



YANKEE ATOMIC ELECTRIC COMPANY

49 Yankee Road,
Rowe, Massachusetts 01367

December 6, 2010

MAINE YANKEE ATOMIC POWER COMPANY

321 Old Ferry Road
Wiscasset, Maine 04578

CONNECTICUT YANKEE ATOMIC POWER COMPANY

362 Injun Hollow Road
East Hampton, Connecticut 06424-3099

MN-10-017
CY-10-018
BYR 2010-030

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, D.C. 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

Subject: Application for NRC Consent to Indirect License Transfer/Threshold Determination that NRC Consent is Not Required in Connection With Merger of Northeast Utilities and NSTAR

Dear Sir or Madam:

Maine Yankee Atomic Power Company ("Maine Yankee"), Connecticut Yankee Atomic Power Company ("Connecticut Yankee") and Yankee Atomic Electric Company ("Yankee Atomic") (each "a Yankee Company", and together, "the Yankee Companies"), acting on behalf of Northeast Utilities and NSTAR, hereby notify the Nuclear Regulatory Commission ("NRC") of the pending merger of Northeast Utilities and NSTAR. Northeast Utilities and NSTAR are each currently an indirect minority co-owner of each of the Yankee Companies. As detailed below, the merger of Northeast Utilities and NSTAR will result in Northeast Utilities, the surviving company, having the following indirect ownership interests in the Yankee Companies, who hold the NRC licenses for their respective units:

	Northeast Utilities (pre-merger)	NSTAR (pre-merger)	Northeast Utilities (post merger)
Maine Yankee	20.0%	4.0%	24.0%
Connecticut Yankee	49.0%	14.0%	63.0%
Yankee Atomic	38.5%	14.0%	52.5%

NSTAR's current ownership of each of the Yankee Companies is through its subsidiary, NSTAR Electric Company. Northeast Utilities' current ownership of each of the Yankee Companies is through its subsidiaries, The Connecticut Light and Power Company ("CL&P"), Public Service Company of New Hampshire ("PSNH"), and Western Massachusetts Electric Company ("WMECO") in the following percentages:

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	CL&P	PSNH	WMECO
Maine Yankee	12.0%	5.0%	3.0%
Connecticut Yankee	34.5%	5.0%	9.5%
Yankee Atomic	24.5%	7.0%	7.0%

Each Yankee Company holds a possession-only license from the NRC for an independent spent fuel storage installation (“ISFSI”), and is the sole licensee for that facility. In each case, the nuclear electric generating plant formerly located at the site has been fully decommissioned.

The Merger

The increase in ownership by Northeast Utilities of each of the Yankee Companies would be the result of several transactions to be executed pursuant to a Merger Agreement, dated October 16, 2010, as amended on November 1, 2010, among Northeast Utilities, NSTAR and certain subsidiaries of Northeast Utilities.¹ A temporary, special-purpose subsidiary of Northeast Utilities will be merged into NSTAR, with NSTAR surviving. Immediately thereafter, NSTAR will be merged into a second special-purpose subsidiary of Northeast Utilities with this second special-purpose subsidiary surviving. After the second merger has been completed, the second special-purpose subsidiary will be renamed “NSTAR LLC” and will continue as a wholly-owned subsidiary of Northeast Utilities. The corporate organizational and ownership structure of all the other subsidiaries of Northeast Utilities and NSTAR will not be affected by the merger – those subsidiaries that are currently owned by Northeast Utilities will continue to be owned by Northeast Utilities and in the same ownership percentage after the merger, and those that are currently owned by NSTAR will continue to be owned by the renamed entity, NSTAR LLC, and in the same ownership percentage after the merger.

The parties expect that the merger will positively affect service quality to retail customers in the areas currently served by Northeast Utilities’ and NSTAR’s electric distribution subsidiaries. The combined company will share best practices and implement them over the entire customer base. Customers are expected to benefit from the exchange of ideas, methods and procedures and the implementation of system-wide best practices in the areas of operations and customer service. The combined scope and scale of Northeast Utilities and NSTAR are expected to make system investment more cost-effective, allowing investments on a scale that might not be attractive to either of the companies on a stand-alone basis. Customers are not expected to experience any merger-related rate changes. The merger is expected to produce important long-term net savings as a result of various efficiencies that would eventually benefit customers.

