

**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 ) Docket No. 8880  
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 )

**SUMMARY OF PREFILED SURREBUTTAL TESTIMONY OF WARREN K. BREWER**

Mr. Brewer responds to the rebuttal testimony of Scott E. State, Steven A. Scheurich, and Joseph R. Lynch on behalf of the Joint Petitioners. Mr. Brewer identifies continuing areas of disagreement, discusses how the rebuttal testimony affects his previous testimony, and identifies new concerns arising from the rebuttal testimony and related discovery. Mr. Brewer identifies areas where the rebuttal testimony appears to be based on a misunderstanding of his direct testimony and clarifies that direct testimony.

Mr. Brewer sponsors the following exhibits:

Exhibit DPS-WKB-27	Discovery Response A.DPS:JP.3-43 [Confidential – Filed Under Seal]
Exhibit DPS-WKB-28	Discovery Attachment A.DPS:JP.3-43.1 [Confidential – Filed Under Seal]
Exhibit DPS-WKB-29	Deposition of Scott E. State, October 5, 2017 (Excerpted)
Exhibit DPS-WKB-30	<i>Entergy Gulf States, Inc. v. United States</i> , Case No. 03-2625C, Plaintiffs’ Post-Trial Brief, ECF No. 266 (Fed. Cl. Sept. 23, 2015)
Exhibit DPS-WKB-31	<i>Entergy Gulf States, Inc. v. United States</i> , Case No 03-2625C, Plaintiffs’ Post-Trial Reply Brief, ECF No. 274 (Fed. Cl. Dec. 3, 2015)
Exhibit DPS-WKB-32	Deposition of Steven A. Scheurich, October 4, 2017 (Excerpted) [Confidential – Filed Under Seal]

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Docket No. 8880

**SURREBUTAL TESTIMONY OF WARREN K. BREWER**

1 **Q1. State your name.**

2 A1. Warren K. Brewer.

3 **Q2. On whose behalf are you testifying?**

4 A2. I am testifying on behalf of the Vermont Department of Public Service.

5 **Q3. What is the purpose of your surrebuttal testimony?**

6 A3. The purpose of my surrebuttal testimony is to respond to some of the points advanced in  
7 the rebuttal testimony presented by Scott E. State, Steven A. Scheurich, and Joseph R.  
8 Lynch, on behalf of the Joint Petitioners, and to discuss how that testimony affects my  
9 analysis of the proposed acquisition by NorthStar Decommissioning Holdings, LLC, of  
10 Entergy Nuclear Vermont Yankee, LLC. My surrebuttal testimony clarifies elements of  
11 my analysis and addresses apparent misunderstandings in certain of the rebuttal testimony  
12 offered by the Joint Petitioners regarding topics discussed in my earlier testimony.

1 **Q4. How was your overall opinion concerning the proposed transaction affected by Joint**  
2 **Petitioners' rebuttal testimony?**

3 A4. It remains my opinion that there are risks of added decommissioning costs from  
4 unanticipated conditions or events that have not been adequately budgeted for in the  
5 NorthStar plan for decommissioning the Vermont Yankee Nuclear Power Station (VY  
6 Station). As discussed below, there are areas where the rebuttal testimony of the Joint  
7 Petitioners clarified plans for decommissioning and thereby reduced corresponding risks.  
8 However, the rebuttal testimony does not address other risks I identified, and those risks  
9 may result in costs that exceed the NorthStar decommissioning cost estimate.

10 **Q5. Is there any information that would be significant to your evaluation of the NorthStar**  
11 **plans for decommissioning the VY Station that has not been made available by Joint**  
12 **Petitioners?**

13 A5. Yes, there are two key categories of such information. The first is information about waste  
14 disposal. NorthStar has provided discovery responses during this rebuttal phase that  
15 identify the volume of each type of waste having a distinct disposal cost, the disposal rate  
16 for each type of waste, and the basis for each of those rates. Exhibit DPS-WKB-27,  
17 A.DPS:JP.3-43; Exhibit DPS-WKB-28, Attachment A.DPS:JP.3-43.1. However,  
18 NorthStar has not provided sufficient detail about the sources of that waste—that is, the  
19 building, systems, or activity from which the waste is expected to originate, which would  
20 provide a basis to evaluate the reasonableness of the information that is provided.  
21 NorthStar has indicated that portions of the Deal Model on which I had relied for that type  
22 of information are obsolete. The newly provided waste information also raises new

