizens' distribution assets and a portion of its transmission assets*, Docket 6850, Order of 3/1/04 (as reissued 3/29/04) at 13, 14, 16, 17, 22, 23, & 27; *Joint Petition of Vermont Marble Power Division of Omya Inc. and Central Vermont Public Service Corporation for sale of assets*, Docket 7660, Order of 6/10/11 at 36-37; *Petition of Northern New England Energy Corporation for approval of an Indirect Transfer of Control of Vermont Gas Systems, Inc. and Green Mountain Power Corporation*, Docket 7734, Order of 6/10/11 at 6-7; *Joint Petition of Central Vermont Public Service Corporation and the Town of Readsboro for approval of the acquisition by CVPS of the Town of Readsboro Electric Light Department's distribution system assets and service territory*, Docket No. 7688, Order of 7/8/11 at 6-7.

3. ENVY is owned by ENVIC, a Delaware limited liability company that holds 100% of ENVY's membership interests. Petition at 3 (¶ 1); State pf. at 16.

4. ENVY and ENOI, a Delaware corporation that maintains its principal place of business in Mississippi, together hold a CPG pursuant to 30 V.S.A. § 231(a) to own, operate, and decommission the VY Station. Petition at 3 (¶ 1).[14]

5. ENVY, ENVIC, and ENOI are wholly owned indirect subsidiaries of Entergy Corporation. Daniel S. Dane for DPS ("Dane") pf. at 51.

6. Entergy Corporation is an integrated energy company engaged primarily in electric power production and retail distribution operations. As of the end of 2016, Entergy Corporation (a) had total assets of nearly $46 billion and total shareholders' equity of more than $8 billion, (b) had annual revenue of approximately $10.8 billion, (c) owned and operated power plants with approximately 30,000 megawatts of electric generating capacity, which included nearly 10,000 megawatts of nuclear power, and (d) had more than 13,000 employees. Exh. DPS-DSD-33 at 5, 26-27 and 32.

7. ENVY, as the owner of the VY Station, and ENOI, as the operator of the VY Station, together hold two licenses issued by the NRC for the VY Station: a facility operating license (No. DPR-28) and a general license for the Independent Spent Fuel Storage Installation ("ISFSI"). In addition to being the NRC-licensed operator of the VY Station, ENOI is the operator of several other nuclear power plants. Dane pf. at 51; exh. JP-SES-24 (NRC Order at 1); exh. JP-SES-Supp-1 (figure 1).

8. On January 12, 2015, ENOI notified the NRC that it had permanently ceased power operations at the VY Station. Exh. DPS-DSD-4 (Revised PSDAR of 4/6/17 at 5).

9. Entergy's 2014 PSDAR for the VY Station provides for deferred decommissioning ("SAFSTOR") with plant decontamination and dismantlement activities commencing in 2068 and completed by 2075. Steven Scheurich for Joint Petitioners ("Scheurich") pf. at 13-14; Brian Winn for DPS ("Winn") pf. at 3; exh. DPS-DSD-5; exh. DPS-WKB/GAM-2 at 6.

10. In a December 2013 settlement agreement with Vermont State agencies, ENVY committed to obtain NRC authorization to begin radiological decommissioning within 120 days

[14] Docket 6545, CPG issued on 6/13/02; Docket 7862, CPG issued on 3/28/14.

of ENVY making a reasonable determination that funds in the nuclear decommissioning trust are adequate to complete decommissioning and remaining spent nuclear fuel management activities. Entergy currently estimates that it could begin decommissioning activities in 2053 or earlier if adequate funds are available in the nuclear decommissioning trust ("NDT"). Scheurich pf. at 15-16; T. Michael Twomey for Joint Petitioners ("Twomey") pf. at 7-8; Winn pf. at 3 (footnote 1); exh. JP-TMT-2 (¶ 7); exh. DPS-DSD-5 (Attachment 2, ¶ 7).

11. Entergy's 2014 PSDAR included a commitment to the NRC for Entergy Corporation to provide a parent company guarantee of up to $40 million if "additional financial assurance beyond the amounts contained in the remaining trust fund" is required to complete radiological decommissioning and spent fuel management at the VY Station. Twomey pf. at 9; exh. DPS-DSD (PSDAR of 12/14/14 at iii and 21).

12. Pursuant to the Memorandum of Understanding in Docket 7862 ("Docket 7862 MOU"), Entergy established a separate trust fund dedicated to funding site restoration at the VY Station and deposited $25 million in this site restoration trust. Twomey pf. at 8 and supp. pf. (5/4/18) at 2; State supp. pf. (3/10/17) at 4; Docket 7862, Order of 3/24/14 (Attachment B at 3-4).

13. Also, pursuant to the Docket 7862 MOU, ENVY committed to provide a parental guarantee in the amount of $20 million for the site restoration trust, which can be eliminated if the site restoration trust balance exceeds $60 million. Twomey pf. at 8-9; Docket 7862, Order of 3/24/14 (Attachment B at 4).

14. As of March 31, 2018, the nuclear decommissioning trust ("NDT") had a balance of $559.7 million, and the site restoration trust ("SRT") had a balance of $30.9 million. Twomey supp. pf. (5/4/18) at 2.

15. Entergy estimates that disbursements from the NDT for the period April 1 through December 31, 2018, will total $66.5 million. Twomey supp. pf. (5/4/18) at 3.

16. Excess funds remaining in the nuclear decommissioning trust after the completion of decommissioning are to be paid to Vermont Yankee Nuclear Power Corporation, which is currently a wholly owned subsidiary of Green Mountain Power Corporation, for the benefit of

electric consumers.[15] Docket 6545, Order of 6/13/02 at 4, 11, 37-38, 158 & Appendix D; 2018-ELEC-AR-04883, Annual Report of Green Mountain Power Corporation (FERC Form No. 1 at 123).

17. Under the site restoration trust agreement, excess funds remaining in the site restoration trust after completion of site restoration, as certified by the Commission, will be paid to ENVY.[16] State pf. 24-25; exh. JP-SES-2 (§§ 5.01 and 5.02).

18. In August 2018, ENOI notified the NRC that all spent fuel assemblies at the VY Station had been transferred from the spent fuel pool and placed in dry storage within the ISFSI. Exh. JP-SES-25 at 3.

19. Entergy has two revolving credit facilities in the approximate amount of $145 million that were used to finance construction of the second ISFSI pad, procurement of dry storage systems, and transfer of fuel from the spent fuel pool to the ISFSI. The credit facilities are supported by a guarantee of the full outstanding amount by Entergy Corporation. Twomey pf. at 9.

20. ENVY has made or will soon make a Round 3 claim against the DOE for the recovery of its spent fuel management costs, which was expected to include, among other costs, approximately $145 million for the second ISFSI pad construction and the costs associated with the 2017-18 transfer of spent nuclear fuel from the spent fuel pool to the second ISFSI pad ("Round 3 DOE Claim"). Exh. PUC-2 (MOU ¶ 3.b.); exh. JP-SES-25 at 3. *See also* finding 18-20, above.

B. Overview of NorthStar and Proposed Transactions

NorthStar

21. NorthStar, through North Star Group Services Inc. and its subsidiaries, provides demolition and remediation services throughout the United States. It employs 3,500 employees

[15] ENVY is permitted to retain half of any excess funds to the extent they are associated with additional contributions to the NDT made by ENVY. Docket 6545, Order of 7/11/02 at 6-11 and Order of 7/15/02. *See also* Docket 7862, Order of 3/28/14 at 86, 90-91. It is the Commission's understanding that ENVY has not made additional contributions to the NDT since its acquisition of the VY Station.

[16] Note that upon NorthStar's acquisition of ENVY (and its change in name), the renamed ENVY, NorthStar VY, will remain entitled to the payment of any excess funds in the site restoration sub-account. *See also* exh. PUC-2 (MOU ¶ 3.a.).

and maintains offices in 26 locations nationwide. State pf. at 5; Jeffrey Adix for the Joint Petitioners ("Adix") pf. at 1.

22. NorthStar has extensive experience in decommissioning and abatement work at energy-related facilities and the contaminants often found at such facilities, including radioactive material, mercury, lead, asbestos, and polychlorinated biphenyl ("PCB"). NorthStar has decommissioned power facilities throughout the United States subject to state and federal regulations. State pf. at 6.

23. NorthStar has experience in the nuclear sector related to the decommissioning of four NRC-regulated research reactors at university sites and has also performed decommissioning work at DOE sites. No notice of violation from any government agency has been received, and no U.S. Occupational Safety and Health Administration recordable incident has occurred, on any of the nuclear projects involving NorthStar. State pf. at 6-8.

24. Although NorthStar has relevant expertise in decommissioning, abatement, and cleanup projects, NorthStar has never taken the lead on a nuclear decommissioning project, nor a project of the scale and complexity of the decommissioning of the VY Station. Winn pf. at 7; exh. DPS-BEW-2; Gregory A. Maret for DPS ("Maret") sur. pf. (12/1/17) at 4.

25. NorthStar Group Services, Inc. is wholly owned by LVI Parent Corporation, which is wholly owned by NorthStar Group Holdings, LLC. Both LVI Parent Corporation and NorthStar Group Holdings, LLC are passive holding companies that own only shares of stock or membership interests in their subsidiaries. Adix pf. at 1; Dane pf. at 14.

26. NorthStar Group Services, Inc. (together with its subsidiaries) had total assets of more than $380 million at the end of 2016. It had gross revenue of more than $650 million and income from operations of $30 million in 2015. Adix pf. at 3.

27. NorthStar Group Holdings, LLC is wholly owned by JFL-NGS Partners, LLC, which purchased the company on June 12, 2017, from its prior owners and made significant capital investments in NorthStar. Dane pf. at 15; exh. DPS-DSD-8; Adix reb. pf. (10/17/17) at 5

28. Through its indirect ownership interests in JFL-NGS Partners, LLC, J.F. Lehman and Company, a private equity firm, holds a majority ownership stake in NorthStar and has ultimate operating control of NorthStar. Dane sur. pf. (12/1/17) at 9; exh. DPS-DSD-8.

29. Because of the capital investments in June 2017, NorthStar was able to decrease its total debt by approximately $100 million and to amend and extend its senior credit agreement, which now provides for an undrawn revolving line of credit. Adix reb. pf. (10/17/17) at 5; Dane sur. pf. (12/1/17) at 8; exh. DPS-DSD-9; exh. DPS-DSD-37.

30. The amended senior credit agreement includes a term loan with a principal balance of $140 million at execution, along with the undrawn revolving credit line with an aggregate principal limit of $55 million. Pricing is based on a spread of 4.5% for London Interbank Offered Rate loans, with other base rate and prime rate pricing structures available. The term loan maturity date is currently May 31, 2021. Dane sur. pf. (12/1/17) at 10; exh. DPS-DSD-45.

31. The June 2017 capital investment improved NorthStar's liquidity and its financial position relative to its previously thin capitalization and high leverage. Dane sur. pf. (12/1/17) at 8; Adix reb. pf. (10/17/17) at 5; Scheurich reb. pf. (10/17/17) at 11.

32. NorthStar believes its new ownership will help NorthStar with its strategic plan and support the continued growth and financial stability of NorthStar. Adix reb. pf. (10/17/17) at 5.

Proposed Transactions

33. The Joint Petitioners propose that NorthStar Decommissioning Holdings, LLC ("NDH") acquire ownership of ENVY through the purchase of 100% of ENVY's membership interests pursuant to a Membership Interest Purchase and Sale Agreement ("MIPA") by and among NDH, NorthStar Group Holdings, LLC, ENVIC, and ENVY. Petition at 3 (¶ 2) & 4 (¶ 6); State pf. at 17; exh. JP-TMT-8.

34. Following NDH's acquisition of ENVY, ENVY will be renamed NorthStar Vermont Yankee, LLC ("NorthStar VY").[17] Petition at 3 (¶ 2); State pf. at 17.

35. Prior to the closing of the acquisition, ENVY will transfer certain limited assets that are not needed for decommissioning and site restoration to an Entergy subsidiary, Vermont Yankee Asset Retirement Management, LLC ("VYARM"). Scheurich pf. at 12; State pf. at 17.

[17] There is no change in the legal entity that will directly own the VY Station before or after NDH's acquisition of ENVY. ENVY and NorthStar VY will be the same legal entity. As a result of the acquisition, that legal entity (ENVY/NorthStar VY) will be owned, and the VY Station will be indirectly owned, by NorthStar and neither will be directly or indirectly owned by Entergy and Entergy Corporation.

36. Prior to the closing of the acquisition, VYARM will either assume existing Entergy credit facilities related to the construction of the ISFSI and spent fuel transfer, including an ENVY credit facility used to fund the transfer of spent nuclear fuel, that were guaranteed by Entergy Corporation, or Entergy will enter into a new credit facility through VYARM that will be used to advance ENVY the amount needed to pay off ENVY's existing credit facility at closing. State supp. pf. (3/10/17) at 3; Twomey pf. at 9; exh. JP-SES-SUPP-1 (Attachment 1 at 5).

37. ENVY/North Star VY will issue a promissory note at closing to the Entergy subsidiary, VYARM, in the approximate amount of $145 million to cover the amount of Entergy's costs to construct the second ISFSI pad and to transfer spent nuclear fuel from the spent fuel pool to that pad in 2017 and 2018. NorthStar VY will be required to repay VYARM upon NorthStar VY's receipt of sufficient proceeds from the Round 3 DOE Claim (which receipt is anticipated in 2023) except that, under the circumstances specified in paragraph 3. c. of the MOU, NorthStar VY will retain and deposit into an escrow account the first $40 million of Round 3 DOE Claim proceeds. If the available proceeds from the Round 3 DOE Claim are insufficient to repay the note, NorthStar VY will pay the remaining balance only after NorthStar completes decommissioning and site restoration of the VY Station site (except for the ISFSI area and the structures that will remain on the site as set forth in the MOU). State pf. at 19-20, supp. pf. (3/10/17) at 2-3 and reb. pf. (10/17/17) at 5-6; Twomey pf. at 10; Scheurich reb. pf. (10/17/17) at 11-12; exh. PUC-2 (MOU ¶ 3. b. & c.); exh. JP-SES-SUPP-1 (Attachment 1 at 5-6). *See also* finding 91, below.

38. At the time of NDH's acquisition of ENVY, ENVY will own the VY Station, its spent nuclear fuel, the NDT, the SRT, and the real property within the VY Station site. ENVY will also retain all rights and obligations under the $145 million note issued to the Entergy subsidiary, VYARM, and under ENVY's Standard Contract for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste with the DOE. State pf. at 17; JP-SES-25 at 18; JP-SES-24 at 3.

39. Following NDH's acquisition of ENVY, NorthStar Nuclear Decommissioning Company ("NorthStar NDC") will replace ENOI as the co-holder of the Section 231 CPG. NorthStar NDC will assume ENOI's obligations under PUC Orders and NRC licenses related to

the VY Station site. NorthStar NDC will be the NRC-licensed operator of the VY Station. Petition at 4-5 (¶ 7) & 8; State pf. at 9 & 18; exh. JP-SES-Supp-1; exh. JP-SES-24; exh. JP-SES-26.

40. NDH and North Star NDC are wholly owned subsidiaries of NorthStar Group Services, Inc. State pf. at 9; Dane pf. at 14; exh. JP-SES-Supp-1 (figure 2).

41. The MOU proposes site restoration standards for the VY Station that have been agreed to by the Joint Petitioners and other parties to the MOU. Exh PUC-2 (MOU ¶¶ 1.e. & 5).

42. The Joint Petitioners propose that assets currently held in the site restoration trust be contributed to a segregated sub-account of the nuclear decommissioning trust to facilitate the concurrent conduct of decommissioning and site restoration activities. State pf. at 23-24; exh. JP-SES-2 (Site Restoration Trust Agreement); exh PUC-2 (MOU ¶¶ 1.f, 2.a.(2), and 6.).

C. Plans Related to Decommissioning and Site Restoration

43. NorthStar has committed to begin active decommissioning and site restoration at the VY Station site no later than 2021 (and possibly as early as 2019) and to complete those tasks at the VY Station site (except at the ISFSI and VELCO switchyard) no later than the end of 2030 (and possibly as early as 2026). State pf. at 21; exh. PUC-2 (MOU at 1-2); exh. DPS-WKB/GAM-2 at 7.

44. NorthStar VY will obtain a $25 million letter of credit, substantially in the form of attachment 2 to the MOU, payable to a decommissioning completion trust, if NorthStar VY does not start decommissioning activities on or before January 1, 2021, or complete radiological decommissioning and site restoration of all portions of the site other than the ISFSI area by December 31, 2030. State pf. at 18-19; exh. PUC-2 (MOU ¶ 2.a. (4) and attachment 2); exh. JP-TMT-9; exh. DPS-DSD-30.

45. Decommissioning and site restoration of the ISFSI area cannot occur until the spent nuclear fuel is removed from the site. NorthStar plans to complete these activities after the DOE removes the spent nuclear fuel from the ISFSI area. State pf. at 21-22, 43.

46. NorthStar submitted a revised PSDAR to the NRC on April 6, 2017, to advise the NRC of changes in actions and schedules previously set forth in Entergy's 2014 PSDAR and to update the information previously provided. The revised PSDAR, which sets forth NorthStar's

plans for prompt decommissioning, is contingent on the closing of NDH's acquisition of ENVY. Exh. DPS-DSD-4; exh. JP-SES-24; exh. JP-SES-25 at 5.

47. NorthStar will perform most of the decommissioning and site restoration work itself. State pf. at 10; exh. DPS-DSD-19.

48. For specialized tasks that NorthStar does not itself perform, NorthStar will engage non-affiliated companies under fixed-price arrangements. State pf. at 10.

49. NorthStar plans to perform tasks that correspond to 75% to 80% of the total costs of the project and expects to pay 20% to 25% of the costs of decommissioning and site restoration activities to non-NorthStar affiliates. State pf. at 10 and supp. pf. (5/4/18) at 1; exh. DPS-DSD-19.

50. NorthStar plans to perform radiological decommissioning and site restoration work concurrently as an integrated process. State pf. at 21, 40; exh. PUC-2 (MOU at 1-2).

51. Entergy will contribute the site restoration trust assets into a separate sub-account of the nuclear decommissioning trust prior to the closing. State pf. at 23; exh. JP-SES-2; exh. PUC-2 (MOU ¶¶ 2.a.(2) & 6).

52. NorthStar developed a model that outlines the cash flows associated with the project, the funds available to accomplish the project in the nuclear decommissioning trust and the site restoration trust, and expected recoveries from the DOE related to spent nuclear fuel management costs. NorthStar's budget is intended to enable NorthStar, with the assistance of specialized expert subcontractors, to accomplish the decommissioning and restoration of the VY Station site (other than the ISFSI) decades earlier than Entergy planned in its 2014 PSDAR. State pf. at 21 and supp. pf. (3/10/17) at 3-4; exh. JP- SES-Supp-1; Scheurich pf. at 13-19; exh. DPS-DSD-4; exh. DPS-DSD-5.

53. NorthStar's model assumes that assets in the nuclear decommissioning trust[18] will have average net annual growth of 2%. State pf. at 41.

54. NorthStar's modeling of the project is based on a series of fixed-price contracts with a budget for each of the more than 900 individual tasks included in a pay-item disbursement schedule dated September 8, 2016. State pf. at 12; exh. PUC-2 (MOU ¶ 2.a.(6)).

[18] References in this Order to the nuclear decommissioning trust (NDT) after the closing of the acquisition of ENVY include the site restoration trust (SRT) sub-account unless otherwise indicated.

55. There is a 10% contingency amount built into each line item in NorthStar's pay-item disbursement schedule. State pf. at 38 and reb. pf. (10/17/17) at 10, 33; exh. DPS-DSD-26; exh. DPS-DSD-40.

56. NorthStar will withdraw from the nuclear decommissioning trust the entire allotted amount for a task (including the contingency amount) and, subject to the MOU, may retain any excess over the actual cost of the task for its own account. State pf. at 38; exh. DPS-BEW-3; exh. DPS-DSD-40; exh. PUC-2 (MOU ¶ 2).

57. If the actual cost of a line-item task exceeds the estimated cost to complete that task, NorthStar will bear that expense. Under no circumstance may a withdrawal from the nuclear decommissioning trust for a specific task exceed the amount for that task listed in the pay-item disbursement schedule. State pf. at 38; exh. DPS-BEW-3; exh. PUC-2 (MOU ¶ 2(a)(6)).

58. In addition to the costs of decommissioning and site restoration, NorthStar will continue to incur costs related to the management of spent nuclear fuel in the ISFSI until the fuel is removed from the site. The ISFSI area can be decommissioned, released, and restored only after the DOE removes the spent nuclear fuel from the site. NorthStar expects over time to recover its spent nuclear fuel management costs from the DOE (as damages for the DOE's partial breach of its obligation to remove spent fuel from the VY Station). State pf. at 19-20, 22, 40-41, 43-44.

59. The NRC will allow NorthStar the limited use of up to $20 million of funds from the nuclear decommissioning trust on a revolving basis for purposes of spent nuclear fuel management. For purposes of this limitation, the cumulative amount of NDT withdrawals for spent fuel management will be reduced by the amount of any replenishment of the NDT from the DOE recoveries. If unreimbursed spent nuclear fuel management expenses at any one time exceed $20 million, NorthStar will fund the excess expenses from its own resources. State pf. at 41; exh. JP-SES-27 at 4, 9, 12.

60. NorthStar VY will obtain a performance bond in the amount of $4.3 million if there is no settlement with the DOE for reimbursement of spent fuel management expenses by January 1, 2022. If a settlement with the DOE is not reached by January 1, 2024, the amount of the required performance bond will increase to $9.3 million. Exh. JP-SES-24 at 6-7.

61. After the DOE removes the spent nuclear fuel from the ISFSI area, NorthStar will decommission and restore the ISFSI area. State pf. at 43-44.

62. NorthStar's estimated costs for radiological decommissioning and NRC license termination are $498,450,000; for spent nuclear fuel management are $287,802,000; and for site restoration are $25,272,000. State supp. pf. (3/10/17) at 4.

NorthStar and its non-NorthStar subcontractors

63. NorthStar has or has engaged resources and personnel or has sufficiently detailed plans to engage resources and personnel with the relevant managerial and technical experience and expertise to complete the decommissioning of VY Station as proposed. Winn sur. pf. (12/1/17) at 2 & 3; Winn supp. pf. (5/4/18) at 18; State pf. 5-15; tr. 5/10/18 at 120 (Brewer); exh. JP-SES-SUPP 1 (Application at 12-18 and enclosure 3); findings 21 to 23, above, and findings 63 to 73, below.

