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Palisades Nuclear Generating Station

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UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

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10 CFR 2.206 PETITION REVIEW BOARD (PRB)

CONFERENCE CALL

RE:

PALISADES NUCLEAR GENERATING STATION

+ + + + +

WEDNESDAY

OCTOBER 24, 2012

+ + + + +

The conference call was held, Michele Evans, Chairperson of the Petition Review Board, presiding.

PETITIONER: MIKE MULLIGAN

PETITION REVIEW BOARD MEMBERS

MICHELE EVANS, NRR/DORL, PRB Chairperson

TERRY BELTZ, NRR/DORL, Petition Manager for

2.206 petition

LEE BANIC, NRR/DPR/PGCB, Petition Coordinator

ROBERT CARLSON, NRR/DORL

STEVE FRANKL, RES/DSA/RSAB

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NRC REGIONAL STAFF:

JACK GIESSNER, RIII

JAY LENNARTZ, RIII

ALSO PRESENT:

JIM KUEMIN, Palisades/Entergy

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P-R-O-C-E-E-D-I-N-G-S

(3:07 p.m.)

MR. BELTZ: I think we're ready to go. I think we have everyone we need either here at headquarters or on the line. So I'll start off. I'd like to thank everyone for attending this meeting. My name is Terry Beltz, and I'm a senior project manager in the Division of Operating Reactor Licensing at NRC headquarters.

We're here today to allow the petitioner, Mr. Mike Mulligan, to address the Petition Review Board regarding 2.206 petitions dated July 27th and July 28, 2012. I'm the petition manager for the petition, and the Petition Review Board chairman is Michele Evans.

As part of the PRB's review of this petition, Mr. Mulligan has requested this opportunity to address the PRB. This meeting's scheduled from 3:00 to 4:00 p.m. Eastern Time. The meeting is being recorded by the NRC Operations Center and will be transcribed by a court reporter.

MR. MULLIGAN: Plus eight minutes, right, because we started late?

MR. BELTZ: Yes, we'll allow you sufficient time.

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1 MR. MULLIGAN: Thank you.

2 MR. BELTZ: The transcript will become a
3 supplement to the petition, and the transcript will
4 also be made publicly available.

5 Is the court reporter on the line?

6 COURT REPORTER: This is the court
7 reporter. Yes, I am.

8 MR. BELTZ: Okay. Good afternoon.

9 I'd like to go ahead and open the meeting
10 with introductions. As we go around the room, please
11 be sure to clearly state your name, your position and
12 the office that you work for within the NRC, for the
13 record. And I'll start off.

14 As I said, my name is Terry Beltz. I'm a
15 project manager in the Division of Operating Reactor
16 Licensing. I am the petition manager.

17 MS. EVANS: Michele Evans, and I am the
18 PRB chairman.

19 MR. CARLSON: Bob Carlson. I am the
20 branch chief within DORL.

21 MS. BANIC: Lee Banic, 2.206 petition
22 coordinator.

23 MR. FRANKL: Steve Frankl, former branch
24 chief at DORL.

25 MR. BELTZ: Okay, that completes

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1 introductions at NRC headquarters. Are there any
2 additional participants from headquarters on the
3 phone? Are there any NRC participants from the
4 regional office on the phone?

5 MR. LENNARTZ: Yes, this is Jay Lennartz
6 from Region III. I'm the project engineer in Branch
7 4.

8 MR. BELTZ: Hi, Jay.

9 MR. LEONARDS: Hello.

10 MR. BELTZ: Are there any representatives
11 for the licensee on the phone?

12 MR. KUEMIN: This is Jim Kuemin from
13 Palisades/Entergy.

14 MR. BELTZ: Okay. Mr. Mulligan, will you
15 please introduce yourself for the record?

16 MR. MULLIGAN: Hi, I'm Mike Mulligan. I
17 live in Hinsdale, New Hampshire, and I'm a
18 whistleblower.

19 MR. BELTZ: Okay, thank you. Okay, it is
20 not required for other members of the public to
21 introduce themselves for this call. However, if
22 there are any members of the public on the phone that
23 wish to do so at this time, please state your name
24 for the record.

25 Okay, did I miss anyone else who may be

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1 on the phone?

2 Okay, I'd like to emphasize that we each
3 need to speak clearly and loudly to make sure that
4 the court reporter can accurately transcribe this
5 meeting. If you do have something that you would
6 like to say, please first state your name for the
7 record.

8 For those who are dialing into the
9 meeting, please remember to mute your phones to
10 minimize any background noise or distractions. If
11 you do not have a mute button, this can be done by
12 pressing the keys, star, 6. To unmute, press the
13 star, 6, keys again. Thank you.

14 At this time I'll turn the discussion
15 over to Michele Evans, the PRB chairman.

16 MS. EVANS: Good afternoon. I'm Michele
17 Evans. I'm the PRB chairman. I'd like to welcome
18 everyone to this meeting regarding the 2.206 petition
19 submitted by Mr. Mulligan. And I apologize for being
20 late. Honestly, my watch stopped, so I didn't
21 realize until just now that I had been like nine
22 minutes late. Sorry about that.

