

May 27, 2011

Mr. Wayne Norton, Chief Executive Officer
and President of Yankee Atomic
and Connecticut Yankee
Chief Nuclear Officer of Maine Yankee
49 Yankee Road
Rowe, MA 01367

SUBJECT: SECOND REQUEST FOR ADDITIONAL INFORMATION, PART 2, FOR
APPLICATION FOR NRC CONSENT TO INDIRECT LICENSE
TRANSFER/THRESHOLD DETERMINATION (TAC NOS. L24496, L24497, AND
L24498)

Dear Mr. Norton:

By letter dated December 6, 2010, as supplemented March 16, and May 16, 2011, Maine Yankee Atomic Power Company, Connecticut Yankee Atomic Power Company, and Yankee Atomic Electric Company notified the U.S. Nuclear Regulatory Commission (NRC) of the pending merger of Northeast Utilities and NSTAR and applied for the NRC's consent for indirect license transfer. The NRC staff has reviewed your application and has determined that additional information is required to complete its detailed review. The request for additional information (RAI) is identified in the enclosure to this letter. We request that you provide the information by June 8, 2011. Please inform us in writing at your earliest convenience, but no later than June 1, 2011, if you are not able to provide the information by the requested date. You should also include a new proposed submittal date and the reasons for the delay to assist us in re-scheduling your review. This information was discussed with your staff in a May 25, 2011, conference call.

Please reference Docket Nos. 72-30, 72-31, and 72-39 and TAC Nos. L24496, L24497, and L24498 in future correspondence related to this licensing action. If you have any questions, please contact me at (301) 492-3325.

Sincerely,

/RA/

John Goshen, P.E., Project Manager
Licensing Branch
Division of Spent Fuel Storage and Transportation
Office of Nuclear Material Safety
and Safeguards

Docket Nos.: 50-029, 50-309, 50-213,
72-30, 72-31, 72-39
TAC Nos.: L24496, L24497, L24498

Enclosure: Second RAI, Part 2

cc: Northeast Utilities Service List

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Docket Nos.: 50-029, 50-309, 50-213,
72-30, 72-31, 72-39
Enclosure: Second RAI, Part 2

cc: Northeast Utilities Service List

Distribution: SFST r/f, A Simmons (NRC), T Fredrichs (NRC), Suttall (NRC)

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DATE:	5/18/2011	5/20 /11	5/ 26 /11			5/27/11

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cc: Northeast Utilities Service List

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YANKEE ATOMIC ELECTRIC COMPANY
CONNECTICUT YANKEE ATOMIC POWER COMPANY
MAINE YANKEE ATOMIC POWER COMPANY
DOCKET NOS. 50-029, 50-213, 50-309, 72-30, 72-31, 72-39
SECOND REQUEST FOR ADDITIONAL INFORMATION, PART 2,
RELATED TO APPLICATION FOR NRC CONSENT/THRESHOLD DETERMINATION FOR
INDIRECT LICENSE TRANSFER RELATED TO MERGER
OF NORTHEAST UTILITIES AND NSTAR

Request for Additional Information

1. Summary of Annual Expenses

Provide a summary schedule of annual expenses, projected earnings, collections and end-of-year fund balances, expressed in 2010 dollars for the Independent Spent Fuel Storage Installations (ISFSI) for Connecticut Yankee (CY) and Yankee Rowe (YR), for the period of 2011-2022. Include an annual breakdown of spent fuel management costs (long term ISFSI operations) versus decommissioning costs. Also include cost factors such as insurance and property taxes.

On March 15, 2011, CY and YR submitted site specific cost estimates for the minimum amount of decommissioning funds estimated to be required as part of the 2011 Decommissioning Funding Status Report as follows:

YR: \$95.6 million (ML110810150)
CY: \$144.9 million (ML110810111)

The licensee indicated that a portion of the site specific cost estimates included an estimate for spent fuel management costs, i.e. long term ISFSI operations as well as decommissioning and demolition of the ISFSIs.

Per 10 CFR 50.82(a)(8)(i)(C), withdrawals are not permitted if they would inhibit the ability of the licensee to complete funding of any shortfalls in the decommissioning trust needed to ensure the availability of funds to ultimately release the site and terminate the license.

This information is required to evaluate compliance with 10 CFR 50.82(a)(8)(i)(C).

2. Summary Of Withdrawals from the Decommissioning Trust Funds

Provide a summary of all withdrawals from the decommissioning trust fund, including the year of the withdrawal, the amount and the purpose for the period of 2005-2011 for Maine Yankee (MY), CY and YR.

Enclosure

The licensee indicated that as of December 3, 2010, the amount accumulated in the trust fund for MY was \$98.1 million, for YR - \$49.3 million and the amount accumulated in the trust fund for CY was \$197.2 million.

Withdrawals from decommissioning trust funds under 10 CFR 50.82(a)(8)(i)(A) are limited to legitimate decommissioning activities consistent with the definition of decommissioning.

Pursuant to 10 CFR 50.75(b)(2), the NRC reserves the right to review the accumulation of decommissioning funds.

This information is required to evaluate compliance with 10 CFR 50.75(b)(2).

3. Citation for Real Rate of Returns

Provide the citation (i.e. docket number/Order number) for the Order or basis that allows for the for the assumptions used regarding rates of escalation in decommissioning costs, rate of earnings on decommissioning funds and rates of other factors assumed in your DFS report.

On March 15, 2011, MY reported the following:

2.5% escalation in decommissioning costs
5.5% earnings on decommissioning costs

YR reported the following:

2.5% escalation in decommissioning costs
4.4% earnings on decommissioning funds

CY reported:

2.5% escalation in decommissioning costs
4.4% earnings on decommissioning funds

As stated in 10 CFR 50.82(8)(iv), "For decommissioning activities that delay completion of decommissioning by including a period of storage or surveillance, the licensee shall provide a means of adjusting cost estimates and associated funding levels over the storage or surveillance period:

Per 10 CFR 50.75(f)(1), "The information in [the DFS] report must include [...] the assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections..."

This information is required to evaluate compliance with 10 CFR 50.75(f)(1), and 10 CFR 50.82(8)(iv).

4. MY Spent Fuel Disposal Trust and Decommissioning Trust Fund

For the MY decommissioning fund as defined by 10 CFR 50.2 and the MY Spent Fuel Disposal Trust, provide a summary schedule of annual expenses, projected earnings, collections and end-of-year fund balances, expressed in 2010 dollars for the period of 2011-2022. Include an annual breakdown of spent fuel management costs (long term ISFSI operations) versus decommissioning costs. Also include cost factors such as insurance and property taxes.

Explain the procedures used by the licensee to determine if ISFSI related costs are disbursed from the MY Spent Fuel Disposal Trust and the decommissioning trust fund. Explain if collections for decommissioning are deposited into the Decommissioning Trust Fund for NRC-related decommissioning or the MY Spent Fuel Disposal Trust.

In Federal Energy Regulatory Commission filing (ER04-55-000), regarding collections for decommissioning funding, the licensee describes ISFSI related expenses and proposed collections for the MY Spent Fuel Disposal Trust as well as the Decommissioning Trust Fund.

Withdrawals from decommissioning trust funds under 10 CFR 50.82(a)(8)(i)(A) are limited to legitimate decommissioning activities consistent with the definition of decommissioning.

Pursuant to 10 CFR 50.75(b)(2), the NRC reserves the right to review the accumulation of decommissioning funds.

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