1 concerns. [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED],

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED] The second category of missing information relates to schedule;

16 specifically, schedule information showing the sequence of both license termination and

17 site restoration activities would help provide a clear understanding of the project critical

18 path and the point at which schedule delays could affect that critical path. I would expect

19 that these two categories of information would be available at the level of detail described

20 because they are essential to the creation of a decommissioning cost estimate. In the

21 absence of this information, it is not clear how NorthStar arrived at the high-level total

22 costs and cash flows it presented in its discovery responses.

1 **Q6. What is your purpose in discussing examples of unforeseen conditions that have**  
2 **arisen in the course of decommissioning other facilities?**

3 A6. In my initial testimony, I discussed specific examples of unforeseen conditions  
4 encountered during previous decommissioning projects to illustrate the *types* of events and  
5 unanticipated conditions that have occurred elsewhere and have resulted in increased costs.  
6 My testimony was not intended to suggest that the specific examples discussed will occur  
7 at the VY Station, but rather to offer “lessons learned” from other sites and, particularly  
8 with respect to conditions encountered at numerous sites, recommend consideration of and  
9 appropriate budgeting for those uncertainties and their possible cost impacts.

10 **Q7. How could NorthStar account for those risks?**

11 A7. Assessing low probability–high consequence events requires evaluation of a number of  
12 factors, such as the timing of such risks, costs of potential actions to mitigate, and the  
13 present value of risks expected to be funded by current assets, such as a trust fund. These  
14 factors would be part of a robust risk evaluation. I am unaware of information within the  
15 materials provided by Joint Petitioners to date indicating that NorthStar has undertaken  
16 such an analysis of the risks I discuss in my testimony or accounted for the attendant cost  
17 implications of those risks. *See* Exhibit DPS-WKB-29, State Dep. 67:7-15, Oct. 5, 2017  
18 (“The unknown unknowns . . . would be contamination that may not be known to be  
19 present at the site and specifically how one determines how much contingency you would  
20 take associated with that. You don’t have any contingency associated with any line item  
21 in your estimate because you don’t know that work could be required or that that  
22 contamination might be present.”); *id.* at 75:14-76:3 (“Q: Mr. State, in developing its

1 decommissioning proposal, did NorthStar consider the possibility that during the  
2 decommissioning process it would discover previously unidentified radiological or  
3 nonradiological contamination on the site? A: We did. Q: Is that risk accounted for in  
4 the deal model? A: The absolute risk is generally accounted for in the contingency that  
5 we carry as it would specifically relate to known potentials. If in fact there's a burial yard  
6 somewhere out in the back 40 that nobody told us about, we have not tried to estimate that  
7 kind of contingency."); *id.* at 78:10-22 ("Q: So was the risk of encountering previously  
8 unidentified contamination accounted for in the line item disbursement schedule . . . ? A:  
9 This is one of those yes and no answers again. Yes, it was considered and it's effectively  
10 in the line item schedule for known unknowns . . . . It would not be in the line item  
11 schedule for an unknown unknown because there are no line items that say things we don't  
12 know about, here's a number. That's a different thing.").

13 **Q8. What information did the Deal Model provide in the "Areva Buildings" and "T&D"**  
14 **tabs that Mr. State identified in his rebuttal testimony as obsolete?**

15 A8. The "Areva Buildings" tab provided information on a building-by-building basis of the  
16 activities to be performed as part of NorthStar's decommissioning effort and the associated  
17 costs. In addition, the "Areva Buildings" tab included summary information on waste  
18 volumes and waste disposal costs associated with each building. The "T&D" tab also  
19 provided summary information on waste volumes and waste disposal costs associated with  
20 each building.