23 I'd like to first share some background
24 on our process. Section 2.206 of Title 10 of the
25 Code of Federal Regulations describes the petition

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1 process, the primary mechanism for the public to
2 request enforcement action by the NRC in a public
3 process.

4 The process permits anyone to petition
5 NRC to take enforcement type action related to NRC
6 licensees or license activities. Depending on the
7 results of this evaluation, the NRC could modify,
8 suspend or revoke an NRC issued license or take any
9 other appropriate enforcement action to resolve a
10 problem. The NRC staff guidance for the disposition
11 of 2.206 petition requests is in Management Directive
12 8.11 which is publicly available.

13 The purpose of today's meeting is to give
14 the petitioner an opportunity to provide any
15 additional explanation or support for the petitions
16 before the Petition Review Board's final
17 consideration and recommendation.

18 This meeting is not a hearing nor is it
19 an opportunity for the petitioner to question or
20 examine the PRB on the merits of the issues presented
21 in the petition request. No decisions regarding the
22 merits of this petition will be made at this meeting.

23 Following the meeting the Petition Review Board will
24 conduct its internal deliberations. The outcome of
25 this internal meeting will be discussed with the

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1 petitioner.

2 The Petition Review Board typically
3 consists of a chairman, usually a manager at the
4 Senior Executive Service level at the NRC, and has a
5 petition manager and a PRB coordinator. Other
6 members of the Board are determined by the NRC staff
7 based on the content of the information in the
8 petition request.

9 At this time I'd like to introduce the
10 Board and advisors. As I said, I'm Michele Evans,
11 the Petition Review Board chairman. Terry Beltz is
12 the petition manager for the petitions under
13 discussion today. Lee Banic is the Office's PRB
14 coordinator. Dave Pelton is the branch
15 chief for the Generic Communications Branch
16 responsible for coordination of the 2.206 petition
17 process. Bob Carlson is the branch chief for Plant
18 Licensing Branch 3-1, which includes Palisades.
19 Steve Frankl is formerly the acting branch chief for
20 Plant Licensing Branch 3-1.

21 The following individuals are involved
22 from the regional office. Jack Giessner is a branch
23 chief of Project Branch 4 in Region III, and Jay
24 Lennartz is a project engineer in Project Branch 4 in
25 Region III Division of Reactor Projects.

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1 We also obtain advice from our Office of
2 General Counsel represented by Christopher Hair. As
3 described in our process, the NRC staff may ask
4 clarifying questions in order to better understand
5 the petitioner's presentation and to reach a reasoned
6 decision whether to accept or reject the petitioner's
7 request for review under the 2.206 process.

8 I would like to summarize the scope of
9 the two petitions under consideration and the NRC
10 activities to date. Petition Number 1, on June 27th
11 Mr. Mulligan submitted to the NRC a petition
12 regarding concern associated with leakage from the
13 safety injection refueling water tank at the
14 Palisades Nuclear Plant.

15 In his petition, Mr. Mulligan requested
16 that Palisades remain shut down. Mr. Mulligan is
17 critical of Entergy, the NRC and the programmatic
18 aspects of the regulatory program based upon recent
19 events at Palisades and other Entergy plants as to
20 the values of Entergy and a lack of NRC regulatory
21 oversight.

22 He focuses on the recent leak of the
23 safety injection refueling water tank at Palisades,
24 but also discusses past events at both Palisades and
25 other Entergy owned facilities. The petitioner also

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1 discusses a lack of adequate safety culture
2 environment at Palisades and specifies a number of
3 actions to be taken.

4 The second petition filed on June 28th by
5 Mr. Mulligan submitted to the NRC a petition
6 associated with roof leakage at the Palisades Nuclear
7 Plant. In this petition Mr. Mulligan requested that
8 the Palisades plant remain shut down.

9 Mr. Mulligan focuses on roof leaks at
10 Palisades and also discusses past events at both
11 Palisades and other Entergy owned facilities. He
12 discusses a lack of adequate safety culture
13 environment at Palisades and is also critical of the
14 NRC staff for tolerating and covering up very serious
15 safety problems at Palisades and throughout the
16 Entergy organization.

17 He also is critical of final
18 determinations made in past 2.206 petitions and that
19 Entergy and the NRC processes failed to detect and
20 resolve safety culture issues. Mr. Mulligan includes
21 specific questions related to roof leaks at
22 Palisades. He also specified additional actions to
23 be taken in addition to those in Petition 1.

24 So I'd like to give a description of the
25 NRC activities to date. The PRB met internally on

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1 July 10th and July 31st to discuss the request for
2 immediate action associated with the June 27th and
3 28th petitions. The PRB denied his request for
4 immediate action on the basis that there was no
5 immediate safety concern identified that would
6 prohibit a Palisades reactor plant start-up or had an
7 effect on the health and safety of the public.

8 His request also did not provide any new
9 information or information specific enough for the
10 NRC to further consider making an immediate action
11 determination. He was informed on July 17th and
12 again on August 8th of the PRB's decision to deny his
13 request for immediate action related to the two
14 petitions under consideration.