64. Orano USA LLC, formerly AREVA Nuclear Materials, LLC ("Orano"), will perform and complete the decommissioning work related to the nuclear reactor. This work will include the segmentation of the nuclear reactor pressure vessel and the vessel internals. State pf. at 10-11; exh. PUC-2 (MOU ¶ 2.d).

65. Orano has experience with reactor vessel segmentation projects and has completed reactor decommissioning work at several nuclear plants since 1999. At the Wuergassen plant in Germany, it segmented the reactor vessel and internals for a boiling water reactor that was similar in type and size to the reactor at the VY Station. State pf. at 13-14; Gregory A. Maret for DPS ("Maret") sur. pf. (12/1/17) at 4.

66. NorthStar will obtain a $25 million guaranty from Orano to support the completion of decommissioning and site restoration activities at the VY Station. This guaranty will terminate upon the removal of the reactor vessel from the VY Station site provided certain conditions are met, including a certification by NorthStar, confirmed by the DPS, that the value of the NDT (including the SRT subaccount) is greater than the combined remaining estimated license termination and site restoration costs. Exh. PUC-2 (MOU ¶ 2.a(2) and 2.d).

67. Orano also will be involved in the long-term management of the spent nuclear fuel in dry storage at the site and will oversee the transfer of the fuel to the DOE when the DOE is ready to accept it. State pf. at 14.

68. Orano has substantial worldwide experience in the dry storage and transportation of spent nuclear fuel for the nuclear industry. State pf. at 14-15.

69. NorthStar has a contractual arrangement with Waste Control Specialists, LLC ("WCS"), which operates a low-level radioactive waste disposal site in Texas. This site includes the compact waste facility created by a compact between Texas and Vermont to dispose of low-level radioactive waste and is one of the few commercial facilities in the United States licensed to dispose of all types of low-level radioactive waste. State pf. at 11.

70. WCS will be involved with on-site waste processing, management, packaging, loading, and the ultimate disposal at the Texas compact waste facility. WCS has provided NorthStar with preferred pricing for the removal of waste from the VY Station site. State pf. at 35-36; State reb. pf. (10/17/17) at 31-32; exh. JP-SES-25 at 21; exh. JP-SES-SUPP-1 (Application at 15-16).

71. NorthStar's decommissioning approach will seek to optimize waste streams for economical waste disposal, taking advantage of both the dedicated compact waste facility for Class A, B, and C low-level radioactive waste and WCS's other disposal cells for exempt waste. State pf. at 11.

72. NorthStar will also retain an engineering firm, Burns & McDonnell, for support with engineering and the termination of the NRC license. State pf. at 11-12.

73. NorthStar plans to retain Haley & Aldrich, LLC, as a subcontractor for non-radiological site characterization work at the VY Station site. This firm has experience and has demonstrated proficiency in performing the types of activities proposed for the VY Station site that fall under ANR's purview. Chuck Schwer for ANR ("Schwer") supp. pf. (5/4/18) at 5.

D. <u>Funds Available for Project; Additional Financial Assurances</u>

74. NorthStar's model and the NRC license transfer application generally contemplate that assets in the nuclear decommissioning trust (including the proposed SRT sub-account) and recoveries from the DOE claims will be sufficient to cover the estimated costs of decommissioning, site restoration, spent nuclear fuel management, and NRC license termination. Dane pf. at 36-37; State pf. at 40-41,43-45 and supp. pf. (3/10/17) at 3-4; Scheurich reb. pf. (10/17/17) at 10-11; exh. JP-SES-SUPP-1 (Application at 19).

75. The NorthStar decommissioning cost estimate represents a reasonable estimate of the cost to complete the known scope of license termination and site restoration. Winn supp. pf. (5/4/18) at 16; Schwer supp. pf. (5/4/18) at 8; Scheurich reb. pf. (10/17/17) at 10-11; exh. JP-SES-24 at 17; exh. JP-SES-25 at 5-6; exh. DPS-WKB/GAM-2 at 7-9.

76. The Joint Petitioners have provided and agreed to financial assurances that, while not eliminating project risks, reduce risks and increase the likelihood that the project will be adequately funded if project costs are higher than currently estimated by NorthStar. State supp. pf. (3/9/18) at 2; Winn supp. pf. (3/9/18) at 3; Winn supp. pf. (5/4/18) at 7; Dane supp. pf. (3/9/18) at 3-10; exh. PUC-2 (MOU ¶¶ 2 and 3). *See also* findings 44 (obligation to obtain letter of credit if start or completion of project activities is delayed), 57 (limitation on withdrawals from NDT), 60 (performance bond for spent fuel management related to timing of DOE settlement), and 66 (Orano guaranty), above, and 77-91, below.

Entergy Contribution to Increase SRT Balance at Closing to $60 Million

77. Pursuant to the MOU, Entergy will contribute to the site restoration trust an amount that will bring the balance of the site restoration trust at the closing of NDH's acquisition of ENVY to $60 million. Exh. PUC-2 (MOU ¶ 3. a.).

78. The State of Vermont will be designated as a material beneficiary of the NDT sub-account holding the SRT assets. As more fully detailed in numbered paragraph 6 of the MOU, all distributions from the NDT sub-account that holds the SRT assets will be used exclusively to pay for site restoration costs, and the Department will have 30 days to object to certain proposed expenditures from this sub-account as specified in the MOU. Exh. PUC-2 (MOU ¶ 6.d.).

Performance Bonds

79. NorthStar will obtain performance bonds or equivalent performance assurance on major subcontracted work with a value of approximately $400 million, substantially in the form of attachment 1 to the MOU. Most project tasks will be subject to performance bonds or similar financial support. State pf. at 38-39; exh. PUC-2 (MOU ¶ 2.a.(3) and attachment 1).

80. The performance bonds will provide protection under certain circumstances related to the completion of contracted tasks if a contractor materially defaults in the performance of its construction contract and fails to complete contracted work in accordance with the contract's terms. State pf. at 38-39; exh. PUC-2 (MOU ¶ 2.a(3) and attachment 1).

Support Agreement

81. NorthStar Group Services, Inc. has agreed pursuant to a parent support agreement to provide funds in an aggregate amount of up to $140 million for required decommissioning and site restoration activities at the VY Station as necessary. State supp. pf. (3/9/18) at 3; exh. PUC-2 (MOU ¶¶ 2.a.(5) and 2.b); exh. JP-SES-22 (Attachment 1); exh. JP-SES-23.

82. Pursuant to the MOU, the Commission may order NorthStar Group Services, Inc. to make payments under the support agreement, provided that such an order is supported by a reasonable determination by the DPS Commissioner and the ANR Secretary that additional work is needed to complete site restoration. Exh. PUC-2 (MOU ¶ 2.b.(1)).

83. NorthStar may not amend, terminate, or assign the support agreement for any reason without first obtaining approval of the PUC and the NRC. The support agreement will remain in place until the NRC grants release of the entire site (including the ISFSI area). Exh. PUC-2 (MOU ¶ 2.b.(2)); State reb. pf. (10/17/17) at 11.

Escrow Account (MOU ¶ 2.c.)

84. Pursuant to the MOU, NorthStar will establish an escrow account to which it will contribute $55 million, with $30 million in funds deposited in the account at the closing of NDH's acquisition of ENVY. After NorthStar has withdrawn the first $100 million from the nuclear decommissioning trust (NDT), NorthStar will contribute "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 and site restoration work at the VY Station site." NorthStar expects to withdraw the first $100 million from the NDT before the end of 2021, and projects that the escrow account balance will reach $55 million before the end of 2024. Exh. PUC-2 (MOU ¶ 2.c.).

85. Pursuant to the MOU, withdrawals from the escrow account may be made only with the approval of the Department and ANR provided that reasonable requests for withdrawals for site restoration will not be denied, subject to a determination as to the sufficiency and availability of certain other funding resources. Exh. PUC-2 (MOU ¶ 2.c.(1)).

86. The Department will have an opportunity to review final forms of the escrow agreement documents prior to the closing of the ENVY acquisition. Winn supp. pf. (5/4/18) at 4-5; tr. 5/11/18 at 61 (State).

Pollution Legal Liability Insurance

87. Pursuant to the MOU, NorthStar will obtain a $30 million pollution legal liability insurance product that will provide coverage for site restoration activities to address previously unknown or not fully characterized non-radiological environmental conditions identified at the VY Station site. Exh. PUC-2 (MOU ¶ 2. e. and Attachment 4); exh. CLF-MOH-8.

88. Proceeds from claims under the pollution legal liability insurance coverage will only be available for site restoration activities. Schwer supp. pf. (5/4/18) at 3; tr. 5/10/18 at 149 (Winn).

89. The Department plans to conduct a review of the final pollution legal liability insurance policy prior to closing to ensure that the policy complies with the MOU. Chuck Schwer supp. pf. (5/4/18) at 2-3; Winn supp. pf. (5/4/18) at 4-5.[19]

Round 3 DOE Claim Proceeds; Separate Escrow Account for Certain Proceeds

90. NorthStar will contribute $10 million of expected proceeds from the Round 3 DOE Claim to a decommissioning completion trust dedicated to meeting the liabilities of NorthStar VY. State supp. pf. (3/9/18) at 3; Exh. PUC-2 (MOU ¶ 2.a.(7)); exh. JP-TMT-9.

91. If certain conditions specified in the MOU are not met, NorthStar VY will retain and deposit into a separate escrow account the first $40 million of proceeds received from the Round 3 DOE Claim and shall not transfer those funds to the Entergy subsidiary, VYARM. Funds deposited in this escrow account will be used to fund decommissioning and site restoration activities at the VY Station to the extent that funds in the nuclear decommissioning trust are insufficient or unavailable to complete such activities. Exh. PUC-2 (MOU ¶ 3.c. & 3.d.).

E. <u>NRC Proceedings and Rulings</u>

92. In February 2017, NorthStar and Entergy jointly filed a license transfer application with the NRC. The NRC application was supplemented by filings in April, August, and December 2017 and in May and June 2018. State supp. pf. (3/10/17) at 1 and supp. pf. (5/4/18) at 5-6; exh. JP-SES-supp-1; exh. JP-SES-25.

[19] The Commission notes that the Joint Petitioners stated in their initial brief that they have no objection to the Department engaging an expert to review the pollution legal liability insurance policy "to confirm that its terms are consistent with the MOU and sufficiently protective." Initial Brief of Joint Petitioners Joined by Intervenor Elnu Abenaki Tribe of 6/11/18 at 3.

93. In an order dated October 11, 2018, the NRC approved, subject to conditions, the application for the transfer of the NRC licenses for VY Station and the ISFSI. Exh. JP-SES-24 at 6.

94. In its order, the NRC concluded that NorthStar NDC and NorthStar VY are financially and technically qualified to hold the NRC license for the VY Station and the license for the ISFSI. Exh. JP-SES-24 at 5-6; Exh. JP-SES-25 at 17, 22-23, and 25

95. The NRC determined, based in part on the NRC staff's independent cash flow analysis, that NorthStar had provided reasonable assurance of obtaining the funds necessary to cover the estimated costs of decommissioning the VY Station and the ISFSI and of spent fuel management in accordance with applicable NRC requirements. Exh. JP-SES-24 at 5-6; exh. JP-SES-25 at 12-13, 17, and Attachment 1.

96. The NRC determined that NorthStar provided reasonable assurance that the NRC's technical qualification requirements have been met. The NRC also concluded that the proposed NorthStar "management and technical support organization" and "onsite organization" will adequately support the proposed maintenance and decommissioning activities at the VY Station. Exh. JP-SES-24 at 5-6; exh. JP-SES-25 at 22-23.

F. Site Restoration Process and Standards

Site Characterization; Corrective Actions

97. The MOU requires the submission of a draft comprehensive site investigation work plan within 60 days of the closing of the ENVY acquisition. As more fully detailed in the MOU, the site investigation work plan will be subject to ANR's review and approval and will, among other things, include: a plan to perform groundwater sampling for non-radiological contamination; a plan to characterize below-ground structures that NorthStar proposes to leave in place; a plan for any use of concrete fill; a detailed description of how concrete material will be processed and managed on site; identification of the specific locations where concrete will be managed and used as fill; a plan for any use of off-site materials as fill; and a schedule for the completion of site-investigation activities. Exh. PUC-2 (MOU ¶ 5.d.).

98. For areas of the VY Station site where investigation activities do not create an actual conflict with the Atomic Energy Act, the MOU requires NorthStar to submit a site investigation

report pursuant to Section 35-305 of ANR's "I-Rule"[20] within six months of the closing. Exh. PUC-2 (MOU ¶ 5.d.(3)).

99. NorthStar is obligated to complete the comprehensive site investigation and any required corrective actions in accordance with the I-Rule and pursuant to a schedule developed in consultation with the Town of Vernon and approved by ANR. The MOU requires NorthStar to complete any required corrective actions to address releases of non-radiological hazardous materials in accordance with the I-Rule. Exh. PUC-2 (MOU ¶ 5.d.).

Standards for Site Restoration and Remediation

100. As more fully detailed in the MOU, the MOU requires NorthStar, among other things:

a. to remove all above-ground structures at the VY Station site other than the ISFSI and associated security facilities,[21] the VELCO switchyard, the administrative office building known as the plant support building, and a portion of the railroad spur;

b. to remove all underground structures at the VY Station site—including, without limitation, building foundations, buried piping, and contained piping—to a depth of four feet below ground surface, except for certain structures, material, and substances that are to be removed to a greater depth or entirely regardless of depth;

c. to ensure the stability of the ground above by filling "pipes and other spaces with void space that are four feet below ground surface and allowed to be left in place" with concrete or other material as necessary;

d. to fill all subsurface voids with fill material that meets conditions specified in the MOU;

e. not to use concrete or other materials from buildings or structures on the VY Station site as fill at the VY Station site, except that concrete from the VY Station cooling tower structures and intake structure may be used as fill under certain conditions;

[20]Investigation and Remediation of Contaminated Properties Rule, dated July 27, 2017.

[21] For purposes of this Order, the Commission assumes that this exception relates only to the period prior to the removal of spent nuclear fuel from the ISFSI area by the DOE and does not affect NorthStar's plans to remove any remaining ISFSI structures and associated security facilities and to restore the ISFSI area after the spent nuclear fuel is removed from the ISFSI area by DOE. *See* finding 61, above; State pf. at 43-44.

f. not to reuse at the VY Station site surface and sub-surface soil excavated as part of demolition except to the extent certain conditions are met; and

g. to regrade and reseed the land.

Exh. PUC-2 (MOU ¶ 5.b., e., f., and g.).

101. The MOU requires NorthStar to remediate the VY Station site to compliance with the residential standard values identified in Appendix A of the I-Rule, except as to any operable unit of the VY Station site for which NorthStar submits and ANR approves an institutional control plan. Exh. PUC-2 (MOU ¶ 5.e.).

102. The MOU provides that NorthStar will decommission, release, and restore the VY Station site: (1) while complying with the Vermont Radiological Health Rule, including meeting the requirements for "unrestricted areas" as that term is defined in Vermont Department of Health Rules 5-301 and 5-302(42); (2) to a radiological dose limit of 15 mrem/year from all pathways combined and with no more than 5 mrem/year from liquid effluents; and (3) for "unrestricted use," as that term is used in 10 C.F.R. § 20.1402, and not under "restricted conditions," as that term is used in 10 C.F.R. § 20.1403. NorthStar shall attempt to attain a calculated annual 10mR TEDE All Pathways and 4mR TEDE Water residual radiation standard, but attainment of this standard will not be required if, in NorthStar's sole discretion, it is cost prohibitive or technically not feasible because of site conditions. Exh. PUC-2 (MOU ¶ 5.c.).

103. Upon completion of decommissioning and site restoration of the VY Station site, NorthStar shall provide to ANR, the Vermont Department of Health ("VDH"), and the Town of Vernon a comprehensive survey and site plan identifying the location and depth of all below-grade structures remaining at the site and confirming that every remaining subsurface structure meets the release criteria described in the MOU. NorthStar is required to record the comprehensive survey and site plan in the land records of the Town of Vernon and erect field monumentation on the VY Station site to provide notice of all remaining below-grade structures in a manner that does not impede future use of the site. Exh. PUC-2 (MOU ¶ 5.g.(2)).

104. NorthStar will perform and pay for any on-site radiological monitoring analyses and all final survey status analyses required by the NRC. It will provide the results of the monitoring analyses and copies of any submissions to the NRC regarding the final status survey analysis to ANR, DPS, and VDH. Exh. PUC-2 (MOU ¶ 5.h.).

105. NorthStar will perform biannual radiological monitoring of groundwater for three years based on a post-completion monitoring plan that the NRC, VDH, and ANR will approve. Exh. PUC-2 (MOU ¶ 5.i.).

106. NorthStar agrees to perform regular and appropriate off-site radiological surveys, consistent with industry-standard practices. Exh. PUC-2 (MOU ¶ 5.j.).

107. NorthStar will work cooperatively with ANR and VDH to develop appropriate protocols related to non-radiological remediation and site restoration for information sharing, for obtaining samples from on-site environmental media, and for conducting site visits and inspections, site characterization, remediation, site restoration, and notifications. These protocols must be acceptable to ANR and VDH and be publicly available and shall recognize that ANR and VDH must approve all work plans and testing protocols prior to implementation and retain authority over all determinations of compliance related to non-radiological site characterization and remediation, non-radiological site closure, and site restoration. NorthStar agrees to provide VDH with copies of all decommissioning radiological surveys and radiochemical analysis data provided to the NRC or maintained on site as required by NRC regulations. ANR and VDH shall have the right to obtain confirmatory measurements and sampling throughout decommissioning and site restoration, provided that this does not interfere with NorthStar's schedule. ANR and VDH agree to work expeditiously with NorthStar beginning immediately upon issuance of an Order by the PUC approving the terms and conditions of the MOU "to develop and review the workplans necessary to facilitate NorthStar pre- and post-closing site restoration activities at the VY Station site." Exh. PUC-2 (MOU ¶ 5.k.).

G. <u>Monitoring and Oversight of NorthStar and Project</u>

108. NorthStar will provide to the DPS, ANR, and the Vermont Attorney General's Office monthly summaries of all expenditures at the site. Those agencies will be permitted access to and will have the right to inspect those expenditures and the books of NorthStar Group Holdings, LLC, NorthStar Group Services, Inc., and NorthStar VY at all reasonable times and at reasonable intervals. Exh. PUC-2 (MOU ¶ 2(f)).

109. As more fully detailed in the MOU, NorthStar will notify the DPS, ANR, and the Vermont Attorney General's Office within seven days of the following events: (a) all significant changes to the ability of NorthStar Group Service, Inc. to fund the support agreement; (b) every draw on the support agreement; (c) any event during the conduct of decommissioning, spent fuel management, or site restoration activities that could, individually or cumulatively with other events, have an adverse financial consequence of greater than $2 million; (d) any proposed change in the organization or equity ownership of NorthStar Group Holdings, LLC, NorthStar Group Services, Inc., or NorthStar VY; and (e) any breach of debt covenants, default, acceleration, insolvency, reorganization, bankruptcy, or liquidation of NorthStar Group Holdings, LLC, NorthStar Group Services, Inc., or NorthStar VY. Exh. PUC-2 (MOU ¶ 2(g)).

110. As more fully detailed in the MOU, NorthStar will provide the DPS, ANR, VDH, and the Vermont Attorney General's Office with an annual public certification that includes: (a) a detailed description of all work completed pursuant to corrective action plans approved by ANR; (b) a detailed description and schedule of remaining corrective actions and site restoration work; (c) the amount of available funds remaining for site restoration; and (d) the amount of funds estimated to be required to complete site restoration. Exh. PUC-2 (MOU ¶ 2(h)).

111. As more fully detailed in the MOU, NorthStar will provide to the DPS on an annual basis: (a) audited financial statements for NorthStar; (b) audited statements of the NDT and the SRT fund balances and an accounting of all disbursements from these accounts; (c) a schedule of both cumulative historic and projected fund activity for the NDT and SRT funds, including a breakdown of all future decommissioning, site restoration, and spent fuel management activities, an updated "pay item disbursement schedule," and the equivalent of an update of the current "deal model"; and (d) a variance analysis, comparing actual disbursements detailed in the updated "deal model" to estimated disbursements in the prior year's reporting, explaining all variances in excess of 10% or $2 million. Exh. PUC-2 (MOU ¶ 2(i)).

112. The DPS, ANR, and VDH may retain advisors pursuant to 30 V.S.A. §§ 20 and 21 and applicable State contracting procedures in support of the review processes established in the MOU. Exh. PUC-2 (MOU ¶ 10); Winn supp. pf. (5/4/18) at 3.

113. The DPS, ANR, and VDH will have regular access to the Vermont Yankee site, and NorthStar VY will remain bound by an existing memorandum of understanding related to site access. Winn supp. pf. (5/4/18) at 4; tr. 5/10/18 at 132 (Schwer); tr. 5/11/18 at 60 (State).

114. The DPS, ANR, VDH, and the Vermont Attorney General's Office will coordinate their monitoring and oversight activities, including a process to coordinate the review of information and other materials submitted by NorthStar, to oversee the work performed by NorthStar, and to consult as necessary to make any required determinations. The Department and the other State agencies will develop and implement an appropriate management plan to direct the coordination of their efforts in the oversight process. Tr. 5/10/18 at 129-131 (Schwer) and 145-146, 171-174, 181-183 (Winn).[22]

H. <u>Other Findings</u>

115. The DECON decommissioning approach provides greater certainty and less risk, both technically and financially, than the delayed SAFSTOR decommissioning approach, which presents the potential for reduced costs and greater financial growth but with greater uncertainty and more risk. Exh. DPS-WKB/GAM-2 at 5.

116. Considering the overall balance of advantages and disadvantages of the two decommissioning approaches, the greater certainty (reduced risk) associated with the DECON approach leads to a general conclusion that, if funding is available or can be ensured at reasonable expense, a DECON approach is more desirable. Brewer pf. at 4; exh. DPS-WKB/GAM-2 at 6.

117. The discovery of previously unknown or unidentified contamination, both radiological and hazardous non-radiological and other conditions, can lead to unexpected costs and delays in planned work activities. Exh. DPS-WKB/GAM-2 at 11; Arnold Gundersen for NEC ("Gundersen") pf. reb. at 14.

118. The condition of a site to be decommissioned is an essential input in evaluating the work that will be required and the cost of that work. The conditions of interest include the levels, types, extent, and location of contamination, both radiological and non-radiological, as well as presence of subsurface material or structures. The more thorough, detailed, and current

[22] *See also* Brief and Proposed Findings of ANR (6/11/18) at 5-6.

the site characterization work is, the less uncertainty there will be in the scope of work needed to fully remediate the site and hence the less risk there will be of unanticipated costs. Exh. DPS-WKB/GAM-2 at 12.