¹ The Merger Agreement is available at:
<http://www.sec.gov/Archives/edgar/data/72741/000119312510230586/dex21.htm>

No changes in the licensed activities or the management of any of the Yankee Companies' facilities will result from the proposed merger. The shareholders of each Yankee Company are obligated to pay facility operating expenses in direct proportion to their ownership interests in accordance with rate schedules on file with the Federal Energy Regulatory Commission ("FERC"). Current operating expenses include decommissioning and spent fuel management costs, including operation of the ISFSIs.

The proposed merger will not result in any physical changes to any of the Yankee Company sites or ISFSIs; changes in the officers, personnel, or day-to-day operations of any of the Yankee Companies; or any changes to the current facility licensing basis of any Yankee Company site. The proposed merger will not have any adverse impact on the public health and safety, or the environment, or be inimical to the common defense and security.

Maine Yankee

With respect to Maine Yankee, following the merger, Northeast Utilities will remain an indirect minority co-owner of the licensee, holding only a 24.0% interest; consequently, the proposed transaction does not involve the transfer of control, either direct or indirect, of the licensee or the NRC license for the facility. Accordingly, consistent with NRC precedent, NRC approval of the transaction by Maine Yankee only does not appear to be necessary. *See* February 21, 2008, NRC letter from Ms. Lydia W. Chang, Branch Chief, to Catherine P. McCarthy, Esq. (NRC Accession No. ML 080140289); February 24, 2000 NRC letter from Mr. Samuel J. Collins, Director, Office of Nuclear Reactor Regulation, to Perry D. Robinson, Esq. (NRC Accession No. ML 003685187); and October 26, 2010 NRC letter from Mr. John Goshen, Project Manager, Division of Spent Fuel Storage and Transportation, to Mr. James Connell (NRC Accession No. ML 103000097).

To the extent that the merger might be considered an indirect transfer of an interest in the Maine Yankee license, an application for NRC consent to the indirect transfer of control in accordance with 10 C.F.R. Section 50.80 is enclosed in Attachment A.

Yankee Atomic and Connecticut Yankee

With respect to Yankee Atomic and Connecticut Yankee, the planned merger will result in Northeast Utilities having indirect ownership of 52.5% and 63.0%, respectively, after the merger. The application for NRC consent to the indirect transfer of control for these licenses is enclosed in Attachment A.

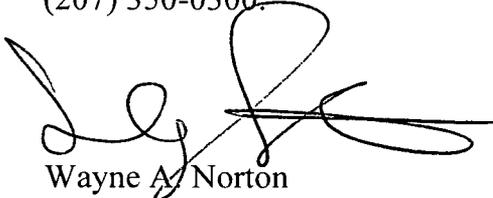
Approvals

Northeast Utilities and NSTAR desire to consummate the merger as soon as all required regulatory approvals and rulings are received and/or waiting periods have expired. The proposed transaction is subject to approval by the shareholders of each of Northeast Utilities and NSTAR,

FERC and the Massachusetts Department of Public Utilities. Also, notifications are required to be filed with the Federal Trade Commission, and the Department of Justice under the Hart-Scott-Rodino Act, and the transfer of certain radio licenses is subject to Federal Communication Commission approval. To the extent that the NRC deems it necessary, the parties to the merger request the NRC's consent to the indirect transfer of control of the Yankee Companies' licenses as soon as possible, but no later than April 1, 2011. To the extent that the NRC deems that its consent is not required, the parties to the merger respectfully request a letter from the NRC staff confirming that there is no need to obtain NRC consent prior to April 1, 2011.

This communication contains no new or revised regulatory commitments.

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

A handwritten signature in black ink, appearing to read 'Wayne A. Norton', with a large, stylized flourish extending to the right.

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

Attachment A: Transfer Application
Attachment B: Organization Chart

cc: Susan Uttal, NRC Office of General Counsel

ATTACHMENT A

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

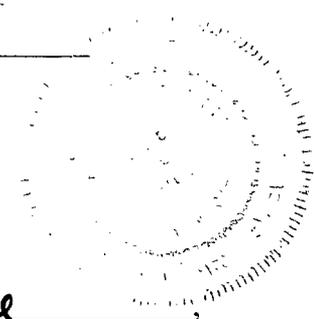
In the Matter of :)	
)	
Maine Yankee Atomic Power Company)	License No. DPR-36
Indirect License Transfer)	Docket No. 50-309
)	Docket No. 72-30
)	
Yankee Atomic Electric Company)	License No DPR-3
Indirect License Transfer)	Docket No. 50-029
)	Docket No. 72-31
)	
Connecticut Yankee Atomic Company)	License No. DPR-61
Indirect License Transfer)	Docket No. 50-213
)	Docket No. 72-39
)	