15 On August 8th, the petition manager
16 contacted him to discuss the 2.206 process and to
17 offer an opportunity to address the PRB by phone or
18 in person. He was also informed that the petitions
19 he submitted would be consolidated since the
20 petitions were submitted at or about the same time,
21 the requested actions were against the same licensee,
22 and with a few unique issues addressed essentially
23 the same specific concerns.

24 Consolidation of the petitions does not
25 reduce the importance of the circumstances being

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1 discussed but does streamline the NRC staff review
2 process and response.

3 Okay, and then on August 9th, the
4 petitioner informed the petition manager of his
5 desire to address the PRB by phone prior to its
6 internal meeting to make the initial recommendation
7 to accept or reject the petition for review.

8 In Petition 2, the petitioner requested
9 to meet with the Palisades inspector and other
10 inspectors to discuss the conditions at Palisades
11 before the Petition Board pre-hearing. On August
12 21st the phone call was held between the petitioner
13 and members of the regional inspection staff
14 regarding ongoing issues at Palisades.

15 On August 29th, the petitioner addressed
16 the PRB. The purpose of the call was to give the
17 petitioner an opportunity to provide additional
18 information supporting the petition. On September
19 24th, the PRB met internally to review the petition
20 and make an initial recommendation. The PRB rejected
21 the petition using the criteria of Management
22 Directive 8.11.

23 On September 27th, petition manager
24 provided the PRB's initial recommendation to the
25 petitioner and offered the petitioner a second

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1 opportunity to address the PRB. And on October 4th,
2 the petitioner requested an additional opportunity to
3 address the PRB.

4 As a reminder for the phone participants,
5 please identify yourself if you make any remarks, as
6 this will help us in the preparation of the meeting
7 transcript that will be made publicly available.
8 Thank you.

9 Mr. Mulligan, I'll now turn the meeting
10 over to you to allow you to provide any information
11 you believe the PRB should consider as part of these
12 petitions. Please bear in mind that you will have
13 approximately 45 minutes to address the PRB.

14 MR. LENNARTZ: Excuse me, Mr. Mulligan.
15 Before you start, this is Jay Lennartz in the Region.
16 Jack Giessner, the Region III branch chief, will be
17 joining the call shortly and I just wanted to
18 announce him.

19 MR. MULLIGAN: Oh, thank you. And I
20 wanted to thank Jack Giessner and the two inspectors
21 at Palisades for talking with me. We had a, I
22 thought was a very nice conversation and stuff like
23 that so it was very appreciative that the NRC had
24 provided me with that opportunity.

25 I'm just reading the Markey letter, the

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1 recent Markey letter that went up on the NRC internet
2 site, and a critical element in the conduct of
3 safety culture surveys is confidentiality.

4 Employees must believe that they share
5 their observation in complete confidentiality for the
6 sole purpose of improving the quality of their
7 workplace. That's the NRC's response to Markey's
8 letter.

9 What I'm saying is, you know, what all
10 we've seen is that the NRC and the utility has taken
11 hostage the confidentiality and anonymity of
12 employees. You know, they've twisted this thing
13 around and stuff like that where they're using
14 confidentiality against us.

15 And the question is, how come we can't
16 have an industry where a professional, and many of
17 these guys have high degrees or are licensed and they
18 have in the control of their fingers enormous powers,
19 why can't we trust them to speak on their own without
20 fear of retaliation or confidentiality?

21 This confidentiality issue as far as the
22 NRC's concerned is with the employees that can say
23 over a period of history they feel intimidated by
24 many of these plants, and, you know, a lot of these
25 intimidations can't be, have triplicate proof and so

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1 they go to the wayside and stuff like that. The
2 agency can't act on these things to make sure that an
3 employee is free to say whatever he wants and stuff.

4 And so a lot of this stuff with
5 confidentiality and anonymity drives these employees
6 to, you know, the only entry to their concerns is the
7 utility and stuff and maybe, if they're lucky, the
8 NRC, which has shown themselves not to be too
9 sensitive to not preventing an intimidated atmosphere
10 where everybody needs this super-duper
11 confidentiality type of stuff.

12 And I can see the world of an environment
13 where these highly trained and professional
14 employees, like I said, have enormous power at their
15 fingertips whether it's through a dial on the powers
16 at the reactor or on the internet. You know, we
17 should treat them specially. We should give them the
18 power to say whatever is on their mind to whoever
19 they think we'll listen to them.

20 And I just want to make sure everybody
21 knows that generally confidentiality and anonymity,
22 the way the industry plays the game is to submerge
23 what's really going on a lot of times with the
24 employees. They don't have the freedom to figure out
25 which routes they can use.

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1 Can I talk to my utility? A lot of
2 utilities will listen very decently, some won't, and
3 so you give them the opportunity to talk to the NRC.
4 And then some employees, you know, feel that they
5 can't talk to the NRC. So why can't these employees,
6 you know, use their common decency to go with
7 wherever they think is the best route and stuff? So
8 that's one thing.

