

August 8, 2006

The Honorable Judd Gregg
United States Senate
Washington, DC 20510-2904

Dear Senator Gregg:

I am responding on behalf of the Nuclear Regulatory Commission (NRC) to your letter dated June 22, 2006. You forwarded a letter from Mr. Sterling E. Kenyon that included a letter to the editor of *The Colebrook News and Sentinel* (Colebrook, NH), expressing opposition to the Vermont Yankee Nuclear Power Station (Vermont Yankee). Specifically, the letter to the editor and Mr. Kenyon express opposition to the recently approved power uprate and ongoing license renewal activities. The writer also raises concerns regarding the age of the plant, the possibility of spreading radiation over a 50-mile radius in the event of an accident, and the Price Anderson Act.

To address potential safety concerns, the NRC staff has reviewed the Entergy Nuclear Operations (Entergy) application for the Vermont Yankee power uprate and is currently reviewing the application for license renewal. The NRC staff spent more than 11,000 hours reviewing the licensee's analysis and justification for the proposed power uprate. NRC's review included the evaluation of tests performed during power ascension to the uprated power conditions. In addition to the technical review, the NRC staff spent more than 900 hours inspecting plant modifications associated with the power uprate. During the ongoing review of the Vermont Yankee license renewal application, the NRC staff will conduct further extensive safety and environmental reviews. The NRC staff will assure that aging effects will be appropriately managed, the licensing bases related to the present plant design and operation will be maintained, and the environment will be protected. In determining whether to issue a renewed license, NRC will confirm that there is a technically- and legally-sufficient basis for a 20-year license extension as reflected in the NRC's safety evaluation report and final environmental impact statement supplement and the license renewal application.

Consistent with NRC regulations, the NRC granted Vermont Yankee Nuclear Power Corporation, in 1972, the licensee at that time, a 40-year operating license for Vermont Yankee. NRC inspections have been performed at the plant since that time. To address facility aging throughout the life of a plant, NRC monitors a licensee's performance and compliance with regulatory requirements with onsite resident inspectors and region-based inspectors through the NRC's Reactor Oversight Process. NRC requires licensees to test and monitor the condition of safety equipment and to maintain that equipment in safe and reliable operating condition over the entire operating life of the plant. The NRC also requires licensees to identify and expeditiously correct deficiencies that could impact plant safety. Over the years, the licensee has replaced or overhauled plant equipment as needed. Where appropriate, the licensee has also upgraded equipment or installed new equipment to replace or supplement original systems. The testing, monitoring, maintenance, and replacement of plant equipment provides assurance that the equipment will perform its intended safety functions.

Prior to issuing a license for a nuclear power plant, the NRC is required to determine that there is reasonable assurance that the public health and safety is adequately protected. Nuclear

power plants such as Vermont Yankee are designed with multiple barriers to prevent the release of radiation to the environment in the unlikely event of an accident. Specifically, nuclear power plants are equipped with multiple redundant safety systems and additional barriers such as plant containment systems that are designed to limit the release of radioactive material beyond the site boundary to within the values prescribed by NRC regulations. Risk analyses have shown the likelihood of these systems failing to limit the release of radioactive material during an accident to be very small. As such, the possibility of an accident having significant public consequences over a 50-mile radius is remote. Even so, as further defense-in-depth, the NRC requires that emergency planning be in place to assure that adequate public protective measures can and will be implemented if necessary during an accident.

The Price Anderson Act (the Act) requires nuclear power plant licensees to obtain nuclear liability insurance. Each nuclear power plant licensee must have primary insurance coverage of \$300 million. The Act further requires that these licensees participate in the secondary retrospective insurance pool whereby these licensees are required to contribute up to \$95.8 million per reactor per accident in the event a nuclear accident exceeds the required primary insurance coverage. The primary and second insurance layers result in a pool of more than \$11 billion to cover an accident. If an accident costs more than this amount, the U.S. Congress can evaluate the need to take additional action.

NRC's mission is to ensure the protection of public health and safety, promotion of the common defense and security, and protection of the environment. NRC will continue to regulate ongoing and future activities at Vermont Yankee to accomplish this mission.

I hope that this letter satisfactorily addresses the concerns of your constituent.

Sincerely,

/RA William F. Kane Acting for/

Luis A. Reyes
Executive Director
for Operations

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