

**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 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)
Docket No. 8880

MEMORANDUM OF UNDERSTANDING

With respect to the above-captioned docket, Entergy Nuclear Vermont Yankee, LLC (“ENVY”); Entergy Nuclear Vermont Investment Company, LLC (“ENVIC”), Entergy Nuclear Operations, Inc. (“ENOI”) (together, “Entergy”); NorthStar Decommissioning Holdings, LLC; NorthStar Group Holdings, LLC; NorthStar Nuclear Decommissioning Company, LLC (“NorthStar NDC”); NorthStar Group Services, Inc., LVI Parent Corp.; (together, “NorthStar”¹), the Vermont Department of Public Service (“DPS”), the Vermont Agency of Natural Resources (“ANR”), the Elnu Abenaki Tribe, the Abenaki Nation of Missisquoi, Windham Regional Commission, the New England Coalition on Nuclear Pollution, Inc., and the Town of Vernon Planning and Economic Development Commission (collectively, “the Parties”), and as to certain provisions, the Vermont Attorney General’s Office (“AGO”), stipulate and agree as follows:

WHEREAS, ENVY and ENOI hold a Certificate of Public Good (“CPG”) to own, operate, and decommission the Vermont Yankee Nuclear Power Station (“VY Station”) located in Vernon, Vermont;

WHEREAS, on November 7, 2016, ENVY and its parent company, ENVIC, entered into a Membership Interest Purchase and Sale Agreement (“MIPA”) with NorthStar Decommissioning Holdings, LLC and NorthStar Group Holdings, LLC, under which NorthStar Decommissioning Holdings, LLC would acquire 100% of the membership interests of ENVY, which would then be renamed NorthStar Vermont Yankee, LLC (“NorthStar VY”) (the “Proposed Transaction”);

WHEREAS, if the Proposed Transaction is completed, NorthStar Decommissioning Holdings, LLC has committed to begin active decommissioning² and site restoration at the VY

¹ To the extent that a provision in this Memorandum of Understanding (“MOU”) applies to “NorthStar” after the closing of the Proposed Transaction, “NorthStar” shall also include NorthStar Vermont Yankee, LLC.

² Except where expressly noted, as used in this MOU, “decommission” and “decommissioning” refer to the

Station site no later than 2021 (and possibly as early as 2019) and to complete those tasks at the VY Station site (except at the Independent Spent Fuel Storage Installation (“ISFSI”) and VELCO switchyard) no later than the end of 2030 (and possibly as early as 2026);

WHEREAS, the closing of the Proposed Transaction is contingent upon several conditions, including approval by the Vermont Public Utility Commission (“PUC”) and the U.S. Nuclear Regulatory Commission (“NRC”);

WHEREAS, on December 16, 2016, NorthStar, ENVIC, and ENOI submitted a joint petition to the Vermont Public Service Board (now the PUC) requesting approval of the Proposed Transaction (“Joint Petition”), including approval of the transfer of ownership of ENVY, and certain ancillary approvals;

WHEREAS, on February 9, 2017, ENOI, ENVY, and NorthStar NDC submitted a joint application to the NRC requesting the NRC’s consent to the direct and indirect transfers of control over the NRC-issued VY Station operating license; and

WHEREAS, in consideration of the compromises made by and between the Parties to this MOU, NorthStar and Entergy have made the commitments described below;

NOW, THEREFORE, the Parties agree as follows:

1. The Parties hereto agree that the approval of the Proposed Transaction, if all terms and conditions described in this MOU are met, will promote the general good of the State of Vermont. The Parties shall jointly request that the PUC issue an Order approving the terms and conditions of this MOU, incorporating certain of them as terms and conditions of the Order, and taking such actions as in the PUC’s judgment are necessary or advisable in connection with the resolution of the Joint Petition, including granting the following elements of relief requested in the Joint Petition:
 - a. Approve the transfer of ownership of ENVY to NorthStar Decommissioning Holdings, LLC, including the resulting transfer of the Nuclear Decommissioning Trust (“NDT”) and Site Restoration Trust (“SRT”), pursuant to the terms of the MIPA;
 - b. Consent under 30 V.S.A. § 232 for ENVY/NorthStar VY to issue a note payable to Vermont Yankee Asset Retirement Management, LLC (“VYARM”) in the amount of approximately \$145 million, subject to Paragraph 3 below;
 - c. Amend the CPG currently held by ENVY and ENOI to change ENVY’s name to NorthStar VY and to substitute NorthStar NDC for ENOI;
 - d. Authorize NorthStar NDC to assume the obligations of ENOI under prior PUC orders and CPGs to operate and to perform decommissioning and site restoration at the VY

removal of a facility or site safely from service and the reduction of residual radioactivity to a level that permits termination of the license issued by the U.S. Nuclear Regulatory Commission (“NRC”). As used in this MOU, “decommissioning” does not include spent fuel management activities.

Station site, including as reflected herein, and by the PUC in approving the transaction;

- e. Approve site restoration standards for the VY Station site, as set forth in Paragraph 5 below; and
 - f. Amend the Docket No. 7862 Order to allow contribution of the assets of the SRT into a segregated sub-account of the NDT.
2. NorthStar shall provide financial assurance in support of the Proposed Transaction as follows.
- a. NorthStar shall provide the financial assurance package proposed by NorthStar in the Joint Petition to complete the decommissioning and site restoration of the VY Station site, including the following components:
 - (1) the NDT;
 - (2) the SRT funds, dedicated to funding site restoration activities, which Entergy will transfer to a segregated sub-account of the NDT at or before the closing of the Proposed Transaction(as used hereinafter, the term “NDT” shall include the segregated site restoration sub-account);
 - (3) performance bonds or equivalent performance assurance on major subcontracted work with a value of approximately \$400 million, substantially in the form of Attachment 1;
 - (4) a \$25 million contingent letter of credit tied to start and/or completion date milestones,³ payable to the VY Station Decommissioning Completion Trust, and substantially in the form of Attachment 2;
 - (5) a Support Agreement from NorthStar Group Services, Inc., payable to the VY Station Decommissioning Completion Trust in the amount of \$140 million;
 - (6) a commitment by NorthStar VY not to withdraw funds from the NDT for any task in an amount exceeding that specified for that task in version 1.0 of the pay-item disbursement schedule dated September 8, 2016; and
 - (7) \$10 million in expected litigation proceeds from NorthStar VY’s “Round 3” claim against the U.S. Department of Energy (“DOE”) for the recovery of