9 We also know that in the safety injection
10 refueling water tank, you know, at best this is
11 sloppy engineering for years and stuff, and really
12 you have to say to yourself, would the NRC tolerate
13 that on a new plant? If a new plant was just before
14 startup they had leaking safety refueling injection
15 tanks, would they accept that kind of stuff? How
16 come they accept it from an operating plant and stuff
17 when they wouldn't accept that from a new plant and
18 things?

19 We know that Palisades has a host of
20 confirmatory orders and escalated enforcement actions
21 across the board. We know that Palisades has with
22 their cracks in their CRDM mechanisms, you know, the
23 fuels and the cracks in the mechanisms, they have a
24 history of, you know, tolerating these degraded
25 conditions and not replacing them with, you know,

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1 good components like the rest of the, like the good
2 players in the industry.

3 What I've been trying to do, you know,
4 I'm not, was it an immediate action I was asking for?

5 Was it an immediate shutdown I was asking for with
6 Palisades? And those generally are hurdles I have to
7 go, you know, to get past in order to go into a 2.206
8 process.

9 You know, all I'm trying to do is get
10 Entergy to change their heart, to act in a good way,
11 to act in the long term interest of their employees
12 and their ratepayers and stuff. That's all I'm
13 trying to do. I mean, you know, you flipping these
14 procedures at me and policies and stuff like that,
15 all I'm trying to get to do is have the NRC force
16 Entergy to act in the right way, to act in a good
17 manner. That's all I'm trying to do.

18 And I don't know why we always turn this
19 around to procedures. I don't meet some sort of
20 procedures, or I want an immediate shutdown. I want
21 people to act good and behave well, and think about
22 our common good of our nation and stuff like that not
23 the common good of a policy that nobody can see. But
24 that's what I've been trying to do.

25 And so from 2010 essentially, you know,

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1 until the red finding that's what I was trying to do
2 was to get, maybe I could say a couple words that
3 Entergy might take to heart and it would change their
4 behavior.

5 Then post the red finding, you know, you
6 have the safety injection refueling tank, a couple of
7 shutdowns, CRDM cracks and stuff like that. This is
8 still, I don't care if it's approved by the NRC, this
9 is not acting in a professional engineering manner to
10 allow this sloppiness to continue on.

11 The model we see with this sloppiness is
12 like San Onofre where they have bad behavior over a
13 number of years and possibly decades, and they end up
14 buying faulty steam generators and then that gets
15 them the shutdown and stuff like that.

16 Is this what we're going to see with
17 Palisades? One of these days we're going to see a
18 fatal error and that's what shuts them down? Is that
19 what turns their behavior and stuff? I mean I don't,
20 I just, you know, what is the object of having the
21 NRC?

22 You know, are the opaque economics behind
23 Palisades causing this entrenched bad behavior? What
24 if all the plants in the United States were behaving
25 as bad as Palisades or Browns Ferry or Fort Calhoun?

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1 If this is the floor we're putting under
2 these plants, what if they all said, you know, this
3 is the way we've got to, you know, this is the only
4 way we can survive in the economic conditions we have
5 now. We can only, you know, the bad plants are
6 making more money than us, they're getting, you know,
7 the financial people like guys they're taking
8 shortcuts that we can't see, and so we've all got to
9 behave in that kind of, you know, meeting minimal
10 regulatory requirements.

11 It's interesting, Entergy's business
12 strategy prior to 2008. You know, we think about the
13 2000, California energy debacle. Most of this stuff
14 was about people gaining electric prices, so also
15 gaining the natural gas prices. That's essentially
16 what, that made that market go crazy in 2010.

17 Post that basically the utilities have,
18 and there was a startling increase in Dow Jones
19 utility average stock prices until 2008. It was just
20 astonishing, a speculative bubble with the utilities.

21 Some utilities didn't take part in it but most of
22 them did and stuff. And this is what I think Entergy
23 was chasing. They were chasing speculations by
24 buying a bunch of merchant plants.

25 And it should be noted that on December

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1 7th, 2007, the Dow Jones utility averages was 550.
2 Five years later, today, it's 476. I mean that just
3 gives you an idea of this speculation bubble that the
4 utilities undertook. And that's when Palisades
5 bought a lot of their merchant plants in that period
6 and stuff.

7 The rise in prices of electricity are
8 basically keyed off natural gas prices. You know,
9 they had a really small share of the market but the
10 prices of natural gas set the price of electricity in
11 general throughout the nation from 2000 to 2008.

12 And there were bottlenecks and not enough
13 piping capacity and price spikes and stuff through
14 those years, and the price of electricity, generally,
15 until 2008 drastically increased and stuff. Natural
16 gas was the prime driver of rising electricity prices
17 throughout the nation, and then we had fracking and,
18 you know, just recently, 2009, 2010.

