



CONNECTICUT YANKEE ATOMIC POWER COMPANY

HADDAM NECK PLANT

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CY-12-030

April 24, 2012

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555-0001

References:

- (a) **Connecticut Yankee Atomic Power Company**
License No. DPR-61 (Docket No. 50-213, 72-39)
TAC No. L24498

Re: **Notification Regarding Vote on Negation Action Plan**
and Submittal of Corrected Plan

On December 20, 2011, the Nuclear Regulatory Commission ("NRC") issued an order approving the indirect transfer of facility operating license No. DPR-61 for the former Connecticut Yankee power plant (*i.e.*, Haddam Neck Plant). The license transfer order approved the transfer of control of the facility, including the Independent Spent Fuel Storage Installation ("ISFSI"), as necessary to effect the merger of Northeast Utilities ("NU") and NSTAR. NU and NSTAR are owners of companies that are shareholders of Connecticut Yankee Atomic Power Company ("Connecticut Yankee"), the NRC licensee for the facility. The merger of NU and NSTAR was closed on April 10, 2012.

In the NRC's license transfer order, the NRC included the following directive:

Within thirty (30) days following consummation of the proposed merger, Northeast Utilities, via its post-merger subsidiaries, The Connecticut Light and Power Company, Western Massachusetts Electric Company, Public Service Company of New Hampshire, and NSTAR Electric Company, who together will exercise majority control, will call for votes directing that Connecticut Yankee approve a negation action plan consistent with the requirements of 10 C.F.R. 50.38 and implement said plan within 30 days of the vote, and directing that records of the votes, reflecting the vote of each representative and the stock holder company represented, be forwarded to the NRC within seven (7) days of the vote, and be made available to the public.

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As the licensee for the Connecticut Yankee facility, Connecticut Yankee herein responds to this directive in the NRC's license transfer order.

One day after the issuance of the license transfer order, on December 21, 2011, Connecticut Yankee, along with Maine Yankee Atomic Power Company ("Maine Yankee) and Yankee Atomic Electric Company ("Yankee Atomic") (together, the "Yankee Companies"), submitted to the NRC a Negation Action Plan addressing issues of potential foreign ownership, control, or domination ("FOCD"). As noted therein, resolutions implementing the Negation Action Plan were adopted by the Board of Directors of each Yankee Company on December 14, 2011 (and subsequently executed on January 3, 2012). The action of the Board of Directors predated the license transfer order.

The Negation Action Plan was also subsequently referenced in Connecticut Yankee's reply to a Notice of Violation ("NOV") issued by the NRC on January 27, 2012 (EA-2011-284). The reply was dated February 23, 2012, and included copies of the executed board resolutions and individual certifications executed in accordance with the plan.

All owners of Connecticut Yankee were represented at the meeting of the Board on December 14, 2011, and the vote was unanimous in support of the resolutions adopting and implementing the licensee's Negation Action Plan.

Based on the actions taken by the Board of Directors on December 14, 2011, and as documented in the NRC correspondence of December 21, 2011, Connecticut Yankee believes that the intent of the directive above from the license transfer order of December 20, 2011, has been fulfilled. The Connecticut Yankee Board of Directors, at the request of management and the sponsor companies (including NU and NSTAR), conducted a vote on the adoption of a negation action plan on December 14, 2011 (which was not known to the NRC at the time of the license transfer order); the Board of Directors approved and implemented the Negation Action Plan; the Negation Action Plan adopted by Connecticut Yankee is consistent with the requirements of 10 C.F. R. 50.38 (to the extent applicable to the Connecticut Yankee ISFSI); the votes to approve the plan were documented in the minutes of the meeting; and the requirement to provide records of votes, post-closing, within seven (7) days of the vote, was superseded by events, including the December 21, 2011 letter. Accordingly, Connecticut Yankee does not presently plan to hold another meeting and vote of the Board of Directors on this topic, or to make an additional seven day submittal, unless further action is directed by the NRC.

Finally, the Yankee Companies have identified that the Negation Action Plan as described in the December 21, 2011 letter to the NRC contained a minor discrepancy relative to the adopted board resolutions. Accordingly, Connecticut Yankee is resubmitting the plan. The Attachment to this letter is a corrected Negation Action Plan that corresponds to the board resolutions (and shows the change involved). The resolutions and individual certifications, previously submitted to the NRC with the replies to the NOVs, are unchanged and reflect the intended Negation Action Plan adopted by Connecticut Yankee.