³ The “start” date is the initiation of Railroad Refurbishment on or before the later of January 1, 2021, or the date that is one hundred eighty (180) days after the date of completion of the ISFSI Expansion. The “completion” date is release pursuant to 10 C.F.R. § 50.83 and completion of Site Restoration of all portions of the Site other than the ISFSI on or before the later of December 31, 2030, or the date that is ten (10) years after the date of completion of the ISFSI Expansion. All capitalized terms in this footnote are ascribed the same meaning within this MOU as is set out in the MIPA and the Decommissioning Completion Assurance Agreement.

costs for existing ISFSI operations activities, to be deposited in the VY Station Decommissioning Completion Trust.

- b. NorthStar Group Services, Inc. shall execute Attachment 3 regarding the \$140 million Support Agreement. NorthStar Group Services, Inc. shall update the Support Agreement that was filed with the NRC on February 7, 2017, as modified by a letter filed with the NRC on December 22, 2017, to clarify that the Support Agreement is available for State of Vermont site restoration requirements, in addition to NRC requirements related to decommissioning and spent fuel management. NorthStar Group Services, Inc. further agrees that, regardless of any limitations expressed in the Support Agreement:
 - (1) the PUC has authority to order NorthStar Group Services, Inc. to provide funding up to the \$140 million Support Agreement limit, supported by a reasonable determination by the Commissioner of DPS and the Secretary of ANR⁴ that additional work at the site is needed to complete site restoration, and after NorthStar Group Services, Inc. has an opportunity to present its position on the need for such funding to the PUC; and
 - (2) NorthStar shall not seek any amendment, termination, or assignment of the Support Agreement for any reason without first obtaining approval of the PUC, including a PUC determination that the amendment, termination, or assignment will not impact NorthStar's ability to complete site restoration.
- c. NorthStar shall establish an escrow account that will have a minimum balance of \$55 million. The escrow account shall be funded over time as follows: (1) at the closing of the Proposed Transaction, NorthStar shall deposit \$30 million into the escrow account; and (2) after the Proposed Transaction has closed, and after NorthStar VY has withdrawn the first \$100 million from the NDT, NorthStar shall deposit an additional \$25 million into the escrow account over time, which shall be accomplished by depositing 10% of each invoice paid with funds from the NDT for decommissioning or site restoration work at the VY Station site. NorthStar represents that NorthStar VY is expected to withdraw the first \$100 million from the NDT before the end of 2021, and the escrow account balance is projected to reach \$55 million before the end of 2024. All earnings on escrow account funds will be retained in the account, and the full amount of account funds are to be used to fund completion of decommissioning and/or site restoration activities at the VY Station site, in the event and to the extent that NDT funds are insufficient or unavailable, consistent with Paragraph 4.
 - (1) Withdrawals from this escrow account may be made only with approval from DPS and ANR. Reasonable requests for withdrawals for site restoration shall not be denied, subject to a determination, consistent with Paragraph 4, that proceeds from claims under the Pollution Legal Liability product described in

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References to DPS and ANR hereafter refer to the Commissioner in the case of DPS and the Secretary in the case of ANR.

Paragraph 2(e) and funds available pursuant to the Support Agreement are insufficient or unavailable.

- (2) NorthStar may terminate the escrow account, and any funds remaining in the escrow account may be withdrawn by NorthStar and used for any purpose in its sole discretion, after: (i) NorthStar completes partial site release of the VY Station site (with the exception of the ISFSI and VELCO switchyard) as approved by the NRC pursuant to 10 C.F.R. § 50.83 or an approved license termination plan; and (ii) NorthStar has submitted all corrective action construction completion reports for the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)) to ANR and ANR determines that no additional site investigation or corrective actions are required, except long-term monitoring, pursuant to the process set forth in the Investigation and Remediation of Contaminated Properties Rule dated July 27, 2017 (“I-Rule”).
 - (3) The escrow account shall be maintained with a commercial bank or trust company incorporated under the laws of the United States or any state thereof, and for purposes of this requirement, M&T Bank, Wilmington Trust, and JPMorgan Chase shall be deemed acceptable institutions. Other institutions may be selected, subject to the requirements of maintaining an office or branch in New York, New York, having an aggregate capital surplus in excess of \$25 billion, and having a senior unsecured debt rated at least “A” by Standard & Poors Corporation or “A2” by Moody’s Investor Service.
- d. NorthStar shall obtain an unconditional guaranty from Orano USA LLC (formerly AREVA Nuclear Materials, LLC) (“Orano Guaranty”) to provide \$25 million of funding to complete decommissioning and/or site restoration activities at the VY Station site in the event and to the extent that the total amount of NDT funds, and funds available pursuant to the Support Agreement, escrow account funds described in Paragraph 2(c), and the Round 3 Retained DOE Litigation Proceeds described in Paragraphs 3(c) and (d) are insufficient or unavailable to complete such activities. The Orano Guaranty shall terminate when: (1) the reactor pressure vessel has been shipped from the VY Station site; (2) Orano receives all payments due for that work; (3) ANR, pursuant to Subchapter 3 of the I-Rule, has approved a site investigation report for each operable unit where non-radiological site investigation activities do not create an actual conflict with the Atomic Energy Act; and (4) NorthStar has certified in a submission with then current figures and data, and DPS has confirmed (which shall be deemed to have occurred if DPS has not responded in writing to NorthStar’s certification within 60 calendar days), that the value of the NDT is greater than the combined remaining estimated license termination and site restoration costs, including, without limitation, as shown in the notices and certifications to be provided by NorthStar pursuant to Paragraph 2.
- e. NorthStar shall obtain a \$30 million Pollution Legal Liability (“PLL”) insurance product, substantially in the form of Attachment 4, that will provide coverage for site restoration activities to address previously unknown or not fully characterized

non-radiological environmental conditions identified at the VY Station site after the closing of the Proposed Transaction. This policy may be terminated by NorthStar at the time NorthStar completes the decommissioning and site restoration of the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)), but NorthStar shall maintain such PLL coverage until completion of that work.