19 So I think a lot of this is driving on,
20 you know, not paying for our grid system in electric.

21 This is all speculation and people trying to make
22 money, and the whole function of the utility market
23 is in big trouble as far as thinking about the
24 future. Here's a statement of John
25 Herron at the Transportation and Storage Subcommittee

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1 Blue Ribbon Commission. "Chairman Meserve, Chairman
2 Sharp and distinguished members of the committee, I
3 am John Herron, president and CEO and chief nuclear
4 officer of Entergy Nuclear. Entergy Corporation is
5 an integrated energy company engaged primarily in
6 electric power production and retail electric
7 distribution operations.

8 Entergy owns and operates power plants
9 with approximately 30,000 megawatts of electric
10 generating capacity, including 11 nuclear plants in
11 seven states. As the second largest nuclear
12 generator in the United States we also provide
13 management services operating a 12th nuclear plant
14 in Nebraska."

15 Entergy has annual revenues of \$10
16 billion and more than 15,000 employees. Five of our
17 nuclear plants are part of our rate-regulated utility
18 area in the southern United States. The remaining
19 six including Palisades --

20 COURT REPORTER: Excuse me. This is the
21 court reporter. I'm sorry to interrupt, Mr.
22 Mulligan, but could you please speak directly into
23 the phone?

24 MR. MULLIGAN: You know, I was hearing
25 some scratchy stuff before. Where do you want me to

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1 start? Do you want me to start over again?

2 COURT REPORTER: Oh no, I didn't lose
3 anything. Just please try to --

4 MR. MULLIGAN: Okay.

5 COURT REPORTER: Thank you.

6 MR. MULLIGAN: Yes, you're right. You're
7 right.

8 COURT REPORTER: Sorry to interrupt.

9 MR. MULLIGAN: I was getting nervous and
10 winded. Five of our nuclear plants are part of our
11 rate-regulated utility service area in the southern
12 United States. The remaining six are merchant plants
13 in the northeast and Michigan. When we purchased
14 these units from their former owners, we also
15 acquired Big Rock and Indian Point 1 in New York,
16 Indian Point Unit 1.

17 So a lot of these stuff we're talking
18 about merchant plants. You know, here's the Attorney
19 General of Mississippi. In the wake of, this is,
20 that last thing was in, can I say that , November 2,
21 2010? This one's in February 26th, 2010. In the
22 wake of the Vermont Senate's Entergy decision on
23 Wednesday to shutdown an Entergy Corp.-owned nuclear
24 plant, Mississippi, Attorney General Jim Hood is
25 questioning the company's recent --

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1 MS. EVANS: Mr. Mulligan?

2 MR. MULLIGAN: Yes?

3 MS. EVANS: Yes, this is Michele Evans.
4 For some reason the last like a few minutes you've
5 been fading. Either you're not as close to the phone
6 anymore, but could you, it was going really well
7 until about a minute ago. So if you could maybe get
8 a little closer to the speaker or whatever so that we
9 can get everything that you're saying.

10 MR. MULLIGAN: I appreciate that. Thank
11 you.

12 MS. EVANS: Yes.

13 MR. MULLIGAN: The Mississippi Attorney
14 General business, is that a good place to start back
15 on? Yes, it must be.

16 MS. EVANS: That's fine.

17 MR. MULLIGAN: Mississippi Attorney
18 General follows \$1.3 billion money trail from Entergy
19 to a faltering Vermont Yankee nuclear plant.

20 Can you hear me all right there?

21 MS. EVANS: Yes, that's good.

22 MR. MULLIGAN: So I'm not going to read
23 this. I kind of spent some time on this, but
24 generally, Mississippi, Alabama and Louisiana are
25 complaining because, you know, they're wondering, all

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1 this money going to the faltering merchant fleet of
2 Entergy is stealing money from the Alabama,
3 Mississippi, Louisiana ratepayers and stuff.

4 So he's worrying about his, you know, a
5 lot of money, weak northeast Entergy nuclear plants
6 are weakening the southern part of their company.
7 And we have, recent news is the Dominion Wisconsin
8 plant closed due to low natural gas prices. This is
9 on October 22nd.

10 Dominion Resources, Incorporated, plans
11 to shut down its Kewaunee Plant in Wisconsin in the
12 second quarter of 2013. The first nuclear plant to
13 fall victim due to steep natural drop in power prices
14 as rising natural gas production redefines U.S. power
15 markets.

16 You know, it goes on to talk about power
17 prices in the Midwest and across the nation have
18 plunged to ten-year lows this year due to surging
19 U.S. natural gas output and weak demand due to the
20 struggling economy. So here we go with the natural
21 gas business undermining so many other players. The
22 natural gas guys are even undermining the coal people
23 and stuff.

24 And the New York Times basically says, if
25 I can find it, "According to an internal industry

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1 document from the Electric Utility Cost Group, for
2 the period of 2008 to 2010, maintenance and fuel
3 costs for one quarter of the reactor fleet with the
4 highest cost averages \$51.42 per megawatt hours."
5 This is perilously close to the electrical costs
6 these days. So basically, you know,
7 we've got really low electric rates are challenging a
8 lot of these merchant plants like Palisades. They're
9 in a fight for survival and everybody knows it.