119. No matter the extent of the characterization performed, site conditions are never known with absolute precision, in part because some conditions, including levels of contamination in some structures, equipment, or soils, are not possible to discern until the dismantlement work is underway. Uncertainty in the site conditions means that there are potential unexpected changes in the scope of work that result in unanticipated costs. The unanticipated changes and costs can range from relatively small to extremely large. Exh. DPS-WKB/GAM-2 at 12, 14-15.

120. NorthStar's commitments in the MOU regarding site characterization and site restoration standards and processes reduce uncertainties and risks in the project plan. Earlier identification of unknown or unexpected plant conditions will facilitate the integration of any necessary remediation work with other decommissioning and site restoration activities and allow for earlier and more accurate scoping of work and project management to anticipate funding needs and manage project expenditures. Brewer supp pf. (3/9/18) at 3; Winn supp. pf. (3/9/18) at 3-4.

121. The financial assurance-related commitments made in the MOU provide meaningful risk mitigation and significant additional funds that will be available for the project. In addition, the reliability of the additional funding has been enhanced. These enhancements are not available under the status quo. Dane supp. pf. (3/9/18) at 10.

122. Given the uncertainty inherent in any major nuclear decommissioning and site restoration project, financial risks related to cost overruns and NorthStar's financial capacity to fund them will remain. Dane supp. pf. (3/9/18) at 10; Winn supp. pf. (5/4/18) at 13.

123. Under the MOU, NorthStar will retain a cultural expert to develop a cultural resource plan, in consultation with Elnu Abenaki and the Abenaki Nation of Missisquoi. Exh. PUC-2 (MOU ¶ 7).

124. NorthStar has committed to collaborate with stakeholders to establish an appropriate public engagement process regarding the decommissioning and restoration of the VY Station site, including exploration of forming a subcommittee of the existing Nuclear Decommissioning

Citizens Advisory Panel for this purpose. Exh. PUC-2 (MOU ¶ 8); State pf. at 45; tr. 5/11/18 at 53-56 (State).

125. NorthStar will continue to cooperate with the Nuclear Decommissioning Citizens Advisory Panel and to work with local citizens and government throughout the project and when considering site reuse. State pf. at 45; exh. PUC-2 (MOU ¶ 8).

126. The Department is satisfied that NorthStar will be a fair partner to the State. In particular, the Department was impressed by the time and effort that NorthStar put forward over the course of the negotiations that resulted in the MOU. NorthStar showed a willingness to listen to and account for the concerns of both the State agencies involved in those negotiations and the intervenor parties. By committing fully to a collaborative and open process, NorthStar demonstrated its willingness and ability to serve as a fair partner to the State going forward. Winn supp. pf. (3/9/18) at 7; Robert Spencer for the Town of Vernon ("Spencer") supp. pf. (3/9/18) at 3.

127. The proposed transaction will not interfere with the orderly development of the region. By removing most of the structures on the VY Station site other than the ISFSI and switchyard portions of the site on an accelerated schedule, the project could enhance the region's orderly development by making most of the site available for reuse sooner than originally envisioned and could further the objectives of the Vernon Town Plan and the Windham Regional Plan. Winn pf. at 14; Harry Dodson for the Joint Petitioners ("Dodson") pf. at 5-8; Susan Tierney for the Joint Petitioners pf. at 18-23.[23]

128. The proposed transaction will not have an adverse effect on aesthetics or historic sites.[24] The removal of most buildings and structures and restoration of the site could result in a significant improvement to the visual quality of the site. Winn pf. at 15; Dodson pf. at 8-10; Exh. JP-HLD-5 at 13; Exh. JP-HLD-6 at 5-6.

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[23] *See also* Brief of Windham Regional Commission (6/11/18) at 1:

> The WRC has long advocated for prompt decommissioning and site restoration to Vermont standards upon the cessation of operations and closure of the Vermont Yankee Nuclear Power Station. After years of analysis of information presented in this and prior dockets, it is our determination that these positions are in the best interest of the orderly development of the region.

[24] *See also* comments of the Vermont Division for Historic Preservation filed 10/19/17 that were submitted to the Commission.

129. NorthStar's proposed accelerated decommissioning and site restoration schedule is likely to provide economic benefits to the State of Vermont and to the Windham County region as compared with the SAFSTOR status quo and a decommissioning process commencing in 2053. Berkman pf. 3-4; exh. JP-MPB-2 at 7-9 and 33; Winn pf. at 14-15 and supp. pf. (3/9/18) at 7.

VII. DISCUSSION AND CONCLUSIONS

The most significant consequences of the proposals before the Commission in this case involve: (1) the acceleration by more than 30 years of the current schedule for decommissioning the VY Station and restoring most of the VY Station site; and (2) the transfer of the ownership and responsibility for decommissioning and site restoration from Entergy to NorthStar, a national provider of large-scale demolition and abatement services.

Early decommissioning and site restoration have broad support among the parties, government officials, and the public, and there is substantial evidence in the record about the benefits of commencing and completing this process on the schedule proposed by NorthStar.[25] The evidence establishes that early decommissioning and site restoration are preferable to the current SAFSTOR plan provided that adequate funding is available to complete the process successfully.[26]

As proposed, NorthStar VY (the renamed ENVY) will own the VY Station, and NorthStar NDC will replace ENOI as the co-holder of the CPG to own and operate the VY Station. NorthStar's assumption of ownership of the VY Station and of responsibility for decommissioning and site restoration requires an assessment of NorthStar and its plans to complete decommissioning and site restoration at the VY Station. This assessment involves, among other things, evaluations of NorthStar's financial strength and resources, its technical and managerial competence, and its reputation. Given circumstances specific to the VY Station, the Commission needs to consider the extent to which NorthStar VY will have adequate funding and financial resources to successfully complete the decommissioning and site restoration process, whether NorthStar and the team it has assembled have the technical skills, expertise, and

[25] *See* findings 115, 116, 120, 127, 128. above.

[26] *See* finding 116, above.

experience to manage and conduct required decommissioning and site restoration activities, and whether NorthStar has demonstrated that it will be a fair partner for Vermont.[27]

The principal areas of significant disagreement among the parties relate to the adequacy of the funding and financial resources available to NorthStar if the actual costs of decommissioning and site restoration were to significantly exceed NorthStar's current cost estimates.[28] The resolution of these questions is central to assessing the likelihood that Vermont will realize the benefits of accelerated decommissioning and site restoration and the suitability of NorthStar as the owner and operator of the VY Station.

Decommissioning a nuclear power plant and restoring the site inevitably involve uncertainty and risk regardless of the approach chosen.[29] The actual costs of decommissioning and site restoration can significantly exceed estimated costs depending, among other things, on the extent, location, and spread of radiological and non-radiological contaminants. Early site characterization efforts, increasing the amount of available funds and financial support for the project, and other risk-mitigation measures can reduce uncertainties and risks to successful project completion.

Parties to the MOU argue that, after taking into account the MOU, the available financial assurances will either "ensure that NorthStar completes the project on time and with full protection of the environment"[30] or "help ensure that necessary funding remains in place throughout the course of [NRC] license termination and site restoration of VY Station."[31] CLF, on the other hand, maintains that the provided financial assurances are not adequate to protect against risks related to known and unknown sources of contamination at the site.

In the Commission's view, the MOU provides additional financial assurances and other provisions that reduce or have the potential to reduce the risks and uncertainties related to the

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[27] The Commission's determinations with respect to these criteria are discussed in separate sections below.

[28] Following the filing of the MOU, no party has raised significant issues concerning the technical or managerial competence of NorthStar's decommissioning and site restoration team or whether NorthStar will be a fair partner for Vermont.

[29] *See* findings 115 to 119, above.

[30] Initial Brief of Joint Petitioners (6/11/18) at 2 and 9.

[31] Department's Proposed Findings and Initial Brief (6/11/18) at 42; *see also* Winn supp. pf. (3/9/18) at 3-4; Schwer supp. pf. (5/4/18) at 11; tr. 5/10/18 at 131 and 133-134 (Schwer) and at 140 (Winn).

adequacy of the funding and other financial resources committed to the project. We take specific note of the enhanced financial assurances related to site restoration and the various provisions of the MOU designed to reduce uncertainties and risk by setting forth requirements for non-radiological site characterization, informational reporting, and oversight by State agencies.

We must also take into account the decision of the NRC to approve the transfer of the NRC licenses to NorthStar. The NRC has responsibility for overseeing radiological decommissioning and has specialized knowledge, experience, and expertise regarding the decommissioning of nuclear power plants. The NRC found NorthStar to be both technically and financially qualified to hold the licenses and specifically concluded that NorthStar had provided reasonable assurance of obtaining the funds necessary to cover the estimated costs of decommissioning the VY Station and the ISFSI and of spent fuel management in accordance with applicable NRC requirements.

Despite NRC approval and the additional assurances provided by the MOU, risks related to the adequacy of available funding remain. As acknowledged in the Department's testimony, the additional financial assurances provided in the MOU reduce but do not eliminate risks related to the adequacy of financial support for the project, and "approval of this transaction under the terms memorialized in the MOU represents a balancing of interests"[32]

We therefore remain faced with a situation in which the benefits of the proposed transfer must be balanced against the uncertainty and risk that remain after accounting for the additional financial assurances and contingent resources provided for in the MOU. As the parties to the MOU point out, our consideration must also include the status quo, which also involves substantial uncertainties and risks. Under Entergy's current schedule for delayed decommissioning and site restoration, these uncertainties and risks would fall on a future generation that realized no benefits from electricity generated by Vermont Yankee.[33] In

[32] Winn supp. pf. (3/9/18) at 7-8; Dane supp. pf. (3/9/18) at 10.

[33] The importance of this consideration to the State may be inferred from 30 V.S.A. § 2(d). Although not directly relevant to the Commission's responsibilities in this case, this statute would seem to indicate a State policy preference to not place the burden of decommissioning and site restoration uncertainties and risks on "the state's future consumers who never obtain benefits from [the VY Station]." The statute specifically provides as follows:

> In any proceeding where the decommissioning fund for the Vermont Yankee Nuclear Facility is involved, the Department shall represent the consuming public in a manner that acknowledges that the general public interest requires that the consuming public, rather than either the State's future

addition, significant financial assurances and risk-mitigation measures provided for in the MOU are not available under the status quo.

For these and other reasons discussed more fully below, we conclude, on balance and subject to the MOU, that the proposals now before the Commission in this case will promote the public and general good of the State of Vermont and, accordingly, we have determined to provide the requested approvals and consents.

A. Available Funds and Assurances; Financial Resources

Upon the acquisition by NorthStar of an Entergy subsidiary, NorthStar will own the VY Station, the spent nuclear fuel stored on the site, the site property, and all the assets in the nuclear decommissioning trust (NDT), including the site restoration trust (SRT) sub-account. NorthStar generally anticipates that the trust funds and claim recoveries from the U.S. Department of Energy (DOE) will be adequate to cover the costs of all decommissioning, site restoration, and spent fuel management activities.

As noted above, the MOU provides significant additional financial assurances to support site restoration activities at the VY Station. These financial assurances significantly increase the likelihood that adequate funds will be available for site restoration as compared both with the original proposals of the Joint Petitioners and the existing commitments of Entergy related to site restoration. NorthStar estimates that the total site restoration costs of the project will be about $25.3 million.[34] Pursuant to the MOU, Entergy will contribute additional funds to the site restoration trust to increase the balance of that trust account to $60 million at the closing of the acquisition. Distributions from the SRT sub-account are to be used exclusively to pay site restoration costs, and the Department will have the right to object to certain proposed disbursements from the sub-account.

In addition, the MOU requires NorthStar to contribute $30 million at closing to a newly established escrow account and to make additional deposits of $25 million over a period of

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> consumers who never obtain benefits from the facility or the State's taxpayers, ought to provide for all costs of decommissioning. The Department shall seek to have the decommissioning fund be based on all reasonably expected costs.

30 V.S.A. § 2(d).

[34] State supp. pf. (3/10/17) at 4; finding 62, above.

several years. Withdrawals from this escrow account may be made only with approval from the Department and ANR. The MOU's only restriction on their exercise of these approval rights is in the case of a reasonable withdrawal request for the purpose of site restoration.[35] NorthStar must also obtain a $30 million pollution legal liability insurance policy that provides coverage for previously unknown or not fully characterized non-radiological environmental conditions at the VY Station site.[36] The MOU also clarifies that the $140 million parental support agreement to be provided by NorthStar Group Services, Inc. will be available to fund site restoration requirements and gives the Commission authority to order NorthStar Group Services to provide funding under the support agreement when supported by a reasonable determination by the Department and ANR of a need for additional site restoration work.[37]

NorthStar's ability to complete site restoration successfully depends not only on the financial resources available for site restoration but also on the adequacy of the total amount of funds available for the project, including the funding sources dedicated to radiological decommissioning and spent nuclear fuel management. Although Vermont has a strong interest in the adequacy of funds available for the entire project, the responsibility for oversight of radiological decommissioning and spent fuel management rests principally with the NRC, which has substantial expertise and experience related to assessing the adequacy of funding and overseeing the decommissioning process.

In approving the transfer of the NRC licenses from Entergy to NorthStar, the NRC found NorthStar to be both technically and financially qualified under applicable requirements. The NRC also determined, based on an independent cash flow analysis, that NorthStar had provided reasonable assurance of obtaining the funds necessary to cover the estimated costs of decommissioning the VY Station and the ISFSI and of spent fuel management in accordance with applicable NRC requirements.

The NRC's conclusions regarding the funding available for decommissioning and spent fuel management deserve substantial deference given the NRC's expertise and experience and its

[35] Exh. PUC-2 (MOU ¶ 2.c.(1)); finding 85, above.

[36] Exh. PUC-2 (MOU ¶ 2.e); findings 87 to 89, above. *See also* discussion below regarding a review of the final forms of the pollution legal liability insurance policy and the escrow account documents.

[37] Exh. PUC-2 (MOU 2.b.(1)); finding 82, above.

ultimate responsibility for overseeing radiological decommissioning, spent fuel management, and NRC license termination. However, the NRC order and conclusions do not ensure that adequate funding will be available under all contingencies -- for example, in the event of large cost overruns for significant unexpected work related to radiological contamination at the site.

In such an eventuality, NorthStar VY will depend in large part on the $140 million support agreement to be provided by NorthStar Group Services, Inc. to cover such cost overruns. Even after last year's recapitalization of NorthStar and the availability of a revolving credit line, there remain questions, based on testimony by Department witnesses, about the ability of NorthStar Group Services, Inc. to fund the full amount of the support agreement if needed.[38]

Although uncertainties and risks remain, we rely in our determinations not only on the NRC expert conclusions but also on other considerations we find relevant to reducing risks associated with the adequacy of financial resources. These include:

- The entire package of financial assurances from a variety of sources provided for in the MOU, including the commitment by NorthStar not to withdraw funds from the NDT for any task in an amount exceeding that specified for the task in the pay-item disbursement schedule;
- The provisions in the MOU, which with appropriate oversight by State agencies should enable significant problems to be identified and addressed soon after they arise; and
- The commitment of NorthStar to a business model and strategy that depend on the success of its decommissioning and site restoration work at the VY Station and incentives inherent in the business structure of the proposed plans for decommissioning and site restoration.[39]

In addition to the financial assurances provided in the MOU, the MOU contains numerous other provisions that reduce potential uncertainties and risks related to the project. Among other things, NorthStar commits to submit, no later than six months after the closing, a

[38] *See* Dane sur. pf. (12/1/17) at 3, 6-8 and supp. pf. (3/9/18) at 9; Winn supp. pf. (3/9/18) at 6; tr. 5/11/18 at 73-75 (Dane) and tr. 5/10/18 at 149-150 (Winn).

[39] NorthStar's interest in taking on the decommissioning of the VY Station is part of a business opportunity identified by NorthStar related to the decommissioning of nuclear power plants in the United States. Given J.F. Lehman & Co.'s investments in NorthStar and its acquisition of Waste Control Specialists, LLC., it appears that NorthStar's principal owner is supportive of NorthStar's business strategy with respect to the decommissioning of nuclear power plants. Tr. 5/11/18 at 35-36 (State).

site investigation report pursuant to ANR's I-Rule for each operable unit of the site where site investigation activities do not create an actual conflict with the Atomic Energy Act.[40] The MOU provides for the following: a plan to perform groundwater sampling of non-radiological contamination; a plan to characterize below-ground structures that NorthStar plans to leave in place; a plan for any use of concrete fill; a detailed description of how concrete material will be processed and managed on site; identification of the specific locations where concrete will be managed and used as fill; a plan for any use of off-site materials as fill; and a schedule for the completion of site investigation activities.

Furthermore, NorthStar agrees in the MOU to work cooperatively with ANR and VDH to develop appropriate protocols related to non-radiological remediation and site restoration, for information sharing and notifications, for obtaining samples from on-site environmental media, and for conducting site visits and inspections, site characterization, remediation, and site restoration. NorthStar will complete the comprehensive site investigation and any required corrective actions in accordance with the I-Rule and pursuant to a schedule developed in consultation with the Town of Vernon and approved by ANR.

We emphasize the importance of the post-closing oversight activities by the relevant State agencies in mitigating risks to the State related to funding adequacy. In addition to other measures that have the potential to mitigate post-closing risks, NorthStar will be providing monthly summaries of all expenditures at the site, informative and detailed annual certifications regarding the project's progress, and prompt notification of material developments affecting NorthStar or the project. The State agencies will also have significant rights in overseeing the project, including the right to inspect books and records, to access the site, and to object to disbursements from certain funding sources. Given the importance of project oversight by the State agencies, we trust that the State agencies will retain appropriate resources, devote the necessary time and attention, and constructively manage and coordinate their efforts to ensure that the available tools are effectively used in accordance with the interests of Vermont.

Among other things, the protections afforded by the MOU should allow for early identification of issues and, if necessary, reassessment of plans and schedules before available

[40] Exh. PUC-2 (MOU ¶ 2.d.(3)); finding 98, above.

funds and resources are substantially reduced and reasonable alternatives become more limited. In the worst case, it might be necessary to reassess plans, schedules, and budgets and explore, depending on circumstances, the possibility of a SAFSTOR option.[41]

To ensure appropriate legal documentation for certain financial assurances in the MOU, this Order will be conditioned on the receipt of notification, prior to the transfer of ownership, from the Department that the Department is satisfied, based on a review of the final form of insurance and escrow documents, that the pollution legal liability insurance policy and escrow account provided for in paragraph 2. c. of the MOU will meet the requirements of the MOU and, to the extent reasonably possible, will protect the interests of the State of Vermont in the event of an insolvency or bankruptcy event involving NorthStar.

CLF asserts that the Commission should either deny the petition or impose additional financial assurance requirements. We note that the parties to the MOU spent several months discussing and negotiating various assurances and other issues before reaching agreement on the MOU. Although the imposition of additional financial assurance requirements would further reduce risks associated with the proposed transaction, it might also jeopardize the proposed transaction.[42] Based on the MOU, we are satisfied that the benefits of the proposed transaction when balanced against the remaining risks are enough to reach a conclusion that the proposed transaction will promote the public good. We discuss and address the specific arguments of CLF in section VII. G., below.

B. Technical and Managerial Competence

As a national provider of demolition services, NorthStar has substantial management and technical experience and expertise in the decommissioning of large structures, including energy facilities. Its decommissioning work has involved activities related to the investigation, management, abatement, remediation, and disposal of hazardous contaminants such as asbestos, lead paint, and PCBs. It has worked on several nuclear facility decommissioning projects involving research reactors at universities and DOE facilities. However, NorthStar has never been involved in the decommissioning of a commercial nuclear power plant.

[41] Tr. 5/10/18 at 162-163 (Winn); Winn supp. pf. (5/4/18) at 8; tr. Brewer 5/10/18 at 118-119 (Brewer).

[42] *See* Spencer supp. pf. (3/9/18) at 3.

Questions were initially raised by parties to this case and members of the public about whether NorthStar had the necessary expertise and experience to decommission the VY Station because NorthStar has never taken the lead on a nuclear decommissioning project or on a project of the scale and complexity of the decommissioning of the VY Station.

During this proceeding, witnesses for non-petitioning parties who had expressed concerns about NorthStar's lack of experience in managing the decommissioning of commercial nuclear reactors expressed increased confidence in NorthStar's ability to successfully complete the project. This increased confidence was based on increasing familiarity with NorthStar's plans for decommissioning and site restoration, its project management team, and the relevant expertise and experience of its team of sub-contractors.

NorthStar will contract with Orano to perform work related to the decommissioning of the reactor vessel and vessel internals, which will require the segmentation of the reactor vessel. This work is one of the primary challenges related to decommissioning a commercial nuclear power plant, and Orano has specific experience in the segmentation of a boiling water reactor similar in type and size to the one at the VY Station. Orano also has substantial experience in the management of spent nuclear fuel, and Orano will manage spent nuclear fuel at the VY Station. The evidence supports the conclusion that Orano is well suited to perform the contracted activities related to the segmentation of the nuclear reactor and the long-term management of spent nuclear fuel at the VY Station site.

NorthStar will also engage Waste Control Specialists, LLC (WCS), which operates a low-level radioactive waste disposal site in Texas. It will be involved in the on-site processing, packaging, loading, and off-site disposal of low-level waste. As the operator of the only facility capable of handling each of the categories of low-level radioactive waste, WCS provides necessary technical capabilities and a useful synergy given that the facility includes the disposal site that is subject to a compact between Texas and Vermont on the disposal of low-level radioactive waste.

ANR observes that NorthStar has experience related to the non-radiological contaminants that are likely to be encountered at the VY Station site. ANR concludes that NorthStar and its subcontractors have the experience and expertise to conduct the required non-radiological activities at the VY Station site in connection with the restoration of the site. The Department's

testimony also acknowledged the experience and expertise of NorthStar and its subcontractors. Prior to the MOU, the Department indicated that NorthStar has obtained or will obtain the managerial and technical resources and personnel with relevant expertise in the technical and managerial aspects of a commercial reactor decommissioning project.[43] The NRC also concluded that the proposed NorthStar "management and technical support organization" and "onsite organization" will adequately support the proposed maintenance and decommissioning activities at the VY Station.[44] The record contains no significant evidence that challenges the technical and managerial qualifications of NorthStar and its subcontractors to perform spent nuclear fuel management, decommissioning, and site restoration activities at the VY Station. Based on the evidence, we conclude that NorthStar will have the necessary managerial and technical expertise to complete the project.