21 **Q9. Is relevant detailed information available from other sources?**

1 A9. In noting that those tabs are not operative, Mr. State indicated that the NorthStar  
2 Disbursement Schedule provided the “most detailed and specific breakdown of tasks and  
3 their costs.” Prefiled Rebuttal Testimony of Scott E. State, at 14:12-14. However, I have  
4 not identified in the Disbursement Schedule data of equivalent specificity as that provided  
5 by the now-obsolete “Areva Buildings” and “T&D” tabs of the Deal Model. The  
6 Disbursement Schedule provides few details on cost breakdowns or aggregation, and in  
7 many cases, simply provides a total cost for an activity without any detail. By contrast, the  
8 “Areva Buildings” and “T&D” tabs of the Deal Model spreadsheet contain much greater  
9 detail. For example, the “Areva Buildings” tab of the Deal Model spreadsheet includes  
10 about 5,550 lines of cost information including details estimating the costs for  
11 decontaminating and dismantling buildings. Similarly, the “T&D” tab of the Deal Model  
12 spreadsheet includes about 1,500 lines detailing the estimated cost for waste disposal.  
13 Without this level of detail, it is difficult to assess the project costs that are included in the  
14 Disbursement Schedule for consistency with what NorthStar has identified as the  
15 assumptions underlying its decommissioning plan.

16 **Q10. Do you agree with Mr. State that in discussing potential repackaging of spent fuel,**  
17 **your report and initial testimony do not acknowledge the use of overpack technology?**

18 A10. No. The report and testimony both assumed use of overpack technology because that  
19 technology is the basis for almost all dry fuel storage systems in use today. Dry fuel storage,  
20 including at the VY Station, utilizes a system where fuel is sealed in a metal canister that  
21 is licensed for both storage on-site and transportation. For on-site storage, the canister is  
22 placed in a storage overpack meant only for that purpose. The license would also allow

1 that sealed canister to be transferred to a specially designed and licensed transportation  
2 overpack for shipment off site. However, the Department of Energy (DOE) has taken the  
3 position that these sealed spent fuel canisters may not be delivered to DOE using overpack  
4 technology without an as-yet-undefined amendment to the standard contract.<sup>1</sup> Entergy and  
5 other purchasers under the standard contract have taken the position, in litigation against  
6 DOE for damages arising from the failure of DOE to accept spent nuclear fuel, that they  
7 cannot rely on an assumption that DOE will allow transfer of the current canisters using  
8 overpack technology.<sup>2</sup> Finally, the United States Court of Appeals for the Federal Circuit  
9 has ruled that under the current standard contract, it is appropriate to assume that the sealed  
10 canisters presently used for dry storage will have to be opened and that the individual spent  
11 fuel assemblies will have to be repackaged into a DOE transportation cask.<sup>3</sup> Thus, the use  
12 of overpack technology does not negate the risk that NorthStar, as well as the rest of the  
13 industry, will be required to repackage spent fuel. NorthStar has not accounted for that  
14 risk. Exhibit DPS-WKB-29, State Dep. 87:8-89:9 (“Q: So have you accounted in any of  
15 your cost estimating work for the probability, even the cost of the low probability that  
16 [NorthStar might be required to repackage spent fuel]? A: No . . .”).

17 **Q11. Do you have any comment on Mr. State’s rebuttal testimony concerning your report**  
18 **and initial testimony’s treatment of the costs for transfer of spent fuel from dry**  
19 **storage to DOE?**

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<sup>1</sup> See Exhibit DPS-WKB-30, *Entergy Gulf States, Inc. v. United States*, Case No. 03-2625C, Plaintiffs’ Post-Trial Brief, ECF No. 266, at 52-53 (Fed. Cl. Sept. 23, 2015) (quoting *System Fuels, Inc. v. United States*, Case No. 03-2621C, Transcript of Proceedings Held on November 7, 2014, ECF No. 203, at 1102:18-21 (Fed. Cl. Dec. 2, 2014)).

<sup>2</sup> See, e.g., *id.* at 52-55; Exhibit DPS-WKB-31, *Entergy Gulf States*, Plaintiffs’ Post-Trial Reply Brief, ECF No. 274, at 39-42 (Fed. Cl. Dec. 3, 2015).

<sup>3</sup> *System Fuels, Inc. v. United States*, 818 F.3d 1302, 1307 (Fed. Cir. 2016).



