

STATE OF VERMONT
PUBLIC SERVICE BOARD

Petition of Entergy Nuclear Vermont)
Yankee, LLC, and Entergy Nuclear)
Operations, Inc. for a Certificate of Public)
Good, under 30 V.S.A. § 248, to) Docket No. _____
Construct a Dry-Fuel-Storage Facility at)
Vermont Yankee Nuclear Power Station)

MEMORANDUM OF UNDERSTANDING

This is a Memorandum of Understanding, made as of June 21, 2005 (hereafter the "MOU"), between Entergy Nuclear Vermont Yankee, LLC, and Entergy Nuclear Operations, Inc. (collectively hereafter the "Company"), and the Vermont Department of Public Service (the "DPS").

Preliminary Statement

The Vermont Yankee Nuclear Power Station (the "Station") is licensed by the Nuclear Regulation Commission ("NRC") to operate until March 21, 2012. The Station will have insufficient capacity to store spent-nuclear fuel ("SNF") in its existing spent-fuel pool, however, sometime prior to March 21, 2012.

Entergy VY proposes to construct a dry-fuel-storage ("DFS") facility at the Station to store SNF. Before it may do so, the Company must petition the Public Service Board (the "PSB") for a certificate of public good ("CPG") authorizing the construction and operation of a DFS facility under 30 V.S.A. § 248.

Chapter 157 of Title 10, Vermont Statutes Annotated, may prevent the PSB from considering the Company's DFS petition. In hearings on legislation proposing to authorize the Company to petition the PSB for a CPG authorizing a DFS facility under 30 V.S.A. § 248, the General Assembly asked questions and raised certain concerns about the proposed DFS facility.

To address these questions and concerns and facilitate the enactment of legislation by the General Assembly authorizing the Company's petition to the Board under 30 V.S.A. § 248, the Company and the Department hereby enter into this MOU and agree as follows:

1. Line-of-Sight Barriers. The Company will erect a wall to the extent required to provide line-of-sight protection on the north and east sides of the DFS pad. In addition, the Company will construct a protective structure if and to the extent required by the NRC, whether the result of a site-specific study or otherwise.

2. Location of DFS Pad. The Company will construct the DFS pad at a location set back at least 100 feet from the Connecticut River's 500-year floodplain, as depicted in the Flood Insurance Rate Study and on the Flood Insurance Rate Map, both dated September 27, 1991,

prepared by the Federal Emergency Management Agency for the Town of Vernon, Vermont (the "Floodplain"), in a location adjacent to the Company's existing facilities within the Station's Protected Area. If the Company determines that to comply with applicable NRC requirements it must, or the NRC directs the Company to, locate the DFS pad and any related facilities at a different location within the Owner Controlled Area ("OCA") of the Station, the Company will consider and use its best efforts to locate such facilities in a way that will minimize impacts on access to and use of lands within the OCA.

3. **Cask Spacing.** The Company will locate casks on the DFS pad in a manner such that access to individual casks will be maintained to the greatest extent possible. Under cask loading currently anticipated through the end of the Company's existing NRC license, this will result in individual access to each cask.

4. **Access Roads.** The Company will not construct roads providing access to the DFS pad closer than 100 feet from the Floodplain except that existing roads may be maintained (but not enlarged) within 75 feet of the Floodplain.

5. **Monitoring.** The Company will monitor the temperature on each cask located on the DFS pad continuously using an electronic-monitoring system contemplated by the Company's current DFS-system design. Monthly the Company will manually conduct radiation surveillance of each such cask. The DPS and the Company, in consultation with the Department of Health, will develop a protocol for reporting the results of such monitoring and surveillance to the DPS and the Department of Health.

6. **De-icing.** The Company will not use corrosive or flammable chemicals on or within fifteen feet of the DFS pad for purposes of de-icing.

7. **Out-of-State Waste.** The Company will not store waste generated outside of the state of Vermont at the Station.

8. **Off-Site Transfer.** The Company will use its commercial best efforts to ensure that high-level SNF stored at the Station is removed from the site in a reasonable manner and as quickly as possible to an interim or permanent location outside of Vermont.

9. **Pool Density.** The Company will configure the spent-fuel pool so that high-decay-heat assemblies of SNF are surrounded by low-decay-heat assemblies of SNF.

10. **Security.** The Company will be responsible for all costs of security for the Station required under its license from or otherwise by the NRC except that during decommissioning it will have the right to use funds from the Decommissioning Trust Fund to pay for such security.

11. **Clean Energy Development Fund.** The parties acknowledge that the General Assembly is concurrently with this MOU enacting legislation authorizing the Company to file a petition for approval to construct and operate a DFS facility under 30 V.S.A. § 248 based upon this MOU, including specifically the Company's agreement to fund a Clean Energy Development Fund established by the legislation (the "Fund"). The Company hereby agrees that if the Board issues to the Company a CPG authorizing such construction and operation, and if the Company obtains all approvals necessary to uprate the Station, the Company will pay to the

State of Vermont for deposit into the Fund payments calculated to total \$15,625,000 during the period commencing January 1, 2006, and ending March 21, 2012. Payments will be made in equal quarterly amounts of \$625,000 per quarter commencing as of January 1, 2006, with the initial payment to be due when the Company receives all such approvals and to include all quarterly payments due up to that time and with the last payment to be due on January 1, 2012.

12. Preemption. The Company agrees that it will not file an action or petition based on or otherwise seek, claim, defend or rely on the doctrine of federal preemption to prevent enforcement of its express obligations under this MOU.

13. NRC Requirements. Nothing in this MOU, including specifically Paragraph 12, shall be interpreted as prohibiting or restricting the Company from complying with any requirements or order of or any of its obligations under its license or otherwise to the NRC.

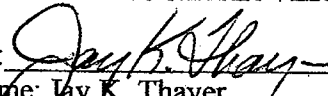
14. Governing Law. This MOU is governed by Vermont law and any disputes hereunder will be decided by the PSB.

15. DPS Obligations. The DPS will support the issuance of an order and findings by the PSB approving this MOU, subject to the DPS's obligations under Title 30 of the Vermont Statutes Annotated.

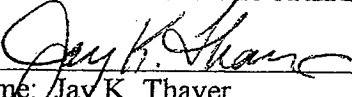
16. Non-MOU Positions. This MOU does not limit the DPS's ability to investigate issues or advocate positions that are relevant in the proceeding before the PSB in which the Company seeks a CPG for the DFS facility. Other than the specific conditions included in this MOU, the DPS will advocate for any further conditions on the Company and the physical attributes and operations of the DFS facility that the DPS believes are necessary to support a finding of public good pursuant to 30 V.S.A. § 248.

17. Precedential Effect. The parties agree that this MOU will not be construed by any party or tribunal as having precedential impact on any future proceeding involving the parties, except as necessary to implement this MOU or to enforce an order of the PSB resulting from this MOU.

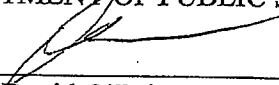
ENTERGY NUCLEAR VERMONT YANKEE, LLC

By: 
Name: Jay K. Thayer
Title: Vice-President of Operations and duly authorized agent

ENTERGY NUCLEAR OPERATIONS, INC.

By: 
Name: Jay K. Thayer
Title: Vice-President of Operations and duly authorized agent

STATE OF VERMONT
DEPARTMENT OF PUBLIC SERVICE

By:  _____

Name: David O'Brien

Title: Commissioner of the Department of Public Service