C. Fair Partner

There is no evidence in the record that indicates a concern with NorthStar's history of regulatory compliance in any jurisdiction. Although NorthStar does not have prior experience in Vermont, other parties to the MOU have credited NorthStar for its willingness to engage with the parties to this case, other stakeholders, and the public and for its efforts in negotiating and reaching agreement on the MOU while maintaining the civil tenor of discussions.[45] As the Department stated in its brief:

> NorthStar's conduct during this proceeding—specifically, its willingness to engage in thoughtful discussions and negotiations and reach compromise on the MOU—supports a finding pursuant to that standard that NorthStar will operate as a fair partner to the State of Vermont. *See* Winn [supp. pf. (3/9/18) at 7]. NorthStar actively participated in numerous meetings (both public and directly with parties and intervenors) to hear and respond to concerns. . . . NorthStar's responsiveness to those concerns, both during MOU negotiations and through future commitments, demonstrates a dedication to serve as a fair partner to the State.[46]

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[43] Winn sur. pf. (12/1/17) at 2.

[44] Exh. JP-SES-25 at 22-23.

[45] Spencer supp. pf. (3/9/18) at 3; Winn supp. pf. (3/9/18) at 7; DPS Proposed Findings and Initial Brief (6/11/18) at 26 to 28; ANR Brief and Proposed Findings (6/11/18) at 18 to 20; Windham Regional Commission Brief (6/11/18) at 1; Proposed Findings and Conclusions of NEC (6/11/18) at 1.

[46] DPS Proposed Findings and Initial Brief (6/11/18) at 26. *See also* finding 126, above.

The MOU parties also point to provisions in the MOU that evidence a continued commitment by NorthStar to a collaborative process of consultation and public engagement. These commitments include: coordination of site investigation, corrective action, and other work with State agencies; further collaboration with stakeholders to establish an appropriate public engagement process regarding decommissioning and site restoration; consultations with the Town of Vernon regarding site restoration to provide for future use of the site in a manner consistent with the Vernon Town Plan; and the retention of a cultural expert to develop a cultural resource plan in consultation with the Elnu Abenaki and the Abenaki Nation of Missisquoi.

Based on the foregoing considerations, we conclude that NorthStar has adequately demonstrated that it will be a fair partner for Vermont in the decommissioning and site restoration process and, generally, in its ownership and operation of the VY Station.

D. Site Restoration Standards

The MOU in Docket 7862 deferred the resolution of site restoration standards, instead requiring the parties to work in good faith to establish standards at a later date. Paragraph 5 of the MOU in this case resolves those standards, specifying a detailed process and timeline by which NorthStar will develop and execute a plan for site characterization of the VY Station site and the site restoration standards to which NorthStar will return the VY Station site.[47]

Except for CLF, all State, regional, and local parties, including the Town of Vernon Planning and Economic Development Commission, the Windham Regional Commission, and NEC, have agreed to the site restoration standards in the MOU. Although CLF did not sign the MOU, CLF has not objected to the site restoration standards on any substantive ground.

The site restoration standards in the MOU benefit State and local interests. At the State level, the site restoration standards require NorthStar to remediate non-radiological contamination to residential standard values pursuant to ANR's I-Rule, with any departure requests approved by ANR.[48] The I-Rule governs investigations and corrective actions for properties affected by releases of hazardous materials to "protect the public health and the

[47] *See* finding 100; exh. PUC-2 (MOU ¶ 5).

[48] Finding 101.

environment."[49] The residential standard values require cleanup to residual levels of contamination that are appropriate for a residential or equivalent use.[50] If ANR permits a departure from the residential standard, NorthStar is required to implement additional measures to protect health and the environment and limit the future residential use of the property. The MOU also requires compliance with the Vermont Radiological Health Rule and its requirements for "unrestricted areas," and includes additional radiological cleanup commitments from NorthStar beyond those required by the NRC for license termination.

At the local level, the MOU requires NorthStar to work closely with the Town of Vernon on issues related to non-radiological contamination, both in developing its plan for corrective actions and in ensuring that any requested departures from the residential standard of the I-Rule are consistent with the Vernon town plan. The MOU also includes detailed requirements for the removal of above- and below-ground structures, the use of on-site and off-site materials as fill on the VY Station site, and the final regrading and reseeding of the site. The Town of Vernon was an active participant in developing the terms of the MOU and is satisfied that the final restoration of the site will be consistent with the Vernon town plan.[51]

In light of the efforts of the parties in developing site restoration standards, the compliance with State and local requirements, and the lack of objections to the substantive requirements, we are satisfied that the site restoration standards contained in the MOU are adequate to protect the interests of Vermont.

E. Note Issuance by NorthStar VY

Entergy incurred significant costs to construct the second ISFSI pad and to transfer spent nuclear fuel from the spent fuel pool to that pad. The expenses incurred to construct the second ISFSI pad and transfer the spent fuel are included in the Round 3 DOE Claim.

The Joint Petitioners propose that NorthStar VY issue a new note to VYARM in the approximate amount of $145 million to cover the costs borne by Entergy for the second ISFSI

[49] *Investigation and Remediation of Contaminated Properties Rule* (eff. July 27, 2017), p. 4.

[50] Schwer supp. pf. (3/9/18) at 5-6.

[51] Spencer supp. pf. (3/9/18) at 2-3.

pad and spent fuel transfer.[52] NorthStar expects that NorthStar VY's obligations under this note will be offset by the amount of its Round 3 DOE Claim recovery related to these costs. NorthStar will not be required to repay any remaining balance on the note that exceeds the amount of proceeds recovered from the DOE until after NorthStar's completion of planned decommissioning and site restoration activities except for the ISFSI area. NorthStar VY will also deposit into an escrow account the first $40 million of Round 3 DOE Claim proceeds until the conditions specified in paragraph 3.c. of the MOU are satisfied. These proceeds will be retained in the escrow account and used, if needed, to cover decommissioning and site restoration costs. The proceeds will not be paid to VYARM until the applicable conditions are met, including requirements related to the adequacy of funding in the nuclear decommissioning trust and NorthStar's compliance, as determined by ANR, with site investigation and corrective action plans.

The proposed note issuance by NorthStar VY to VYARM appears to be substantially justified by the unreimbursed costs incurred by Entergy and the expectation that such amounts will be recovered by NorthStar VY as part of the Round 3 DOE Claim. The repayment terms of the note and the MOU provisions related to establishment of a $40 million escrow account for DOE proceeds provide substantive protections and help ensure the adequacy of the financial support that will be available for the completion of planned decommissioning and site restoration activities other than for the ISFSI area.

The MOU parties request that the Commission grant consent to the issuance of the proposed note to VYARM subject to the applicable provisions of the MOU. No party has specifically challenged the proposed note issuance. Based on the foregoing, we conclude that the proposed note issuance as modified by the MOU will promote the general good of the State.

F. Transfer of SRT Assets to Sub-Account of NDT

The Docket 7862 MOU provided for the establishment of a site restoration trust (SRT) solely dedicated to site restoration at the VY Station, with the State of Vermont designated as a

[52] ENVY currently has a credit facility that it used to fund the transfer of spent nuclear fuel to the ISFSI. Prior to the closing of NorthStar's acquisition of ENVY, ENVY's existing credit facility will either be assumed by an Entergy subsidiary, VYARM, or will be paid off from the proceeds of a new replacement credit facility that Entergy will enter into through VYARM.

material beneficiary of the trust. The Docket 7862 MOU also contemplated that site restoration would be conducted after radiological decommissioning had been completed to the satisfaction of the NRC.[53] NorthStar's decommissioning and site restoration plans and budgets rely on the concurrent conduct of decommissioning and site restoration activities.

The Joint Petitioners request that the Commission approve a transfer of the site restoration trust assets to a sub-account of the NDT because such transfer would facilitate the concurrent conduct of and payment for decommissioning and site restoration activities. The NDT trustee would serve as the trustee both for the SRT sub-account and for the rest of the NDT. Any distributions from the SRT sub-account would be used exclusively to pay for site restoration. The Department will have the same rights to object to proposed disbursements from the SRT sub-account as it currently has under the site restoration trust agreement.[54]

The MOU parties support the proposed transfer and request that the Commission amend its Order in Docket 7862[55] to allow the site restoration trust assets to be contributed into the segregated sub-account of the nuclear decommissioning trust. The MOU expressly provides that the State of Vermont will be designated as a material beneficiary of the sub-account and sets forth conditions related to disbursements of sub-account funds. Except for a procedural objection raised by CLF (which is discussed in section VII. G., below), no party challenged the transfer of SRT assets to a segregated NDT sub-account.

The evidence in the record supports the conclusion that the interests of the State are not likely to be affected by the transfer of site restoration trust assets to a sub-account of the nuclear decommissioning trust. The proposed transfer to an NDT sub-account must also be viewed in the context of the entire set of proposals, which will promote the public and general good of the State. Accordingly, we find good cause to amend our Order in Docket 7862.

[53] Docket 7862 MOU (¶ 5). *See* Docket 7862, Order of 3/28/14 (Attachment B).

[54] Exh. PUC-2 (MOU ¶ 6); State pf. at 23-24; exh. JP-SES-2 (§ 4.01).

[55] Docket 7862, Order of 3/28/14 at 95 (¶ 3).

G. Discussion of CLF Arguments

1. Entergy's Liability for the VY Station

CLF criticizes the proposed transfer on the grounds that it will relieve the Entergy entities from their liability for decommissioning the VY Station. CLF argues that the Entergy entities are better capitalized than NorthStar and more capable of addressing any unplanned or unexpected issues that may arise during the decommissioning process.

The primary assumption underlying CLF's argument is that Entergy entities other than ENVY and ENOI (the owner, operator, and CPG holders) have or may have legal liability for decommissioning under the United States Supreme Court's decision *United States v. Bestfoods*.[56] In *Bestfoods*, the Supreme Court explained that a parent corporation may be liable for a subsidiary's actions under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA")[57] indirectly under a traditional veil-piercing theory or directly if the parent corporation is also an operator of the subsidiary's polluting facility.[58] CLF's expert, Mr. Hill, appears to focus on the veil-piercing form of liability described in the *Bestfoods* case.[59]

The MOU is silent on the issue of liability with the exception of paragraph 16, which expressly states that the MOU has no impact on liabilities and obligations under Chapter 159 of Title 10 of the Vermont Statutes Annotated. The Joint Petitioners, the Department, and ANR all agree that the Entergy entities are not released from any liability that arises under CERCLA or 10 V.S.A. § 6615.[60] CLF has not identified any specific facts demonstrating that a release of liability will result from the transfer of ownership.

We recognize CLF's concerns related to the transfer of ownership and decommissioning responsibility from Entergy to NorthStar, as Entergy Corporation is a stronger parent company

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[56] 524 U.S. 51 (1998).

[57] 42 U.S.C. §§ 9601 *et seq.*

[58] 524 U.S. at 61-66.

[59] Hill sur. pf. (12/1/17) at 6.

[60] Reply Brief of Joint Petitioners of 6/25/18 at 8; Department Reply Brief of 6/25/18 at 3-4; ANR Reply Brief of 6/25/2018 at 1-2.

than NorthStar Group Services, Inc.[61] The issue presented in our view is not strictly one of legal liability or of the willingness of a parent corporation to support a corporate subsidiary, but rather involves the resources and ability of the parent corporation to provide necessary support to the subsidiary.[62] In weighing the risks and benefits of the transfer of ownership, we have considered the relative financial strength of the Entergy group and NorthStar (especially as it relates to NorthStar's ability to fully fund the support agreement if it becomes necessary) and have determined, particularly in light of the financial assurances and other risk-mitigation measures provided for in the MOU, that the transfer will promote the public and general good of the State.

As CLF references, in Docket 7404 the Commission denied a request by Entergy to transfer the ownership of the VY Station to a new company, Enexus. The Commission noted, as a factor in that decision, that Entergy Corporation had significantly more assets, more revenue, more income, and a more diverse revenue stream than the proposed transferee.[63]

In Docket 7404, the potential benefits of the proposed transaction were not enough to outweigh, among other things, the loss of a stronger corporate parent. In this case, NorthStar's accelerated schedule for decommissioning presents the opportunity for significant benefits to the State. In addition, the potential future liabilities associated with the VY Station no longer include the capital-intensive requirements of reliably operating and maintaining a nuclear plant.[64] Finally, we note that under Entergy's SAFSTOR decommissioning plan, the financial strength of Entergy would have become most relevant in three decades or more, and we cannot assume that it would have been the same or better than it is now.

2. Transaction Structure Provides Obligations and Incentives

CLF argues that the structure of the transfer does not create any binding obligation on NorthStar to complete the decommissioning of the VY Station within the accelerated time frame proposed. CLF further argues that NorthStar's financial assets increase the possibility of an

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[61] *See* findings 6, 26, 30, and 31, above.

[62] One minor instance of how such parental support may benefit a subsidiary through, for example, lower borrowing rates is provided by Entergy Corporation's guarantee of ENVY's credit facility that funded the transfer of spent nuclear fuel to the ISFSI. *See* finding 36, above.

[63] Docket 7404, Order of 6/24/10, at 13-16.

[64] *Id.* at 12.

untimely completion of decommissioning or even a failure to complete the decommissioning at all.

As discussed above, the funds that will be available to NorthStar following the transfer—the NDT and SRT, Entergy's contributions to the SRT, performance bonds obtained by NorthStar, the support agreement from NorthStar Group Services, Inc., the $55 million escrow account to be established by NorthStar, the pollution legal liability policy, and the escrow of the Round 3 DOE Claim proceeds—provide reasonable assurance that NorthStar will have the assets required to complete the decommissioning within the proposed time frame. It is not possible to eliminate every risk associated with decommissioning the VY Station or to structure a transfer that anticipates every development that may arise. The MOU, however, provides a structure that mitigates the potential risks of decommissioning through a combination of financial support and oversight with the ultimate goal of achieving a full decommissioning of most of the VY Station decades earlier than any presently proposed alternative.

We also disagree with CLF's argument that the transaction as structured does not provide adequate incentives for NorthStar to complete the decommissioning according to the accelerated schedule. NorthStar will be compensated according to the pay-item disbursement schedule only when the specified tasks are completed. The longer it takes NorthStar to complete the tasks, the longer NorthStar must wait to be compensated. NorthStar is obligated to provide a letter of credit in the amount of $25 million if it does not start or finish on time[65] and may not terminate the $55 million escrow account until it completes a partial release of the decommissioned and restored site. The MOU also establishes preliminary deadlines and subsequent processes for developing a schedule for site investigation and remediation work. We conclude that the financial framework of the transaction, all of which will be subject to oversight by State agencies, provides NorthStar with adequate incentives to complete the decommissioning according to the accelerated schedule that it has proposed.

3. NorthStar Must Obtain Pollution Legal Liability Insurance

CLF criticizes the MOU provisions requiring NorthStar to obtain pollution legal liability insurance for several reasons. CLF maintains that the draft pollution legal liability policy

[65] Exh. PUC-2 (MOU ¶ 2(a)(4)).

presented as evidence does not permit the Commission to adequately assess the financial assurance it will provide due to its preliminary draft status. CLF also argues that a later review of the pollution legal liability policy prior to closing is insufficient for the Commission's decision regarding whether the proposed transfer will promote the general good of the State.

Paragraph 2(e) of the MOU requires NorthStar to obtain a pollution legal liability policy in the amount of $30 million to address potential non-radiological contamination that may be discovered during the decommissioning process. The policy must remain in effect until NorthStar completes planned decommissioning and site restoration activities, except for the ISFSI area. Although the terms of the policy have not been finalized, the Joint Petitioners state that the final policy will provide that the insurer cannot unreasonably withhold consent to the assignment of the policy and that the policy will include the State of Vermont as an additional insured party.[66] Both the Joint Petitioners and the Department agree that they will work together to finalize the details of the policy such that its terms are sufficiently protective of the public good.[67] Preliminary drafts of the policy are part of the evidentiary record in this case.[68]

Given the MOU requirements and the Joint Petitioners' agreement to cooperate with the Department in finalizing the terms of the policy, we do not consider the lack of a final pollution legal liability policy at this stage—prior to our approval—to preclude a finding that the transfer will promote the general good of the State. In addition, as a condition of our Order, we require notification from the Department when it is satisfied that the terms of the pollution legal liability policy are final and comply with the requirements of the MOU, including that the final policy be reasonably assignable and include the State of Vermont as an additional insured party.

4. Confidential Treatment of Materials Does Not Preclude Approval

CLF argues that the volume of confidential material in this proceeding precludes finding that the transfer will promote the general good of the State. The basis of CLF's argument is not clear.

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[66] Initial Brief of Joint Petitioners Joined by Intervenor Elnu Abenaki Tribe of 6/11/18 at 30-31.

[67] *Id.*; Reply Brief of DPS of 6/25/18 at 6-7.

[68] *See, e.g.*, exh. CLF-MOH-8.

Before the Commission will grant a protective order, the party seeking protection bears a heavy burden to show that protection is warranted. The Commission determined that the Joint Petitioners satisfied that burden for the information protected in this case.[69] CLF did not oppose the Joint Petitioners' request or challenge the confidential treatment of the information during the proceeding, and CLF does not now allege that confidential treatment is not warranted for any specific information.

The Commission has reviewed the confidential information in this case and concludes that the confidential information does not prevent a finding that the transfer will promote the general good of the State. We further note that our decision and findings are based on publicly available information rather than any confidential material submitted in this case. State agencies with oversight responsibilities related to the transfer and subsequent decommissioning and site restoration activities have access to the confidential information if needed.

5. NorthStar's Corporate Structure

CLF criticizes the corporate structure of the NorthStar entities that will take over ownership and responsibility for the VY Station. CLF is concerned about the number and complexity of the involved entities and argues that the evidence is unclear as to how assets and obligations will be distributed among the entities. As discussed above, CLF is also concerned about the capitalization of the entities that will have obligations.

The new proposed corporate structure is no more complicated than the existing corporate structure for the Entergy entities that we approved in Docket 6545.[70] Under the current ownership structure, ENVY owns the VY Station. ENVIC holds 100% of the membership interests in ENVY. ENOI, along with ENVY, holds the CPG for the VY Station. All three entities are indirect, wholly owned subsidiaries of Entergy Corporation.[71]

After the transfer, the membership interests in ENVY that are currently held by ENVIC will be transferred to NDH. ENVY will change its name to NorthStar VY. NorthStar NDC will

[69] Order of 1/11/18.

[70] *See* simplified organization charts in Appendix C to this Order. *See also* Docket 6545, Order of 6/13/02 at 4, 11, 37-38, 158, and Appendix D.

[71] Docket 7862, Order of 3/28/14 at 27.

replace ENOI as the co-holder of the CPG and will assume ENOI's obligations. NDH and NorthStar VY are both wholly owned subsidiaries of NorthStar Group Services, Inc., a national provider of demolition and remediation services. In the post-transfer structure, NorthStar VY will own the assets, including the VY Station, its spent nuclear fuel, the NDT, the SRT, and the real property within the VY Station site. NorthStar NDC will be the licensed operator of the VY Station and will have the primary responsibility for decommissioning activities.[72]

CLF cites to Docket 7404 as an instance when the Commission rejected a proposed transfer of the VY Station because of the complex corporate structure of the acquiring entity. The basis for the Commission's decision in Docket 7404, however, was not the complexity of the corporate structure. Instead, the Commission was concerned about the financial capability of the proposed acquirer, Enexus, to operate the VY Station safely and reliably. For example, the Commission explained that:

> [w]hen it comes to the transfer of ownership of a nuclear power plant, the [Commission] regards the relative financial capability and resources of the new owner as compared with the current owner as a more important consideration than it may be in the context of other acquisitions, particularly in light of the capital-intensive requirements of reliably operating and maintaining a nuclear plant.[73]

The Commission also stated that its "concerns are heightened by the dependence of Enexus for its revenue, cash flow and income on the safe and continued reliable operation of six merchant nuclear plants, all of which are now between 34 and 39 years old, and on the still uncertain financial and economic environment," including the significant debt carried by Enexus that would require refinancing in the future.[74]

In contrast to the situation in Docket 7404, the VY Station is no longer operational. Also in contrast to Docket 7404, the transfer proposed here brings the potential for significant benefits to Vermont in the form of an accelerated cleanup of the VY Station site. For these reasons, we do not agree that NorthStar's corporate structure raises the concerns that were present in the Commission's decision in Docket 7404.

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[72] *See* findings 2-7, 25-27, 33-40, above. One additional intermediary entity, VYARM, will involved in the transfer process and will remain a wholly owned subsidiary of Entergy.

[73] Docket 7404, Order of 6/24/10, at 12.

[74] *Id.* at 15.

6. The MOU Adequately Addresses Risks

CLF's criticisms of the specific funding mechanisms provided by the MOU reiterate some of the issues we have already discussed. In particular, CLF argues that the individual financial assurances in the MOU are unreliable and inadequate to support a conclusion that the transfer to NorthStar is in the public good. CLF agrees that the new assurances added as a result of the NRC proceedings strengthen the assurances in the original MOU but maintains that serious shortcomings remain.

As we have acknowledged throughout this Order, any approach taken for the decommissioning of the VY Station will involve risk. Our review of the proposed transfer requires an assessment of whether the financial assurances proposed in the MOU sufficiently mitigate that risk when balanced against the benefits that the MOU provides. The MOU provides financial assurances from different sources that exist at different times throughout the decommissioning process. These financial assurances are in addition to the funds that will be available in the NDT and SRT and from DOE claim recoveries, which are expected to cover NorthStar's estimated costs of decommissioning, site restoration, spent fuel management, and NRC license termination. While every contingency cannot be accounted for prior to the transfer, we are satisfied that the financial assurances provided by the MOU, in combination with the NDT and SRT funds and the substantial oversight by the State agencies involved, sufficiently mitigate the risks of unforeseen developments during the decommissioning and site restoration process.

7. Risk of Bankruptcy

CLF states that "[m]onies held in an escrow account are generally not property of the estate,"[75] but then addresses circumstances in which escrowed funds would be considered a part of a bankruptcy estate. The Department explains that the final escrow agreements will be drafted to ensure that they are as protective as possible in the event of insolvency or bankruptcy of NorthStar VY or NorthStar Group Services, Inc.[76]

[75] CLF Brief of 6/11/18 at 24 (citations omitted).

[76] Reply Brief of DPS of 6/25/18 at 15-16.

While we cannot anticipate all factual scenarios that may exist in the event of a NorthStar bankruptcy, we are satisfied that the Department and the Joint Petitioners will work together to ensure that the maximum protection of the escrowed funds is in place. The substantial oversight by the State entities during the decommissioning and site restoration process provide the means for the State to identify insolvency risks at an early stage when steps might be taken to avoid it. To address some of CLF's concerns, our Order includes a condition requiring notification from the Department that the final escrow documents and pollution legal liability insurance policy meet the requirements of the MOU and provide as much protection as reasonably possible against insolvency or bankruptcy.

