

Congress of the United States
Washington, DC 20515

October 1, 2018

Mr. Kris Singh
President and Chief Executive Officer
Holtec International
One Holtec Drive
Marlton, NJ 08053-3421

Ms. Pamela B. Cowan
Senior Vice President and Chief Operating Officer
Holtec Decommissioning International
One Holtec Drive
Marlton, NJ 08053-3421

Mr. Leo Denault
Chairman and Chief Executive Officer
Entergy
639 Loyola Ave
New Orleans, LA 70113

Mr. Chris Bakken
Executive Vice President of Nuclear Operations and Chief Nuclear Officer
Entergy Nuclear
639 Loyola Ave
New Orleans, LA 70113

Dear Mr. Singh, Ms. Cowan, Mr. Denault, and Mr. Bakken,

We write in advance of the submission by Entergy Nuclear Generation Company (Entergy) to the Nuclear Regulatory Commission (NRC) of a Planned License Transfer Application. That license transfer application would transfer the ownership of Pilgrim Nuclear Power Station (Pilgrim) to Holtec International, Holtec Pilgrim LLC and Holtec Decommissioning International LLC (collectively "Holtec") as the licensed operator. Regardless of whether the NRC approves or denies this license transfer application, the Pilgrim decommissioning must

prioritize safety, security, and the concerns of local stakeholders, and consider the potential costs to ratepayers.

Entergy and Holtec have the responsibility to submit an application that is of the very highest standard. First and foremost, Entergy and Holtec must ensure that the public interest is protected. On the specific details of this application, which we understand Entergy will soon submit, we request that you closely consider the following issues.

First, Holtec and Entergy's plans for the ownership and decommissioning of Pilgrim must prioritize safety. In your forthcoming application, please detail how Holtec will assume responsibility for safe operations and will improve upon the abysmal Pilgrim safety record. Additionally, any Pilgrim licensee should have thorough plans for communicating regularly with the public and local stakeholders. This communication is essential to ensure that that all members of the community understand how Pilgrim will be operated safely and can be confident that security measures satisfy federal requirements and community expectations.

Second, Entergy and Holtec should provide Holtec's plans to assume rights to funding provided by the Pilgrim Nuclear Decommissioning Trust. According to published reports, the current level of the trust fund at \$1.08 billion may be insufficient to complete safe storage decommissioning (SAFSTOR) over the coming decades.¹ This is troubling. Holtec has proposed to conduct immediate dismantling decommissioning (DECON) in eight years, by 2027. Given the amount of funds currently available in the trust fund, your application must provide extensive detail in order for the NRC and the public to carefully assess if that timeline is achievable in a safe and secure manner. It would be unacceptable for Entergy or Holtec to demand additional money from Massachusetts ratepayers, or the American taxpayer, to complete the decommissioning process at Pilgrim, should the trust fund prove insufficient.

Entergy and Holtec should provide to the NRC, and make public, written information about possible contingencies, including (a) how cost overruns should be handled in the next decade and beyond; (b) how a contingency fund of at least \$50 million currently managed by Entergy will figure into the proposed license transfer; and (c) how possible financial difficulties at any Holtec International subsidiary might affect the decommissioning process. Finally, as part of this application, Holtec and its subsidiaries need to share with the public and the NRC any plans to use the Nuclear Decommissioning Trust for activities beyond management of spent fuel.

Third, Entergy and Holtec should provide substantial detail in this application of Holtec's proposed financial and corporate structure changes. To accomplish a safe, secure, and cost-effective decommissioning, all Holtec entities — including any newly created entities — ultimately must be accountable for the work that will be ongoing at Pilgrim for many years. To that end, the NRC and the public need to be able to closely examine the insurance policies that Holtec and its subsidiaries will purchase to cover liability at the Pilgrim site.

¹ In 2008, Entergy estimated that the cost of SAFSTOR decommissioning at Pilgrim would be \$914 million. In 2018, that amount is equivalent to \$1.11 billion.