AFFIRMATION

I, Wayne A. Norton, being duly sworn, hereby depose and state that I am the President and Chief Executive Officer of Connecticut Yankee Atomic Power Company ("Connecticut Yankee") and Yankee Atomic Electric Company ("Yankee Atomic"), and the Chief Nuclear Officer of Maine Yankee Atomic Power Company ("Maine Yankee"); that I am duly authorized to sign and file with the Nuclear Regulatory Commission the foregoing application for consent to the indirect transfer of control of the NRC license for each of Maine Yankee, Yankee Atomic, and Connecticut Yankee; that I am familiar with the content thereof; and that the matters set forth therein are true and correct to the best of my knowledge and belief.



STATE OF Maine)
COUNTY OF Lincoln)



Subscribed and sworn to me, a Notary Public, in and for the State of Maine,
this 8 day of Dec, 2010.

Nadine Hinkley
my com m: 550 am
expres 8/13/17.

ATTACHMENT A

ATTACHMENT A

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

In the Matter of :)	
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Maine Yankee Atomic Power Company)	License No. DPR-36
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Connecticut Yankee Atomic Company)	License No. DPR-61
Indirect License Transfer)	Docket No. 50-213
)	Docket No. 72-39
)	

**Application for NRC Consent to Indirect License Transfers:
Merger of Northeast Utilities and NSTAR**

I. Introduction

Maine Yankee Atomic Power Company (“Maine Yankee”), Connecticut Yankee Atomic Power Company (“Connecticut Yankee”) and Yankee Atomic Electric Company (“Yankee Atomic”) (each “a Yankee Company” and together, “the Yankee Companies”), acting on behalf of Northeast Utilities and NSTAR, make this application to the Nuclear Regulatory Commission (“NRC”) for consent to the indirect license transfers resulting from the pending merger of Northeast Utilities and NSTAR. Northeast Utilities and NSTAR are each currently an indirect minority co-owner of each of the Yankee Companies. Pursuant to a Merger Agreement, dated October 16, 2010, as amended on November 1, 2010, among Northeast Utilities, NSTAR and certain subsidiaries of Northeast Utilities (the “Merger Agreement”),¹ a temporary, special-purpose subsidiary of Northeast Utilities will be merged into NSTAR, with NSTAR surviving. Immediately thereafter, NSTAR will be merged into a second special-purpose subsidiary of Northeast Utilities with this second special-purpose subsidiary surviving. After the second merger has been completed, the

¹ The Merger Agreement is available at:
<http://www.sec.gov/Archives/edgar/data/72741/000119312510230586/dex21.htm>

second special-purpose subsidiary will be renamed “NSTAR LLC”, and will continue as a wholly-owned subsidiary of Northeast Utilities. These transactions are referred to collectively as the “Merger”.

A. **Maine Yankee Atomic Power Company**

Maine Yankee formerly operated the Maine Yankee Atomic Power Plant at a site in Wiscasset, Maine. The power plant was fully decommissioned in 2005. Maine Yankee now holds a license for possession of a reduced site and a general license for an independent spent fuel storage installation (“ISFSI”) at the site.

NSTAR, through its subsidiary, NSTAR Electric Company, indirectly owns 4.0% of Maine Yankee. Northeast Utilities indirectly owns 20.0% of Maine Yankee through its subsidiaries, The Connecticut Light and Power Company (“CL&P”) (12.0%), Public Service Company of New Hampshire (“PSNH”) (5.0%), and Western Massachusetts Electric Company (“WMECO”) (3.0%). Following the merger, Northeast Utilities will indirectly own 24.0% of Maine Yankee.

Maine Yankee hereby requests, to the extent necessary, the consent of the NRC to the indirect transfer of License DPR-36 pursuant to Section 184 of the Atomic Energy Act (“AEA”) and 10 C.F.R. Section 50.80. Although the parties do not believe approval is required as it relates to Maine Yankee, because there will be no transfer of control of an NRC license, this indirect license transfer application is being made in the event the NRC requires additional information with respect to the proposed Merger.