- f. NorthStar shall provide to DPS, ANR, and AGO monthly summaries of all expenditures at the site. Those agencies shall be permitted access to and shall have the right to inspect those expenditures and the books of NorthStar Group Holdings, LLC, NorthStar Group Services, Inc., and NorthStar VY at all reasonable times and at reasonable intervals.
- g. NorthStar shall notify DPS, ANR, and AGO within 7 calendar days of any of the following events.
 - (1) All significant changes to NorthStar Group Services, Inc.'s ability to support or fund the Support Agreement, including any significant reduction in overall debt capacity;
 - (2) Every draw on the Support Agreement;
 - (3) Any event that has occurred in the conduct of decommissioning, spent fuel management, or site restoration activities at the VY Station site that could, individually or cumulatively with other events, have an adverse financial consequence of greater than \$2 million, including but not limited to accidents, delays, contractual disputes, unknown site conditions, and changes in regulatory requirements, including a detailed description of the event and an assessment of the amount of any such consequence along with any mitigation plan(s);
 - (4) Any proposed organizational change or change in equity ownership of NorthStar Group Holdings, LLC; NorthStar Group Services, Inc.; and/or NorthStar VY; and
 - (5) Any breach of debt covenants, default, acceleration, insolvency, reorganization, bankruptcy or liquidation of NorthStar Group Holdings, LLC; NorthStar Group Services, Inc.; and/or NorthStar VY.
- h. On or before March 31 of each calendar year following the close of the Proposed Transaction, NorthStar shall provide to DPS, ANR, VDH, and AGO an annual public certification that includes the following:
 - (1) A detailed description of all work completed as of that date pursuant to corrective action plans approved by ANR pursuant to Subchapter 5 of the I-Rule;

- (2) A detailed description and schedule of remaining corrective actions and site restoration work;
- (3) The amount of funds available for site restoration as of the end of the calendar year preceding the date of the report; and
- (4) The amount of funds estimated to be required to complete site restoration.

This annual requirement shall continue until (i) NorthStar completes partial site release of the VY Station site (with the exception of the ISFSI and VELCO switchyard) as approved by the NRC pursuant to 10 C.F.R. § 50.83 or an approved license termination plan; and (ii) NorthStar has submitted all corrective action construction completion reports for the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)) to ANR and ANR determines that no additional site investigation or corrective actions are required, except long-term monitoring, pursuant to the process set forth in the I-Rule.

- i. On or before March 31 of each calendar year following the close of the Proposed Transaction, NorthStar shall provide to DPS the following disclosures and reports covering the prior calendar year (or specified 12-month period):
 - (1) Audited financials for NorthStar Group Holdings, LLC and NorthStar Group Services, Inc. as of the end of the calendar year preceding the report date;
 - (2) Audited statements of NDT and SRT fund balances (with current investment mix), and an accounting of all disbursements from such accounts;
 - (3) A schedule of both cumulative historic (from the closing date of the Proposed Transaction) and projected fund activity for NDT and SRT funds, including a breakdown of all future decommissioning, site restoration, and spent fuel management activities, including an updated “pay item disbursement schedule” and provide the equivalent of an update of the current “Deal Model” through completion of partial site release and site restoration of the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)); and
 - (4) A variance analysis, comparing actual disbursements detailed in the updated “Deal Model” to estimated disbursements in the prior year’s reporting, explaining all variances in excess of 10% or \$2 million.

This annual requirement shall continue until (i) NorthStar completes partial site release of the VY Station site (with the exception of the ISFSI and VELCO switchyard) as approved by the NRC pursuant to 10 C.F.R. § 50.83 or an approved license termination plan; and (ii) NorthStar has submitted all corrective action construction completion reports for the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)) to ANR and ANR determines that no additional site investigation or corrective actions are required, except long-

term monitoring, pursuant to the process set forth in the I-Rule.

- j. To the extent NorthStar determines that the information it must submit to DPS, ANR, VDH, or AGO pursuant to this MOU constitutes NorthStar trade secret or confidential business information or other information that is exempt from the public inspection and copying requirements of the Vermont Public Records Act (1 V.S.A. §§ 315-320), NorthStar shall designate the information as such and shall provide a redacted version suitable for public disclosure, unless redaction would render the document meaningless.
3. Entergy shall provide financial assurance in support of the Proposed Transaction as follows.
 - a. Entergy shall contribute to the SRT an amount that will bring the balance of the SRT at the closing of the Proposed Transaction to \$60 million. Pursuant to the MOU adopted in Docket No. 7862, at the time the SRT balance reaches \$60 million, including as a result of such contribution, Entergy Corporation will terminate the existing \$20 million parent guaranty in support of the SRT. Prior to the closing of the Proposed Transaction, Entergy shall contribute 100% of the SRT assets into a segregated sub-account in the NDT for the purpose of completing site restoration activities. For the avoidance of doubt, the Parties agree that such contribution is an Entergy contribution and not a contribution made by Vermont ratepayers. Any amounts remaining in such sub-account after NorthStar completes decommissioning and has submitted all corrective action construction completion reports for the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)) to ANR and ANR determines that no additional site investigation or corrective actions are required, except long-term monitoring, pursuant to the process set forth in the I-Rule, shall belong solely to NorthStar VY and shall not be considered “Excess Funds” that are subject to Paragraph 3 of the MOU entered in Docket No. 6545 (as modified by the Order issued on June 13, 2002, in Docket No. 6545).
 - b. Pursuant to Section 1.1 of the Decommissioning Completion Assurance Agreement (“DCAA”), ENVY will file the Round 3 claim against the DOE for the recovery of spent fuel management costs 30 days after the earlier of (i) the date all physical work related to the VY Station dry fuel storage transfer project has been completed and all invoices for such work have been paid; or (ii) the closing date of the Proposed Transaction. The Round 3 claim is expected to include, among other costs, approximately \$145 million for the second ISFSI pad construction and the costs associated with the 2017-18 fuel loading campaigns. Pursuant to section 6.23 of the MIPA, at the closing of the Proposed Transaction, VYARM and NorthStar VY will enter into a promissory note for this amount, which NorthStar VY will be required to repay to VYARM upon NorthStar VY’s receipt of sufficient proceeds from the Round 3 DOE litigation (expected in approximately 2023), and if such funds are insufficient to repay the note, NorthStar VY will pay the remaining balance only after NorthStar completes the decommissioning and site restoration of the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)).

