THE RADIOACTIVIST

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ENTERGY: SOUTHERN HOSPITALITY COULD KILL US!

SALE OF NORTHEAST NUKES TO LOUISIANA UTILITY SPELLS DISASTER!

ENTERGY IN THE NORTHEAST

In 1999, Entergy, a Louisiana based utility, bought the Pilgrim nuclear reactor in MA with a book value of $700 million for $13 million. Entergy is committed to being a mega-generating combine through the deregulation of the electric utility market in the US. Entergy focused attention on Northeast and Midwest nukes buying in addition to Pilgrim, Vermont Yankee, Indian Point 1,2,and 3, Fitzpatrick, Palisades and Big Rock. It currently operates 5 other nukes including Arkansas Nuclear 1 & 2, Grand Gulf (Mississippi), River Bend (Louisiana), and Waterford 3 (Louisiana). Entergy is also contracted to decommission 4 other reactors. In addition, the corporation owns coal fired and gas plants across the South and is notorious for firing its skilled work force, cutting back on maintenance, and marginalizing safety to increase profit.

IS ENTERGY A GOOD NEIGHBOR?

In 1999 Entergy had the distinction of having rolling blackouts in four states. Entergy cut power to over 555,600 customers in July 99 in a four state region. At least nine power stations, owned and maintained by Entergy, suffered equipment failures causing numerous outages. The New Orleans based corporation's transmission and distribution systems couldn't handle the electric demand during heat waves. Critics fault Entergy's cost cutting practices which have led to inadequate maintenance and the lack of a skilled work force. Entergy maintains that it suffers a "customer perception" problem. The state of Texas sees it differently.

In 2000 the New Orleans City Council concluded that Entergy engaged in inflating prices to cover costs not allowed in New Orleans fuel adjustment charges. The council believed Entergy New Orleans incorrectly charged customers to pay for System Fuels Inc. (another Entergy company formed to buy fuel for Entergy affiliates) costs, and appointed an investigator to estimate exactly how much the company had supposedly overcharged ratepayers from 1985- 2000. ***The council then ordered Entergy to repay $11.3 million***; $7.2 million in fees plus $4.1 million in interest.

In a fraud and antitrust suit brought by Mississippi's attorney general against Entergy in 2009, the Entergy admitted that a subsidiary sold power to the state under a contract that was the subject of a similar suit that resulted in a $72 million refund to Louisiana customers. In addition Entergy was issued a subpoena from the Mississippi Public Service Commission, ordering it to hand over documents and transcripts from two Louisiana court cases that alleged Entergy overcharged its customers.

In February 2008 - A group of black employees hit Entergy with a lawsuit alleging they were victims of "extreme indifference" that allowed racial discrimination to go unchecked.

In September 2009 the City of Beaumont, Texas filed suit in the 172nd state District Court. The city claimed an outside audit of electrical services provided by Entergy Texas revealed it was billed for streetlights that did not exist and maintenance that did not occur, and was billed for light bulbs at higher wattages.

COST CUTTING PRACTICES BLAMED

Entergy has 2.5 million customers in Texas, Louisiana, Arkansas, and Mississippi. During the heat wave, Entergy cut back power, angering regulators who have accused the corporation of providing poor service and charging excessive rates.

In 1997 the Texas Public Utility Commission (PUC) fined Entergy $9 million for close to a decade of "poor electric reliability" ongoing and penalized it with a rate reduction. In the PUC Final Order, the Commissioners state " …evidence revealed a lack of effective and prudent maintenance policies, uneven spending in the area of operations and maintenance, cuts in experienced personnel, and consequent deterioration in the quality of service. "

In harsh winter weather, volunteer firemen were pressed into service to disconnect Entergy's live wires because the company lacked personnel to do the work as a result of cutbacks. Entergy was found to have insufficient numbers of personnel and initially made feeble efforts to repair the damage. Cities affected by the ice storm had to use their municipal employees for repairs, including handling live wires. The company simply failed to carry out basic maintenance.

COST CUTTING= JOB CUTTING

Entergy's job slashing resulted in a loss of many years of worker experience that could not be made up by contract workers who lacked knowledge and were unfamiliar with the system. Lay-offs included 66 linemen employees with an average of 18 years experience each. The PUC found "pockets of unreliability". Rural customers experienced more outages of greater duration and lower-quality service. Services in some sectors were so unreliable that there were 41.3 hours of outage in one year. Entergy maintained a list of "politically sensitive" accounts, which lead to certain customers receiving preferential treatment.

Entergy maintains that its cost-cutting measures are directed toward unnecessary fat and inefficiency, and that permanent employees were simply replaced with cheaper contract workers. The rolling blackouts and Entergy's pitiful response to storms raise serious questions about Entergy's priorities: profit or safety? This conflict is exacerbated in nuclear power operation where marginalizing safety can have disastrous consequences. Now, Entergy is transporting its cost cutting zeal to the North.

MYSTERY DEALS IN THE NUCLEAR SHELL GAME

Entergy bought the Pilgrim reactor in Massachusetts, for less than 1/5 of its book value and the agreement transferred decommissioning funds to the purchaser. It bought the Vermont Yankee reactor for $100s of millions less than its book value. These bargain basement deals enable Entergy to shield itself from liabilities, by transferring ownership to "limited liability" corporations which have a financial jump-start into a new generation of nukes on existing sites. In addition, the Pilgrim deal allowed Entergy, the purchaser, to lay off 1/2 of the workforce.

With all these deals, Entergy claims it will pay the difference between the balance in the decommissioning funds and what it costs to actually dismantle these reactors. This assurance that it will cover decommissioning costs, from a limited liability holding company in an industry where incompetent projections have cost the public billions, is not comforting. These corporations could, under deregulation, go bankrupt and potentially leave the states responsible for clean up of radioactive contaminated sites. Even the NRC has acknowledged that decommissioning trust funds are inadequate.

Decommissioning funds are collected from ratepayers and investment income. Previously utilities were state regulated and were immune from taxes on decommissioning funds or the interest earned. Original utilities were committed to returning profits in the fund to the ratepayers; Entergy, however, makes no such commitment. There can be a lot of money in decommissioning-Yankee Rowe the smallest commercial reactor cost $37 million to build and will cost at least $750 million to clean up.

Utilities believe that as decommissioning experience accrues, and contractors become more efficient at cleaning up sites, costs will drop. There is no guarantee of this. Current owners of decommissioning reactors are attempting to limit cleanup, fire skilled workers, and leave the sites as dirty as they can get away with. Clean up of reactor sites has proven to be costlier due to extensive on-site contamination. Low-ball estimates only mask the real problem-leaks, spills, and groundwater contamination. Making decommissioning a profit-driven venture will lead to lower clean-up standards and greater contamination left behind in reactor communities.

THE WILL OF THE PEOPLE

In recent polls over 60% of the American people want energy production in the 21st Century to focus on alternatives, not on subsiding the nuclear industry and its bad debts. These aging and embrittled nukes should shut down now. These corporate pyramid schemes undermine the will of the people. These schemes are dangerous in a deregulated energy market and must be stopped before these corporations create an energy monopoly compromising health and safety to line the pockets of their shareholders.

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