Watchdogs Slam Entergy Nuclear CEO’s Compensation as Needed Safety Fixes Go Undone at Palisades Atomic Reactor

Covert, Michigan – Atomic watchdogs in Michigan are asking why the Palisades atomic reactor near South Haven on the Lake Michigan shore has deferred or cancelled needed safety repairs, while the Chief Executive Officer of Entergy Nuclear, J. Wayne Leonard, has raked in $54.3 million in compensation in just the past three years alone. A scathing article in Vermont’s *Brattleboro Reformer* this week, written by Bob Audette, asked similar questions regarding the Vermont Yankee atomic reactor’s shortfall in radiological clean-up funding, and failure to make needed repairs, despite seeking a 20 year operating license extension.

The article also reports numerous lawsuits and other government actions against Entergy Nuclear for assorted alleged and proven wrongdoing. This includes a pending lawsuit filed by the Attorney General of the State of Mississippi, charging Entergy with fraud, price fixing, anti-trust violations, and other illegal conduct. So far this decade, the State of Louisiana has ordered Entergy to refund ratepayers over $100 million, after it had gouged its own electricity customers. In Texas, a class action lawsuit against Entergy seeks a rebate on overpriced power. In 2006, the Federal Energy Regulatory Commission cited Entergy for rigging bids.

The article can be viewed online at [http://www.reformer.com/localnews/ci_13288650](http://www.reformer.com/localnews/ci_13288650).

“While Palisades’ neglected, age-degraded safety systems risk a catastrophic radioactivity release on an on-going basis, Entergy Nuclear’s CEO is laughing all the way to the bank,” said Kevin Kamps of Beyond Nuclear in Takoma Park, Maryland.

Kamps also serves as a board member of Don’t Waste Michigan, representing the Kalamazoo chapter. Don’t Waste Michigan was an official intervener against the 20 year license extension granted by the U.S. Nuclear Regulatory Commission (NRC) to Entergy at Palisades in 2007, after it had bought the reactor from Consumers Energy Company.

In a May 2006 presentation to the Michigan Public Service Commission, seeking approval of Palisades’ sale to Entergy, Consumers Energy admitted to several “[r]equired significant future capital expenditures above the routine $20M [million] per year.” These included: reactor vessel head replacement, costing $100 million; steam generator replacement for the second time, the first such transplant taking place in 1991; reactor vessel embrittlement concerns; increasing NRC fees and fire protection requirements; and containment coatings and sump strainers. The Consumers power point presentation documenting this can be found at [http://www.nirs.org/reactorwatch/licensing/kampsconsbrifeinf051806.htm](http://www.nirs.org/reactorwatch/licensing/kampsconsbrifeinf051806.htm) (see page 2).

“A Consumers vice president told me that the reason for selling Palisades to Entergy was so that this giant corporation with deep pockets could make all the needed safety fixes,” said Kamps. “Instead, the money generated at Palisades seems to be lining the Entergy CEO’s pockets.”

At an NRC-Entergy meeting about Palisades attended by members of Don’t Waste Michigan earlier this year, the company announced for the first time that previous plans to replace Palisades’ corroded reactor lid...
had now been called off. Consumers Energy had previously planned to replace the lid in 2007. A massive corrosion hole in the lid at the Davis-Besse atomic reactor on the Lake Erie shore near Toledo in 2002 is considered the closest near-miss to a major accident at a U.S. nuclear power plant since the Three Mile Island meltdown in 1979.

“Palisades has the most brittle reactor pressure vessel in the country,” said Kamps. “Failure of its thin-walled steam generator tubes could cause a loss of coolant accident in the core. These, and the other problems admitted to by Consumers Energy years ago, could each lead to a catastrophic radioactivity release at Palisades. Yet, they have gone unaddressed since Entergy took over. J.Wayne Leonard’s $223 million net worth would go a long way towards making those needed safety repairs at Palisades. Better yet, Palisades should be permanently shut down,” Kamps added.

Similar to Vermont Yankee, Entergy’s ownership of Palisades has raised concerns over the site’s future decommissioning after permanent shut down of the reactor.

“As part of the sale agreement, hundreds of millions were looted from the clean-up fund, putting the long term future health of Lake Michigan and its shoreline communities at risk,” Kamps said.

In the 1980s, J. Wayne Leonard headed a nuclear utility in Indiana. The company was convicted of illegally charging ratepayers in advance, on their monthly bills, for the construction of a nuclear power plant, even though no electricity was yet being provided. The courts ordered the utility to refund many millions of dollars to customers. The reactor was never completed.

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