Additionally, it could be inappropriate for Holtec to buy from or sell to a Holtec-owned subsidiary any assets associated with the decommissioning process — including the sale of spent fuel. We are concerned that such transactions could involve conflicts of interest that could create perverse transactional incentives and lead to misspent funds, including misuse of the Nuclear Decommissioning Trust or other taxpayer funds. The application submitted by Entergy and Holtec, or any follow-up memoranda, should detail proposed future transactions involving spent fuel, storage, transport, and other costs associated with the DECON decommissioning process.

Fourth, Entergy and Holtec should provide additional detail on proposed changes to the workforce at the Pilgrim plant. There have been conflicting statements made at public meetings and to local stakeholders on whether a qualified workforce will be maintained at the Pilgrim site, including questions about the number of workers remaining on site and for how long. For years, Pilgrim workers and Entergy have planned for workforce needs as decommissioning moves forward. The forthcoming license transfer application must include Entergy and Holtec's detailed plans for union involvement in the decommissioning process and for maintaining the requisite level of worker expertise at the Pilgrim site. The license transfer application should also address the provision of additional resources for worker retraining.

Fifth, Entergy and Holtec must address the compressed timeline associated with transferring the Pilgrim operating license, considering that decommissioning is set to begin within several months. Entergy and Holtec must maintain constant communication with the involved parties, the community, state and local emergency management and first responders, our offices, and other relevant stakeholders. This level of communication is necessary to ensure that the decommissioning process is open, transparent, safe, and secure, all while meeting the goal of beginning the Pilgrim decommissioning by June 1, 2019. The owner of Pilgrim, whether Entergy or Holtec, needs to follow standard, transparent procedures for the permanent cessation of operations, including by providing written notification and submitting a Post-Shutdown Decommissioning Activities Report (PSDAR).

Given the transfer of ownership, Entergy and Holtec should describe in detail in this application the planned possible PSDAR for the site, and as the process moves forward, how each company will submit a PSDAR for Pilgrim in the first quarter of 2019. Without exception, Entergy and Holtec must both be responsible for submitting the PSDAR at least 90 days before the start of any major decommissioning activities at Pilgrim. Given the stark differences between Holtec's intended plan for decommissioning under DECON, and Entergy's existing plans to decommission Pilgrim using SAFSTOR, it is imperative that both companies demonstrate a commitment to the safe and secure decommissioning of this site and describe those plans in writing.

Finally, Entergy and Holtec should hold additional meetings in Massachusetts at every stage of this license transfer. The voices of those most affected by the Pilgrim decommissioning must be heard. Only with their continued input can we be assured that Pilgrim decommissioning will proceed with the highest level of safety and security, and stewardship of taxpayer funds.

Mr. Singh, Ms. Cowan, Mr. Denault, Mr. Bakken

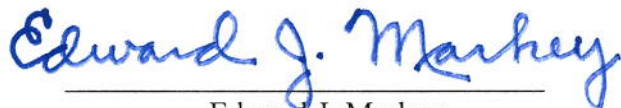
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Entergy and Holtec need to work with the Plymouth community and the rest of Massachusetts to ensure that agreements with the state and public remain in place and continue to be strengthened. This should include agreements with Massachusetts Emergency Management Agency (MEMA) on radiation levels at the Pilgrim site, and with the Office of Coastal Zone Management to continue emergency planning for all communities within the ten-mile radius of the Pilgrim Emergency Planning Zone and any other communities that would be affected by evacuation plans within the Zone.

Thank you for your immediate attention to these matters. Please contact Lindsey Griffith (Senator Markey) at (202) 224 2742 and Michael Jackman (Congressman Keating) at (508) 746 9000 if you have questions and to follow up on these requests.

Sincerely,



Edward J. Markey
United States Senator



William R. Keating
Member of Congress