- c. Notwithstanding any contrary requirement of transactional documents (including, without limitation, the MIPA and DCAA), NorthStar VY shall retain and deposit into an escrow account (separate from the escrow account described in Paragraph 2(c)) the first \$40 million received from the Round 3 DOE litigation (the “Round 3 Retained DOE Litigation Proceeds”), and shall not transfer those funds to VYARM, unless all of the following conditions are satisfied at the latter of the time that money is received, or April 30, 2023.
 - (1) The complaint initiating the Round 3 DOE litigation was filed on or before 30 days after the earlier of (i) the date all physical work related to the VY Station dry fuel storage transfer project has been completed and all invoices for such work have been paid; or (ii) the Proposed Transaction closing date;
 - (2) NorthStar has certified in a submission with then current figures and data, and DPS has confirmed (which shall be deemed to have occurred if DPS has not responded to NorthStar’s certification within 60 calendar days), that the value of the NDT is greater than the combined remaining estimated license termination and site restoration costs, including, without limitation, as shown in the notices and certifications to be provided by NorthStar pursuant to Paragraph 2;
 - (3) ANR has determined: (i) pursuant to Section 35-306(b) of the I-Rule that the site investigation report is complete and adequately defines the scope and extent of contamination for all operable units at the VY Station Site (except at the buildings and structures identified in Paragraph 5(f)); and (ii) that NorthStar is in substantial compliance with all approved corrective action plan(s) pursuant to Subchapter 5 of the I-Rule; and
 - (4) NorthStar has not: (i) made any payments for the project using funds from the Support Agreement identified in Paragraph 2(a)(5) that cumulatively exceed \$40 million; and (ii) filed any notice required by Paragraph 2(g)(1).
- d. The Round 3 Retained DOE Litigation Proceeds referred to in Paragraph 3(c) shall remain in the escrow account to be used for funding decommissioning and/or site restoration activities at the VY Station site in the event and to the extent that NDT funds are insufficient or unavailable to complete such activities, consistent with Paragraph 4. The Round 3 Retained DOE Litigation Proceeds shall remain in the escrow account until the earlier of the following:
 - (1) The conditions in Paragraph 3(c) have each been met at the time, or, in the case of Paragraph 3(c)(1) and (3), either before or at the time, a request to release the funds has been made by NorthStar, Entergy, or VYARM; or
 - (2) NorthStar completes partial site release of the VY Station site (with the exception of the ISFSI and VELCO switchyard) as approved by the NRC pursuant to 10 C.F.R. § 50.83 or an approved license termination plan, and NorthStar has submitted all corrective action construction completion reports

for the VY Station site (with the exception of the buildings and structures identified in Paragraph 5(f)) to ANR and ANR determines that no additional site investigation or corrective actions are required, except long-term monitoring, pursuant to the process set forth in the I-Rule.

At the time that either one of the above requirements has been met, NorthStar VY shall transfer any remaining Round 3 Retained DOE Litigation Proceeds to VYARM toward repayment of the note owed by NorthStar VY to VYARM.

4. For the avoidance of doubt, in the event and to the extent that the NDT is insufficient (or unavailable due to NorthStar's commitment in Paragraph 2(a)(6)) to complete decommissioning and/or site restoration activities at the VY Station site, NorthStar VY shall draw upon or demand the funds described in Paragraphs 2(a)-(e) and 3(c)-(d) in the following order, with each later-listed source to be drawn upon or demanded to the extent that the total funds available pursuant to the previous source are unavailable or insufficient.
 - a. *First*, proceeds from claims under the PLL insurance product described in Paragraph 2(e), to the extent such claims are within the product's scope of coverage;
 - b. *Second*, the Support Agreement;
 - c. *Third*, the escrow account described in Paragraph 2(c);
 - d. *Fourth*, the \$10 million in expected litigation proceeds from NorthStar VY's Round 3 DOE claim for existing ISFSI operations activities;
 - e. *Fifth*, the Round 3 Retained DOE Litigation Proceeds; and
 - f. *Sixth*, the Orano Guaranty.
5. The Parties agree that the site restoration standards identified below shall apply to the VY Station site.
 - a. All activities conducted at the VY Station site shall comply with applicable environmental and human-health based standards and regulations, to the extent such standards and regulations do not conflict with the standards identified in this MOU. The non-radiological environmental media standards identified in Paragraphs 5(e) and 5(g) of this MOU are the remediation standards solely for purposes of ANR's determination pursuant to item (ii) of Paragraph 2(c)(2) of this MOU and are not applicable for purposes of liability pursuant to 10 V.S.A. § 6615.
 - b. All subsurface voids shall be filled, and the land shall be regraded and reseeded. All fill material must comply with the approved radiological and non-radiological remediation standards.
 - c. NorthStar shall decommission, release, and restore the VY Station site: (1) while complying with the Vermont Radiological Health Rule, including meeting the

requirements for “unrestricted areas” as that term is defined in VDH Rules 5-301 and 5-302(42); (2) to a radiological dose limit of 15 mrem/year from all pathways combined, with no more than 5 mrem/year from liquid effluents; and (3) for “unrestricted use,” as that term is used in 10 C.F.R. § 20.1402, and not under “restricted conditions,” as that term is used in 10 C.F.R. § 20.1403. NorthStar shall attempt to attain a calculated annual 10mR TEDE All Pathways and 4mR TEDE Water residual radiation standard, but attainment of this standard will not be required if, in NorthStar’s sole discretion, it is cost prohibitive or technically not feasible because of site conditions.

