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April 17, 2008

Hon. Jaclyn A. Brillling
Secretary
New York State Department of Public Service
Three Empire State Plaza
Albany, New York 12223

Re: Case 08-E-0077- Verified Petition Filed by Entergy Nuclear Fitzpatrick, LLC; Entergy Nuclear Indian Point 2, LLC; Entergy Nuclear Indian Point 3, LLC; Entergy Nuclear Operations, Inc.; NewCo; and Entergy Corporation for a Declaratory Ruling Regarding a Corporate Reorganization, or, in the Alternative, an Order Approving the Transaction and an Order Approving Debt Financing Proceeding

Dear Secretary Brillling:

On behalf of Riverkeeper, Inc. ("Riverkeeper") I am writing to express strong support for the formal objection and hearing request filed by the New York State Attorney General ("New York") on April 7, 2008 in the above-referenced matter. Riverkeeper shares the concerns raised by New York regarding both the inadequacy of Entergy's petition and the fact that the proposal would not further the public interest. On the contrary, Entergy's primary purpose in pursuing this reorganization seems to be the maximization of financial benefits to the parent company's shareholders, at the expense of New York ratepayers.

Riverkeeper has particular concerns about the following three aspects of Entergy's proposal. First, Entergy's decision to continue the dubious practice of requiring separate lines of ownership of Indian Point 3 and Indian Point 2 (and Unit 1) in distinct limited liability corporations contradicts one of the stated goals of the reorganization, namely to centralize management and company oversight of its merchant nuclear plants, so that they are run safely and efficiently. Given the abysmal operating history of Unit 2, the ongoing environmental pollution caused by Units 2 and 1, and the growing challenge to the relicensing of Units 2 and 3, it would appear Entergy is proposing to limit any future parent company liability arising from the operation of Units 1 and 2 from affecting the financial status of Unit 3. Indeed, the fact that Vermont Yankee is paired with Indian Point 1 and 2 further reinforces this notion, since Vermont Yankee has also been plagued with operational failures and faces well-organized opposition to its license renewal. Riverkeeper echoes the State's assertion that the Indian Point nuclear facility as a whole would be better managed if all three reactors were owned and operated by a single corporate entity. This becomes particularly critical when any of the reactors begins

decommissioning. There is currently no evidence that Entergy has updated its current decommissioning funding for Indian Point 1 and 2 to reflect the likely significant increase in remediation costs that will result from the recent onsite groundwater contamination caused by leaking spent fuel pools. Furthermore, based on the scant information provided by Entergy in its petition, it is unclear whether the proposed new holding company would have the financial resources to ensure that there is adequate funding for decommissioning of the site, especially when these additional remediation costs are figured in.

Second, Riverkeeper agrees with the State that Entergy should not be allowed to use this reorganization gambit as a vehicle to avoid fulfilling its financial obligations to the New York Power Authority ("NYPA") pursuant to a previous revenue sharing agreement. State's Objection to Entergy Petition, pgs. 17-18, citing pg. 85 of Entergy's 2007 Annual Report. If in fact Entergy is able to avoid paying an estimated \$360 million to NYPA, such a shortfall could potentially result in increased rates for NYPA customers. The Public Service Commission should not allow the state's utility customers to be negatively affected by such a corporate sleight-of-hand.

Third, Riverkeeper strongly disagrees with Entergy's request that the PSC declare that approval of the reorganization does not require review under the State Environmental Quality Review Act ("SEQRA"). If approved, there is no guarantee the newly minted holding company or its Indian Point subsidiaries will have adequate funding for properly decommissioning the Indian Point site, particularly after an additional twenty years of operation. On the contrary a proper examination of Entergy's reorganization request must include a detailed SEQRA review, so that all reasonably foreseeable impacts, as well as mitigation measures, are fully assessed by the PSC. The PSC must not allow Entergy to avoid its long-term responsibilities in this regard- the result could well be a highly contaminated, poorly managed nuclear waste dump on the banks of the Hudson River.

Riverkeeper appreciates this opportunity to present its concerns regarding Entergy's petition, and urges the PSC to reject this application, or in the alternative to hold a full evidentiary hearing on the matter.

Very truly yours,

A handwritten signature in black ink, reading "Phillip Musegaas". The signature is written in a cursive, flowing style.

Phillip Musegaas
Staff Attorney
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Cc:

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