NOTICE OF VIOLATION

Yankee Atomic Electric Company
Yankee Nuclear Power Station
Rowe, Massachusetts

Docket Nos.: 50-029, 72-31
License No.: DPR-3
EA-2011-283

During an U.S. Nuclear Regulatory Commission (NRC or Commission) licensing review of a December 6, 2010, request from Yankee Atomic Electric Company (YAEC), a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

A. 10 CFR 50.38 requires that "any person who is a citizen, national, or agent of a foreign country, or any corporation, or other entity which the Commission knows or has reason to believe is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government, shall be ineligible to apply for and obtain a license."

   Contrary to the above, since at least April 20, 2011, YAEC has been owned, controlled or dominated by a foreign corporation. Specifically, and that YAEC is governed by a board of directors whose members are appointed, in part, by companies that are ultimately controlled by foreign entities, as follows: New England Power Co. (34.5% - National Grid), Central Maine Power Co. (9.5% - Iberdrola S.A.).

This is a Severity Level IV violation.

Pursuant to the provisions of 10 CFR 2.201, YAEC is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with copies to the Director, Office of Nuclear Safety and Safeguards and the Regional Administrator, Region I, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation; EA-2011-283" and should include: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html, to the extent possible, it should not include any personal privacy, proprietary, sensitive, or safeguards information, so that it can be made available to the public without redaction. If personal privacy, proprietary, or sensitive information is necessary to provide an acceptable response, then please provide a bracketed

copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

Dated this 27th day of January, 2012.