



Department of Public Service

Public Service Commission

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December 22, 2015

William M. Mohl
President
Entergy Wholesale
440 Hamilton Avenue
White Plains, New York 10601-1813

Sent Via Email and US Mail

Dear Mr. Mohl:

As you are aware, on December 16, 2015, Governor Cuomo directed the Department of Public Service (Department), in its role of overseeing electric corporations operating in the State, to investigate the Indian Point Nuclear Facility (Facility), owned by Entergy Nuclear Operations (Entergy). This investigation will have particular focus on the operations and the ability of Entergy to ensure the Facility provides safe and adequate service. Specifically, the Governor has asked the Department to evaluate the capital and maintenance budgets for the Facility to assess their impact or contribution to the recent abundance of sudden outages and how those outages impact plant performance.

Entergy operates in New York as an electric corporation pursuant to sections two and five of the Public Service Law (PSL). The New York Public Service Commission (Commission) made this determination in its *Order Providing For Lightened Regulation of Nuclear Generating Facilities*,¹ which is enclosed for your convenience. In that order, the Commission determined that the company would not be subject to all provisions of the PSL, but notably determined that the company, and its operation of the Facility, would be subject to Article one and Article four PSL provisions that “prevent producers of electricity from taking actions that are contrary to the

¹ Cases 01-E-0113, Entergy Nuclear Indian Point 2, LLC and Entergy Nuclear Operations, Inc. – Joint Petition and 00-E-1225, Entergy Nuclear Fitzpatrick, LLC, Entergy Nuclear Indian Point 3, LLC, and Entergy Nuclear Operations, Inc. – Joint Petition, Order Providing For Lightened Regulation of Nuclear Generating Facilities (issued August 31, 2001) (Entergy Order).

public interest.”² The responsibilities of Entergy, with respect to the regulatory oversight of the Department, are specified in the Appendix to the Entergy Order, which, markedly, states that “Cooperation [of the company] would continue with special investigations, directed by the Governor and performed by PSC Staff, into specific problems or events at a facility.”

Given the above, this letter serves as notice to Entergy that staff of the Department, at the direction of the Governor, is commencing a special investigation of the Facility and Entergy’s operations. During this investigation, Department staff could utilize any of the foregoing: written information requests, personnel interviews, and access to the Facility. Entergy is reminded that its cooperation is expected pursuant to its unconditional acceptance of the Entergy Order and the attendant requirements of the PSL for electric corporations, particularly PSL sections 66 (8) and (9), which affords the Department the “power to...enter in or upon and to inspect the property, buildings, plants, factories...and offices” of any electric corporation and the “power to examine the accounts, books, contracts, records, documents and papers” of the same.

The Department has been asked to provide its initial findings by February 15, 2016, therefore the company’s full cooperation will be necessary to meet this deadline. I have asked Raj Addepalli, Managing Director of Utility Rates and Service to lead this investigation for the Department. Unless you express otherwise, Mr. Addepalli or staff from his team will be in contact with Mr. T. Michael Twomey.

Please contact me directly if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Audrey Zibelman". The signature is fluid and cursive, with the first name being more prominent.

Audrey Zibelman
Chief Executive Officer

Enc.
Cc: Raj Addepalli

² Entergy Order, pp. 9-10.