8. Continued Oversight of NorthStar's Compliance with MOU

CLF argues that permitting the finalization of the numerous transaction documents required by the MOU amounts to an impermissible condition subsequent. We disagree. In approving the transfer, we are not delegating our authority to determine whether the transfer will be in the public good. Instead, we are deciding that the transaction is in the public good based on the transaction structure and parameters as reflected by the evidence presented, including the MOU, understanding that the requirements will be met and all necessary documentation obtained as stated in the MOU. Any deviations from the requirements of the MOU are subject to ongoing State oversight and can be brought to our attention if necessary.

9. Modifying Prior Orders and CPGs

CLF argues that our prior orders involving the VY Station in Dockets 6545 and 7862 cannot be amended in this proceeding. According to CLF, the doctrines of issue preclusion, claim preclusion, and VRCP 60(b) prohibit amending prior orders without reopening the original docket.

We do not agree that claim preclusion or issue preclusion requires reopening our prior dockets under these circumstances. The petition that initiated this proceeding requested modification of prior orders and CPGs from Dockets 6545 and 7862 with respect to certain requirements including rubblization, separate trust accounts, and the timing of site restoration.[77]

[77] *See* Petition at 5, 6, 8-9.

The Joint Petitioners provided notice of the petition to the entire service list from Docket 7862, which was the last CPG proceeding involving the VY Station.[78] In response to the notice of this proceeding, many of the Docket 7862 parties intervened, including CLF. Many of those same parties, including CLF, attended several days of evidentiary hearings on the modifications requested in the petition and reflected in the terms of the MOU in this case.

The statutory scheme under Section 231 of Title 30 contemplates the possibility that the Commission may need to modify prior orders and CPGs to ensure that they continue to promote the general good of the State if circumstances change. Section 231 expressly grants the Commission authority to amend CPGs.[79] Although CLF's argument is limited to the amendment of orders (rather than CPGs) in this case, the argument necessarily extends to CPGs also because every CPG issues with an accompanying order. If accepted, CLF's argument would layer an additional procedural requirement on top of the Commission's statutory authority to modify CPGs for good cause. CLF's argument would also be contrary to the Commission's historical practice of amending prior orders and CPGs in new dockets, as occurred in prior dockets concerning the VY Station.[80]

The considerations underlying our prior orders in Dockets 6545 and 7862 have changed. The Joint Petitioners have proposed a transfer of the VY Station to NorthStar, along with new financial assurances and an accelerated decommissioning and site restoration schedule, that provides tangible benefits for the State of Vermont. Our prior orders and CPGs in Dockets 6545 and 7862 issued against a backdrop that included floating start dates and an unknown duration for decommissioning and site restoration.[81] Those orders also left the finalization of some details, such as site restoration standards, to be negotiated at a later date by the parties.[82]

The modifications of our orders proposed by the Joint Petitioners will facilitate the accelerated decommissioning and site restoration schedule that accompanies the proposed

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[78] *See* cover letter filed with petition on December 16, 2016 (including service list).

[79] *See* 30 V.S.A. § 231(a) ("For good cause, after opportunity for hearing, the Commission may amend or revoke any certificate awarded under the provisions of this section.").

[80] *See, e.g.*, Docket 7862, Order of 3/28/14 at 94-95.

[81] *Id.* at 89.

[82] *Id.* at 88, 91.

transfer of the VY Station. As we have discussed, the proposed transfer introduces new considerations with respect to the balance of risks and benefits compared to what the Commission has considered and resolved in its prior orders involving the VY Station. Because the underlying considerations have changed, the issues and claims presented in this case are different from those the Commission has previously addressed. Issue preclusion and claim preclusion,[83] therefore, do not apply.

VIII. ORDER

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Vermont Public Utility Commission ("Commission") that:

1. The direct acquisition of a controlling interest in Entergy Nuclear Vermont Yankee, LLC ("ENVY") by NorthStar Decommissioning Holdings, LLC ("NDH"), and the indirect acquisition of a controlling interest in ENVY by NorthStar Group Holdings, LLC, LVI Parent Corporation, and NorthStar Group Services, Inc., will promote the public good and are approved pursuant to 30 V.S.A. § 107.

2. The ownership and operation of the Vermont Yankee Nuclear Power Station in Vernon, Vermont ("VY Station") by ENVY, which is to be renamed NorthStar Vermont Yankee, LLC ("NorthStar VY"), and NorthStar Nuclear Decommissioning Company, LLC ("NorthStar NDC") will promote the general good of the State. Accordingly, there is good cause to amend, effective upon the acquisition of ENVY by NDH, the certificate of public good ("CPG") issued pursuant to 30 V.S.A. § 231 to ENVY and Entergy Nuclear Operations, Inc. ("ENOI") to change ENVY's name and to substitute NorthStar NDC for ENOI, and to issue an amended CPG in accordance with this Order. NorthStar NDC shall assume all the obligations of ENOI under prior Commission Orders and CPGs to operate and perform decommissioning and site restoration at the VY Station and as otherwise provided in this Order and the amended CPG.

3. The issuance by ENVY of a note payable to Vermont Yankee Asset Retirement Management in the approximate amount of $145 million will promote the general good of the

[83] *See also In re Tariff Filing of Vermont Public Service Corp.*, 172 VT 14, 41 (2001) (noting that claim preclusion is inconsistent with a statutory scheme authorizing the Commission to make modifications to prior determinations).

State, and consent for such note issuance is granted pursuant to 30 V.S.A. § 232.

4. The memorandum of understanding filed with the Commission on March 2, 2018, among ENVY, Entergy Nuclear Vermont Investment Company, LLC, ENOI, NDH, NorthStar Group Holdings, LLC, NorthStar NDC, NorthStar Group Services, Inc., LVI Parent Corporation, the Vermont Department of Public Service ("Department"), the Vermont Agency of Natural Resources, the Elnu Abenaki Tribe, the Abenaki Nation of Missisquoi, Windham Regional Commission, the New England Coalition of Nuclear Pollution, Inc., the Town of Vernon Planning and Economic Development Commission, and the Vermont Attorney General's Office is approved, and the terms of this memorandum of understanding ("MOU"), which is attached to this Order as Appendix D, are incorporated as terms of this Order.

5. The site restoration standards described and provided for in the MOU are approved by the Commission.

6. The Commission's Order of March 28, 2014, in Docket 7862 is amended to allow the contribution of the assets of the site restoration trust to a segregated sub-account of the nuclear decommissioning trust.

7. Prior to the closing of the acquisition of ENVY by NDH, the Department shall make a filing with the Commission stating that it is satisfied, based on a review of the final forms of agreements and other documents related to the escrow account provided for in paragraph 2. c. of the MOU and of documents constituting the pollution legal liability insurance policy provided for in paragraph 2. e. of the MOU, that such documents comply with the requirements of the MOU and, to the extent reasonably possible, will protect the interests of the State of Vermont in the event of the insolvency or bankruptcy of NorthStar VY or NorthStar Group Services, Inc. In the case of the pollution liability insurance policy, the Department shall also confirm that the policy is reasonably assignable and includes the State of Vermont as an additional insured party.

8. Within five days of the closing of NDH's acquisition of ENVY, the joint petitioners shall make a filing informing the Commission as to the closing of the acquisition and the date on which it occurred.

Dated at Montpelier, Vermont this 6th day of December, 2018.

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

OFFICE OF THE CLERK

Filed: December 6, 2018

Attest: Judith C. Whitney
Clerk of the Commission

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

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Commission within 30 days. Appeal will not stay the effect of this Order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Commission within 28 days of the date of this decision and Order.

APPENDIX A – APPEARANCES

For the Vermont Department of Public Service

James Porter, Esq
Daniel Burke, Esq.
Vermont Department of Public Service
and
Robert C. Kirsch, Esq.
Bonnie Heiple, Esq.
Felicia H. Ellsworth, Esq.
Nathaniel Custer, Esq.
Mark Gordon, Esq.
Wilmer Cutler Pickering Hale and Dorr, LLP

For the NorthStar Petitioners[84]

Joselyn L. Wilschek, Esq.
Wilschek Iarrapino Law Office, PLLC

For the Entergy Petitioners[85]

John H. Marshall, Esq.
Downs Rachlin Martin PLLC

Daniel P. Richardson, Esq.
Tarrant Gillies and Richardson
and
Sanford I. Weisburst, Esq.
Jonathan B. Oblak, Esq.
Ingrid Scholze, Esq.
Quinn Emanuel Urquhart & Sullivan, LLP

For the Vermont Agency of Natural Resources

Jordan Gonda, Esq.
John Zaikowski, Esq.
Vermont Agency of Natural Resources

For the Vermont Attorney General's Office

Joshua R. Diamond, Esq.

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[84] NorthStar Decommissioning Holdings, LLC ("NDH"), NorthStar Nuclear Decommissioning Company, LLC ("NorthStar NDC"), NorthStar Group Services, Inc., LVI Parent Corporation, NorthStar Group Holdings, LLC.

[85] Entergy Nuclear Vermont Investment Company, LLC ("ENVIC") and Entergy Nuclear Operations, Inc. ("ENOI"), and any other necessary affiliated entities to transfer ownership of Entergy Nuclear Vermont Yankee, LLC ("ENVY").

Vermont Attorney General's Office

For Windham Regional Commission

Lawrence Christopher Campany
Executive Director, Windham Regional Commission

For the Town of Vernon Planning and Economic Development Commission

David Carpenter, Esq.
Facey, Goss & McPhee, P.C.

For the Conservation Law Foundation

Sandra Levine, Esq.
Conservation Law Foundation

For the New England Coalition on Nuclear Pollution

James A. Dumont, Esq.
Law Office of James A. Dumont

Other Parties (did not make appearance at evidentiary hearings)

Elnu Abenaki Tribe

Abenaki Nation of Missisquoi

Associated Industries of Vermont

International Brotherhood of Electrical Workers, Local 300

APPENDIX B -- PROCEDURAL HISTORY

On December 16, 2016, the Joint Petitioners[86] filed the petition, which was accompanied by prefiled testimony and exhibits.

On January 27, 2017, the New England Coalition on Nuclear Pollution, Inc. ("NEC") filed a motion to intervene.

On February 1, 2017, the Vermont Public Utility Commission ("Commission") held a prehearing conference in this case.

On February 3, 2017, the Windham Regional Commission ("WRC") filed a motion to intervene.

On February 8, 2017, the Commission issued a prehearing conference memorandum and scheduling Order.

On February 14, 2017, the Conservation Law Foundation ("CLF") filed a motion to intervene.

On February 20, 2017, the International Brotherhood of Electrical Workers, Local 300 ("IBEW") filed a motion to intervene.

On February 22, 2017, the Commission issued an order granting the intervention motions of NEC and WRC.

On March 1, 2017, the Vermont Office of the Attorney General ("AGO"), the Vermont Agency of Natural Resources ("ANR"), the Town of Vernon Planning and Economic Development Commission ("Vernon"), and Associated Industries of Vermont ("AIV") each filed a motion to intervene.

On March 7, 2017, the Elnu Abenaki Tribe filed a motion to intervene.

On March 10, 2017, the Joint Petitioners filed supplemental prefiled testimony and exhibits.

On March 13, 2017, the Commission issued an Order granting the intervention motions of CLF, IBEW, AGO, ANR, Vernon, and AIV.

[86] NorthStar Decommissioning Holdings, LLC, NorthStar Nuclear Decommissioning Company, LLC, NorthStar Group Services, Inc., LVI Parent Corporation, NorthStar Group Holdings, LLC, Entergy Nuclear Vermont Investment Company, LLC and Entergy Nuclear Operations, Inc., and any other necessary affiliated entities to transfer ownership of Entergy Nuclear Vermont Yankee, LLC.

On March 15, 2017, the Abenaki Nation of Missisquoi filed a motion to intervene.

On March 17, 2017, the Commission issued an Order granting the intervention motion of the Elnu Abenaki Tribe.

On March 24, 2017, the Commission issued an Order granting the intervention motion of the Abenaki Nation of Missisquoi.

On April 6, 2017, the Commission held a public hearing in Vernon, Vermont.

On April 20, 2017, the Commission issued a revised scheduling Order.

On May 5, 2017, NEC filed a motion for summary judgment, which it withdrew on March 12, 2018.

On May 26, 2017, the Commission issued a Procedural Order Re: Protective Agreement.

On June 30, 2017, the Commission issued a Procedural Order Re: Special Protocol for the confidential treatment of certain discovery documents.

On July 24 and August 22, 2017, the Commission issued revised scheduling Orders.

On August 30, 2017, the Vermont Department of Public Service ("DPS"), ANR, CLF, and NEC each submitted prefiled testimony and exhibits.

On September 13, 2017, Vernon submitted prefiled testimony and exhibits.

On October 17, 2017, the Joint Petitioners submitted prefiled rebuttal testimony and exhibits.

On December 1, 2017, the DPS, ANR, CLF, and NEC each submitted prefiled surrebuttal testimony and exhibits.

On January 11, 2018, the Commission issued a Protective Order for Prefiled Evidence.

On January 12, 2018, the Commission issued a Procedural Order postponing the evidentiary hearings.

On February 1, 2018, the Commission issued a reconsideration Order related to certain determinations in the Protective Order for Prefiled Evidence of January 11, 2018.

On February 23, 2018, the Commission held a status conference.

On March 2, 2018, the DPS filed a memorandum of understanding ("MOU") among the Joint Petitioners, the DPS, ANR, WRC, Vernon, NEC, the Elnu Abenaki Tribe, the Abenaki Nation of Missisquoi, and, as to certain matters, AGO.

On March 9, 2018, the Joint Petitioners, the DPS, ANR, and Vernon submitted

supplemental prefiled testimony in support of the MOU.

On April 10, 2018, CLF submitted supplemental prefiled testimony and exhibits.

On April 12, 2018, the Commission held a second public hearing in Brattleboro, Vermont.

On May 3, 2018, Vernon submitted supplemental prefiled testimony in response to Commission questions to the parties that were distributed on April 24, 2018.

On May 4, 2018, the Joint Petitioners, DPS, and ANR submitted supplemental prefiled testimony in response to Commission questions.

On May 8, 2018, CLF submitted supplemental prefiled testimony and exhibits in response to Commission questions.

On May 10, 11, and 14, 2018, the Commission held evidentiary hearings in Montpelier, Vermont.

On May 23, 2018, the Joint Petitioners filed supplemental testimony and exhibits.

On June 11, 2018, the Commission issued an Order Re: Certain Requests and Confidential Treatment of NorthStar Financial Statements.

On June 11, 2018, the Joint Petitioners (joined by the Elnu Abenaki Tribe), DPS, ANR, AGO, WRC, NEC, and CLF each filed briefs and proposed findings.

On June 25, 2018, the Joint Petitioners, DPS, ANR, AGO, Vernon, NEC, the Elnu Abenaki Tribe, and CLF each filed reply briefs or comments.

On July 2, 2018, the Joint Petitioners filed supplemental testimony and exhibits.

On July 6, 2018, the Commission issued a Procedural Order related to the Commission's determination to delay a decision in this case until after a ruling by the U.S. Nuclear Regulatory Commission ("NRC") on the transfer of NRC licenses and possible additional process.

On July 31, 2018, the DPS filed, on behalf of the MOU parties, an amendment to the MOU that modified the date references in paragraph 13 of the MOU.

On October 19, 2018, the Joint Petitioners filed supplemental testimony and exhibits.

On October 24, 2018, the Commission issued a Procedural Order Concerning Ruling by U.S. Nuclear Regulatory Commission and Related Party Filings.

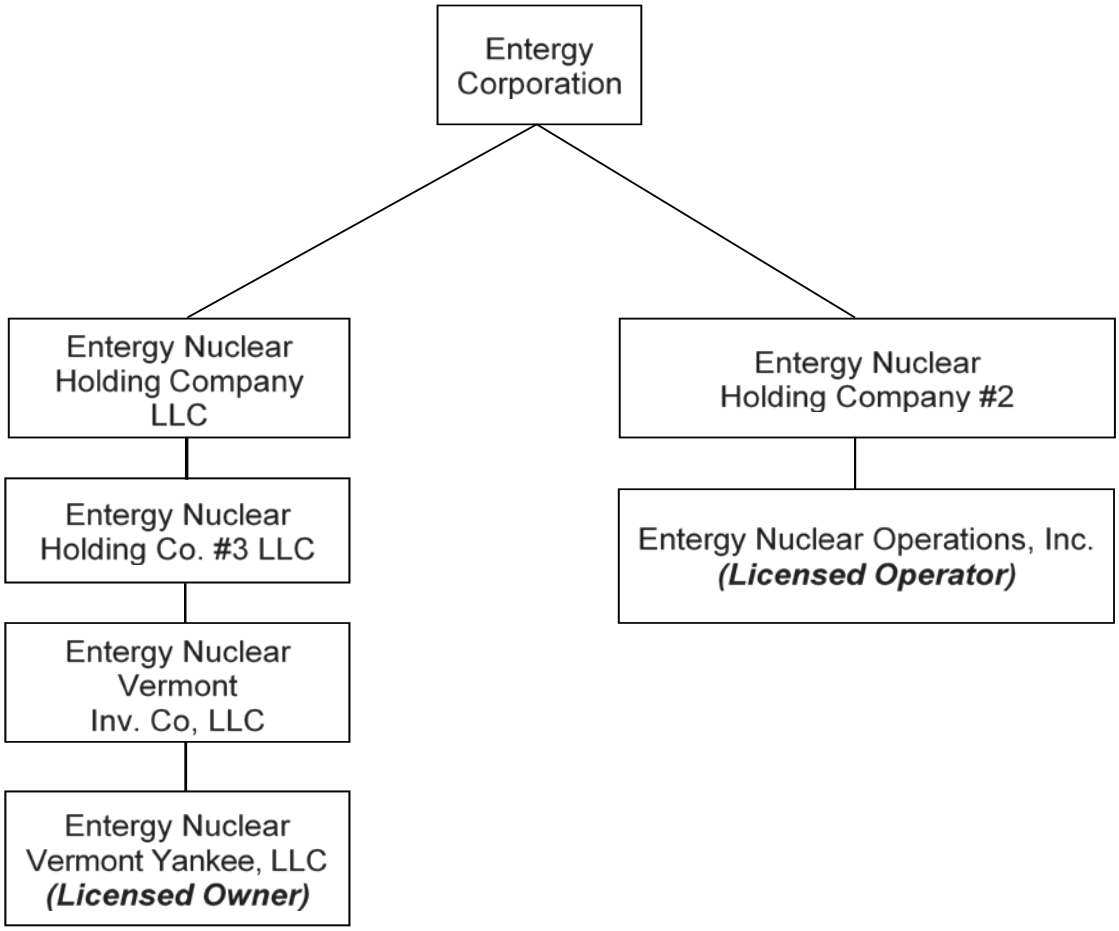
On October 30, 2018, the Joint Petitioners filed, on behalf of the MOU parties, an amendment to the MOU that further modified the date references in paragraph 13 of the MOU.

On December 3, 2018, the DPS filed, on behalf of the MOU parties, another amendment to the MOU that modified the date references in paragraph 13 of the MOU to December 10, 2018.