B. **Yankee Atomic Electric Company**

Yankee Atomic formerly operated the Yankee Nuclear Power Station at a site in Rowe, Massachusetts. The power plant was fully decommissioned in 2007. Yankee Atomic now holds a license for possession of a reduced site and a general license for an ISFSI.

NSTAR, through its subsidiary, NSTAR Electric Company, indirectly owns 14.0% of Yankee Atomic. Northeast Utilities indirectly owns 38.5% of Yankee Atomic through its subsidiaries, CL&P (24.5%), PSNH (7.0%), and WMECO (7.0%). Following the merger, Northeast Utilities will indirectly own 52.5% of Yankee Atomic.

Yankee Atomic hereby requests the consent of the NRC to the indirect transfer of License DPR-3 pursuant to Section 184 of the AEA and 10 C.F.R. Section 50.80.

C. **Connecticut Yankee**

Connecticut Yankee formerly operated the Connecticut Yankee Atomic Power Plant at a site in Haddam Neck, Connecticut. The power plant was fully decommissioned in 2007. Connecticut Yankee now holds a license for possession of a reduced site and a general license for an ISFSI.

NSTAR, through its subsidiary NSTAR Electric Company, indirectly owns 14.0% of Connecticut Yankee. Northeast Utilities indirectly owns 49.0% of Connecticut Yankee through its subsidiaries

CL&P (34.5%), PSNH (5.0%) and WMECO (9.5%). Following the merger, Northeast Utilities will indirectly own 63.0% of Connecticut Yankee.

Connecticut Yankee hereby requests the consent of the NRC to the indirect transfer of License DPR-61 pursuant to Section 184 of the AEA and 10 C.F.R. Section 50.80.

D. Description, Purpose and Nature of the Transaction Necessitating or Making Desirable the Transfer of the License

The Merger Agreement contemplates no other changes in the ownership or organization of any of the Yankee Companies, and no change in any licensed activity conducted by any Yankee Company.

The parties expect that the Merger will positively affect service quality to retail customers in the areas currently served by Northeast Utilities' and NSTAR's electric distribution subsidiaries. The combined company will share best practices and implement them over the entire customer base. Customers are expected to benefit from the exchange of ideas, methods and procedures and the implementation of system-wide best practices in the areas of operations and customer service. The combined scope and scale of Northeast Utilities and NSTAR are expected to make system investment more cost-effective, allowing investments on a scale that might not be attractive to either of the companies on a stand-alone basis. Customers are not expected to experience any merger-related rate changes. The Merger is expected to produce important long-term net savings as a result of various efficiencies that would eventually benefit customers.

The proposed Merger transaction is subject to approval by the shareholders of each of Northeast Utilities and NSTAR, the Federal Energy Regulatory Commission, and the Massachusetts Department of Public Utilities. Also, notifications are required to be filed with the Federal Trade Commission and the Department of Justice. In addition, the transfer of certain radio licenses requires the approval of the Federal Communications Commission.

II. Supporting Information

A. Description of Business; Organization and Management

There are no planned management changes for any of the Yankee Companies, resulting directly from the Merger. Each licensee will continue to manage its own ISFSI in accordance with its license by the NRC; no change in organization of the Yankee Companies will result from the Merger.

B. Financial Qualifications

The financial obligations of the Yankee Companies will not change as a result of the Merger. Reasonable assurance exists for the necessary funds for ongoing activities at each site and for meeting the financial obligations associated with the ISFSI and site. Current operating expenses include decommissioning and spent fuel management costs, including operation of the spent fuel storage facility. The shareholders of each Yankee Company are obligated to pay the individual Yankee Company's operating expenses in direct proportion to their ownership interest in

accordance with special tariffs reviewed and approved by the FERC. As a result, each Yankee Company is an “electric utility” within the definition of that term in 10 C.F.R. Section 50.2.

Furthermore, because the power plant associated with each Yankee Company was permanently shut-down and fully dismantled and decommissioned, the financial obligations associated with the ownership of the Yankee Companies are significantly reduced.

