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Holding Yankee to its promises

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Vermont ratepayers and taxpayers could be on the hook for up **to** \$800 million in cleanup costs at Vermont **Yankee** unless the state acts swiftly **to** assert **its** rights in a pending transaction. We are not against nuclear power. In fact, we believe it may be a necessary part of our future energy portfolio. It must, however, be pursued in a way that is safe, reliable, and does not leave Vermont ratepayers with empty pockets.

Entergy Corp., owner of the Vermont **Yankee** nuclear power plant, is engaged in a complex restructuring that will allow it **to** duck promised obligations **to** Vermonters, by spinning off **its** merchant nuclear plants **to** a weaker, highly leveraged (\$7 billion debt) entity that will likely be in poor position **to** pay the bills for the inevitable decommissioning of the plant.

In this case, who pays? You guessed it - you and I through higher taxes and electric bills.

Wanda Curry, an Entergy executive in New Orleans, recently stated that Entergy Corp. was not currently liable. She stated that full financial responsibility belongs **to** the current Entergy Nuclear VY, a limited liability corporation.

The Legislature intends **to** hold Entergy accountable for **its** fiscal **promises to** Vermonters as it engages in this complex reorganization of **its** corporate form. We want **to** ensure that Vermonters are not left **holding** the bag.

In a memorandum of understanding, when it purchased the plant in 2002, Entergy VY agreed **to** have the plans and funding available for decommissioning the plant, for safe handling of the nuclear waste, and returning the Vermont **Yankee** site **to** a green field. Current estimates for decommissioning are approximately \$750-800 million.

The current fund is estimated **to** hold only \$440 million.

After purchasing the plant, Entergy stopped contributing money **to** this fund. This wasn't due **to** a lack of funds for Entergy had hit a home run financially. The market value of Vermont **Yankee** has increased **to** almost \$1 billion since **its** purchase price of \$180 million in 2002.

The legislation we support requires - as a condition of state approval of the corporate restructuring - that the dollars will be real, accessible, and not disappear through any accounting shell games.

The stakes are high. The safe handling and storage of nuclear waste will be a problem for a very long time. Limited liability corporations are designed **to** "limit the liability" of shareholders. Because of the potential for serious impacts **to** our energy supply, the environment, and Vermonters' public health, we need **to** hold these corporate entities accountable for their **promises to** Vermont.

Entergy promised **to** return the Vermont **Yankee** site **to its** original, uncontaminated condition with complete removal of the plant and the associated nuclear waste upon decommissioning. They now want **to** use the cleverly but deceptively named SafeStor option, which could mean more than 50 years of nuclear waste stored on site.

Vermonters should realize that this further compounds the slim chances that Entergy would ever restore the Vermont **Yankee** site - which sits on a hundred-year flood plain - **to its** original condition. This means Vermont taxpayers and ratepayers could well carry the costs and risks of storing nuclear waste on the banks of the Connecticut River, for a very, very long time.

We and others in the Legislature intend **to** ask the tough questions, but it will be up **to** our collective political will **to** determine whether our state will be protected from the financial burden and safety issues of a "retired" nuclear plant.

Sens. Jim Condos (D-Chittenden) and Bill Carris (D-Rutland) are members of the Senate Finance Committee.

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