1 A11. Yes. In my initial testimony, I explained that, as at Entergy's Arkansas Nuclear One  
2 (ANO) site, a cask transfer facility at the VY Station would need to address concerns about  
3 the seismic stability of vertical cask systems where casks are in what is referred to as the  
4 stack-up condition (during which the transfer cask holding the spent fuel canister is stacked  
5 on top of the storage cask in order to insert the canister into the storage cask). Mr. State  
6 identified and addressed in his rebuttal testimony separate concerns related to the strength  
7 of the refueling building floor at ANO to suggest that a transfer facility at the VY Station  
8 would not be as costly. Prefiled Rebuttal Testimony of Scott E. State, at 21:1-4. But the  
9 primary concern related to the stability of spent fuel casks remains. This concern is present  
10 at all plants that utilize cask systems that require a stack-up configuration, including the  
11 VY Station.

12 Mr. State suggests that there are other means to deal with any stack-up-related concerns,  
13 and points to information from Holtec, the vendor providing dry fuel storage equipment  
14 to the VY Station. *See* Exhibit JP-SES-5. The Holtec document discusses a particular  
15 lifting device known as a cask transporter. That transporter is not an alternative to  
16 constructing a cask or canister transfer facility, but instead is a piece of special equipment  
17 to be used along with a transfer facility. *Id.* at 3.

18 **Q12. Do you agree with Mr. State's rebuttal testimony that conservatism in the NorthStar**  
19 **financial modeling adequately accounts for the delay in recovering costs from DOE?**

20 A12. No. Mr. State indicates that NorthStar's model assumes all spent fuel management costs  
21 for a given year are incurred on January 1 and that those costs are recovered on January 1  
22 of the following year, suggesting that NorthStar is, "conservative[ly]," modeling a delay

1 of 12 months in DOE recovery. Prefiled Rebuttal Testimony of Scott E. State, at 22:3-16.

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED] The

13 assumption of a January 1 recovery is not the most appropriate one in this context. A

14 licensee cannot submit a claim to DOE until all spent fuel related spending for the year is

15 complete, i.e., January 1 of the following year. Those recoveries would likely take, at a

16 minimum, 6 months to obtain, and the delay could be as long as one year, based on my

17 experience. [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

1 Separately, Mr. State testifies that the cost of preparing and submitting claims to DOE is  
2 assumed to be \$0 for purposes of the model. Prefiled Rebuttal Testimony of Scott E.  
3 State, at 24:10-12. That is not realistic based on my experience; I am unaware of any  
4 settlement participants that do not engage outside legal counsel to assist in claim  
5 preparation, submittal of claims to DOE, response to DOE inquires, and negotiation of  
6 final reimbursement amounts. NorthStar has not suggested that it would proceed  
7 differently than other contract holders or explained why, even if NorthStar personnel  
8 perform such activities, the cost to do so would be \$0.

9 **Q13. Do you have any response to the discussion of costs for long term spent fuel**  
10 **management in Mr. State's rebuttal testimony?**

11 A13. Yes. Mr. State indicates that any delay in DOE performance requiring storage of spent fuel  
12 beyond the assumed date of 2052 would not result in added costs because the additional  
13 storage costs would be recoverable from DOE. Prefiled Rebuttal Testimony of Scott E.

14 State, at 19:12-20:2. [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED] In addition, there would be

21 continuing costs for preparation and management of claims for recovery from DOE.

1 **Q14. What is your reaction to Mr. State’s assessment that “because waste disposal [for**  
2 **greater than class C (GTCC) waste] is DOE’s responsibility under the standard**  
3 **contract,” NorthStar did not include costs for GTCC waste in the Disbursement**  
4 **Schedule, Prefiled Rebuttal Testimony of Scott E. State, at 32:7-13?**

5 A14. That explanation overlooks the disposal fees for which standard contract holders are  
6 responsible. Unlike for spent fuel, the standard contract holders have not yet paid anything  
7 to DOE for the disposal of GTCC waste. The United States Federal Circuit Court of  
8 Appeals left open the question of allocation of GTCC disposal costs as between DOE and  
9 the standard contract holders.<sup>4</sup> Accordingly, standard contract holders may be responsible  
10 for disposal fees when DOE accepts GTCC waste.

