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Entergy Probe: Insulation Failure Caused May 9 Indian Point Transformer Fire; Fluid Release into Hudson River Due to Firefighting Water and Foam Exceeding Moat Capacity

Transformer Replaced, Plant Online, River Cleanup Complete, Work to Prevent Recurrence Under Way

Buchanan – A failure of insulation caused a main transformer at the Indian Point nuclear power plant's Unit 3 to short circuit and catch fire May 9, Entergy announced today. The company also said its internal investigation confirmed that water and foam used to extinguish the fire, together with fluid from the transformer on the plant's non-nuclear side, exceeded a containment system's capacity.

Since the fire and the plant's safe shutdown, the transformer has been replaced, Unit 3 has returned to service, and no remediation was warranted at most locations of reported sheens from fluids that reached the Hudson River.

"We have been working closely with independent engineers, and with federal and state agencies, to address issues surrounding the May 9 transformer failure, and corrective actions are well under way," said Bill Mohl, president of Entergy Wholesale Commodities, the Entergy business unit that owns Indian Point. "These actions reinforce our commitment to environmental responsibility and transparency, as well as the continued safe, secure and reliable operation of Indian Point."

Entergy's engineers and an independent engineering firm traced the transformer problem to the failure of internal insulation that caused a short circuit in a high-voltage winding coil. Indian Point's transformers are tested routinely for signs of degradation but no immediate problems were identified prior to May 9 in the unit that failed. While additional forensic work on the transformer is still under way, Entergy is reviewing the initial findings to identify potential corrective actions.

Findings of Probe of Transformer Fluid Release into Hudson River

Entergy's investigation into the release of the transformer's dielectric fluid -- a clear mineral oil that acts as an electrical insulator and coolant -- to the ground and ultimately the Hudson River confirmed that automatic sprinkler systems dispensed more water than the capacity of the moat containment system. Some of this fluid mixed with firefighting water and foam, and then flowed from the moat into a storm drain leading to the plant's discharge canal and ultimately the Hudson River. Contractors placed sorbent and hard environmental protective booms in and outside the discharge canal and removed fluid that had spilled in the transformer yard, storm drains and adjacent areas.

As previously reported, the U.S. Coast Guard, using data from the National Oceanographic and Atmospheric Administration, estimated about 3,000 gallons of dielectric fluid reached the river. During operation, this transformer contained 24,300 gallons of dielectric fluid. About 8,300 gallons of fluid have been recovered from the moat beneath the transformer, inside the transformer, drains and areas around the transformer yard, or were combusted. Contractors are investigating the transformer yard and other areas onsite to see if more transformer fluid can be recovered and prevent any potential migration.

Contractors inspected approximately 25 locations of shoreline sheens that were reported to a New York State Department of Environmental Conservation hotline or were identified by the U.S. Coast Guard. Of those, 19 locations did not require remediation. The last offsite remediation was documented as closed with the agencies on June 5. Entergy established its own hotline for the public to report sheen sightings but did not receive any calls, and it was discontinued June 29.

Entergy and its independent engineers are reviewing the environmental response to the May 9 incident, and have confirmed that all actions taken to date, including fluid release notifications and calls for response assistance, were consistent with applicable regulations and appropriately implemented. The company continues to cooperate with state and federal environmental agencies, including the New York State Department of Environmental Conservation and the U.S. Environmental Protection Agency.

Findings of Sprinkler and Draining Systems Probe

During the firefighting, plant workers identified water on the floor of a building adjacent to the

transformer yard that contains electrical equipment powering some of the plant's safety systems. None

of the electrical equipment became wet, was damaged or failed as a result of the water.

Engineers confirmed initial findings that the apparent cause of the water accumulation on the floor

was a malfunction of components in sprinkler valves inside a building. Because multiple sprinkler

systems activated and some valves did not close automatically as designed, water accumulated before

drains could clear it. The water quickly receded after the sprinkler systems were turned off. Entergy is

modifying preventive maintenance and enhancing surveillance testing to ensure the sprinkler valves

operate as designed. On May 19, the U.S. Nuclear Regulatory Commission initiated a Special

Inspection of the water in this electrical room. Entergy is cooperating with the NRC.

About Indian Point and Entergy

Indian Point Energy Center, in Buchanan, N.Y., is home to two operating nuclear power plants,

Unit 2 and Unit 3, which generate approximately 2,000 megawatts of electricity and supply about 25

percent of power used annually by homes, business and public facilities in New York City and

Westchester County.

Entergy Corporation is an integrated energy company engaged primarily in electric power

production and retail distribution operations. Entergy owns and operates power plants with

approximately 30,000 megawatts of electric generating capacity, including nearly 10,000 megawatts of

nuclear power, making it one of the nation's leading nuclear generators. Entergy delivers electricity to

2.8 million utility customers in Arkansas, Louisiana, Mississippi and Texas. Entergy has annual

revenues of more than \$12 billion and approximately 13,000 employees.

EDITOR'S NOTE: Still photos of the replacement transformer and time-lapse video of the

transformer replacement can be found here.

-30-

Entergy's online address is <u>www.entergy.com</u>

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