CONNECTICUT YANKEE ATOMIC POWER COMPANY

HADDAM NECK PLANT
362 INJUN HOLLOW ROAD • EAST HAMPTON, CT 06424-3099

March 9, 2010
CY-10-005
Docket No. 50-213
Re: 10 CFR 50.75(f)

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

Reference: (a) License No. DPR-61 (Docket No. 50-213)
(b) Letter: CYAPCO to USNRC; Haddam Neck Plant Certifications Of Permanent Cessation of Power Operation and that Fuel has been Permanently Removed From the Reactor, dated December 5, 1996
(c) Letter: USNRC to Wayne Norton; Haddam Neck Plant – Release of Land from Part 50 License, dated November 26, 2007
(d) USNRC Regulatory Issue Summary (RIS) 2001-07, REV 1

Subject: Decommissioning Funding Assurance Status Report – 10CFR 50.75

Gentlemen:

In reference (b) Connecticut Yankee Atomic Power Company (CYAPCO) informed the USNRC that the Board of Directors of CYAPCO had decided to permanently cease operations at the Haddam Neck Plant and that fuel had been permanently removed from the reactor. In accordance with 10CFR 50.82(a)(2) the certifications in the letter modified the CYAPCO license to permanently withdraw CYAPCO's authority to operate the reactor. In 1996, CYAPCO commenced decommissioning the power plant. In Reference (c), the NRC amended the CYAPCO 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, direction provided by the NRC staff on March 5, 2008 and recent RIS 2001-07, Rev 1 regulatory clarification, CYAPCO hereby submits its report on the status of decommissioning funding for the year ending December 31, 2009 for CYAPCO. Attachment 1 provides the requested information.

If you should have any questions, please contact me at (860) 267-6426 x304.

Sincerely,

Carla M. Pizzella
Treasurer

3-9-10
Date

NMSS01

Attachment 1 – "NRC Decommissioning Funding Status Report"

cc: J. Joustra, Chief, Decommissioning Branch, Region I
S. J. Collins, NRC Regional Administrator, Region 1
J. Goshen, NRC Project Manager, Haddam Neck Plant
E. L. Wilds, Jr., Director, CT DEP, Radiation Division

CY-10-005

Attachment 1

NRC Decommissioning Funding Status Report

March 2010

Attachment 1

NRC Decommissioning Funding Status Report

Connecticut Yankee - Haddam Neck Plant
(Status as of 12/31/09)

1. *The amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c)*	$146.3 million[1]
2. *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)(i).*	$162.4 million[2]
3. *Schedule of the annual amounts remaining to be collected Including amounts beyond those required in 10 CFR 50.75*(e)(1)(i)	$39.7 million[3] (2010) $40.9 million (2011-2014) $43.7 million (2015)
4. *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	2.5%

[1] Since the original power plant has been decommissioned and the license amended, the only remaining decommissioning as defined by the NRC in 10 CFR 50.75 is decontamination and dismantlement of the ISFSI once the fuel is removed. The Site-Specific Cost Estimate for future costs beyond 2009 is $146.3 million (in 2009 dollars) and includes the current estimate for spent fuel management costs, i.e. Long-term ISFSI operations through 2023 ($138.6 million) and D&D of the ISFSI ($7.7 million).

[2] 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 is decontamination and dismantlement of the ISFSI (currently estimated at $7.7 million of the current market value balance) once the fuel is removed.

[3] CYAPCO revised its annual decommissioning collection rates effective October 1, 2008 continuing through 2015, based on the decommissioning cost reconciliation/PBOP/true-up rate filing and settlement submitted with the FERC on July 31, 2008 and accepted on September 10, 2008.

Attachment 1
NRC Decommissioning Funding Status Report

Connecticut Yankee - Haddam Neck Plant
(Status as of 12/31/09)

Annual after-tax earnings rate on decommissioning trust funds	*5.4% (reduced in last few years)*
Other factors assumed	None

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

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

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

7. *Any material changes to trust agreements.*

   Effective January 1, 2010, CYAPCO changed its Nuclear Decommissioning Fund Trustee from Bank of New York Mellon to Bank of America. Although the Trustee has changed, there were no material changes to the trust agreements.