- d. NorthStar shall complete a comprehensive site investigation and any required corrective actions in accordance with the I-Rule and pursuant to a schedule developed in consultation with the Town of Vernon and approved by ANR, which may include a phased schedule (i.e. breaking up the site into specific operable units) for site characterization and remediation.
 - (1) Within 60 days of the closing of the Proposed Transaction, NorthStar shall provide the Secretary of ANR with a draft site investigation workplan for the VY Station site that complies with Subchapter 3 of the I-Rule and includes the following:
 - (a) A list and delineation of proposed operable units for the VY Station site, including a detailed description as to whether site investigation activities or remediation of releases will create an actual conflict with the Atomic Energy Act for each operable unit. Consistent with the Atomic Energy Act, NorthStar shall delineate operable units in a manner that maximizes areas available for immediate site characterization;
 - (b) A plan to perform groundwater sampling of non-radiological contamination at the VY Station site that includes, at a minimum, the following:
 - (i) Quarterly sampling plan for list of analytes as proposed by NorthStar and approved by ANR at the VY Station site’s existing groundwater monitoring well network; and
 - (ii) Proposal for installation and sampling of any additional monitoring wells necessary to characterize the scope and extent of non-radiological contamination.
 - (c) A plan to characterize below-grade structures that NorthStar proposes to leave in place pursuant to Paragraph 5(g) that includes, at a minimum, the following:
 - (i) Identification and description of historical uses of all below-grade structures, including all materials known or suspected to

- be generated, stored, contained, spilled, released, or disposed in each structure;
- (ii) Description of a process for characterization of each below-grade structure, including all steps to remove and manage all materials generated, stored, contained, spilled, released, or disposed in each below-grade structure; and
 - (iii) Description of a process to characterize soil and groundwater near each below-grade structure.
- (d) A proposed plan for any use of concrete as fill at the VY Station site pursuant to Paragraph 5(g) that includes, at a minimum, the following elements.
- (i) A detailed description of the concrete proposed to be used as fill material, including:
 - (1) identification of the structures from which the concrete will be obtained;
 - (2) identification of any paints and other coatings on the structures; and
 - (3) a description of all non-radiological wastes or materials that have been stored in each of the structures, any non-radiological wastes or materials which have contaminated the structures, and any wastes or materials which have been discharged from the structures.
 - (ii) A detailed description of how the concrete material will be processed and managed on site, including:
 - (1) How concrete materials will be processed (removal of rebar and other reinforcing materials), and resulting size specifications of resulting aggregate material; and
 - (2) Total volume of crushed aggregate material to be used as fill (expressed in cubic yards).
 - (iii) Identification of the specific location(s) at the site where concrete will be managed and used as fill. This shall include, at a minimum, a site map (minimum dimensions of 8½" by 11") that identifies: the location(s) on site where concrete fill material will be stockpiled; the locations(s) on site where the fill material will be disposed of; the waste management

- boundary(ies) of the disposal site(s); and any other siting information required by the Secretary.
- (iv) A schedule of all proposed activities to be undertaken under the plan (including characterization, demolition, on-site management, and filling activities).
- (v) A plan to characterize concrete proposed to be used as fill on site that includes, at a minimum, the following:
- (1) a list of all non-radiological contaminants for which the concrete from each structure will be characterized; and
- (2) the specific sampling and analysis methods and processes that will be used to characterize the concrete from each structure (including all coatings or paints) for non-radiological contaminants.
- (e) A proposed plan for any use of off-site materials proposed to be used as fill on site, including a plan to characterize off-site materials that includes, at a minimum, the following:
- (i) a list of all non-radiological contaminants for which the off-site materials will be characterized; and
- (ii) the specific sampling and analysis methods and processes that will be used to characterize the off-site materials.
- (f) A proposed schedule for completion of site investigation activities for each operable unit of the VY Station site or the VY Station site. Where site investigation activities will create an actual conflict with the Atomic Energy Act for an operable unit, NorthStar shall propose a schedule that ensures commencement of site investigation activities as soon as the conflict no longer exists.
- (2) ANR agrees to complete its review of the draft site investigation workplan and provide comments to NorthStar within 60 days of receiving the draft workplan that ANR determines meets the requirements of Subchapter 3 of the I-Rule. Within 30 days of receiving comments from the Secretary, NorthStar shall submit a final site investigation workplan addressing the Secretary's comments. Upon approval of the site investigation workplan by ANR, NorthStar shall implement the site investigation workplan and submit a site investigation report in accordance with the schedule approved by the Secretary of ANR.
- (3) For each operable unit of the site where site investigation activities do not create an actual conflict with the Atomic Energy Act, NorthStar shall submit

a site investigation report pursuant to Section 35-305 of the I-Rule to the Secretary of ANR no later than six months after the close of the transaction.

- (4) NorthStar shall complete any required corrective actions to address releases of non-radiological hazardous materials in accordance with the I-Rule.
- e. NorthStar shall remediate the VY Station site to compliance with the residential standard values identified in Appendix A of the I-Rule, except as to any operable unit(s) of the VY Station site for which NorthStar submits and ANR approves an institutional control plan. Any such institutional control plan shall:
 - (1) be developed by NorthStar in consultation with the Town of Vernon and limit future residential uses of the site in a manner consistent with the Town Plan of the Town of Vernon; and
 - (2) meet the requirements of Subchapter 6 of the I-Rule.
- f. NorthStar shall remove all above-ground structures at the VY Station site, other than the ISFSI and associated security facilities, the VELCO switchyard, the administrative office building known as the Plant Support Building, and the portion of the railroad spur that is able to be released for unrestricted use from the NRC-issued VY Station operating license.
- g. NorthStar shall remove all underground structures at the VY Station site—including, without limitation, building foundations, buried piping, and contained piping⁵—to a depth of 4 feet below ground surface (with “ground surface” meaning existing site contours, which are depicted in Attachment 5 to this MOU) and to a greater depth wherever required to meet the site release standards described in Paragraph 5 of this MOU. Asbestos-containing material shall be removed regardless of depth. Pipes and other spaces with void space that are 4 feet below ground surface and allowed to be left in place shall be filled with concrete or other material as necessary to ensure stability of the ground above.⁶ All regulated substances shall be removed from pipes and other structures, and managed in accordance with applicable standards. All sheathed cables with PCB coatings shall be excavated, and managed and disposed of in accordance with the Vermont Hazardous Waste Management Regulations and other applicable standards.

