

# MAINE YANKEE

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March 27, 2006

MN-06-003      RA-06-008      MET-06-02

UNITED STATES NUCLEAR REGULATORY COMMISSION  
Attention: Document Control Desk  
Washington, DC 20555

Reference: (a) License No. DPR-36 (Docket No. 50-309)  
(b) Letter: M. B. Sellman to USNRC; Certifications of Permanent Cessation of Power Operation and Permanent Removal of Fuel From the Reactor; MN-97-89, dated August 7, 1997  
(c) License Amendment No. 172 to Facility Operating License No. DPR-36- Maine Yankee Atomic Power Station dated September 30, 2005

Subject: Decommissioning Funding Assurance Status Report - 10 CFR 50.75

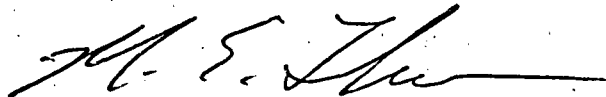
Gentlemen:

In reference (b), Maine Yankee informed the USNRC that the Board of Directors of Maine Yankee had decided to permanently cease operations at the Maine Yankee plant and that fuel had been permanently removed from the reactor. In accordance with 10 CFR 50.82(a)(2) the certifications in the letter modified the Maine Yankee license to permanently withdraw Maine Yankee's authority to operate the reactor. In 1998, Maine Yankee commenced decommissioning the power plant and returning the area to a green field condition. In Reference (c), the NRC amended the Maine Yankee license, releasing most of the formerly licensed land for unrestricted use, shrinking the licensed land to the ISFSI only.

In accordance with the requirements of 10 CFR 50.75, and per direction provided by the NRC staff on March 24, 2006, Maine Yankee hereby submits its report on the status of decommissioning funding for the year ending December 31, 2005 for Maine Yankee. Attachment 1 provides the requested information.

If you have any questions please contact me at 207-882-1310.

Very truly yours,



Michael E. Thomas  
Vice President, CFO & Treasurer

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Enclosure: Maine Yankee - "NRC Decommissioning Funding Status Report -  
December 31, 2005"

c: Mr. J. R. Hall, NRC SFPO Project Manager  
Mr. P. J. Dostie, State of Maine, Division of Health Engineering  
Mr. S. J. Collins, NRC Regional Administrator, Region 1  
Senator Charles Pray, State of Maine, Nuclear Safety Advisor

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**Attachment 1 to MY-RA-06-008 and MN-06-003, page 1 of 2**  
**NRC Decommissioning Funding Status Report**

**Maine Yankee**  
**(Status as of 12/31/05)**

1. The amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (e)(1)(ii).	\$47.6 million <sup>(1)</sup>
2. Schedule of the annual amounts remaining to be collected including amounts beyond those required in 10 CFR 50.75 (e)(1)(i).	\$26.5 million <sup>(2)</sup>
# Years to collect	2.83 years
3. The assumptions used regarding escalation of the decommissioning cost estimate, rates of earnings on decommissioning funds, and rates of other factors used in funding projections are:	
Annual escalation rate	3.80% (2003) 2.50% (2004) 3.06% (2005) 3.25% (2006–2023)
Annual after-tax earnings rate on decommissioning trust funds	5.5% (reduced in last few years)
Other factors assumed	None

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<sup>(1)</sup> This accrued market value balance includes amounts in the Decommissioning Trust for all decommissioning costs including site restoration and long-term spent fuel storage as well as decommissioning as defined in 10 CFR 50.75. Since the original power plant has been decommissioned and the license amended, the only remaining decommissioning as defined by the NRC in 10 CFR 50.2 is decontamination and dismantlement of the ISFSI once the fuel is removed.

<sup>(2)</sup> Under the Settlement approved by FERC on September 16, 2004, Maine Yankee continued decommissioning collections at a revised rate of \$26.5 million annually.

Attachment 1 to MY-RA-06-008 and MN-06-003, page 2 of 2  
NRC Decommissioning Funding Status Report

Maine Yankee  
(Status as of 12/31/05)

4. *Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(ii)(A)*

Maine Yankee is currently collecting funds through its power contracts and amendatory agreements under FERC regulation. The power contracts, additional power contracts and the amendatory agreements specify the obligations of the purchasers for the costs of Maine Yankee, including decommissioning costs. Such contracts have been filed with FERC.

5. *Any modifications to a licensee's current method of providing financial assurance occurring since the last submitted report.* None

6. *Any material changes to trust agreements.* None