C. Decommission Funding Assurance

1. Maine Yankee

As reported in Maine Yankee's 2010 Decommissioning Funding Assurance Status Report, submitted by letter dated March 9, 2010, the amount accumulated as of December 31, 2009 for items included in 10 C.F.R. Section 50.75 (e)(1)(ii) was \$95.7 million. 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 for decommissioning as defined in 10 C.F.R. Section 50.75. Since the original power plant has been decommissioned and the license amended, the only remaining decommissioning activity is decontamination and dismantlement of the ISFSI once the fuel is removed. The cost estimate for beyond 2009 is \$119.9 million (in 2009 dollars) and includes an estimate for spent fuel management costs operations through 2023 (\$106.3 million) and dismantlement and decommissioning of the facility (\$13.6 million). As such, there is reasonable assurance that sufficient funding exists to meet future decommissioning expenses.

2. Yankee Atomic

As reported in Yankee Atomic's 2010 Decommissioning Funding Assurance Status Report, submitted by letter dated March 9, 2010, the amount accumulated as of December 31, 2009 for items included in 10 C.F.R. Section 50.75 (b) and (c) was \$38.9 million. 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 for decommissioning as defined in 10 C.F.R. Section 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 once the fuel is removed. The cost estimate for beyond 2009 is \$101.7 million (in 2009 dollars) and includes an estimate for spent fuel management costs operations through 2022 (\$91.9 million) and dismantlement and decommissioning of the facility (\$9.8 million). As such, there is reasonable assurance that sufficient funding exists to meet future decommissioning expenses.

3. Connecticut Yankee

As reported in Connecticut Yankee's 2010 Decommissioning Funding Assurance Status Report, submitted by letter dated March 9, 2010, the amount accumulated as of December 31, 2009 for items included in 10 C.F.R. Section 50.75 (e)(1)(i) was \$162.4 million. 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 for decommissioning as defined in 10 C.F.R. Section 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 once the fuel is removed. The cost estimate for beyond 2009 is \$146.3 million (in 2009 dollars) and includes an estimate for spent fuel management costs operations through 2023 (\$138.6 million) and dismantlement and decommissioning of the facility (\$7.7 million). As such, there is reasonable assurance that sufficient funding exists to meet future decommissioning expenses.

D. Technical Qualifications

All spent fuel management and future decommissioning activities will continue to be managed by the individual Yankee Companies. No changes in any licensed activities will result from the Merger. Each Yankee Company will maintain the technical capabilities necessary to oversee the spent fuel storage facility and the Merger will have no effect on any Yankee Company's technical capabilities.

E. Antitrust Review

The NRC has found that antitrust reviews of post-operating license transfer applications are neither required nor authorized by the AEA. *Final Rule, Antitrust Review Authority: Clarification*, 65 Fed. Reg. 44,649 (July 19, 2000); *see also Kansas Gas and Electric Co. (Wolf Creek Generating Station, Unit 1)*, CLI-99-19, 49 NRC 441 (1999). Accordingly, no antitrust review² is required with respect to the indirect transfers of control that would result from the Merger.

F. Foreign Ownership and Control Information

The prohibitions on foreign ownership contained in Section 103 (d) of the AEA and 10 C.F.R. Section 50.38 are not implicated by the Merger. The common shares of both Northeast Utilities and NSTAR are currently publicly traded on the New York Stock Exchange. Under the terms of the Merger Agreement, NSTAR shareholders will receive approximately 44% of the common shares of the combined company. The shareholders of Northeast Utilities will own the remaining approximately 56% of the common shares of the combined company. Following the Merger, the common shares of Northeast Utilities will continue to trade on the New York Stock Exchange, and will continue to be publicly held and widely distributed. No shareholder is expected to own more than 10.0% of the combined company's common shares. As a result of the Merger, some current institutional investors and mutual funds will hold greater than 5%. These institutional investors and mutual funds do not currently exercise control, and will not post-Merger.

The Merger Agreement contemplates that the Board of Trustees of Northeast Utilities, post-Merger, will consist of seven members nominated by the Board of Northeast Utilities, and seven members nominated by the Board of NSTAR. The Lead Trustee will be nominated by Northeast Utilities.³ All of the Trustees will be U.S. citizens. Accordingly, Northeast Utilities will not be subject to foreign ownership, control or domination.

² The Energy Policy Act of 2005, Section 625, amended Section 105 c. of the AEA (42 U.S.C. 2135(c)) to eliminate antitrust reviews for applications for new licenses for the construction or operation of facilities under Section 103 or 104 b. of the AEA.

