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July 30, 2008

SENT ELECTRONICALLY ONLY

Hon. Gerald L. Lynch, ALJ
Hon. David L. Prestemon, ALJ
New York State Public Service Commission
Three Empire Plaza
Albany, New York 12223

Re: Case No.: 08-E-0077 – Entergy Petition for Corporate Reorganization

Your Honors:

The County of Oswego would offer the following comments consistent with your July 23rd Ruling. As you are aware, the County of Oswego became an Active Party late in this proceeding and we are well aware that this fact, alone, holds little water regarding a blanket request to further extend discovery in this proceeding.

Despite our brief participation in this proceeding, it would seem that the data regarding the proposed corporate structure has taken several different forms and continues to evolve throughout this proceeding. While change may be inevitable, even slight changes proposed by the Petitioners should not preclude the Active Parties from obtaining further discovery regarding same within the confines of this proceeding. The mere fact that another, longstanding Active Party has requested that Petitioners produce at this Friday's meeting "... a chart showing the most recent proposed structure of Enexus (including all affiliates) and their relationship to each other, how that chart relates to any previously provided charts of Enexus organization and how those entities are successors to Entergy entities..." is indicative that further discovery stemming from changes in data/organization is warranted.

The considerable debt associated with this spin-off is of particular concern to Oswego County. The James A. FitzPatrick Plant is a large employer in this county and contributes significantly to our local economy via its payroll, commodity purchases, tax payments and otherwise. Oswego County is presently in a PILOT agreement running through 2010 with Entergy Nuclear FitzPatrick, LLC (ENF). Article V of that Tax Agreement allows, *inter alia*, that the rights and interests of that agreement held by ENF may be sold, pledged, mortgaged or assigned to any lender, affiliate or purchaser without the consent of the taxing jurisdictions "provided that such successor owner assumes and agrees to be bound by" that agreement. At present, it is assumed that the agreement will remain resident with the ENF but it is unknown whether that can or will change as this proceeding progresses; it is also unknown how any assumption of debt in general by Petitioners and by the ENF, in particular, will affect same.

Additionally, as part of the tax agreement entered into under Real Property Law §490, ENF entered into a separate, power purchase agreement with Oswego County whereby ENF agreed to provide to the Oswego County Public Utility Service up to 10 MW per hour, all hours, through December 31, 2010 at the fixed rate of \$32 per MWH over the life of the agreement. This low-cost power assists the county in its economic development efforts and is also used by local municipalities and to attract/retain non-residential customers within the county. The selfsame concerns pertain to the power purchase agreement as to the tax agreement as regards this proceeding. Lastly, the county also has enjoyed a solid relationship with Entergy regarding its participation in NRC and FEMA-observed drills and coordinated emergency planning regarding ENF; threshold assurances from Petitioners, if any, as to continued emergency planning efforts and capabilities for both Indian Point and Fitzpatrick are certainly in the public interest and ensures the public's safety. Although generally the province of the NRC and FEMA, the scope of this proceeding should include, at a bare minimum, some assurances by Petitioners that they are willing and able to continue coordinated emergency planning and response efforts for all of their nuclear plants within New York State.

It is respectfully submitted that, for the above reasons alone, Oswego County has a direct and vested interest in ensuring that there is adequate capital for continued operation of ENF, and in reviewing static, proposed arrangements for the management, operation and maintenance of the FitzPatrick Plant. The ability of Petitioners to meet these goals, despite the assumption and allocation of significant debt is not clear from their submissions.

Insofar as the Petitioners' obligations relative to the Value Sharing Agreements (VSA) are concerned, the County of Oswego believes that any approvals granted by the Commission herein should safeguard and protect the interests of the State of New York and the New York Power Authority, and the revenue streams thereunder, by either continued payments by Entergy to NYPA notwithstanding any reorganization, an assumption of the VSA obligations by the Petitioners under a reorganization or via some other mechanism containing adequate financial assurances.

The County of Oswego has today requested copies of the Information Claimed Exempt and it should be noted that these comments are made without the benefit of same. The County executed Exhibit I on July 28th and has today provided Petitioners additional assurances regarding FOIL; as such, it is anticipated that these documents will be received in the near future.

The County of Oswego would respectfully submit that keeping discovery open for a minimum period of thirty (30) days beyond the receipt of a final and fixed arrangement as to the management, operation and allocation of debt among the plants from Petitioners would be consistent with the Commission's directives and also in the public interest. As such, Oswego County would oppose the close of discovery at this juncture.

Respectfully yours,



Richard C. Mitchell
County Attorney

RCM:ms

cc: Active Party List