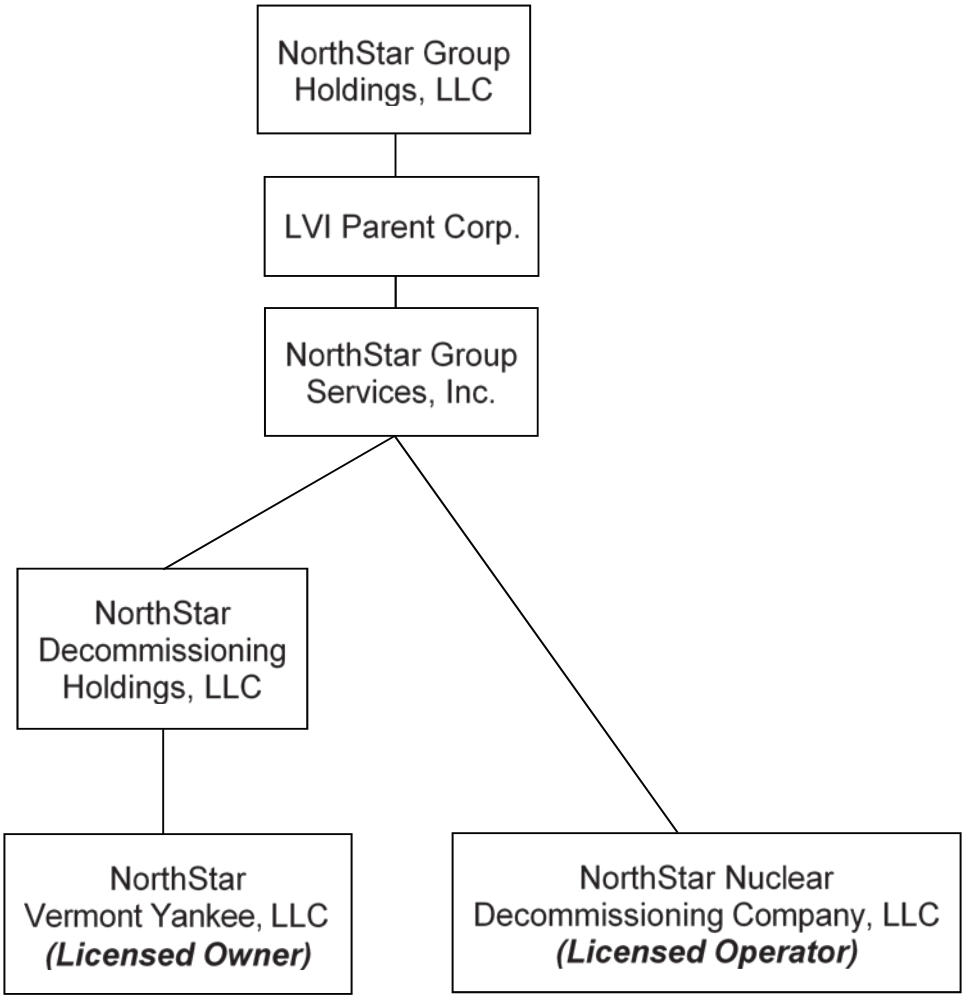
APPENDIX C – SIMPLIFIED ORGANIZATIONAL CHARTS

From JP-SES-SUPP-1

Simplified Pre-Transfer Organization



Simplified Post-Transfer Organization

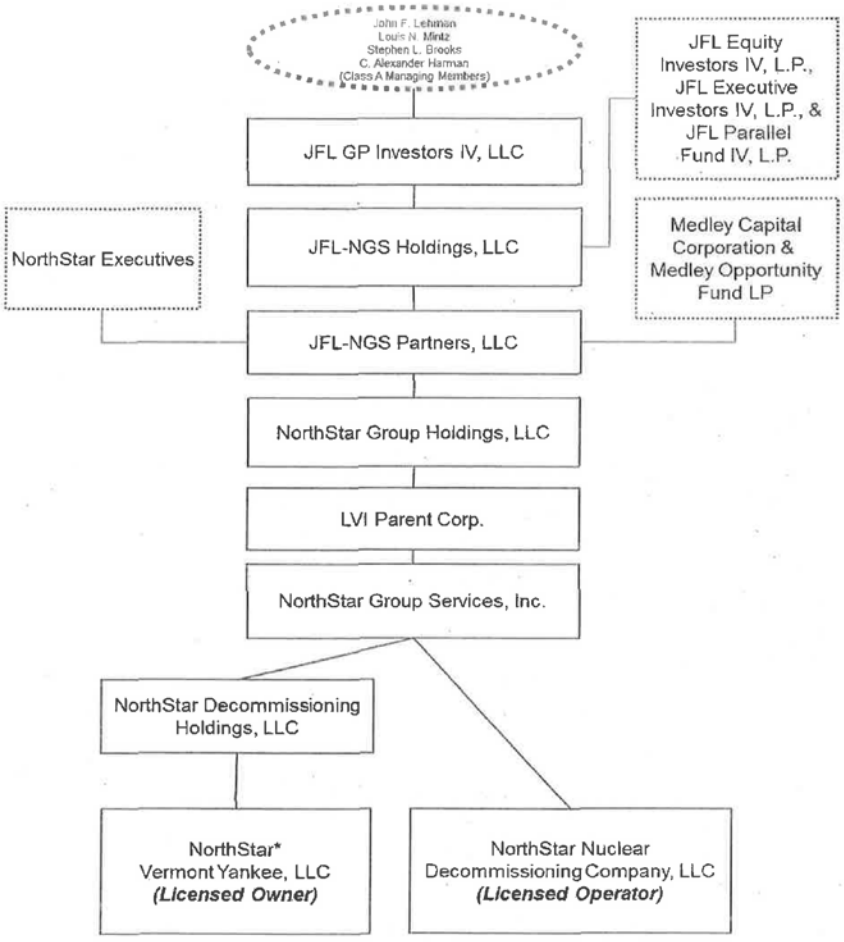


From exhibit PUC-4

Simplified Post-Transfer Organization

(including owners of NorthStar Group Holdings, LLC)

Figure 2 (Revised): SIMPLIFIED ORGANIZATION CHART



* Formerly known as Entergy Nuclear Vermont Yankee, LLC

APPENDIX D – MEMORANDUM OF UNDERSTANDING AND ATTACHMENTS

(not including amendments to change date references in paragraph 13)

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Joint Petition of NorthStar Decommissioning Holdings, LLC, NorthStar Nuclear Decommissioning Company, LLC, NorthStar Group Services, Inc., LVI Parent Corp., NorthStar Group Holdings, LLC, Entergy Nuclear Vermont Investment Company, LLC, and Entergy Nuclear Operations, Inc., and any other necessary affiliated entities to transfer ownership of Entergy Nuclear Vermont Yankee, LLC, and for certain ancillary approvals, pursuant to 30 V.S.A. §§ 107, 231, and 232	)	**Docket No. 8880**

MEMORANDUM OF UNDERSTANDING

With respect to the above-captioned docket, Entergy Nuclear Vermont Yankee, LLC ("ENVY"); Entergy Nuclear Vermont Investment Company, LLC ("ENVIC"), Entergy Nuclear Operations, Inc. ("ENOI") (together, "Entergy"); NorthStar Decommissioning Holdings, LLC; NorthStar Group Holdings, LLC; NorthStar Nuclear Decommissioning Company, LLC ("NorthStar NDC"); NorthStar Group Services, Inc., LVI Parent Corp.; (together, "NorthStar"[1]), the Vermont Department of Public Service ("DPS"), the Vermont Agency of Natural Resources ("ANR"), the Elnu Abenaki Tribe, the Abenaki Nation of Missisquoi, Windham Regional Commission, the New England Coalition on Nuclear Pollution, Inc., and the Town of Vernon Planning and Economic Development Commission (collectively, "the Parties"), and as to certain provisions, the Vermont Attorney General's Office ("AGO"), stipulate and agree as follows:

WHEREAS, ENVY and ENOI hold a Certificate of Public Good ("CPG") to own, operate, and decommission the Vermont Yankee Nuclear Power Station ("VY Station") located in Vernon, Vermont;

WHEREAS, on November 7, 2016, ENVY and its parent company, ENVIC, entered into a Membership Interest Purchase and Sale Agreement ("MIPA") with NorthStar Decommissioning Holdings, LLC and NorthStar Group Holdings, LLC, under which NorthStar Decommissioning Holdings, LLC would acquire 100% of the membership interests of ENVY, which would then be renamed NorthStar Vermont Yankee, LLC ("NorthStar VY") (the "Proposed Transaction");

WHEREAS, if the Proposed Transaction is completed, NorthStar Decommissioning Holdings, LLC has committed to begin active decommissioning[2] and site restoration at the VY

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[1] To the extent that a provision in this Memorandum of Understanding ("MOU") applies to "NorthStar" after the closing of the Proposed Transaction, "NorthStar" shall also include NorthStar Vermont Yankee, LLC.

[2] Except where expressly noted, as used in this MOU, "decommission" and "decommissioning" refer to the

Station site no later than 2021 (and possibly as early as 2019) and to complete those tasks at the VY Station site (except at the Independent Spent Fuel Storage Installation ("ISFSI") and VELCO switchyard) no later than the end of 2030 (and possibly as early as 2026);

WHEREAS, the closing of the Proposed Transaction is contingent upon several conditions, including approval by the Vermont Public Utility Commission ("PUC") and the U.S. Nuclear Regulatory Commission ("NRC");

WHEREAS, on December 16, 2016, NorthStar, ENVIC, and ENOI submitted a joint petition to the Vermont Public Service Board (now the PUC) requesting approval of the Proposed Transaction ("Joint Petition"), including approval of the transfer of ownership of ENVY, and certain ancillary approvals;

WHEREAS, on February 9, 2017, ENOI, ENVY, and NorthStar NDC submitted a joint application to the NRC requesting the NRC's consent to the direct and indirect transfers of control over the NRC-issued VY Station operating license; and

WHEREAS, in consideration of the compromises made by and between the Parties to this MOU, NorthStar and Entergy have made the commitments described below;

NOW, THEREFORE, the Parties agree as follows:

1. The Parties hereto agree that the approval of the Proposed Transaction, if all terms and conditions described in this MOU are met, will promote the general good of the State of Vermont. The Parties shall jointly request that the PUC issue an Order approving the terms and conditions of this MOU, incorporating certain of them as terms and conditions of the Order, and taking such actions as in the PUC's judgment are necessary or advisable in connection with the resolution of the Joint Petition, including granting the following elements of relief requested in the Joint Petition:

    a. Approve the transfer of ownership of ENVY to NorthStar Decommissioning Holdings, LLC, including the resulting transfer of the Nuclear Decommissioning Trust ("NDT") and Site Restoration Trust ("SRT"), pursuant to the terms of the MIPA;

    b. Consent under 30 V.S.A. § 232 for ENVY/NorthStar VY to issue a note payable to Vermont Yankee Asset Retirement Management, LLC ("VYARM") in the amount of approximately $145 million, subject to Paragraph 3 below;

    c. Amend the CPG currently held by ENVY and ENOI to change ENVY's name to NorthStar VY and to substitute NorthStar NDC for ENOI;

    d. Authorize NorthStar NDC to assume the obligations of ENOI under prior PUC orders and CPGs to operate and to perform decommissioning and site restoration at the VY

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removal of a facility or site safely from service and the reduction of residual radioactivity to a level that permits termination of the license issued by the U.S. Nuclear Regulatory Commission ("NRC"). As used in this MOU, "decommissioning" does not include spent fuel management activities.

Station site, including as reflected herein, and by the PUC in approving the transaction;

e. Approve site restoration standards for the VY Station site, as set forth in Paragraph 5 below; and

f. Amend the Docket No. 7862 Order to allow contribution of the assets of the SRT into a segregated sub-account of the NDT.

2. NorthStar shall provide financial assurance in support of the Proposed Transaction as follows.

a. NorthStar shall provide the financial assurance package proposed by NorthStar in the Joint Petition to complete the decommissioning and site restoration of the VY Station site, including the following components:

(1) the NDT;

(2) the SRT funds, dedicated to funding site restoration activities, which Entergy will transfer to a segregated sub-account of the NDT at or before the closing of the Proposed Transaction(as used hereinafter, the term "NDT" shall include the segregated site restoration sub-account);

(3) performance bonds or equivalent performance assurance on major subcontracted work with a value of approximately $400 million, substantially in the form of Attachment 1;

(4) a $25 million contingent letter of credit tied to start and/or completion date milestones,[3] payable to the VY Station Decommissioning Completion Trust, and substantially in the form of Attachment 2;

(5) a Support Agreement from NorthStar Group Services, Inc., payable to the VY Station Decommissioning Completion Trust in the amount of $140 million;

(6) a commitment by NorthStar VY not to withdraw funds from the NDT for any task in an amount exceeding that specified for that task in version 1.0 of the pay-item disbursement schedule dated September 8, 2016; and

(7) $10 million in expected litigation proceeds from NorthStar VY's "Round 3" claim against the U.S. Department of Energy ("DOE") for the recovery of

[3] The "start" date is the initiation of Railroad Refurbishment on or before the later of January 1, 2021, or the date that is one hundred eighty (180) days after the date of completion of the ISFSI Expansion. The "completion" date is release pursuant to 10 C.F.R. § 50.83 and completion of Site Restoration of all portions of the Site other than the ISFSI on or before the later of December 31, 2030, or the date that is ten (10) years after the date of completion of the ISFSI Expansion. All capitalized terms in this footnote are ascribed the same meaning within this MOU as is set out in the MIPA and the Decommissioning Completion Assurance Agreement.

costs for existing ISFSI operations activities, to be deposited in the VY Station Decommissioning Completion Trust.

b. NorthStar Group Services, Inc. shall execute Attachment 3 regarding the $140 million Support Agreement. NorthStar Group Services, Inc. shall update the Support Agreement that was filed with the NRC on February 7, 2017, as modified by a letter filed with the NRC on December 22, 2017, to clarify that the Support Agreement is available for State of Vermont site restoration requirements, in addition to NRC requirements related to decommissioning and spent fuel management. NorthStar Group Services, Inc. further agrees that, regardless of any limitations expressed in the Support Agreement:

(1) the PUC has authority to order NorthStar Group Services, Inc. to provide funding up to the $140 million Support Agreement limit, supported by a reasonable determination by the Commissioner of DPS and the Secretary of ANR[4] that additional work at the site is needed to complete site restoration, and after NorthStar Group Services, Inc. has an opportunity to present its position on the need for such funding to the PUC; and

(2) NorthStar shall not seek any amendment, termination, or assignment of the Support Agreement for any reason without first obtaining approval of the PUC, including a PUC determination that the amendment, termination, or assignment will not impact NorthStar's ability to complete site restoration.

c. NorthStar shall establish an escrow account that will have a minimum balance of $55 million. The escrow account shall be funded over time as follows: (1) at the closing of the Proposed Transaction, NorthStar shall deposit $30 million into the escrow account; and (2) after the Proposed Transaction has closed, and after NorthStar VY has withdrawn the first $100 million from the NDT, 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 work at the VY Station site. NorthStar represents that NorthStar VY is expected to withdraw the first $100 million from the NDT before the end of 2021, and the escrow account balance is projected to reach $55 million before the end of 2024. All earnings on escrow account funds will be retained in the account, and the full amount of account funds are to be used to fund completion of decommissioning and/or site restoration activities at the VY Station site, in the event and to the extent that NDT funds are insufficient or unavailable, consistent with Paragraph 4.

(1) Withdrawals from this escrow account may be made only with approval from DPS and ANR. Reasonable requests for withdrawals for site restoration shall not be denied, subject to a determination, consistent with Paragraph 4, that proceeds from claims under the Pollution Legal Liability product described in

[4] References to DPS and ANR hereafter refer to the Commissioner in the case of DPS and the Secretary in the case of ANR.

Paragraph 2(e) and funds available pursuant to the Support Agreement are insufficient or unavailable.

(2) NorthStar may terminate the escrow account, and any funds remaining in the escrow account may be withdrawn by NorthStar and used for any purpose in its sole discretion, after: (i) NorthStar completes partial site release of the VY Station site (with the exception of the ISFSI and VELCO switchyard) as approved by the NRC pursuant to 10 C.F.R. § 50.83 or an approved license termination plan; and (ii) NorthStar has submitted all corrective action construction completion reports for the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)) to ANR and ANR determines that no additional site investigation or corrective actions are required, except long-term monitoring, pursuant to the process set forth in the Investigation and Remediation of Contaminated Properties Rule dated July 27, 2017 ("I-Rule").

(3) The escrow account shall be maintained with a commercial bank or trust company incorporated under the laws of the United States or any state thereof, and for purposes of this requirement, M&T Bank, Wilmington Trust, and JPMorgan Chase shall be deemed acceptable institutions. Other institutions may be selected, subject to the requirements of maintaining an office or branch in New York, New York, having an aggregate capital surplus in excess of $25 billion, and having a senior unsecured debt rated at least "A" by Standard & Poors Corporation or "A2" by Moody's Investor Service.

d. NorthStar shall obtain an unconditional guaranty from Orano USA LLC (formerly AREVA Nuclear Materials, LLC) ("Orano Guaranty") to provide $25 million of funding to complete decommissioning and/or site restoration activities at the VY Station site in the event and to the extent that the total amount of NDT funds, and funds available pursuant to the Support Agreement, escrow account funds described in Paragraph 2(c), and the Round 3 Retained DOE Litigation Proceeds described in Paragraphs 3(c) and (d) are insufficient or unavailable to complete such activities. The Orano Guaranty shall terminate when: (1) the reactor pressure vessel has been shipped from the VY Station site; (2) Orano receives all payments due for that work; (3) ANR, pursuant to Subchapter 3 of the I-Rule, has approved a site investigation report for each operable unit where non-radiological site investigation activities do not create an actual conflict with the Atomic Energy Act; and (4) NorthStar has certified in a submission with then current figures and data, and DPS has confirmed (which shall be deemed to have occurred if DPS has not responded in writing to NorthStar's certification within 60 calendar days), that the value of the NDT is greater than the combined remaining estimated license termination and site restoration costs, including, without limitation, as shown in the notices and certifications to be provided by NorthStar pursuant to Paragraph 2.

e. NorthStar shall obtain a $30 million Pollution Legal Liability ("PLL") insurance product, substantially in the form of Attachment 4, that will provide coverage for site restoration activities to address previously unknown or not fully characterized

non-radiological environmental conditions identified at the VY Station site after the closing of the Proposed Transaction. This policy may be terminated by NorthStar at the time NorthStar completes the decommissioning and site restoration of the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)), but NorthStar shall maintain such PLL coverage until completion of that work.

f. NorthStar shall provide to DPS, ANR, and AGO monthly summaries of all expenditures at the site. Those agencies shall be permitted access to and shall have the right to inspect those expenditures and the books of NorthStar Group Holdings, LLC, NorthStar Group Services, Inc., and NorthStar VY at all reasonable times and at reasonable intervals.

g. NorthStar shall notify DPS, ANR, and AGO within 7 calendar days of any of the following events.

(1) All significant changes to NorthStar Group Services, Inc.'s ability to support or fund the Support Agreement, including any significant reduction in overall debt capacity;

(2) Every draw on the Support Agreement;

(3) Any event that has occurred in the conduct of decommissioning, spent fuel management, or site restoration activities at the VY Station site that could, individually or cumulatively with other events, have an adverse financial consequence of greater than $2 million, including but not limited to accidents, delays, contractual disputes, unknown site conditions, and changes in regulatory requirements, including a detailed description of the event and an assessment of the amount of any such consequence along with any mitigation plan(s);

(4) Any proposed organizational change or change in equity ownership of NorthStar Group Holdings, LLC; NorthStar Group Services, Inc.; and/or NorthStar VY; and

(5) Any breach of debt covenants, default, acceleration, insolvency, reorganization, bankruptcy or liquidation of NorthStar Group Holdings, LLC; NorthStar Group Services, Inc.; and/or NorthStar VY.

h. On or before March 31 of each calendar year following the close of the Proposed Transaction, NorthStar shall provide to DPS, ANR, VDH, and AGO an annual public certification that includes the following:

(1) A detailed description of all work completed as of that date pursuant to corrective action plans approved by ANR pursuant to Subchapter 5 of the I-Rule;

(2) A detailed description and schedule of remaining corrective actions and site restoration work;

(3) The amount of funds available for site restoration as of the end of the calendar year preceding the date of the report; and

(4) The amount of funds estimated to be required to complete site restoration.

This annual requirement shall continue until (i) NorthStar completes partial site release of the VY Station site (with the exception of the ISFSI and VELCO switchyard) as approved by the NRC pursuant to 10 C.F.R. § 50.83 or an approved license termination plan; and (ii) NorthStar has submitted all corrective action construction completion reports for the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)) to ANR and ANR determines that no additional site investigation or corrective actions are required, except long-term monitoring, pursuant to the process set forth in the I-Rule.

i. On or before March 31 of each calendar year following the close of the Proposed Transaction, NorthStar shall provide to DPS the following disclosures and reports covering the prior calendar year (or specified 12-month period):

(1) Audited financials for NorthStar Group Holdings, LLC and NorthStar Group Services, Inc. as of the end of the calendar year preceding the report date;

(2) Audited statements of NDT and SRT fund balances (with current investment mix), and an accounting of all disbursements from such accounts;

(3) A schedule of both cumulative historic (from the closing date of the Proposed Transaction) and projected fund activity for NDT and SRT funds, including a breakdown of all future decommissioning, site restoration, and spent fuel management activities, including an updated "pay item disbursement schedule" and provide the equivalent of an update of the current "Deal Model" through completion of partial site release and site restoration of the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)); and

(4) A variance analysis, comparing actual disbursements detailed in the updated "Deal Model" to estimated disbursements in the prior year's reporting, explaining all variances in excess of 10% or $2 million.

This annual requirement shall continue until (i) NorthStar completes partial site release of the VY Station site (with the exception of the ISFSI and VELCO switchyard) as approved by the NRC pursuant to 10 C.F.R. § 50.83 or an approved license termination plan; and (ii) NorthStar has submitted all corrective action construction completion reports for the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)) to ANR and ANR determines that no additional site investigation or corrective actions are required, except long-

term monitoring, pursuant to the process set forth in the I-Rule.

j. To the extent NorthStar determines that the information it must submit to DPS, ANR, VDH, or AGO pursuant to this MOU constitutes NorthStar trade secret or confidential business information or other information that is exempt from the public inspection and copying requirements of the Vermont Public Records Act (1 V.S.A. §§ 315-320), NorthStar shall designate the information as such and shall provide a redacted version suitable for public disclosure, unless redaction would render the document meaningless.

3. Entergy shall provide financial assurance in support of the Proposed Transaction as follows.

a. Entergy shall contribute to the SRT an amount that will bring the balance of the SRT at the closing of the Proposed Transaction to $60 million. Pursuant to the MOU adopted in Docket No. 7862, at the time the SRT balance reaches $60 million, including as a result of such contribution, Entergy Corporation will terminate the existing $20 million parent guaranty in support of the SRT. Prior to the closing of the Proposed Transaction, Entergy shall contribute 100% of the SRT assets into a segregated sub-account in the NDT for the purpose of completing site restoration activities. For the avoidance of doubt, the Parties agree that such contribution is an Entergy contribution and not a contribution made by Vermont ratepayers. Any amounts remaining in such sub-account after NorthStar completes decommissioning and has submitted all corrective action construction completion reports for the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)) to ANR and ANR determines that no additional site investigation or corrective actions are required, except long-term monitoring, pursuant to the process set forth in the I-Rule, shall belong solely to NorthStar VY and shall not be considered "Excess Funds" that are subject to Paragraph 3 of the MOU entered in Docket No. 6545 (as modified by the Order issued on June 13, 2002, in Docket No. 6545).

b. Pursuant to Section 1.1 of the Decommissioning Completion Assurance Agreement ("DCAA"), ENVY will file the Round 3 claim against the DOE for the recovery of spent fuel management costs 30 days after the earlier of (i) the date all physical work related to the VY Station dry fuel storage transfer project has been completed and all invoices for such work have been paid; or (ii) the closing date of the Proposed Transaction. The Round 3 claim is expected to include, among other costs, approximately $145 million for the second ISFSI pad construction and the costs associated with the 2017-18 fuel loading campaigns. Pursuant to section 6.23 of the MIPA, at the closing of the Proposed Transaction, VYARM and NorthStar VY will enter into a promissory note for this amount, which NorthStar VY will be required to repay to VYARM upon NorthStar VY's receipt of sufficient proceeds from the Round 3 DOE litigation (expected in approximately 2023), and if such funds are insufficient to repay the note, NorthStar VY will pay the remaining balance only after NorthStar completes the decommissioning and site restoration of the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)).

c. Notwithstanding any contrary requirement of transactional documents (including, without limitation, the MIPA and DCAA), NorthStar VY shall retain and deposit into an escrow account (separate from the escrow account described in Paragraph 2(c)) the first $40 million received from the Round 3 DOE litigation (the "Round 3 Retained DOE Litigation Proceeds"), and shall not transfer those funds to VYARM, unless all of the following conditions are satisfied at the latter of the time that money is received, or April 30, 2023.