³ The Lead Trustee presides at executive sessions of the Board of Trustees and works with the Chairman of the Board of Trustees to facilitate communication between the Chief Executive Officer and Board

G. Environmental Considerations

The transfer described in this application does not involve any change to the facility operations and does not change any environmental impact previously evaluated. Furthermore, the NRC has determined that license transfers and any associated amendments are categorically exempt from environmental review. *See* 10 C.F.R. Section 51.22 (c)(21). This application, therefore, involves no significant environmental impact.

H. Restricted Data

This application does not contain any Restricted Data or other classified defense information. To the extent that any of the Yankee Companies' licensed activities involve Restricted Data, the individual Yankee Company will appropriately safeguard such information in accordance with NRC requirements.

I. Conforming License Amendments

The proposed Merger will not affect any licensee status of any Yankee Company, and will not require any amendment to any Yankee Company facility license.

III. Effective Date

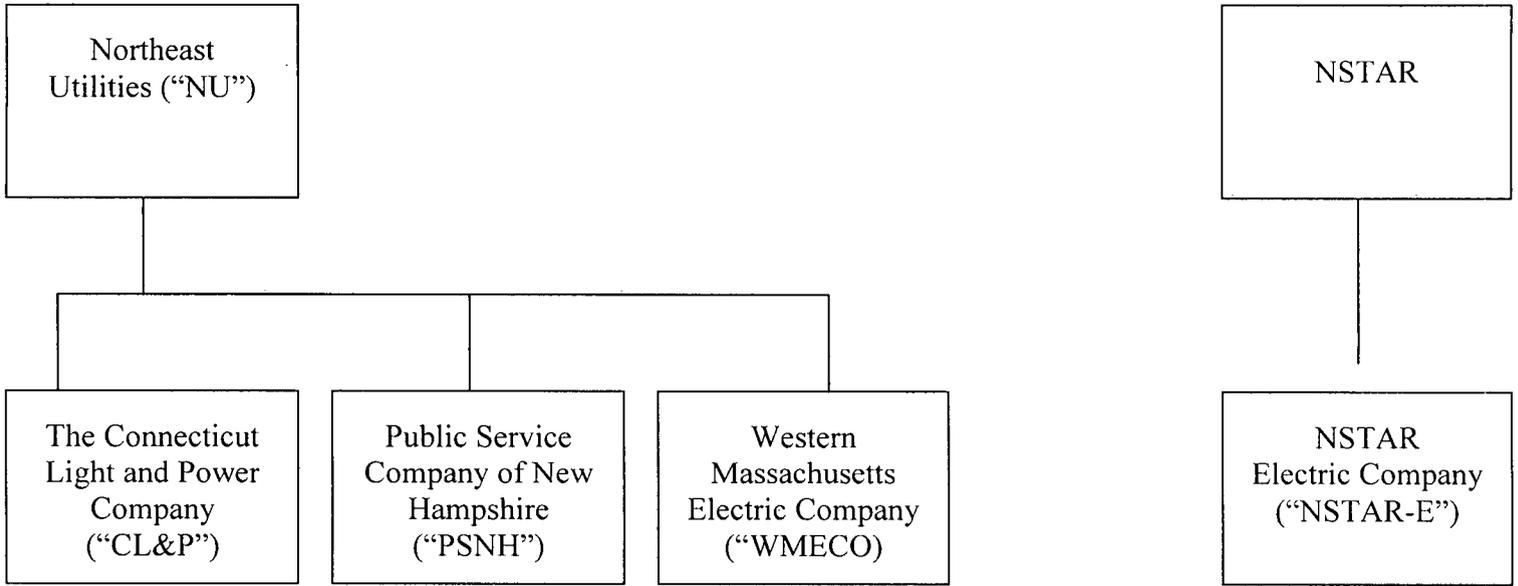
All shareholder and regulatory approvals and completion of the Merger are anticipated by the end of May 2011.

IV. Conclusion

For the foregoing reasons, and only if necessary, the NRC is requested to consent to an indirect transfer of: (1) the possession-only License No. DPR-36 held by Maine Yankee; (2) the possession-only License No. DPR-3 held by Yankee Atomic; and (3) the possession-only License No. DPR-61 held by Connecticut Yankee, as described herein, that would result from the merger of Northeast Utilities and NSTAR.