11 **Q15. What is your response to Mr. State’s rebuttal testimony regarding the level of**  
12 **contingency in the NorthStar cost estimate?**

13 A15. Mr. State appears to make two main points regarding contingency. The first is that  
14 contingency for a project being undertaken in the near term can be less than for a project  
15 undertaken at some point in the future because the circumstances surrounding near-term  
16 work are more certain. Prefiled Rebuttal Testimony of Scott E. State, at 33:1-7. As a result,  
17 Mr. State suggests it is reasonable for the NorthStar DECON estimate to have a lower  
18 amount of contingency than the Entergy estimate for SAFSTOR. As explained further  
19 below, I disagree with this reasoning. The second point is that the 10% contingency/profit  
20 in the NorthStar estimate is reasonable because of conservatism NorthStar has included in  
21 the estimate. Prefiled Rebuttal Testimony of Scott E. State, at 33:7-13. Neither detailed

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<sup>4</sup> See *Yankee Atomic Elec. Co. v. United States*, 536 F.3d 1268, 1279 (Fed. Cir. 2008).

1 information on the specific cost elements ostensibly including such conservatism nor the  
2 anticipated cost impact of that conservatism has been provided to date. As such, it is  
3 impossible to assess how much additional contingency is provided by the conservatism Mr.  
4 State cites.

5 **Q16. Why do you disagree with the first point, regarding the lesser need for contingency in**  
6 **projects that will be performed closer in time to the date of the estimate?**

7 A16. Contingency in decommissioning cost estimates is predominately intended to address  
8 performance problems—equipment issues, personnel delays such as waiting for  
9 replacement workers or having workers not ready on time to start work, and weather. In  
10 essence, contingency accounts for performance issues that are fully expected to happen,  
11 but that cannot be attributed to specific tasks or activities in advance. The probability that  
12 those issues will arise does not change based on whether performance will occur now or  
13 many years from now. There can be some element of scope risk incorporated into the  
14 contingency of a decommissioning cost estimate, but that would generally only be a small  
15 part of the total contingency. In almost 30 years of involvement in decommissioning cost  
16 estimating, I have not seen a substantive difference in the level of contingency between a  
17 DECON estimate and a SAFSTOR estimate for a given facility. Even for DECON  
18 estimates, the contingency generally ranges from 15 to 20 percent, with some as high as 25  
19 percent.

20 **Q17. What is your assessment of Mr. State's testimony that the contingency can be less in**  
21 **the NorthStar estimate because of other conservatism incorporated into the estimate?**

1 A17. Decommissioning cost estimates often incorporate some degree of conservatism that is  
2 independent of the specified contingency percentage. Theoretically, conservatism in the  
3 estimate could justify a reduced amount of contingency, but it is not possible to assess  
4 whether that is appropriate in this case based on the information provided to date. Joint  
5 Petitioners have not provided sufficient information to identify areas where conservatism  
6 has been included, quantify that conservatism, explain the basis for the included  
7 conservatism, and evaluate whether the conservatism is sufficiently greater than is reflected  
8 in other decommissioning estimates such that it is reasonable to reduce the level of  
9 contingency.

10 **Q18. Do you have any additional comments concerning the rebuttal testimony of Mr.**  
11 **State?**

12 A18. Yes. There are two issues that were discussed in my report and initial testimony that I  
13 think have been substantially clarified by Mr. State's rebuttal testimony. The first is the  
14 use of rubble from building demolition as fill, and the second is the use of explosives in  
15 demolition.

16 **Q19. How has the reuse of demolition rubble been clarified?**

17 A19. Mr. State has now testified that the NorthStar plan does not rely on reuse of rubble onsite  
18 and that the NorthStar cost estimate assumes that all decommissioning rubble will be  
19 disposed of at appropriate facilities and new material purchased and used as fill.

20 **Q20. How does that clarification affect your previous testimony?**

1 A20. The concerns I expressed in the report and initial testimony regarding the risks involved  
2 with and the potential for cost overruns related to the onsite use of rubblized concrete as  
3 fill material no longer apply if NorthStar is not relying on use of that material.