(1) The complaint initiating the Round 3 DOE litigation was filed on or before 30 days after the earlier of (i) the date all physical work related to the VY Station dry fuel storage transfer project has been completed and all invoices for such work have been paid; or (ii) the Proposed Transaction closing date;

(2) NorthStar has certified in a submission with then current figures and data, and DPS has confirmed (which shall be deemed to have occurred if DPS has not responded to NorthStar's certification within 60 calendar days), that the value of the NDT is greater than the combined remaining estimated license termination and site restoration costs, including, without limitation, as shown in the notices and certifications to be provided by NorthStar pursuant to Paragraph 2;

(3) ANR has determined: (i) pursuant to Section 35-306(b) of the I-Rule that the site investigation report is complete and adequately defines the scope and extent of contamination for all operable units at the VY Station Site (except at the buildings and structures identified in Paragraph 5(f)); and (ii) that NorthStar is in substantial compliance with all approved corrective action plan(s) pursuant to Subchapter 5 of the I-Rule; and

(4) NorthStar has not: (i) made any payments for the project using funds from the Support Agreement identified in Paragraph 2(a)(5) that cumulatively exceed $40 million; and (ii) filed any notice required by Paragraph 2(g)(1).

d. The Round 3 Retained DOE Litigation Proceeds referred to in Paragraph 3(c) shall remain in the escrow account to be used for funding decommissioning and/or site restoration activities at the VY Station site in the event and to the extent that NDT funds are insufficient or unavailable to complete such activities, consistent with Paragraph 4. The Round 3 Retained DOE Litigation Proceeds shall remain in the escrow account until the earlier of the following:

(1) The conditions in Paragraph 3(c) have each been met at the time, or, in the case of Paragraph 3(c)(1) and (3), either before or at the time, a request to release the funds has been made by NorthStar, Entergy, or VYARM; or

(2) NorthStar completes partial site release of the VY Station site (with the exception of the ISFSI and VELCO switchyard) as approved by the NRC pursuant to 10 C.F.R. § 50.83 or an approved license termination plan, and NorthStar has submitted all corrective action construction completion reports

for the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)) to ANR and ANR determines that no additional site investigation or corrective actions are required, except long-term monitoring, pursuant to the process set forth in the I-Rule.

At the time that either one of the above requirements has been met, NorthStar VY shall transfer any remaining Round 3 Retained DOE Litigation Proceeds to VYARM toward repayment of the note owed by NorthStar VY to VYARM.

4. For the avoidance of doubt, in the event and to the extent that the NDT is insufficient (or unavailable due to NorthStar's commitment in Paragraph 2(a)(6)) to complete decommissioning and/or site restoration activities at the VY Station site, NorthStar VY shall draw upon or demand the funds described in Paragraphs 2(a)-(e) and 3(c)-(d) in the following order, with each later-listed source to be drawn upon or demanded to the extent that the total funds available pursuant to the previous source are unavailable or insufficient.

   a. *First,* proceeds from claims under the PLL insurance product described in Paragraph 2(e), to the extent such claims are within the product's scope of coverage;

   b. *Second,* the Support Agreement;

   c. *Third,* the escrow account described in Paragraph 2(c);

   d. *Fourth,* the $10 million in expected litigation proceeds from NorthStar VY's Round 3 DOE claim for existing ISFSI operations activities;

   e. *Fifth,* the Round 3 Retained DOE Litigation Proceeds; and

   f. *Sixth,* the Orano Guaranty.

5. The Parties agree that the site restoration standards identified below shall apply to the VY Station site.

   a. All activities conducted at the VY Station site shall comply with applicable environmental and human-health based standards and regulations, to the extent such standards and regulations do not conflict with the standards identified in this MOU. The non-radiological environmental media standards identified in Paragraphs 5(e) and 5(g) of this MOU are the remediation standards solely for purposes of ANR's determination pursuant to item (ii) of Paragraph 2(c)(2) of this MOU and are not applicable for purposes of liability pursuant to 10 V.S.A. § 6615.

   b. All subsurface voids shall be filled, and the land shall be regraded and reseeded. All fill material must comply with the approved radiological and non-radiological remediation standards.

   c. NorthStar shall decommission, release, and restore the VY Station site: (1) while complying with the Vermont Radiological Health Rule, including meeting the

requirements for "unrestricted areas" as that term is defined in VDH Rules 5-301 and 5-302(42); (2) to a radiological dose limit of 15 mrem/year from all pathways combined, with no more than 5 mrem/year from liquid effluents; and (3) for "unrestricted use," as that term is used in 10 C.F.R. § 20.1402, and not under "restricted conditions," as that term is used in 10 C.F.R. § 20.1403. NorthStar shall attempt to attain a calculated annual 10mR TEDE All Pathways and 4mR TEDE Water residual radiation standard, but attainment of this standard will not be required if, in NorthStar's sole discretion, it is cost prohibitive or technically not feasible because of site conditions.

d. NorthStar shall complete a comprehensive site investigation and any required corrective actions in accordance with the I-Rule and pursuant to a schedule developed in consultation with the Town of Vernon and approved by ANR, which may include a phased schedule (i.e. breaking up the site into specific operable units) for site characterization and remediation.

(1) Within 60 days of the closing of the Proposed Transaction, NorthStar shall provide the Secretary of ANR with a draft site investigation workplan for the VY Station site that complies with Subchapter 3 of the I-Rule and includes the following:

(a) A list and delineation of proposed operable units for the VY Station site, including a detailed description as to whether site investigation activities or remediation of releases will create an actual conflict with the Atomic Energy Act for each operable unit. Consistent with the Atomic Energy Act, NorthStar shall delineate operable units in a manner that maximizes areas available for immediate site characterization;

(b) A plan to perform groundwater sampling of non-radiological contamination at the VY Station site that includes, at a minimum, the following:

(i) Quarterly sampling plan for list of analytes as proposed by NorthStar and approved by ANR at the VY Station site's existing groundwater monitoring well network; and

(ii) Proposal for installation and sampling of any additional monitoring wells necessary to characterize the scope and extent of non-radiological contamination.

(c) A plan to characterize below-grade structures that NorthStar proposes to leave in place pursuant to Paragraph 5(g) that includes, at a minimum, the following:

(i) Identification and description of historical uses of all below-grade structures, including all materials known or suspected to

be generated, stored, contained, spilled, released, or disposed in each structure;

(ii) Description of a process for characterization of each below-grade structure, including all steps to remove and manage all materials generated, stored, contained, spilled, released, or disposed in each below-grade structure; and

(iii) Description of a process to characterize soil and groundwater near each below-grade structure.

(d) A proposed plan for any use of concrete as fill at the VY Station site pursuant to Paragraph 5(g) that includes, at a minimum, the following elements.

(i) A detailed description of the concrete proposed to be used as fill material, including:

(1) identification of the structures from which the concrete will be obtained;

(2) identification of any paints and other coatings on the structures; and

(3) a description of all non-radiological wastes or materials that have been stored in each of the structures, any non-radiological wastes or materials which have contaminated the structures, and any wastes or materials which have been discharged from the structures.

(ii) A detailed description of how the concrete material will be processed and managed on site, including:

(1) How concrete materials will be processed (removal of rebar and other reinforcing materials), and resulting size specifications of resulting aggregate material; and

(2) Total volume of crushed aggregate material to be used as fill (expressed in cubic yards).

(iii) Identification of the specific location(s) at the site where concrete will be managed and used as fill. This shall include, at a minimum, a site map (minimum dimensions of 8½" by 11") that identifies: the location(s) on site where concrete fill material will be stockpiled; the locations(s) on site where the fill material will be disposed of; the waste management

boundary(ies) of the disposal site(s); and any other siting information required by the Secretary.

(iv) A schedule of all proposed activities to be undertaken under the plan (including characterization, demolition, on-site management, and filling activities).

(v) A plan to characterize concrete proposed to be used as fill on site that includes, at a minimum, the following:

(1) a list of all non-radiological contaminants for which the concrete from each structure will be characterized; and

(2) the specific sampling and analysis methods and processes that will be used to characterize the concrete from each structure (including all coatings or paints) for non-radiological contaminants.

(e) A proposed plan for any use of off-site materials proposed to be used as fill on site, including a plan to characterize off-site materials that includes, at a minimum, the following:

(i) a list of all non-radiological contaminants for which the off-site materials will be characterized; and

(ii) the specific sampling and analysis methods and processes that will be used to characterize the off-site materials.

(f) A proposed schedule for completion of site investigation activities for each operable unit of the VY Station site or the VY Station site. Where site investigation activities will create an actual conflict with the Atomic Energy Act for an operable unit, NorthStar shall propose a schedule that ensures commencement of site investigation activities as soon as the conflict no longer exists.

(2) ANR agrees to complete its review of the draft site investigation workplan and provide comments to NorthStar within 60 days of receiving the draft workplan that ANR determines meets the requirements of Subchapter 3 of the I-Rule. Within 30 days of receiving comments from the Secretary, NorthStar shall submit a final site investigation workplan addressing the Secretary's comments. Upon approval of the site investigation workplan by ANR, NorthStar shall implement the site investigation workplan and submit a site investigation report in accordance with the schedule approved by the Secretary of ANR.

(3) For each operable unit of the site where site investigation activities do not create an actual conflict with the Atomic Energy Act, NorthStar shall submit

a site investigation report pursuant to Section 35-305 of the I-Rule to the Secretary of ANR no later than six months after the close of the transaction.

(4) NorthStar shall complete any required corrective actions to address releases of non-radiological hazardous materials in accordance with the I-Rule.

e. NorthStar shall remediate the VY Station site to compliance with the residential standard values identified in Appendix A of the I-Rule, except as to any operable unit(s) of the VY Station site for which NorthStar submits and ANR approves an institutional control plan. Any such institutional control plan shall:

(1) be developed by NorthStar in consultation with the Town of Vernon and limit future residential uses of the site in a manner consistent with the Town Plan of the Town of Vernon; and

(2) meet the requirements of Subchapter 6 of the I-Rule.

Upon approval of the institutional control plan by ANR for an operable unit(s), NorthStar shall remediate that operable unit(s) of the VY Station site to compliance with the industrial standard values identified in Appendix A of the I-Rule.

f. NorthStar shall remove all above-ground structures at the VY Station site, other than the ISFSI and associated security facilities, the VELCO switchyard, the administrative office building known as the Plant Support Building, and the portion of the railroad spur that is able to be released for unrestricted use from the NRC-issued VY Station operating license.

g. NorthStar shall remove all underground structures at the VY Station site—including, without limitation, building foundations, buried piping, and contained piping[5]—to a depth of 4 feet below ground surface (with "ground surface" meaning existing site contours, which are depicted in Attachment 5 to this MOU) and to a greater depth wherever required to meet the site release standards described in Paragraph 5 of this MOU. Asbestos-containing material shall be removed regardless of depth. Pipes and other spaces with void space that are 4 feet below ground surface and allowed to be left in place shall be filled with concrete or other material as necessary to ensure stability of the ground above.[6] All regulated substances shall be removed from pipes and other structures, and managed in accordance with applicable standards. All sheathed cables with PCB coatings shall be excavated, and managed and disposed of in accordance with the Vermont Hazardous Waste Management Regulations and other applicable standards.

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[5] For purposes of this MOU, "buried piping" means piping that is underground and in direct contact with the ground/soil; "contained piping" means piping that is underground but within some other structure and thus not in direct contact with the ground/soil.

[6] In the case of a pipe the top portion of which is above the 4-foot cut-off, and the bottom portion of which is deeper than the 4-foot cut-off, NorthStar shall remove the portion that is above the 4-foot cut-off and shall be permitted to leave in place the portion that is deeper than the 4-foot cut-off.

(1) Structures that are more than 4 feet below ground surface may remain in place only if: (1) no residual radioactivity in the structures exceeds the residual radioactivity limits specified in Paragraph 5(c); (2) no non-radiological contamination in the structures exceeds the approved non-radiological remediation standards set forth in Appendix A of the I-Rule or other site specific remediation standard approved by ANR pursuant to the I-Rule; and (3) results of characterization of soil and groundwater in proximity of the structures do not exceed the approved non-radiological remediation standards set forth in Appendix A of the I-Rule. Buried piping and enclosed structural chambers that are more than 4 feet below ground surface may remain in place only after a survey demonstrates that any radiological contamination on the inner surfaces of such pipes and structures does not exceed the Derived Concentration Guideline Levels for 15 mrem/year from all pathways combined.

(2) Upon completion of decommissioning and site restoration of the VY Station site, NorthStar shall provide to ANR, VDH, and the Town of Vernon a comprehensive survey and site plan identifying the location and depth of all below-grade structures remaining at the site, and confirming that every remaining subsurface structure meets the release criteria described in this MOU. NorthStar shall record the comprehensive survey and site plan in the land records of the Town of Vernon and erect field monumentation on the VY Station site to provide notice of all remaining below-grade structures in a manner that does not impede future use of the site.

(3) NorthStar shall not use concrete or other materials from buildings or structures on the VY Station site as fill at the VY Station site, with the exception that concrete from the VY Station cooling tower structures and intake structure may be used as fill if: (1) it contains no reactor-derived radionuclides as distinguishable from background for the VY Station site pursuant to the material characterization process employed at the Yankee Rowe Nuclear Power Station for onsite reuse of backfill material; (2) any non-radiological contamination in that concrete does not exceed background soil concentrations identified in Appendix A of the I-Rule, or site-specific background concentrations approved by ANR pursuant to Appendix B of the I-Rule; and (3) the reuse of concrete is conducted in accordance with a corrective action plan approved by ANR pursuant to Subchapter 5 of the I-Rule.

(4) Surface and sub-surface soil excavated as part of demolition may be reused at the VY Station site only to the extent it complies with the approved radiological and non-radiological standards for the relevant survey unit area and the use is consistent with Section 35-512 of the I-Rule.

(5) NorthStar shall use (1) a “basement inventory model” to determine the amount of residual radioactivity that remains in any remaining below-grade

structures or building materials that will be used as backfill; and (2) the "resident farmer scenario" to model the potential exposure to residual radioactivity in the soil. NorthStar shall provide to VDH the results of the NRC's confirmatory surveys of: (1) surface soils, to ensure that site release criteria for the resident farmer scenario of the NRC-approved License Termination Plan ("LTP") are met; and (2) any structures that remain above grade, to ensure site release criteria for the building occupancy scenario of the NRC-approved LTP are met. NorthStar shall provide a copy to VDH and ANR of the work plan for the Final Status Survey for NRC License Termination.

h. NorthStar shall perform and pay for any on-site radiological monitoring analyses required by the NRC, and shall provide the results to VDH, ANR, and DPS. NorthStar shall perform and pay for all final survey status analyses required by the NRC and shall provide copies of any submissions to the NRC regarding the results of the final status survey analysis to VDH, ANR, and DPS.

i. NorthStar shall perform biannual radiological monitoring of groundwater (including both previously impacted and down gradient monitoring wells) for three years. A post-completion monitoring plan approved by NRC, VDH, and ANR will identify the sampling locations and analytical parameters specific to each location.

j. NorthStar agrees to perform regular and appropriate offsite radiological surveys consistent with industry-standard practices.

k. NorthStar shall work cooperatively with ANR and VDH to develop appropriate protocols related to non-radiological remediation and site restoration for information sharing, obtaining samples from onsite environmental media, conducting site visits and inspections, site characterization, remediation, site restoration, and notifications. These protocols must be acceptable to ANR and VDH, be made publicly available, and shall recognize that ANR and VDH must approve all work plans and testing protocols prior to implementation and retain authority over all determinations of compliance related to non-radiological site characterization and remediation, non-radiological site closure, and site restoration. NorthStar shall provide to VDH copies of all decommissioning radiological surveys and radiochemical analysis data provided to the NRC or maintained on site as required by NRC regulations. ANR and VDH shall have the right to obtain confirmatory measurements and sampling throughout decommissioning and site restoration, provided that it does not interfere with NorthStar's schedule. ANR and VDH agree to work expeditiously with NorthStar beginning immediately upon issuance of a PUC Order approving the terms and conditions of this MOU to develop and review the workplans necessary to facilitate NorthStar pre- and post-closing site restoration activities at the VY Station Site.

6. The Parties agree that, if the PUC allows Entergy and NorthStar to contribute the SRT assets into a segregated sub-account of the NDT, the State of Vermont shall be designated as a material beneficiary of that sub-account in accordance with Paragraph 7 of the MOU entered in Docket No. 7862. Entergy and NorthStar shall not make any contrary representations to or

requests of the NRC. Entergy and NorthStar shall not amend the existing Site Restoration Trust Agreement in any way that materially alters Section 4.01 of that Agreement; in accordance with that Section, the following conditions shall apply to requests for disbursement of SRT funds.

a. All distributions from the sub-account shall be used exclusively to pay for site restoration costs.

b. NorthStar VY shall initiate any disbursements from the sub-account by presenting a Site Restoration Certificate ("Certificate") to the trustee.

c. For the initial Certificate requesting disbursement from the sub-account, and for every subsequent Certificate requesting disbursement from the sub-account in which NorthStar VY is the payee, NorthStar VY will first present the Certificate to DPS.

d. DPS shall have a period of 30 calendar days from receipt of a Certificate to provide written objection to NorthStar VY. If no written objection is made, after the expiration of the 30-day period, NorthStar VY shall be permitted to present that Certificate to the trustee for payment.

7. NorthStar shall retain a cultural expert to assist in developing a cultural resource plan to be implemented by NorthStar during decommissioning and site restoration work at the VY Station site. NorthStar shall seek the input of the Elnu Abenaki and the Abenaki Nation of Mississquoi in developing that plan.

8. NorthStar agrees to collaborate with the stakeholders to establish an appropriate public engagement process regarding the decommissioning and restoration of the VY Station site, including exploration of forming a subcommittee of the existing Nuclear Decommissioning Citizens Advisory Panel for this purpose.

9. [*intentionally left blank*]

10. DPS, ANR, and VDH reserve all rights to retain advisors pursuant to applicable State of Vermont contracting procedures in support of the review processes identified in this MOU, including, without limitation, pursuant to 30 V.S.A. § 20, and 21 as related to retention of external financial accounting assistance in support of the financial reviews provided for herein. For purposes of this MOU, the review processes specified herein shall be deemed to qualify as a "proceeding" within the meaning of 30 V.S.A § 20(b) if not otherwise covered in § 20.

11. Every obligation by ANR and DPS to approve or act on any request by NorthStar shall be conditioned on NorthStar's compliance with its obligations, including its reporting, certification, payment and disclosure obligations under this MOU. In the case of the annual certifications required pursuant to Paragraph 2(h), failure to provide any certification within 10 days of it becoming due will result in a denial of requests for approvals or for release of funds, unless DPS determines there was good cause for the delay and NorthStar is exercising its best efforts to cure it. In the case of payment obligations pursuant to Paragraph 10, ANR

and DPS shall act on requests from NorthStar to the extent all non-disputed portions of any requests or charges pending at the time of the request are remitted within 30 days of becoming due or are subject to a petition timely submitted to the PUC pursuant to 30 V.S.A. § 21.

12. The AGO shall not take a position opposing or objecting to the Proposed Transaction at any evidentiary hearings or in any post-hearing filings made to the PUC in this Docket No. 8880. If the PUC issues an Order approving the terms and conditions of this MOU substantially in their entirety, incorporating them as terms and conditions of the Order substantially in their entirety without any material alterations, additions, or rejections, and taking such actions as in the PUC's judgment are necessary or advisable in connection with the resolution of the Joint Petition, including granting the elements of relief identified in Paragraph 1, the AGO shall not take any action to stay, challenge, appeal, or move to reconsider such an Order.

13. In the event that the PUC issues an order that does not approve the Proposed Transaction, or has not issued an order by July 31, 2018 that approves the Proposed Transaction, incorporates the terms and conditions of this MOU substantially in their entirety, and does not contain terms or conditions that materially alter, materially add to, or materially reject what is provided for by the MOU, each Party agrees that any Party may withdraw from the MOU. If any Party so determines in its sole discretion under these circumstances to withdraw, it shall provide written notice within ten (10) days of July 31, 2018, or the date the PUC issues its order, whereupon the withdrawing Party shall not be bound by the terms or conditions of the MOU and shall be placed in the position that it occupied before entering into this MOU.

14. For purposes of this MOU, except as expressly stated herein, the Parties retain all authority and reserve all rights to take any actions authorized by law.

15. Nothing in this MOU shall be interpreted as prohibiting or restricting Entergy or NorthStar from complying with any requirements or orders of the NRC, or any obligation under the VY Station operating license. To the extent that Entergy or NorthStar would be required to obtain approval from the NRC in order to fulfill any obligation under this MOU, Entergy and/or NorthStar shall pursue such NRC approvals diligently and in good faith, and shall advance each related request by a date reasonably expected to be necessary to meet its obligations under this MOU.

16. Nothing in this MOU shall release Entergy, NorthStar, or any other party from the obligation to investigate and remediate releases of non-radiological hazardous materials in accordance with Chapter 159 of Title 10 of the Vermont Statutes Annotated and all regulations implementing Chapter 159 of Title 10.

17. Nothing in this MOU shall affect, restrict, or limit the jurisdiction or regulatory authority of any state or federal agencies over Entergy, NorthStar, or the VY Station site.

18. This MOU shall be governed by and construed in accordance with the laws of the State of Vermont. No suit or claim for relief shall be filed in any court or other tribunal or agency other than the PUC, Vermont Superior Court, or the U.S. District Court for the District of Vermont, unless the PUC, Vermont Superior Court, or the U.S. District Court for the District of Vermont lack subject matter jurisdiction over the suit or claim for relief. If none has

subject matter jurisdiction over the suit or claim for relief, the Parties reserve all rights regarding venues for the enforcement of any dispute arising under this MOU.

19. The Parties' obligations under this MOU are to be applied and enforced consistent with the plain meaning of the language used herein.

20. The Parties have made compromises on specific issues to reach this MOU. This MOU, and all orders approving and implementing provisions of this MOU shall not be construed by any party or tribunal as having precedential impact on any future proceedings involving the Parties, except in a proceeding to enforce the terms and conditions of this MOU.

21. Except as provided for in this MOU and as may expressly be modified by any PUC Order regarding the Proposed Transaction to be issued in Docket No. 8880, all other agreements, PUC orders, and MOUs remain in full force and effect. For example, as used in this MOU, the term "site restoration" may apply to the period of time during which radiological decommissioning is being conducted and/or prior to the time radiological decommissioning has been completed to the satisfaction of the NRC, and NorthStar may commence site restoration concurrently with radiological decommissioning. In addition, the AGO hereby provides its written consent to any modifications of obligations owed by Entergy to the AGO pursuant to the Docket No. 7862 Settlement Agreement, to the extent this MOU modifies those provisions.

22. The Parties shall negotiate in good faith the terms of necessary instruments to be filed with the appropriate tribunals necessary to accomplish the terms and conditions of this MOU. The Parties will cooperate in further PUC proceedings in this Docket and all Parties that have submitted testimony will sponsor testimony necessary to support this MOU. DPS will support issuance of the orders and findings of the PUC specified in Paragraph 1 of this MOU subject to DPS' obligations under Title 30 of the Vermont Statutes Annotated.