⁵ For purposes of this MOU, “buried piping” means piping that is underground and in direct contact with the ground/soil; “contained piping” means piping that is underground but within some other structure and thus not in direct contact with the ground/soil.

⁶ In the case of a pipe the top portion of which is above the 4-foot cut-off, and the bottom portion of which is deeper than the 4-foot cut-off, NorthStar shall remove the portion that is above the 4-foot cut-off and shall be permitted to leave in place the portion that is deeper than the 4-foot cut-off.

- (1) Structures that are more than 4 feet below ground surface may remain in place only if: (1) no residual radioactivity in the structures exceeds the residual radioactivity limits specified in Paragraph 5(c); (2) no non-radiological contamination in the structures exceeds the approved non-radiological remediation standards set forth in Appendix A of the I-Rule or other site specific remediation standard approved by ANR pursuant to the I-Rule; and (3) results of characterization of soil and groundwater in proximity of the structures do not exceed the approved non-radiological remediation standards set forth in Appendix A of the I-Rule. Buried piping and enclosed structural chambers that are more than 4 feet below ground surface may remain in place only after a survey demonstrates that any radiological contamination on the inner surfaces of such pipes and structures does not exceed the Derived Concentration Guideline Levels for 15 mrem/year from all pathways combined.
- (2) Upon completion of decommissioning and site restoration of the VY Station site, NorthStar shall provide to ANR, VDH, and the Town of Vernon a comprehensive survey and site plan identifying the location and depth of all below-grade structures remaining at the site, and confirming that every remaining subsurface structure meets the release criteria described in this MOU. NorthStar shall record the comprehensive survey and site plan in the land records of the Town of Vernon and erect field monumentation on the VY Station site to provide notice of all remaining below-grade structures in a manner that does not impede future use of the site.
- (3) NorthStar shall not use concrete or other materials from buildings or structures on the VY Station site as fill at the VY Station site, with the exception that concrete from the VY Station cooling tower structures and intake structure may be used as fill if: (1) it contains no reactor-derived radionuclides as distinguishable from background for the VY Station site pursuant to the material characterization process employed at the Yankee Rowe Nuclear Power Station for onsite reuse of backfill material; (2) any non-radiological contamination in that concrete does not exceed background soil concentrations identified in Appendix A of the I-Rule, or site-specific background concentrations approved by ANR pursuant to Appendix B of the I-Rule; and (3) the reuse of concrete is conducted in accordance with a corrective action plan approved by ANR pursuant to Subchapter 5 of the I-Rule.
- (4) Surface and sub-surface soil excavated as part of demolition may be reused at the VY Station site only to the extent it complies with the approved radiological and non-radiological standards for the relevant survey unit area and the use is consistent with Section 35-512 of the I-Rule.
- (5) NorthStar shall use (1) a “basement inventory model” to determine the amount of residual radioactivity that remains in any remaining below-grade

- structures or building materials that will be used as backfill; and (2) the “resident farmer scenario” to model the potential exposure to residual radioactivity in the soil. NorthStar shall provide to VDH the results of the NRC’s confirmatory surveys of: (1) surface soils, to ensure that site release criteria for the resident farmer scenario of the NRC-approved License Termination Plan (“LTP”) are met; and (2) any structures that remain above grade, to ensure site release criteria for the building occupancy scenario of the NRC-approved LTP are met. NorthStar shall provide a copy to VDH and ANR of the work plan for the Final Status Survey for NRC License Termination.
- h. NorthStar shall perform and pay for any on-site radiological monitoring analyses required by the NRC, and shall provide the results to VDH, ANR, and DPS. NorthStar shall perform and pay for all final survey status analyses required by the NRC and shall provide copies of any submissions to the NRC regarding the results of the final status survey analysis to VDH, ANR, and DPS.
- i. NorthStar shall perform biannual radiological monitoring of groundwater (including both previously impacted and down gradient monitoring wells) for three years. A post-completion monitoring plan approved by NRC, VDH, and ANR will identify the sampling locations and analytical parameters specific to each location.
- j. NorthStar agrees to perform regular and appropriate offsite radiological surveys consistent with industry-standard practices.
- k. NorthStar shall work cooperatively with ANR and VDH to develop appropriate protocols related to non-radiological remediation and site restoration for information sharing, obtaining samples from onsite environmental media, conducting site visits and inspections, site characterization, remediation, site restoration, and notifications. These protocols must be acceptable to ANR and VDH, be made publicly available, and shall recognize that ANR and VDH must approve all work plans and testing protocols prior to implementation and retain authority over all determinations of compliance related to non-radiological site characterization and remediation, non-radiological site closure, and site restoration. NorthStar shall provide to VDH copies of all decommissioning radiological surveys and radiochemical analysis data provided to the NRC or maintained on site as required by NRC regulations. ANR and VDH shall have the right to obtain confirmatory measurements and sampling throughout decommissioning and site restoration, provided that it does not interfere with NorthStar’s schedule. ANR and VDH agree to work expeditiously with NorthStar beginning immediately upon issuance of a PUC Order approving the terms and conditions of this MOU to develop and review the workplans necessary to facilitate NorthStar pre- and post-closing site restoration activities at the VY Station Site.
6. The Parties agree that, if the PUC allows Entergy and NorthStar to contribute the SRT assets into a segregated sub-account of the NDT, the State of Vermont shall be designated as a material beneficiary of that sub-account in accordance with Paragraph 7 of the MOU entered in Docket No. 7862. Entergy and NorthStar shall not make any contrary representations to or

requests of the NRC. Entergy and NorthStar shall not amend the existing Site Restoration Trust Agreement in any way that materially alters Section 4.01 of that Agreement; in accordance with that Section, the following conditions shall apply to requests for disbursement of SRT funds.