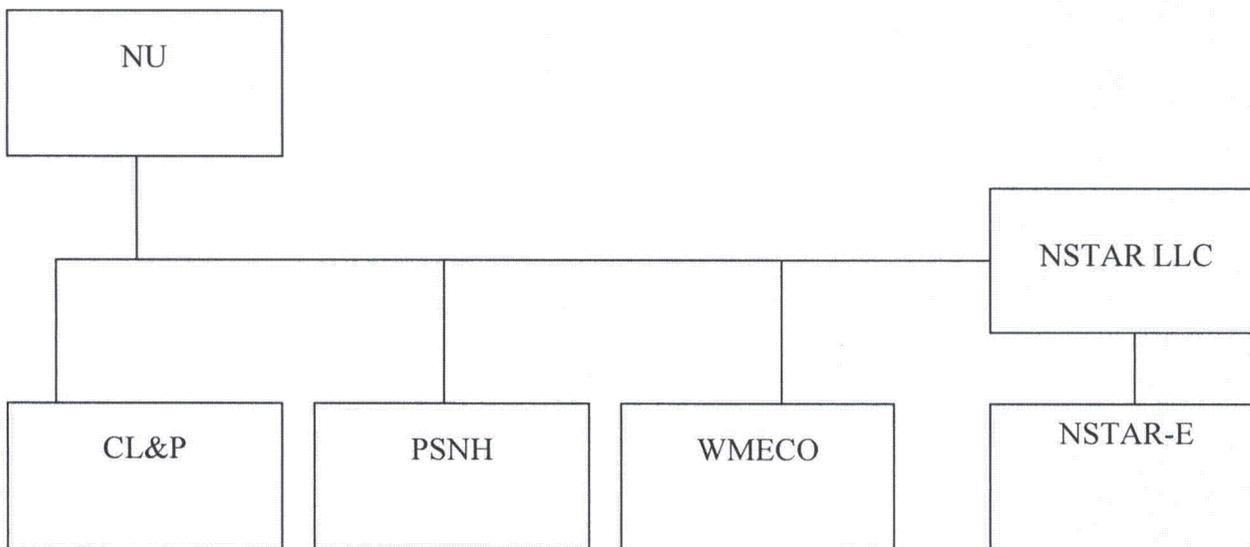
ATTACHMENT B

Organizational Chart
Before Merger*

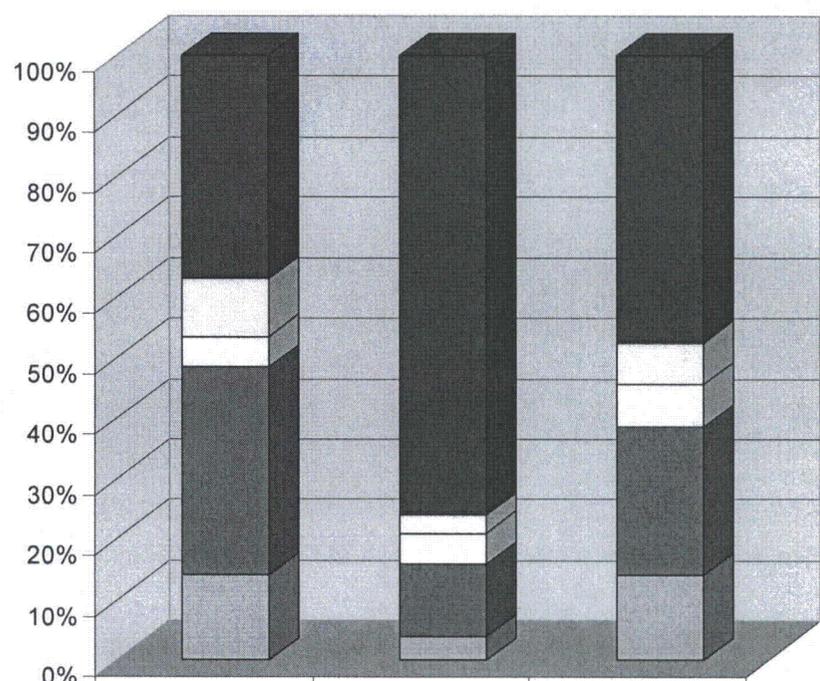


* Only entities involved in the Merger or described in Part I of the Application are shown.

After Merger*



Post Merger NU-Affiliated Yankee Ownership



	CY	MY	YA
■ Unaffiliated	37	76	47.5
□ WMECO	9.5	3	7
□ PSNH	5	5	7
■ CL&P	34.5	12	24.5
■ NSTAR-E	14	4	14

* Only entities involved in the Merger or described in Part I of the Application are shown.