23. Entergy and NorthStar each covenant that each shall not individually or collectively assert or in any way suggest that federal regulatory authority pre-empts the PUC or any court of law from enforcing any commitment made by any Party in this MOU.

24. Each Party enters into this MOU freely and after opportunity for and actual consultation with all desired counsel, legal and otherwise, of its choice.

25. The Parties understand, agree, and acknowledge that (a) this MOU has been freely negotiated by all Parties; and (b) in any controversy, dispute or contest over the meaning, interpretation, validity, or enforceability of this MOU or any of its terms or conditions, there shall not be any inference, presumption, or conclusion drawn whatsoever against any Party by virtue of that Party having drafted this MOU or any portion thereof. The Parties agree that previous drafts, as well as verbal, electronic, or written communications related to the settlement negotiations of this MOU, shall not be used to interpret intent. The Parties further agree that all previous drafts, as well as verbal, electronic, or written communications related to the settlement negotiations of this MOU, were and must remain confidential and not admissible in any state or federal court or other tribunal.

26. Each Party to this MOU shall reasonably and in good faith cooperate in connection with this MOU, including by providing executed versions of documents reasonably requested in connection with carrying out the objectives of this MOU.

27. Each Party represents that it possesses the power and authority to execute, deliver and perform its obligations under this MOU, which obligations are valid, binding, and enforceable under this MOU.

28. This MOU shall be binding on, and inure to the benefit of, the respective successors and assigns of each Party to this MOU and, in any event, shall continue to be binding upon the Parties. Any Party may name a successor or assign its rights under this MOU by providing notice to and receiving consent from the other parties pursuant to Paragraph 29 of this MOU, such consent not to be unreasonably withheld.

29. Any notice given pursuant to this MOU shall be in writing and delivered by: hand (with mailed confirmation copy); receipted overnight delivery service; email (if acknowledged by a reply email from the recipient identified in this MOU); or mail, first class postage prepaid, with receipted delivery, to the other Party at the address set forth below:

If to DPS:

Commissioner
Vermont Department of Public Service
112 State Street - Drawer 20
Montpelier, VT 05620

With a copy to:

Director for Public Advocacy
Vermont Department of Public Service
112 State Street - Drawer 20
Montpelier, VT 05620

and a copy to:

Vermont Office of the Attorney General
109 State Street
Montpelier, VT 05609-1001

If to ANR:

Secretary
Vermont Agency of Natural Resources
1 National Life Drive, Davis 2
Montpelier, VT 05620-3901

With a copy to:

General Counsel
Vermont Agency of Natural Resources
1 National Life Drive, Davis 2
Montpelier, VT 05620-3901

and a copy to:

Vermont Office of the Attorney General
109 State Street
Montpelier, VT 05609-1001

If to VDH:

Commissioner
Vermont Department of Health
108 Cherry Street
Burlington, VT 05402

With a copy to:

Senior Policy and Legal Advisor
Vermont Department of Health
108 Cherry Street
Burlington, VT 05402

and a copy to:

Vermont Office of the Attorney General
109 State Street
Montpelier, VT 05609-1001

If to AGO:

Vermont Office of the Attorney General
109 State Street
Montpelier, VT 05609-1001

If to Entergy:

Chief Nuclear Officer
Entergy Nuclear Operations, Inc.
1340 Echelon Parkway
Jackson, MS 30213

With a copy to:

General Counsel
Entergy Nuclear Operations, Inc.
639 Loyola Avenue
New Orleans, LA 70113

If to NorthStar:

Chief Executive Officer
NorthStar Group Services, Inc.
370 7th Avenue, Suite 1803
New York, NY 10001

With a copy to:

General Counsel
NorthStar Group Services, Inc.
35 Corporate Drive, Suite 1155
Trumbull, CT 06611

If to Elnu Abenaki Tribe:

Richard Holschuh
117 Fuller Drive
Brattleboro, VT 05301

If to Abenaki Nation of Missisquoi:

William J. Brotherton
Brotherton Law Firm
2340 FM 407, Suite 200
Highland Village, TX 75077

If to Windham Regional Commission:

Executive Director
Windham Regional Commission
139 Main Street, Suite 505
Brattleboro, VT 05301

If to New England Coalition on Nuclear Pollution, Inc.:

James Dumont
PO Box 229
Bristol, VT 05443

If to Town of Vernon Planning and Economic Development Commission:

David G. Carpenter
Facey Goss & McPhee PC
PO Box 578
Rutland, VT 05702

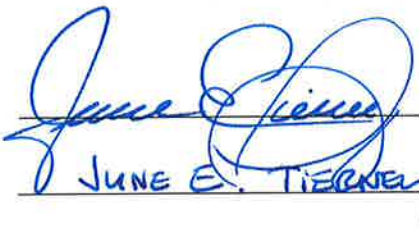
30. This MOU and any referenced Attachments hereto constitute the entire agreement between the Parties. This MOU shall not be changed, modified, or altered in any manner except by an instrument in writing executed by the Parties.

31. If any part of this MOU is determined not to be valid, such provision shall be null and void and the remainder of the MOU shall continue in full force and effect.

32. This MOU is effective as of March 2, 2018.

[Signature pages follow]

VERMONT DEPARTMENT OF PUBLIC SERVICE

By: 

Name: JUNE E. TIERNEY

Title: COMMISSIONER

Date: MARCH 2, 2018

VERMONT AGENCY OF NATURAL RESOURCES

By: _____

Name: Julia S. Moore

Title: Secretary

Date: 03/02/18

As to the terms of ¶¶ 1, 12, 13, 21, 22, 25-27 only and otherwise as to form:

VERMONT ATTORNEY GENERAL'S OFFICE

By: _____

Name: Thomas J. Donovan, Jr.

Title: A.G.

Date: 3/2/18

ENTERGY NUCLEAR VERMONT YANKEE, LLC

By: _____

Name: PAUL PARADIS

Title: PRESIDENT

Date: 3/2/18

ENTERGY NUCLEAR VERMONT INVESTMENT COMPANY, LLC

By: _____

Name: PAUL PARADIS

Title: PRESIDENT

Date: 3/2/18

ENTERGY NUCLEAR OPERATIONS, INC.

By: _____

Name: _____

Title: _____

Date: _____

ENTERGY NUCLEAR VERMONT YANKEE, LLC

By: _____

Name: _____

Title: _____

Date: _____

ENTERGY NUCLEAR VERMONT INVESTMENT COMPANY, LLC

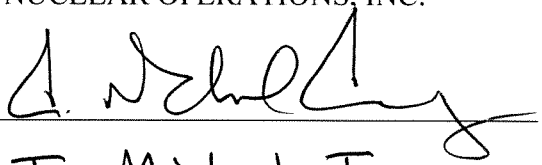
By: _____

Name: _____

Title: _____

Date: _____

ENTERGY NUCLEAR OPERATIONS, INC.

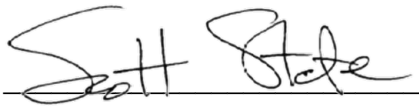
By: 

Name: T. Michael Twomey

Title: Vice President

Date: March 2, 2018

NORTHSTAR DECOMMISSIONING HOLDINGS, LLC

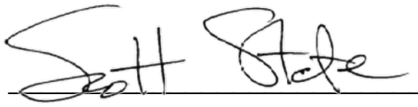
By: 

Name: Scott E. State

Title: CEO

Date: 3/1/2018

NORTHSTAR GROUP HOLDINGS, LLC

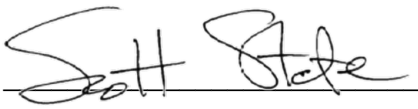
By: 

Name: Scott E. State

Title: CEO

Date: 3/1/2018

NORTHSTAR NUCLEAR DECOMMISSIONING COMPANY, LLC

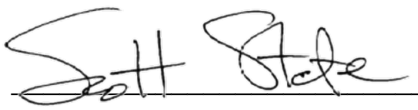
By: 

Name: Scott E. State

Title: CEO

Date: 3/1/2018

NORTHSTAR GROUP SERVICES, INC.

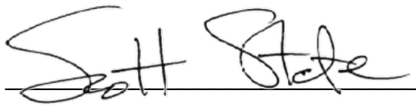
By: 

Name: Scott E. State

Title: CEO

Date: 3/1/2018

LVI PARENT CORP.

By: 

Name: Scott E. State

Title: CEO

Date: 3/1/2018

ELNU ABENAKI TRIBE

By: Richard Holschuh

Name: Richard Holschuh

Title: Appointed Liaison – Elnu Abenaki Tribe

Date: March 2, 2018

ABENAKI NATION OF MISSISQUOI

By: /s/ William J. Brotherton

Name: William J. Brotherton

Title: Counsel

Date: March 2, 2018

WINDHAM REGIONAL COMMISSION

By: _____

Name: L. Christopher Campany

Title: Executive Director

Date: March 2, 2018

NEW ENGLAND COALITION ON NUCLEAR POLLUTION, INC.

By: _____

Name: JAMES A DUMONT

Title: Attorney for NEC

Date: 3/2/18

TOWN OF VERNON PLANNING AND ECONOMIC DEVELOPMENT COMMISSION

By: Robert L. Spencer

Name: Robert L. Spencer

Title: Chair

Date: March 2, 2018

DRAFT

AIA® Document A312™ – 2010

Performance Bond

CONTRACTOR:
(Name, legal status and address)

« »« »
« »

SURETY:
(Name, legal status and principal place of business)

« »« »
« »

OWNER:
(Name, legal status and address)

« »« »
« »

CONSTRUCTION CONTRACT
Date: « »
Amount: $ « »
Description:
(Name and location)

« »
« »

BOND
Date:
(Not earlier than Construction Contract Date)
« »
Amount: $ « »
Modifications to this Bond: « » None « » See Section 16

CONTRACTOR AS PRINCIPAL		**SURETY**	
Company:	*(Corporate Seal)*	Company:	*(Corporate Seal)*
Signature:		Signature:	
Name and Title:	« »« »	Name and Title:	« »« »

(Any additional signatures appear on the last page of this Performance Bond.)

(FOR INFORMATION ONLY — Name, address and telephone)

AGENT or **BROKER:**

« »
« »
« »

OWNER'S REPRESENTATIVE:
(Architect, Engineer or other party:)

« »
« »
« »
« »
« »
« »

ADDITIONS AND DELETIONS: The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

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User Notes: (2052737895)

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Section 3.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after

.1 the Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Section 3.1 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default;

.2 the Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and

.3 the Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.

§ 4 Failure on the part of the Owner to comply with the notice requirement in Section 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.

§ 5 When the Owner has satisfied the conditions of Section 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

§ 5.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;

§ 5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;

§ 5.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Section 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or

§ 5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

.1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or

.2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.

§ 6 If the Surety does not proceed as provided in Section 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 5.4, and the Owner refuses the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

§ 7 If the Surety elects to act under Section 5.1, 5.2 or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the

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User Notes: (2052737895)

Surety shall not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication, for

.1 the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;

.2 additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Section 5; and

.3 liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

§ 8 If the Surety elects to act under Section 5.1, 5.3 or 5.4, the Surety's liability is limited to the amount of this Bond.

§ 9 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors and assigns.

§ 10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 11 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.

§ 13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 14 Definitions

§ 14.1 Balance of the Contract Price. The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

§ 14.2 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.

§ 14.3 Contractor Default. Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.

§ 14.4 Owner Default. Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 14.5 Contract Documents. All the documents that comprise the agreement between the Owner and Contractor.

§ 15 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

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User Notes: (2052737895)

§ 16 Modifications to this bond are as follows:

« »

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL		**SURETY**	
Company:	*(Corporate Seal)*	Company:	*(Corporate Seal)*
Signature:		Signature:	
Name and Title:	« »« »	Name and Title:	« »« »
Address:	« »	Address:	« »

DRAFT

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User Notes: (2052737895)

Irrevocable
Standby Letter of Credit No. _____

Beneficiary:

Applicant:

Date of Issue:

Date and Place of Expiry:

Amount:
Not Exceeding USD $25,000,000 Twenty-Five Million and 00/100 United States Dollars.

WE HEREBY ESTABLISH THIS IRREVOCABLE LETTER OF CREDIT IN FAVOR OF THE AFORESAID ADDRESSEES (EACH, THE "BENEFICIARY") FOR DRAWINGS UP TO UNITED STATES DOLLARS TWENTY-FIVE MILLION AND 00/100 EFFECTIVE IMMEDIATELY. THIS LETTER OF CREDIT IS ISSUED, PRESENTABLE AND PAYABLE AT [BANK NAME], [BANK ADDRESS] AND EXPIRES WITH OUR CLOSE OF BUSINESS ON _____.

THE TERM "BENEFICIARY" INCLUDES ANY SUCCESSOR BY OPERATION OF LAW OF EACH NAMED BENEFICIARY INCLUDING, WITHOUT LIMITATION, ANY LIQUIDATOR, REHABILITATOR, RECEIVER OR CONSERVATOR.

WE HEREBY UNDERTAKE TO PROMPTLY HONOR YOUR SIGHT DRAFT(S) DRAWN ON US, INDICATING OUR CREDIT NO. _____ FOR ALL OR PART OF THIS CREDIT IF PRESENTED AT OUR OFFICE SPECIFIED IN PARAGRAPH ONE ON OR BEFORE THE EXPIRY DATE OR ANY AUTOMATICALLY EXTENDED EXPIRY DATE. ANY ONE BENEFICIARY OR COMBINATION OF BENEFICIARIES, ACTING INDIVIDUALLY OR COLLECTIVELY, MAY DRAW ON THIS LETTER OF CREDIT IN FULL OR IN PART, AND ANY ACTION TAKEN BY ANY OR ALL BENEFICIARIES HEREUNDER SHALL BIND EACH OF THEM.

EXCEPT AS EXPRESSLY STATED HEREIN, THIS UNDERTAKING IS NOT SUBJECT TO ANY AGREEMENT, CONDITION OR QUALIFICATION. THE OBLIGATION OF [BANK] UNDER THIS LETTER OF CREDIT IS THE INDIVIDUAL OBLIGATION OF [BANK], AND IS IN NO WAY CONTINGENT UPON REIMBURSEMENT WITH RESPECT THERETO.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT IS DEEMED TO BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM THE EXPIRY DATE HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST THIRTY DAYS PRIOR TO ANY EXPIRATION DATE WE SHALL NOTIFY YOU BY REGISTERED MAIL THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH ADDITIONAL PERIOD.

THIS LETTER OF CREDIT IS SUBJECT TO AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND 2007 REVISION OF THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS OF THE INTERNATIONAL CHAMBER OF COMMERCE (PUBLICATION 600) AND, IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF NEW YORK WILL CONTROL. IF THIS CREDIT EXPIRES DURING AN INTERRUPTION OF BUSINESS AS DESCRIBED IN ARTICLE 36 OF SAID PUBLICATION 600, THE BANK HEREBY SPECIFICALLY AGREES TO EFFECT PAYMENT IF THIS CREDIT IS DRAWN AGAINST WITHIN THIRTY (30) DAYS AFTER THE RESUMPTION OF BUSINESS.

[BANK NAME]

_____

NAME:
TITLE:

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") requirements and State of Vermont requirements until the NRC License is terminated (the "NRC Requirements") and site restoration under state-law requirements is complete (the "Operating 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 Operating 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*. 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.

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 and written notice to the Vermont Department of Public Service, 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 Operating Costs and the NRC Requirements applicable to VYNPS 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:

PROGRAM SUMMARY

Description	Zurich Environmental (Steadfast Insurance Company) (Non-Admitted)
Policy Term	Nine (9) Year Term
Policy Limit Options - Per claim and aggregate	**Primary (Zurich):** $25,000,000 per claim/aggregate $50,000 Crisis Management Expense Aggregate $50,000 Green Remediation Aggregate $50,000 Green Standards Aggregate **Excess (Beazley):** $5,000,000 aggregate (excess of $25,000,000)
Defense Expense	Included in the limit of liability
Deductible	$1,000,000 each pollution event deductible
Retroactive Dates	N/A
Total Program Cost (Flat Premium)	[redacted]
TRIA	1% Additional Premium
Additional Surplus Lines Tax/Fees	• VT State Surplus Lines Tax: 3% of gross premium and insurer fees only • VT Stamping Fee: 0
New Day Policy Fee	Waived *Note: Can be waived if Alliant Insurance Services executes the surplus lines filings.*

CONNECTICUT RIVER (VERNON POND)
FLOW

N

SLOPE 2:1
SLOPE 2:1
SLOPE 2:1

CLEAN WORKSHOP
ELF
CONSTRUCTION OFFICE BUILDING
COB WELL
CONTAINMENT ACCESS BUILDING
RADWASTE SURGE TANK
RADWASTE TANKS
SLOPE 1.5:1
SLOPE 1.5:1
RADWASTE BUILDING
EL. 227.6'
EL. 223.0'
REACTOR BUILDING
EL. 207.75'
EL. 201.75'
EL. 201.75'
EL. 207.75'
FOUNDATIONS ON BEDROCK
A.O.G. BUILDING
CONDENSATE STORAGE TANK
DEMINERALIZED WATER TANK
MAINTENANCE SHOP
SOUTH WAREHOUSE
CONTROL ROOM BUILDING
EL. 222.0'
EL. 203.0'
EL. 204.5'
EL. 204.6'
EL. 214.0'
TURBINE BUILDING
EL. 203.0'
EL. 204.5'
EL. 204.6'
EL. 204.0'
ADMINISTRATION BUILDING
SLOPE 1.5:1
SLOPE 1.5:1
SLOPES 204.6' TO 221.5'
SLOPE 1.5:1
SLOPE 1.5:1
SLOPE 1.5:1
SLOPE 1.5:1
NORTH WAREHOUSE
WAREHOUSE
SOUTHWEST WELL
COOLING TOWERS
COOLING TOWERS

LEGEND

- GZ-23S — MONITORING WELL INSTALLED BY GZA
- EW-2 — EXTRACTION WELL INSTALLED BY GZA
- SOUTHWEST WELL — BEDROCK WATER SUPPLY WELL
- 3201 — OTHER VERMONT YANKEE MONITORING WELL
- B103A — HISTORIC SOIL BORING
- 230 — PRE-CONSTRUCTION SURFACE TOPOGRAPHY CONTOUR IN FEET
- SLOPE 1.5:1 — CONSTRUCTION EXCAVATION BOUNDARIES AND SLOPES

NOTES:

1. BASE PLAN, INCLUDING SITE SURFACE TOPOGRAPHY, PROVIDED TO GZA IN ELECTRONIC FORMAT BY VERMONT YANKEE.
2. THE LOCATIONS AND REFERENCE ELEVATIONS OF MONITORING WELLS AND ONSITE WATER SUPPLY WELLS WERE SURVEYED BY SOUTHERN VERMONT ENGINEERING OF BRATTLEBORO VERMONT. LOCATIONS OF OTHER WATER SUPPLY WELLS BASED ON FIELD OBSERVATIONS.
3. THE PRE-CONSTRUCTION SURFACE TOPOGRAPHY CONTOURS WERE APPROXIMATELY LOCATED FROM A PLAN ENTITLED "CONTACT DRAWING - FOUNDATION INVESTIGATION - SHEET 1" DEVELOPED BY EBASCO SERVICES INCORPORATED NEW YORK, DATED 02-15-,1967, ORIGINAL SCALE: 1"=50', PLAN G-191434.
4. THE EXCAVATION BOUNDARIES AND SLOPES WERE APPROXIMATELY LOCATED FROM A PLAN ENTITLED "PLANT AREA EXCAVATION PLAN" DEVELOPED BY EBASCO SERVICES INC. NEW YORK, ORIGINAL DATE 13-15-1967, REVISION 2 DATED 8-25-1967, ORIGINAL SCALE 1"=30'. PLAN G-191437 AND A PLAN ENTITLED "SITE PLAN GRADING AND DRAINAGE" DEVELOPED BY ENERCON, REVISION DATE 9-21-2005, PLAN G-191443.

0 15' 30' 60' 90'
1 INCH = 30 FEET

ENTERGY VERMONT YANKEE

VERNON, VERMONT

PRE-CONSTRUCTION SURFACE TOPOGRAPHIC MAP

UNLESS SPECIFICALLY STATED BY WRITTEN AGREEMENT, THIS DRAWING IS THE SOLE PROPERTY OF GZA GEOENVIRONMENTAL, INC. (GZA). THE INFORMATION SHOWN ON THE DRAWING IS SOLELY FOR USE BY GZA'S CLIENT OR THE CLIENT'S DESIGNATED REPRESENTATIVE FOR THE SPECIFIC PROJECT AND LOCATION IDENTIFIED ON THE DRAWING. THE DRAWING SHALL NOT BE USED, MODIFIED, REUSED, COPIED, OR MODIFIED IN WHOLE OR IN PART FOR ANY OTHER PURPOSE OR PROJECT. ANY TRANSFER, REUSE, OR MODIFICATION TO THE DRAWING SHALL BE AT THE USER'S OR OTHER SUCH PARTIES' SOLE RISK AND, WITHOUT ANY RISK OR LIABILITY TO GZA.

PREPARED BY: GZA GeoEnvironmental, Inc. Engineers and Scientists www.gza.com	PREPARED FOR: ENTERGY VERMONT YANKEE VERNON, VERMONT
PROJ. MGR.: JRP	REVIEWED BY: MMS
DESIGNED BY: MDJUAS	DRAWN BY: EMD
DATE: MAY 2011	PROJECT NO.: 09.0025576.11
CHECKED BY: JRP	SCALE: 1" = 30'
REVISION NO.:	FIGURE 2.4

©2011 - GZA GeoEnvironmental, Inc. - G:\Jobs\09-25576\11\DWG\09-0025576-11_PreConstruction-Surface-Topography-Map-v1.dwg, [TIC 2.4] May 04, 2011 - 3:36pm, elaine.donohue

APPENDIX E – REVISED 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").

W I T N E S S E T H:

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~~Without limiting the obligation set forth in paragraph 1, 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 (other than the NRC and the Vermont Public Utility Commission) 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 as a parental guarantee 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~~Public Utility Commission as a parental guarantee in determining 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 Department of Public Service, 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, the Vermont Public Utility Commission, the Vermont Department of Public Service, the Vermont Agency of Natural Resources, and the ~~State of~~ Vermont Attorney General's Office, 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: Scott E. State
Title:

Document comparison by Workshare 9 on Monday, July 02, 2018 10:14:38 AM

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Document 1 ID	file://C:\Users\ellitiawatson\Desktop\parent support agreement v1.docx
Description	parent support agreement v1
Document 2 ID	file://C:\Users\ellitiawatson\Desktop\parent support agreement v2.docx
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Deletions	8
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	18

PUC Case No. 8880 - SERVICE LIST

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