

MAINE YANKEE

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March 15, 2011

OMY-11-031

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
(d) USNRC Regulatory Issue Summary (RIS) 2001-07, REV 1

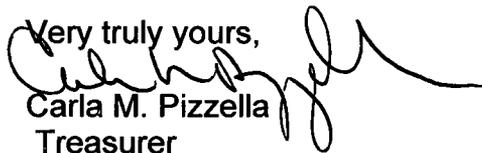
Subject: Decommissioning Funding Assurance Status Report - 10 CFR 50.75

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 that was subsequently released from the Part 50 license in September 2005. 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. Presently, Maine Yankee is storing spent nuclear fuel and other high level waste on site until it is assumed to be removed by the DOE in 2021, through the final decommissioning of the Independent Fuel Storage Installation (ISFSI) in 2023.

In accordance with the requirements of 10 CFR 50.75, direction provided by the NRC staff on March 24, 2006 and recent RIS 2001-07, Rev 1 regulatory clarification, Maine Yankee hereby submits its report on the status of decommissioning funding for the year ending December 31, 2010 for Maine Yankee. Attachment 1 provides the requested information.

If you have any questions please contact me at 860-267-6426 x304.

Very truly yours,

Carla M. Pizzella
Treasurer

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FSME

**Enclosure: Maine Yankee - "NRC Decommissioning Funding Status Report -
December 31, 2010"**

**c: J. Joustra, Chief, Decommissioning Branch, Region 1
W. Dean, NRC Regional Administrator, Region 1
P. J. Dostie, State of Maine
J. Goshen, NRC Project Manager, Maine Yankee Plant**

Attachment 1 to OMY-11-031, page 1 of 2
NRC Decommissioning Funding Status Report

Maine Yankee
(Status as of 12/31/10)

1. <i>The amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c).</i>	\$110.2 million ¹
2. <i>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).</i>	\$98.1 million ²
3. <i>Schedule of the annual amounts remaining to be collected including amounts beyond those required in 10 CFR 50.75 (e)(1)(i).</i>	None
4. <i>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:</i>	
<i>Annual escalation rate</i>	2.50% (2011–2023)
<i>Annual after-tax earnings rate on decommissioning trust funds</i>	5.5% (reduced in last few years)
<i>Other factors assumed</i>	None

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 2010 is \$110.2 million (in 2010 dollars) and includes the current estimate for spent fuel management costs i.e. Long-term ISFSI operations through 2023 (\$96.2 million) and D&D of the ISFSI (\$14.0 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 (estimated at \$14.0 million of the current market value balance) once the fuel is removed.

Attachment 1 to OMY-11-031, page 2 of 2
NRC Decommissioning Funding Status Report

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

Maine Yankee has collected 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 future decommissioning costs. Such contracts have been filed with FERC.

4. *Any modifications to a licensee's current method of providing financial assurance occurring since the last submitted report.*

None

5. *Any material changes to trust agreements.*

None

As noted in the Decommissioning Funding Assurance Status Report dated March 9, 2010, effective January 1, 2010, Maine Yankee changed its Nuclear Decommissioning Fund Trustee from Bank of New York Mellon to Bank of America. Although the Trustee changed, there were no material changes to the trust agreements.