10 And the question is, is that the model
11 we're going to use? Is when a plant gets into
12 financial troubles is everybody going to do back
13 flips over trying to be good and trying to save these
14 guys? And then they get themselves, then they go
15 deeper and deeper into troubles and they finally,
16 they're taken out by an accident and stuff that
17 embarrasses the whole industry. Is that's what going
18 on here with Palisades with the NRC?

19 Does everybody feel sorry for Palisades?

20 They feel sorry for Entergy, how they speculated in
21 the early 2000s time frame, in the early part of 2000
22 to the 2008 period or even before that and stuff?
23 And they had their sights on this speculation and
24 making money on electricity and all that sort of
25 stuff, and that era's over with.

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1 You know, that was a business choice that
2 Entergy made and stuff and, you know, that's their
3 prerogative to do that. But here we are in a
4 different environment now and stuff and it's not your
5 job to save them. It's your job to maintain the
6 integrity of the nuclear industry as far as the NRC
7 is concerned.

8 And that should be Entergy's
9 responsibility. Their primary job is to maintain the
10 credibility of the nuclear industry nationwide and
11 stop this nonsense with plants like Palisades and TVA
12 and Fort Calhoun and stuff like that. This should be
13 the responsibility of all these utilities to be
14 thinking of the bigger picture, you know, what's good
15 for our nation?

16 Does running these plants to the ground,
17 is that good for our nation? Is that what all, you
18 know, we should all think of that. What are our
19 behaviors? Do we all just think about self-interest
20 and putting a couple of pennies in our pockets or do
21 we think about the big picture?

22 We belong to the greatest nation on the
23 planet, and we have responsibilities as citizens to
24 think about what's in our greater national good. And
25 more than responsibilities, we're compelled to act on

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1 making sure that everything's aligned to our national
2 interest and not to, you know, chasing pennies. And
3 I think people should ought to be really thinking
4 about that.

5 I'm still going through some of my
6 paperwork. As I talked about the San Onofre model,
7 they had terrible operational problems many years
8 before they even tried starting to purchase their
9 steam generators. And, you know, again the NRC was
10 there and they were trying to, I don't know what they
11 were doing. Obviously it wasn't productive.

12 They were trying to change the culture of
13 San Onofre and then, you know, I don't know, somebody
14 that wasn't watching or something like that and they
15 went and purchased these steam generators.

16 You know, is this model unit stuff like
17 that, is that all penny-pinching behind the scenes?
18 Is that how people do the penny-pinching nowadays?
19 You know, they don't hide it in the paperwork, they
20 hide it in the modeling, you know, that nobody can
21 understand.

22 You know, that risk modeling, you know
23 how we do risk modeling, you know, that's essentially
24 the same thing. Nobody can understand how this risk
25 business goes and stuff and it's an excuse to do

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1 anything you want in the nuclear industry. It's a
2 tool to excuse bad behavior, it's not a tool to make
3 people behave in the right way and stuff. And I
4 think that's how this regulation is performed in the
5 nuclear industry today.

6 Will San Onofre be the model of the
7 future? Will we have a bunch of plants get into
8 trouble because of natural gas prices? And the NRC
9 will be ineffective on changing this bad behavior and
10 they'll trip into an accident that either shuts them
11 down or throws some more black eyes at the industry
12 in general?

13 And I'll tell you, you know, like
14 Commissioner Jaczko said, you know, your defenses is
15 all in the fence barrier radiation levels, you know,
16 all just keyed in on that and stuff, and you guys
17 aren't keyed into the lot lesser accidents that don't
18 challenge a release.

19 And San Onofre is a nuclear accident,
20 really. It's an accident that took out two nuclear
21 plants. Fort Calhoun's a similar kind of a less than
22 design basis accident, nuclear accident. You know,
23 the NRC's not watching them, and then their bad
24 behaviors are not being contained is the reason why
25 Fort Calhoun can't be started up.

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1 So is that the model of the future where
2 a plant like Palisades behaves in a bad manner over
3 and over again and then they trip into this accident
4 thing where it finally shuts them down or less than
5 an off site fence release type of a situation? You
6 know, and it's just marginally less worse.

7 You know, an off site release is bad but
8 a shutdown like Fort Calhoun or San Onofre is almost
9 as bad. It feels just as bad for the employees who
10 are going to lose their jobs and are in turmoil over
11 the future of the plant and stuff like that. You
12 know, it is for many people around the plant and
13 stuff like that, and I think we should consider that
14 very carefully when you're thinking about regulating
15 the plant.

16 I think these silly rules you've got and
17 procedures and this untransparency and gaming rules
18 and gaming the models and stuff like that, that's not
19 in the interest of the United States when you do
20 that. The truth and honesty and integrity and people
21 having faith in your work, that's the most important
22 thing. That's what carries us through our bad times
23 is this truth and honesty.

24 And, you know, I know the NRC is going to
25 behave in a decent way and stuff like that and the

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1 people know that and they have faith in you. This
2 business of playing with rules and secrecy and all
3 this sort of stuff is very damaging to us as a nation
4 because the rest of the world doesn't, can see right
5 through that and it's damaging to us.