4 **Q21. Do you have any concerns about the plans for rubblized concrete, as clarified?**

5 A21. Yes. I now understand that the NorthStar model is intended to assume offsite disposal of  
6 all rubblized concrete, [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED],

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 **Q22. How has the use of explosives in demolition been clarified?**

16 A22. Mr. State has explained that certain information contained in the Deal Model spreadsheet  
17 that NorthStar provided in discovery is obsolete, including the information in the Deal  
18 Model indicating that NorthStar intended to use explosives to demolish the vent stack. The  
19 concerns I expressed in the report regarding the risks related to the use of explosives to  
20 demolish contaminated structures do not apply if NorthStar does not intend to use  
21 explosives.

22 **Q23. Do you have a reaction to any part of the rebuttal testimony of Mr. Scheurich?**

1 A23. Yes. Mr. Scheurich's rebuttal testimony takes issue with the opinion expressed in my  
2 testimony that if Entergy were to adopt the same assumptions concerning funding and  
3 performance as NorthStar does, Entergy could begin decommissioning promptly and  
4 complete the decommissioning in about the same time as NorthStar anticipates. I would  
5 like to address four of Mr. Scheurich's specific critiques related to that position.

6 **Q24. First, what is your reaction to Mr. Scheurich's testimony regarding the time required**  
7 **to select and contract with a Decommissioning Operations Contractor?**

8 A24. Mr. Scheurich testifies that it would take about five years for Entergy to select and contract  
9 with a Decommissioning Operations Contractor (DOC). As a result, Entergy could not  
10 complete the decommissioning at the same time as NorthStar. I agree that there would be  
11 time needed to select and contract with a DOC. Mr. Scheurich suggests this delay could  
12 be five years or more, and indicates that millions of dollars would be spent from the NDT  
13 during that time. Prefiled Rebuttal Testimony of Steven A. Scheurich, at 6:10-12.  
14 However, the Entergy SAFSTOR plan assumes that the NDT will earn money at a rate  
15 faster than the expense of maintaining the plant. Although the VY Station plant is not  
16 presently in a SAFSTOR condition, spent fuel is expected to be in dry storage by the end  
17 of 2018, and, thus, the on-going costs to maintain the plant would not be substantially  
18 higher than the estimated SAFSTOR costs. As a result, I believe the NDT would not  
19 decline during the time it would take to engage a DOC, but instead would continue to grow.

20 **Q25. Second, what is your evaluation of the costs Mr. Scheurich states would have to be**  
21 **added to the Entergy estimate to account for oversight of the DOC?**



1 A25. Mr. Scheurich testifies that Entergy oversight of the DOC would add \$150 to \$225 million  
2 to the Entergy estimate. Prefiled Rebuttal Testimony of Steven A. Scheurich, at 7:3-6. Mr.  
3 Scheurich’s testimony appears to overlook the fact that I based my analysis on the Entergy  
4 SAFSTOR cost estimate that was submitted to the NRC along with the Entergy Post  
5 Shutdown Decommissioning Activities Report (PSDAR). Exhibit DPS-DSD-5; *see also*  
6 Prefiled Direct Testimony of Warren K. Brewer, at 7:14-10:4. That Entergy cost estimate  
7 included costs associated with a DOC, including costs for oversight by Entergy staff. *See*  
8 Exhibit DPS-DSD-5, attach. 1, § 3.5.2 (EN-VYND 0001953); *id.* fig. 3.1 (EN-VYND  
9 0001968); *id.* app’x C (EN-VYND 0002002-0002014). The estimate shows that during  
10 active decommissioning, Entergy staff would exceed 100 people, a number consistent with  
11 Mr. Scheurich’s estimate of the needed oversight staff. *See* Prefiled Rebuttal Testimony  
12 of Steven A. Scheurich, at 7:1-6. Furthermore, the Entergy estimate includes roughly \$102  
13 million dollars for Entergy staff (not including security) compared to about \$79 million for  
14 the DOC staff. Exhibit DPS-DSD-5, app’x C (EN-VYND 0002007-EN-VYND  
15 0002014).<sup>5</sup> This level of Entergy staffing should be more than sufficient to oversee the  
16 performance of the DOC. Because the Entergy estimate used in my comparison assumes  
17 use of a DOC and accounts for Entergy oversight staff, there is no need to add costs.

