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# Vermont Yankee nuclear plant to refuel despite uncertainty

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In October, [Vermont](#) Yankee will load enough new fuel into the Vernon nuclear power plant's reactor to keep it running into 2013 even though the plant's owners are unsure whether they can operate it beyond next March.

Entergy Corp. announced Monday morning that its [board of directors](#) had voted to approve the purchase of a full load of fuel — 116 bundles — that will be installed in the plant during a refueling outage in October.

The decision comes a month after company officials said in federal court in Vermont that Entergy could shut down the plant rather than commit to an expensive refueling without assurance it could keep running the plant long enough to use the fuel. Entergy has filed a lawsuit challenging the state's refusal to permit its continued operation.

“Entergy’s board of directors carefully reviewed the merits of our case and the arguments put forth by all parties during the recent hearing in District Court when we requested a

**EXHIBIT 3**

preliminary injunction against the state of Vermont taking any actions to close Vermont Yankee,” J. Wayne Leonard, Entergy’s chairman and chief executive officer, said in a prepared statement.

“Our board believes both the merits of the company’s legal position and the record strongly support its decision to continue to trial scheduled to begin on Sep. 12,” he continued. “On that basis, the decision was made to move forward with the refueling as planned.”

U.S. District Judge J. Garvan Murtha said in a July 18 ruling that he was unpersuaded Entergy would have to shut down the plant, and he denied the company an injunction to stay open while its court case is pending.

Monday’s announcement that Entergy would buy the fuel provided fodder for opponents who said it was a further indication the company doesn’t tell the truth.

Gov. Peter Shumlin, a critic of the plant, said: “Judge Murtha made clear in his decision to deny Entergy Louisiana’s request for a preliminary injunction that he didn’t buy the company’s argument that the injunction was a prerequisite for refueling. Today’s decision by Entergy Louisiana to refuel affirms that Judge Murtha was right, and that his decision to deny the injunction was the correct one.”

“This is only the latest example of Entergy Louisiana’s irresponsibility, a key reason why Vermont’s state

government is solidly committed to retiring the old and unreliable reactor as scheduled,” said Paul Burns, executive director of the Vermont Public Interest Research Group, which is pushing for the closure of Vermont Yankee.

### **Looming timeline**

Entergy is buying enough fuel to keep the plant running for 18 months after the October refueling — or almost a year after its state certificate of public good expires March 21, 2012.

The 39-year-old plant has received a 20-year license extension from the U.S. Nuclear Regulatory Commission, but has not won state permission to keep operating. The state Senate voted 26-4 last year against allowing the state Public Service Board to act on an extension as the plant was in the midst of containing a tritium leak.

In April, Entergy filed a lawsuit against the state in federal court, challenging Vermont’s role in governing the plant’s future. The case is scheduled to be heard Sept. 12-14 in U.S. District Court in Brattleboro. A decision in the case is expected in December or January, but observers say that whatever the results, appeals could last for years.

The company sought an injunction to allow it to continue operating after March if the case remains pending. Last

week, Murtha denied that injunction, which left observers wondering what Entergy would do about a decision to place an expensive order for fuel. Monday morning the answer came.

The company would not reveal when the board of directors took the vote or what the vote count was, Vermont Yankee spokesman Larry Smith said.

The announcement was sent to industry analysts and noted on [investment](#) analyst websites. Following the 8 a.m. release of the decision to refuel, the company's stock rose as soon as the market opened Monday, ending the day up 47 cents, to \$68.78 a share.

Smith said Entergy will pay General Electric \$50 million for 116 bundles of fuel specifically fabricated for Vermont Yankee. The cost of the entire refueling outage, including the fuel, labor, maintenance done on the plant during the outage and other work, will be \$92 million, Smith said.

Entergy executive John Herron had told the court in June that the cost of replacing the fuel was \$60 million to \$65 million, but Smith said Monday he didn't know what exactly that figure included.

### **Standard refueling**

The 116 bundles represent a standard refueling that is done

every 18 months, Smith said, which includes cycling out one-third of the plant's fuel. The refueling outage is scheduled for Oct. 8 and takes about a month.

Herron told the court in June that the refueling involves bringing 800 to 1,000 extra workers with shifts around the clock seven days a week. During the outage, the company also conducts NRC-required tests and maintenance on the plant.

Without new fuel, Entergy could not have kept the plant running at full power beyond this fall, said Arnie Gundersen, a nuclear engineer in [Burlington](#) and a critic of the plant. Running the plant at reduced power is less reliable and less profitable, he said.

Like other critics of the plant, Gundersen said he's not surprised Entergy decided to go ahead with refueling after suggesting it might not be able to. He questioned, however, whether the company would be willing to make **investments** coming up in 2015 if it is still operating then.

Vermont Yankee faces replacing a \$100 million condenser and making repairs that will be required in response to the March failure of the Fukushima plant in Japan following an earthquake and tsunami.

"They may decide to throw in the towel in 2015," Gundersen

said. "It makes no economic sense."

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