6 And you think about TVA and Browns Ferry,
7 you know, they blame their troubles on a minimalist
8 approach. And Entergy's, the NRC says that troubles
9 with Entergy is that, is they're putting power
10 production over safety. You know, are they in a
11 fight for survival with natural gas, and that's what
12 they're really doing with this putting power
13 production over safety? Is that what's hiding? Is
14 that the monster under the sheets that is causing all
15 these bad behaviors and stuff like that? I think a
16 lot of plants it is and stuff.

17 And I'll tell you, most of the accidents
18 the last 20 years historic, our truth of what's
19 happened is everybody starts playing a tune that's
20 penny-pinching and austerity stuff and thinking
21 they're doing good, and that drives a plant into all
22 these troubles. I mean that's behind it to the one.

23 That's the way I see it, it's all
24 economics. It's when you start starving these plants
25 below when they're sustainable is it drives these

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1 plants into the ground. You know, that's the history
2 of nuclear power for the last 20 years and you guys
3 better get a hold of it.

4 And so putting power production over
5 safety and meeting minimal regulatory requirements,
6 as I said, jesus, if every plant in the United States
7 was forced to do this, you know, if they said, oh
8 man, Palisades and TVA they're all getting advantage
9 because they're just meeting the minimum requirements
10 and stuff like that, how can we survive in a world if
11 they're doing that and we're not, and we're being
12 honest and truthful and spending money on these
13 plants to keep them up in a good image of the public?

14 How can we compete in that kind of
15 environment? We won't. Well, so then we have to do
16 what Palisades and TVA does. And I tell you the
17 truth, that's what they say, right? That's what
18 Palisades and TVA says, the minimalist approach and
19 putting power production over safety and meeting the
20 minimal regulatory requirements. That's what
21 Palisades, TVA and the NRC think what's going on, you
22 know, basically just doing what's barely required of
23 them and stuff like that.

24 But, you know, at the bottom of this is
25 Fort Calhoun. What's that going to be? What's the

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1 reason for Fort Calhoun doing all that stuff there or
2 not doing their stuff they're required to do and
3 stuff? What will that be? Will that be some
4 component of this, you know, these guys terrified of
5 the economy in front of them, and everybody closing
6 their eyes because they're afraid of the economy and
7 afraid of the low electric prices and stuff?

8 Is that, you know, the bad behavior of
9 the industry in general in recent years, is that
10 what's going on behind the scenes, behind this cloud
11 that the NRC doesn't want to confront and think
12 about, and most of these utilities don't either? Is
13 that what's really driving a lot of this bad
14 behavior?

15 And I'll tell you, as I said, that's what
16 the NRC says is the problem with these plants and the
17 utilities. Just meeting minimum regulatory
18 requirements, putting power production over safety,
19 what was that other one? Minimum regular
20 requirements and stuff, I mean that's what the NRC
21 and the utilities say.

22 But what does it transfer to the
23 employees? And I'll tell you what it transfers to
24 the employees. That gives them a license to be well,
25 you know, well, we know that that's the utilities.

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1 That's what the utility tells us is our strategy,
2 wink, wink, wink. So it's okay, you guys, you can
3 all violate the rules underneath the blankets and
4 just as long as, you know, you obscure who's
5 responsible for it and stuff.

6 And these minimalist approaches, does
7 that give these utility employees and bottom level
8 NRC inspectors and stuff like that, does that give
9 them the excuse to violate rules and engineering
10 policies and regulations and good plant operations
11 and stuff like that? I think it is.

12 I think you can make a case that TVA and
13 Palisades and Fort Calhoun, you know, all of them
14 guys, they face a crisis and then all of sudden out
15 of the woodwork pops up a lot of regulations that
16 weren't being carried out. I think a lot of it's
17 intentioned and stuff like that. Oh well, the NRC
18 won't ever catch us.

19 And then when the NRC catches them they
20 fiddle with this footsy policies and rules that kind
21 of just pats them on the head and, don't do that
22 again, type of attitude and stuff like that. And
23 then you see an enormous amount of rule violations
24 after the fact that the NRC didn't catch.

25 How come the NRC can't catch all these

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1 things? Then the NRC, you know, basically says, they
2 only violate them on one issue or two, and then the
3 utility is allowed to find the other problems and
4 it's, they're given credit for finding their own
5 problems when the initiator was usually the accident,
6 and the NRC having to reflexively spank the utilities
7 because, you know, in front of the public eye and
8 stuff like that.

9 So, you know, what's going on behind all
10 this stuff, the bad behavior of Palisades, the safety
11 injection refueling water tank not being right?
12 Everybody knows that's not being right what's
13 happened. It's okay according to the rules, and the
14 NRC is certainly the god of the rules, but it's not
15 right.

16 Everybody can see that that's not right
17 and the nuclear industry will not survive if we have
18 all this confusion and leaking and all that sort of
19 stuff. You guys can dance around and say it's
20 according to the rules and stuff like that but I'll
21 tell you, you won't survive if a lot of these plants
22 show up like that. And a lot of employees are going
23 to get hurt and a lot of the surrounding communities
24 are going to get hurt also.

