

April 20, 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 FOR APPLICATION
FOR NRC CONSENT TO INDIRECT LICENSE TRANSFER/THRESHOLD
DETERMINATION (TAC NOS. L24496, L24497, L24498)

Dear Mr. Norton:

By letter dated December 6, 2010, as supplemented March 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 May 17, 2011. Please inform us in writing at your earliest convenience, but no later than May 10, 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 an April 13, 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

cc: Northeast Utilities Service List

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

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OFFICIAL RECORD COPY

cc: Northeast Utilities Service List

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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
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. Pursuant to 10 CFR 50.38, submit a negation action plan for each of the licensees which negates the foreign ownership, control or domination of Maine Yankee, Connecticut Yankee and Yankee Atomic; or take action to remove the foreign ownership, control, or domination.

By letter dated March 16, 2010, Yankee Atomic Electric Company (Yankee Atomic), Connecticut Yankee Atomic Power (Connecticut Yankee), and Maine Yankee Atomic Power Company (Maine Yankee) responded to the staff's request for additional information (RAI) regarding foreign ownership, control, or domination of each of the licensees.

The RAI response indicated that the licensees' shareholders are ultimately owned by foreign entities and the licensees are governed by a board of directors whose members are appointed, in part, by companies that are ultimately controlled by foreign entities, as summarized below.

- Maine Yankee: Central Maine Power Co. (38% - Iberdrola S.A.), New England Power Co. (24% - National Grid); Bangor Hydro-Electric and Maine Public Service Co. (12%- Emera)
- Connecticut Yankee: New England Power Co. (19.5% - National Grid), Central Maine Power Co. (6.0% - Iberdrola S.A.)
- Yankee Atomic: New England Power Co. (34.5% - National Grid), Central Maine Power Co. (9.5% - Iberdrola S.A.)

Additionally,

- Shareholders with ultimate foreign parent companies have the power to appoint members to the Board of Directors of each of the NRC licensees.
- The Maine Yankee shareholders, including several foreign entities, may also exercise control via the unanimous consent required to amend the sections of the Maine Yankee by-laws concerning the Maine Yankee Director appointment and voting authority.

Thus, the NRC staff knows and has reason to believe that the licensees are owned, controlled, or dominated by foreign corporations.

Enclosure

Section 103d of the Atomic Energy Act (AEA) prohibits the NRC from issuing a license for a production or utilization facility to:

“an alien or any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation or a foreign government.”

10 CFR 50.38 codifies the statutory requirement in the NRC’s regulations.

The Standard Review Plan on Foreign Ownership, Control or Domination applicable to nuclear reactor facilities licensed under sections 103 and 104 of the Act establishes review criteria for evaluating matters of foreign ownership or control issues on a case-by-case basis. Section 4.3, “Supplementary Determination,” states:

...[I]f the reviewer continues to conclude that the applicant may be an alien or owned, controlled or dominated by foreign interests, or has some reason to believe that may be the case, the reviewer shall determine:

...3. The type of actions, if any, that would be necessary to negate the effects of foreign ownership, control or domination to a level consistent with the AEA and NRC regulations.

Further, Section 4.4, “Negation Action Plan,” states:

If the reviewer continues to conclude following the Supplementary Determination that an applicant may be considered to be foreign owned, controlled or dominated, or that additional action would be necessary to negate the foreign ownership, control or domination, the applicant shall be promptly advised and requested to submit a negation action plan.

This information is required to evaluate compliance with 10 CFR 50.38 and 10 CFR 50.33.