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', with a long horizontal line extending to the right.

Wayne Norton
CEO and President of Connecticut Yankee

Attachment: Corrected Negation Action Plan

cc: Director, Office of Nuclear Material Safety and Safeguards
NRC Project Manager

ATTACHMENT

**MAINE YANKEE ATOMIC POWER COMPANY
CONNECTICUT YANKEE ATOMIC POWER COMPANY
YANKEE ATOMIC ELECTRIC COMPANY**

CORRECTED NEGATION ACTION PLAN

The following actions will be implemented to negate any potential for foreign ownership of shares of the Yankee Companies by certain foreign-controlled sponsor companies to cause foreign control, domination or influence over the Yankee Companies' decision-making on matters implicating public health and safety, security, or access to classified information.

1. Each Yankee Company will adopt board resolutions addressing the following:
 - Access to classified or safeguards information, and to special nuclear material, related to the Yankee Independent Spent Fuel Storage Installations shall be controlled, respectively, by the Yankee Companies under the direction and control of the President and Chief Nuclear Officer ("CEO") of Connecticut Yankee, the President and CEO of Yankee Atomic, and the Chief Nuclear Officer ("CNO") of Maine Yankee. This officer (or officers) shall assure that classified and safeguards information and special nuclear material in the custody of Yankee Company is accessed only by individuals who possess the appropriate access authorization and need. Furthermore, this officer shall assure that classified information received from a federal agency is not disclosed to any other federal agency unless specifically authorized by the agency that has classification jurisdiction.
 - Decisions related to the safety and security of special nuclear material, and related to access to classified and safeguards information and to special nuclear material, are the sole responsibility of Yankee Atomic as an NRC licensee. The responsibility for these matters shall be specifically delegated by the Board of Directors to the President and CEO of Yankee Atomic, the President and CEO of Connecticut Yankee, and the CNO of Maine Yankee. This officer (or officers) shall make all decisions related to safety and security matters (including, but not limited to, decisions related to access to classified and safeguards information and to special nuclear material) in accordance with NRC license obligations and consistent with the public health and safety and common defense and security of the United States.

- Directors and officers of the Yankee Companies who are representatives of foreign-controlled owner companies shall be excluded from, shall not require, and shall not have access to classified ~~or safeguards~~ information and/or special nuclear material.
 - The foreign-controlled sponsor companies, and their directors and officers, shall not require and shall not be provided and shall not have access to classified information or safeguards information related to the Yankee facilities, and shall not require and shall not have access to or custody of special nuclear material related to the Yankee facility.
 - The directors and officers of any foreign-controlled owner, shall not be permitted to hold positions, and shall be excluded from holding positions, at a Yankee Company that would enable them to control the policies and practices of the company in its performance of activities licensed by the NRC under 10 C.F.R. Part 50 or 10 C.F.R. Part 95.
2. Each Yankee Company will adopt by board resolution the following governance restrictions:
 - The Chairman of the Board shall at all times be a U.S. citizen.
 - The President and CEO of Yankee Atomic, the President and CEO of Connecticut Yankee, and the CNO of Maine Yankee shall at all times be U.S. citizens and shall obtain an appropriate security clearance.
 - Each Yankee Company shall designate a Facility Security Officer who is a U.S. citizen and who will obtain a personal clearance for classified access (*see* 10 C.F.R. 95.17(a)(4)).
 3. Each Yankee Company will notify NRC of any changes related to foreign ownership of Yankee Companies or changes to Yankee Company bylaws related to decision-making on safety or security issues.
 4. The President and CEO of Yankee Atomic, the President and CEO of Connecticut Yankee, and the CNO of Maine Yankee will execute a certification (or certifications) acknowledging his or her special duties with respect to protection of classified and safeguards information and public health and safety and common defense and security relative to special nuclear material. The certification(s) will also acknowledge a duty to report any FOCD/FOCI issue to the NRC.
 5. Individual directors and officers of the Yankee Companies who have been granted access to classified information, if any, will execute certifications acknowledging their special duties with respect to public health and safety and security relative to classified information and special nuclear material.

6. Individual directors and officers of the Yankee Companies who are representatives of the foreign-controlled sponsors will execute certifications of their understanding of their obligations with respect to exclusion from access to ~~security~~ classified information (~~whether classified or safeguards information~~), with respect to compliance with NRC requirements generally, and with respect to obligations related to FOCD/FOCI.