25 And like I said, I mean it's astonishing

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1 when these really troubled plants, red finding plants
2 get into trouble, you know, all of the violations
3 post red findings show up. You know, it's like
4 somebody opened their eyes and stuff and all these
5 violations. You know, I don't know why the NRC
6 doesn't catch these violations one-by-one and doesn't
7 hold them accountable to all of the violations post
8 red finding and stuff.

9 But I just know this kind of patting
10 people on the back, you know, patting them on the
11 head saying, I understand it, you're my friend, and
12 stuff like that and it just doesn't work. It doesn't
13 work to change behavior. You know, when they start
14 doing this stuff, to be their friend you have to be
15 tough and a tough love. And that's not destructive
16 love that is tough love. And you make these guys do
17 what they're supposed to do, and not meeting the
18 minimal requirements or the minimalist approach and
19 stuff like that.

20 You know, this is 20 percent of our
21 electricity supply and we're entering the prices as
22 far as the electric prices and stuff like that. I
23 just hope at the bottom of all this is these plants
24 were in a survival mode and they were breaking rules
25 in order to survive and in order to have families and

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1 in order to feel good about being in the group.

2 I hope it all doesn't turn out to be that
3 that's what's happening here and nobody could be the
4 tough regulator, the guy that, you know, stands away
5 from the punch bowl and becomes strong, set the
6 goalpost line and do what's in the interest of our
7 country. I hope that's not what's going to happen
8 here. And I'm afraid that that's exactly what's
9 happening.

10 You know, it's like this liberalism stuff
11 in the '70s where, you know, we let everybody, we
12 don't hold anybody accountable and it creates all
13 this craziness and stuff like that. I hope this
14 isn't nuclear liberalism, really, in its heart, you
15 know, dressed up as Republican ideology.

16 You know, I hope this isn't what's
17 happening in the nuclear industry where it's
18 everybody for themselves and you don't have to be
19 honorable and have integrity and talk the truth.
20 Everybody can, you know, tell half-truths and hide
21 behind the shadows and all that stuff. I hope that's
22 not where the nuclear industry is heading.

23 I hope for the world's sake that we don't
24 get tagged as the country and the regulator who
25 doesn't, destroys the atmosphere on a worldwide basis

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1 of safety and nuclear power and integrity and the
2 regulators on a worldwide basis.

3 And again, thank you very much for
4 listening to me. I appreciate a lot of the times I
5 spent with a lot of the inspectors and the managers
6 and stuff like that. I know there's 90 percent of
7 the employees are really good people, especially guys
8 close to the plants, because you can't play politics
9 over a lot of this nuclear stuff. They see the
10 results of this kind of behavior.

11 The same thing is like the plants, you
12 know, you play the ideological game that's kind of
13 like living in fantasyland. That's not living in the
14 truth and stuff, and that's on both sides and stuff.

15 You've got to get out of this ideology, ideological
16 rules and this fantasyland that's created by these
17 ideological games, and you've got to face the truth
18 and stuff.

19 And I hope people see that that you just,
20 you can't do that anymore. Thank you very much for
21 this opportunity to talk. I'm done.

22 MS. EVANS: Okay. Yes, thank you, Mr.
23 Mulligan.

24 At this time does the staff here at
25 headquarters have any questions for Mr. Mulligan?

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1 No? How about the regional office?

2 MR. LENNARTZ: I have no comments. Thank
3 you, Mr. Mulligan.

4 MR. MULLIGAN: Thank you, sir.

5 MS. EVANS: Does the licensee have any
6 questions?

7 MR. KUEMIN: No, thank you.

8 MS. EVANS: Mr. Mulligan, thank you again
9 for taking time to provide the NRC staff with
10 clarifying information on the petitions you
11 submitted. Before we close, does the
12 court reporter need any additional information for
13 the meeting transcript?

14 COURT REPORTER: Hello, this is the court
15 reporter. I was wondering if Mr. Kuemin from Entergy
16 could tell me how to spell his name, please?

17 MR. KUEMIN: Yes, it's K-U-E-M-I-N.

18 COURT REPORTER: Thank you. And I heard
19 Mr. Jay Lennartz from the Region? Is that name
20 correct?

21 MR. LENNARTZ: That's correct.

22 COURT REPORTER: Thank you.

23 MR. LENNARTZ: And Jack Giessner, G-I-E-
24 S-S-N-E-R.

25 COURT REPORTER: Thank you, Mr. Lennartz.

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1 That's all I needed.

2 MR. MULLIGAN: Hey, Jack.

3 MR. GIESSNER: Hi, Mr. Mulligan. Good to
4 hear from you.

5 MR. MULLIGAN: Same to you.

6 MS. EVANS: Okay, with that the meeting
7 is concluded and we'll be terminating the phone
8 connection. Thanks again.

9 MR. MULLIGAN: Thank you, everyone, bye.

10 (Whereupon, the foregoing matter went off
11 the record at 4:00 p.m.)

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