- a. All distributions from the sub-account shall be used exclusively to pay for site restoration costs.
 - b. NorthStar VY shall initiate any disbursements from the sub-account by presenting a Site Restoration Certificate (“Certificate”) to the trustee.
 - c. For the initial Certificate requesting disbursement from the sub-account, and for every subsequent Certificate requesting disbursement from the sub-account in which NorthStar VY is the payee, NorthStar VY will first present the Certificate to DPS.
 - d. DPS shall have a period of 30 calendar days from receipt of a Certificate to provide written objection to NorthStar VY. If no written objection is made, after the expiration of the 30-day period, NorthStar VY shall be permitted to present that Certificate to the trustee for payment.
7. NorthStar shall retain a cultural expert to assist in developing a cultural resource plan to be implemented by NorthStar during decommissioning and site restoration work at the VY Station site. NorthStar shall seek the input of the Elnu Abenaki and the Abenaki Nation of Mississquoi in developing that plan.
8. NorthStar agrees to collaborate with the stakeholders to establish an appropriate public engagement process regarding the decommissioning and restoration of the VY Station site, including exploration of forming a subcommittee of the existing Nuclear Decommissioning Citizens Advisory Panel for this purpose.
9. *[intentionally left blank]*
10. DPS, ANR, and VDH reserve all rights to retain advisors pursuant to applicable State of Vermont contracting procedures in support of the review processes identified in this MOU, including, without limitation, pursuant to 30 V.S.A. § 20, and 21 as related to retention of external financial accounting assistance in support of the financial reviews provided for herein. For purposes of this MOU, the review processes specified herein shall be deemed to qualify as a “proceeding” within the meaning of 30 V.S.A § 20(b) if not otherwise covered in § 20.
11. Every obligation by ANR and DPS to approve or act on any request by NorthStar shall be conditioned on NorthStar’s compliance with its obligations, including its reporting, certification, payment and disclosure obligations under this MOU. In the case of the annual certifications required pursuant to Paragraph 2(h), failure to provide any certification within 10 days of it becoming due will result in a denial of requests for approvals or for release of funds, unless DPS determines there was good cause for the delay and NorthStar is exercising its best efforts to cure it. In the case of payment obligations pursuant to Paragraph 10, ANR

and DPS shall act on requests from NorthStar to the extent all non-disputed portions of any requests or charges pending at the time of the request are remitted within 30 days of becoming due or are subject to a petition timely submitted to the PUC pursuant to 30 V.S.A. § 21.

12. The AGO shall not take a position opposing or objecting to the Proposed Transaction at any evidentiary hearings or in any post-hearing filings made to the PUC in this Docket No. 8880. If the PUC issues an Order approving the terms and conditions of this MOU substantially in their entirety, incorporating them as terms and conditions of the Order substantially in their entirety without any material alterations, additions, or rejections, and taking such actions as in the PUC's judgment are necessary or advisable in connection with the resolution of the Joint Petition, including granting the elements of relief identified in Paragraph 1, the AGO shall not take any action to stay, challenge, appeal, or move to reconsider such an Order.
13. In the event that the PUC issues an order that does not approve the Proposed Transaction, or has not issued an order by July 31, 2018 that approves the Proposed Transaction, incorporates the terms and conditions of this MOU substantially in their entirety, and does not contain terms or conditions that materially alter, materially add to, or materially reject what is provided for by the MOU, each Party agrees that any Party may withdraw from the MOU. If any Party so determines in its sole discretion under these circumstances to withdraw, it shall provide written notice within ten (10) days of July 31, 2018, or the date the PUC issues its order, whereupon the withdrawing Party shall not be bound by the terms or conditions of the MOU and shall be placed in the position that it occupied before entering into this MOU.
14. For purposes of this MOU, except as expressly stated herein, the Parties retain all authority and reserve all rights to take any actions authorized by law.
15. Nothing in this MOU shall be interpreted as prohibiting or restricting Entergy or NorthStar from complying with any requirements or orders of the NRC, or any obligation under the VY Station operating license. To the extent that Entergy or NorthStar would be required to obtain approval from the NRC in order to fulfill any obligation under this MOU, Entergy and/or NorthStar shall pursue such NRC approvals diligently and in good faith, and shall advance each related request by a date reasonably expected to be necessary to meet its obligations under this MOU.
16. Nothing in this MOU shall release Entergy, NorthStar, or any other party from the obligation to investigate and remediate releases of non-radiological hazardous materials in accordance with Chapter 159 of Title 10 of the Vermont Statutes Annotated and all regulations implementing Chapter 159 of Title 10.
17. Nothing in this MOU shall affect, restrict, or limit the jurisdiction or regulatory authority of any state or federal agencies over Entergy, NorthStar, or the VY Station site.
18. This MOU shall be governed by and construed in accordance with the laws of the State of Vermont. No suit or claim for relief shall be filed in any court or other tribunal or agency other than the PUC, Vermont Superior Court, or the U.S. District Court for the District of Vermont, unless the PUC, Vermont Superior Court, or the U.S. District Court for the District of Vermont lack subject matter jurisdiction over the suit or claim for relief. If none has

subject matter jurisdiction over the suit or claim for relief, the Parties reserve all rights regarding venues for the enforcement of any dispute arising under this MOU.

