



The Yankee Companies

Maine Yankee Atomic Power Company
321 Old Ferry Road
Wiscasset, ME 04578

Connecticut Yankee Atomic Power Company
362 Injun Hollow Road
East Hampton, CT 06424

Yankee Atomic Electric Company
79 Yankee Road
Rowe, MA 01367

BYR 2011-027
CY-11-035
OMY-11-166

October 5, 2011

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555

Reference:

- (a) License No DPR-36 (Docket No. 50-309, 72-30) (Maine Yankee)
- (b) License No. DPR-61 (Docket No. 50-213, 72-39) (Connecticut Yankee)
- (c) License No. DPR-3 (Docket No. 50-029, 72-31) (Yankee Atomic)
- (d) 10 C.F.R. Section 50.80
- (e) 10 C.F.R. Section 50.12
- (f) TAC Nos. L24496, L24497 and L24498

Re: Follow-Up to Meeting on September 20, 2011, Regarding Foreign Ownership and Decommissioning Funding Issues

Maine Yankee Atomic Power Company ("Maine Yankee"), Connecticut Yankee Atomic Power Company ("Connecticut Yankee"), and Yankee Atomic Electric Company ("Yankee Atomic") (together, the "Yankee Companies"), in conjunction with the pending license transfer application/threshold determination under 10 C.F.R. § 50.80 and a pending request for exemption from 10 C.F.R. § 50.38, have previously provided information to the Nuclear Regulatory Commission ("NRC") on Foreign Ownership, Control, or Domination ("FOCD") issues and decommissioning funding. The pending license transfer and exemption requests were the subject of a meeting at the NRC on September 20, 2011.

The Yankee Companies wish to express appreciation for the discussion of these issues at the meeting. We welcome the opportunity to respond to NRC Staff questions in order to support the two pending applications. Additionally, we now have a fuller understanding of NRC Staff concerns in connection with these issues. We look forward to continuing to address any further issues that arise.

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In connection with the FOCD issue, we appreciate that the exemption request is no longer linked by the NRC to the license transfer application, which involves two owners that are U.S. companies. The Yankee Companies continue to believe that, under the present circumstances for the three licensees, an exemption from 10 C.F.R. § 50.38 is warranted. However, the Yankee Companies now understand from the NRC Staff that the review of the exemption request may take considerable time, and that measures to address any potential for FOCD in the interim may be appropriate. The Yankee Companies are confident that current controls for access to safeguards and security information will assure that no safeguards or security information will be provided to individuals lacking proper authorization. In addition, the management of the three licensees will continue to make operational decisions consistent with the NRC license responsibilities and obligations, and consistent with public health and safety and the common defense and security of the United States.

Nonetheless, given NRC Staff concerns related to potential FOCD, and notwithstanding the fact that the present FOCD circumstances at the Yankee Companies have been previously accepted by the NRC, the Yankee Companies, pursuant to Board authorization to management, are evaluating whether any interim measures, in addition to controls already in place, could be implemented to negate any potential FOCD. We will provide further information to the NRC once our evaluations are completed and any new FOCD negation actions are approved by the Boards.

In connection with the decommissioning funding assurance discussion at the meeting, the Yankee Companies remain confident that appropriate mechanisms are in place to account for funds for radiological decommissioning of the Independent Spent Fuel Storage Installations (ISFSIs) and sites, separate from funds for spent nuclear fuel management. These accounting mechanisms have been successfully utilized in conjunction with the completed decommissioning of the three sites, with only the ISFSI sites now remaining under NRC license.

Nonetheless, to respond to the NRC Staff concerns, the Yankee Companies are evaluating additional administrative controls to apply to the relatively small amounts in each of the nuclear decommissioning trust funds designated for radiological decommissioning. We will advise the NRC Staff of any appropriate controls that can be implemented and would welcome feedback.

Finally, certain public stakeholders participated in the open meeting on September 20, 2011. The Yankee Companies recognize their right to do so, and welcome public transparency in the regulatory process. At least one stakeholder indicated an intent to intervene in connection with one or both of the pending applications. At this time it is unclear what form such intervention would take, and it is therefore premature to respond. However, given that the license transfer application was filed on December 6, 2010, and FOCD and decommissioning issues were addressed in several requests for additional information and responses on the public docket long before the meeting in September, the Yankee Companies would view any intervention petition to be untimely. The Yankee Companies request that the NRC Staff not allow any such petition to delay final action on either the license transfer application or the exemption request.

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If you have any questions or require additional information, please contact me or Joe Fay at (207) 350-0300.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Norton". The signature is stylized with a large, looped "W" and a long, sweeping horizontal line extending to the right.

Wayne Norton
CEO and President of Yankee Atomic and Connecticut Yankee
Chief Nuclear Officer of Maine Yankee