

**STATE OF VERMONT
PUBLIC SERVICE BOARD**

Amended Petition of Entergy Nuclear Vermont)
Yankee, LLC and Entergy Nuclear Operations,)
Inc., for amendment of their Certificate of Public)
Good and other approvals required under 30)
V.S.A. § 231(a) for authority to continue after)
March 21, 2012, operation of the Vermont)
Yankee Nuclear Power Station, including)
the storage of spent-nuclear fuel)

Docket No. 7862

**MEMORANDUM OF UNDERSTANDING AMONG ENTERGY NUCLEAR VERMONT
YANKEE, LLC, ENTERGY NUCLEAR OPERATIONS, INC., VERMONT PUBLIC
SERVICE DEPARTMENT, AND VERMONT AGENCY OF NATURAL RESOURCES**

With respect to the above-captioned docket, those entities on behalf of which a signature appears at the end of this document stipulate and agree as follows:

WHEREAS the Vermont Yankee Nuclear Power Station ("VY Station") is a nuclear power plant located in Vernon, Vermont that is owned by Entergy Nuclear Vermont Yankee, LLC ("EVY") and operated by Entergy Nuclear Operations, Inc. ("ENO," and together with EVY, "Entergy VY");

WHEREAS Entergy VY operated the VY Station until March 21, 2012, pursuant to a license from the Nuclear Regulatory Commission ("NRC") and a Certificate of Public Good ("CPG") from the Vermont Public Service Board ("Board"); before the expiration of those approvals, the NRC renewed the license of Entergy VY for a further 20-year term; and EVY and ENO petitioned the Board for a new CPG for a further 20-year term;

WHEREAS EVY, ENO, the Vermont Public Service Department ("PSD"), and the Vermont Agency of Natural Resources ("ANR") (collectively, "the Parties") disagree whether EVY had authority from the State of Vermont to operate the VY Station after March 21, 2012, and the Parties also disagree about much of the evidence presented to the Board in connection with Entergy VY's petition for a further 20-year term, including, among other things, the degree, extent, and duration of economic dislocation that residents of Vermont would experience as a result of the shutdown of the VY Station;

WHEREAS until August 27, 2013, Entergy VY was seeking from the Board a CPG that would permit Entergy VY to operate the VY Station through 2032, but (1) on August 27, 2013, Entergy VY announced that it will cease operating the VY Station at the end of the current operating cycle; (2) on August 27, 2013, filed a Second Amended Petition with the Board, seeking a CPG from the Board to continue operations to generate electricity only through December 31,

2014; and (3) on September 23, 2013, ENO formally notified the NRC that the VY Station would permanently cease power operations effective at the end of the current operating cycle, which is expected to be no later than December 31, 2014;

WHEREAS in consideration of the compromises made by and between the Parties, Entergy VY has made certain commitments to the State, including obligations and payments described below, as well as commitments related to the dismissal of outstanding litigation, continuation of existing tax obligations, and a commitment to make a payment of \$5 million on or before April 25, 2015 to the State of Vermont Department of Taxes;

WHEREAS it is in the best interests of Entergy VY and the State that post-operation matters concerning the VY Station are addressed as constructively and transparently as possible, including those issues addressed in this Memorandum of Understanding ("MOU");

NOW, THEREFORE, the Parties agree as follows:

1. The Parties hereto agree that the issuance of a CPG conditioned as described in this MOU and authorizing continued operation of the VY Station until December 31, 2014 will promote the general good of the State of Vermont. PSD and ANR agree that the Board should issue an Order granting CPG(s) effective as of March 21, 2012 for (a) operation of the VY Station through December 31, 2014, and (b) storage of spent nuclear fuel derived from such operation, as requested by the Second Amended Petition filed by Entergy VY in this docket on August 27, 2013.

In the event that by March 31, 2014, the Board has not granted Entergy VY such a CPG that approves this MOU substantially in its entirety and contains conditions that do not materially alter, add to, or reject what is provided for by this MOU, each Party agrees that this MOU may terminate, if such Party so determines in its sole discretion and provides written notice within ten (10) days of Board issuance of its order, whereupon each Party shall be placed in the position that it occupied before entering into this MOU.

2. On or before December 31, 2014, Entergy VY shall cease all nuclear power generating operations at the VY Station, except for the operation of emergency back-up generators as needed, including periodic testing of same. Notwithstanding the foregoing, in the event the current operating cycle is affected by unexpected operational events that are beyond Entergy VY's reasonable control (whether external to the plant or otherwise), Entergy VY may seek permission to operate the VY Station for a limited period of time after December 31, 2014. Entergy VY will not operate the VY Station beyond December 31, 2014 unless (1) PSD supports Entergy VY's request to extend operation, and (2) Entergy VY seeks and obtains approval from both the NRC and the Board by December 31, 2014 for such limited continued operation. It shall not be sufficient that Entergy VY commenced the steps needed to obtain NRC and Board approval before December 31, 2014; Entergy shall not operate in 2015 unless, during 2014, it receives every approval necessary for those limited operations. Entergy VY assumes the risk that either the NRC or the Board or both may not approve Entergy VY's request in 2014. In the event that Entergy VY obtains the Board and NRC approvals to operate beyond December 31, 2014, under no circumstance, including pursuant to 3 V.S.A. § 814(b), shall Entergy VY refuel or in any way supplement