19. The Parties' obligations under this MOU are to be applied and enforced consistent with the plain meaning of the language used herein.
20. The Parties have made compromises on specific issues to reach this MOU. This MOU, and all orders approving and implementing provisions of this MOU shall not be construed by any party or tribunal as having precedential impact on any future proceedings involving the Parties, except in a proceeding to enforce the terms and conditions of this MOU.
21. Except as provided for in this MOU and as may expressly be modified by any PUC Order regarding the Proposed Transaction to be issued in Docket No. 8880, all other agreements, PUC orders, and MOUs remain in full force and effect. For example, as used in this MOU, the term "site restoration" may apply to the period of time during which radiological decommissioning is being conducted and/or prior to the time radiological decommissioning has been completed to the satisfaction of the NRC, and NorthStar may commence site restoration concurrently with radiological decommissioning. In addition, the AGO hereby provides its written consent to any modifications of obligations owed by Entergy to the AGO pursuant to the Docket No. 7862 Settlement Agreement, to the extent this MOU modifies those provisions.
22. The Parties shall negotiate in good faith the terms of necessary instruments to be filed with the appropriate tribunals necessary to accomplish the terms and conditions of this MOU. The Parties will cooperate in further PUC proceedings in this Docket and all Parties that have submitted testimony will sponsor testimony necessary to support this MOU. DPS will support issuance of the orders and findings of the PUC specified in Paragraph 1 of this MOU subject to DPS' obligations under Title 30 of the Vermont Statutes Annotated.
23. Entergy and NorthStar each covenant that each shall not individually or collectively assert or in any way suggest that federal regulatory authority pre-empts the PUC or any court of law from enforcing any commitment made by any Party in this MOU.
24. Each Party enters into this MOU freely and after opportunity for and actual consultation with all desired counsel, legal and otherwise, of its choice.
25. The Parties understand, agree, and acknowledge that (a) this MOU has been freely negotiated by all Parties; and (b) in any controversy, dispute or contest over the meaning, interpretation, validity, or enforceability of this MOU or any of its terms or conditions, there shall not be any inference, presumption, or conclusion drawn whatsoever against any Party by virtue of that Party having drafted this MOU or any portion thereof. The Parties agree that previous drafts, as well as verbal, electronic, or written communications related to the settlement negotiations of this MOU, shall not be used to interpret intent. The Parties further agree that all previous drafts, as well as verbal, electronic, or written communications related to the settlement negotiations of this MOU, were and must remain confidential and not admissible in any state or federal court or other tribunal.

26. Each Party to this MOU shall reasonably and in good faith cooperate in connection with this MOU, including by providing executed versions of documents reasonably requested in connection with carrying out the objectives of this MOU.
27. Each Party represents that it possesses the power and authority to execute, deliver and perform its obligations under this MOU, which obligations are valid, binding, and enforceable under this MOU.
28. This MOU shall be binding on, and inure to the benefit of, the respective successors and assigns of each Party to this MOU and, in any event, shall continue to be binding upon the Parties. Any Party may name a successor or assign its rights under this MOU by providing notice to and receiving consent from the other parties pursuant to Paragraph 29 of this MOU, such consent not to be unreasonably withheld.
29. Any notice given pursuant to this MOU shall be in writing and delivered by: hand (with mailed confirmation copy); receipted overnight delivery service; email (if acknowledged by a reply email from the recipient identified in this MOU); or mail, first class postage prepaid, with receipted delivery, to the other Party at the address set forth below:

If to DPS:

Commissioner
Vermont Department of Public Service
112 State Street - Drawer 20
Montpelier, VT 05620

With a copy to:

Director for Public Advocacy
Vermont Department of Public Service
112 State Street - Drawer 20
Montpelier, VT 05620

and a copy to:

Vermont Office of the Attorney General
109 State Street
Montpelier, VT 05609-1001

If to ANR:

Secretary
Vermont Agency of Natural Resources
1 National Life Drive, Davis 2
Montpelier, VT 05620-3901

With a copy to:

General Counsel
Vermont Agency of Natural Resources
1 National Life Drive, Davis 2
Montpelier, VT 05620-3901

and a copy to:

Vermont Office of the Attorney General
109 State Street
Montpelier, VT 05609-1001

If to VDH:

Commissioner
Vermont Department of Health
108 Cherry Street
Burlington, VT 05402

With a copy to:

Senior Policy and Legal Advisor
Vermont Department of Health
108 Cherry Street
Burlington, VT 05402

and a copy to:

Vermont Office of the Attorney General
109 State Street
Montpelier, VT 05609-1001

If to AGO:

Vermont Office of the Attorney General
109 State Street
Montpelier, VT 05609-1001

If to Entergy:

Chief Nuclear Officer
Entergy Nuclear Operations, Inc.
1340 Echelon Parkway
Jackson, MS 30213

With a copy to:

General Counsel
Entergy Nuclear Operations, Inc.
639 Loyola Avenue
New Orleans, LA 70113

If to NorthStar:

Chief Executive Officer
NorthStar Group Services, Inc.
370 7th Avenue, Suite 1803
New York, NY 10001

With a copy to:

General Counsel
NorthStar Group Services, Inc.
35 Corporate Drive, Suite 1155
Trumbull, CT 06611

If to Elnu Abenaki Tribe:

Richard Holschuh
117 Fuller Drive
Brattleboro, VT 05301

If to Abenaki Nation of Missisquoi:

William J. Brotherton
Brotherton Law Firm
2340 FM 407, Suite 200
Highland Village, TX 75077

If to Windham Regional Commission:

Executive Director
Windham Regional Commission
139 Main Street, Suite 505
Brattleboro, VT 05301

If to New England Coalition on Nuclear Pollution, Inc.:

James Dumont
PO Box 229
Bristol, VT 05443

If to Town of Vernon Planning and Economic Development Commission:

David G. Carpenter
Facey Goss & McPhee PC
PO Box 578
Rutland, VT 05702

30. This MOU and any referenced Attachments hereto constitute the entire agreement between the Parties. This MOU shall not be changed, modified, or altered in any manner except by an instrument in writing executed by the Parties.
31. If any part of this MOU is determined not to be valid, such provision shall be null and void and the remainder of the MOU shall continue in full force and effect.
32. This MOU is effective as of March 2, 2018.

[Signature pages follow]