18 **Q26. Third, what is your reaction to Mr. Scheurich’s criticism that the NorthStar and**  
19 **Entergy estimates are not directly comparable?**

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<sup>5</sup> The line items (measured in thousands of dollars) in the Entergy estimate for “Entergy VY Staff Cost” in periods 3a, 3b, 4a, 4b, 4f, and 5b total \$101,544,000. *Id.* The line items for “DOC Staff Cost” in periods 3b, 4a, 4b, 4f, and 5b total \$78,593,000. *Id.*

1 A26. Mr. Scheurich argues that my comparison of the NorthStar and Entergy decommissioning  
2 cost estimates is flawed because the estimates are not directly comparable. The two  
3 estimates are likely not directly comparable at a detailed level. However, the point of the  
4 comparison in my initial testimony was not to demonstrate or suggest that the two estimates  
5 were identical, but rather to compare the resources estimated by Entergy as necessary,  
6 based on its specific cost factors and detailed activities, to the resources estimated by  
7 NorthStar to be needed, based on its cost factors and contracting approach. The conclusion  
8 I reached was that, provided the same assumptions are made regarding funding and overall  
9 decommissioning approach, the resources estimated to be needed by Entergy are  
10 essentially equal to the resources estimated to be needed by NorthStar. Indeed, Entergy's  
11 own staff made a similar comparison and came to a similar conclusion. Exhibit DPS-  
12 WKB-32, Scheurich Dep. 250:3-7, 270:19-271:5, Oct. 4, 2017.

13 **Q27. Finally, could Entergy settle its claims related to the VY Station with DOE?**

14 A27. Yes. Mr. Scheruich states that Entergy could only enter into a settlement agreement for all  
15 of its plants and, because it is not willing do that, Entergy cannot rely on recoveries from  
16 DOE as NorthStar does. Prefiled Rebuttal Testimony of Steven A. Scheurich, at 4:17-5:2.  
17 There are two situations that I am aware of, however, where some, but not all, plants under  
18 common corporate ownership have entered into settlement agreements with DOE. For  
19 example, some of the Duke Energy plants have entered into settlement agreements, but the  
20 Duke Energy plants that were previously owned by Carolina Power and Light or Progress  
21 Energy are still engaged in litigation. Similarly, the Kewaunee plant is owned by  
22 Dominion Power and is engaged in litigation while the remaining Dominion-owned plants

1 have entered into settlement agreements. Nothing prevents Entergy from undertaking a  
2 similar arrangement. Nor does anything prevent Entergy from settling on a fleetwide basis  
3 beyond its own business strategy. Exhibit DPS-WKB-32, Scheurich Dep. 277:9-14 (“Q:  
4 I said the option is available to settle with DOE on a fleetwide basis? A: I don’t believe  
5 that that option is a viable option that we would consider, no. Q: Because of a business  
6 decision. Right? A: That’s correct.”).

7 **Q28. Are you aware that the NRC has issued requests for additional information about the**  
8 **proposed transfer of the license for the VY Station from Entergy to NorthStar?**

9 A28. Yes. The NRC issued a letter addressed to Entergy requesting additional information.  
10 Exhibit DPS-BEW-6, Letter from Jack D. Parrott, Nuclear Regulatory Commission, to A.  
11 Christopher Bakken III, Entergy Nuclear Operations, Inc., Re: Vermont Yankee Nuclear  
12 Power Station – Request for Additional Information Regarding the Request for Direct and  
13 Indirect License Transfers from Entergy to NorthStar (EPID No. L-2017-LLM-0002) (Oct.  
14 12, 2017, corrected to Nov. 3, 2017).

15 **Q29. Are any aspects of the issues you have identified in your testimony raised in the NRC’s**  
16 **requests?**

17 A29. Yes. The NRC asked whether Entergy and NorthStar intend to apply for an exemption  
18 from the regulations otherwise prohibiting NorthStar from using NDT funds for spent fuel  
19 management activities. Exhibit DPS-BEW-6, enclosure 1, at 2. The NRC also asked why,  
20 if the parties do not seek a new exemption, Entergy and NorthStar believe that the  
21 exemption previously granted to Entergy would apply to NorthStar. *Id.* My initial

1 testimony similarly identified the risk that the exemption granted to Entergy may not  
2 transfer to NorthStar as a risk to the overall funding approach for decommissioning.

3 **Q30. Does this conclude your testimony?**

4 A30. Yes, at this time.