

MAINE YANKEE

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March 27, 2012

OMY-12-017

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
(e) Letter: The Yankee Companies to USNRC; Foreign Ownership Negotiation Action Plan and Decommissioning Funding Assurance, dated December 21, 2011

Subject: Decommissioning Funding Assurance Status Report - 10CFR 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. 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 Independent Spent Fuel Storage Installation (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 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, 2011 for Maine Yankee.¹ Attachment 1 provides the requested information.

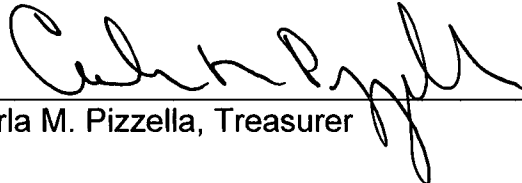
¹ This report is submitted in accordance with 10 CFR 50.75, which is applicable to power reactors licensed and decommissioned in accordance with Part 50. Apart from the ISFSI, radiological decommissioning of the Maine Yankee power reactor and site has been completed. Although such information is included in this report, there are presently no requirements in 10 CFR 50.54(bb) for ongoing reports of funding for spent fuel management.

11/25/01
NMSS

In response to the NRC's concerns regarding decommissioning funding assurance for radiological decommissioning of the Yankee Companies' ISFSIs, and in accordance with the additional administrative controls described in Reference (e), Maine Yankee has established a new account within its Qualified Nuclear Decommissioning Trust ("QNDT") entitled "ISFSI Radiological Decom". The cost of radiological decommissioning of the ISFSI as defined in 10 CFR Part 50 (or Part 72) is anticipated to be relatively small. Maine Yankee's current Site-Specific Cost Estimate for ISFSI decommissioning includes the total cost for all decommissioning of the ISFSI, including costs associated with non-radiological demolition and site restoration and costs associated with license termination. This total has been transferred from existing accounts within the QNDT to the new account thereby segregating funds for decommissioning of the ISFSI from the larger balance of funds for ongoing spent fuel management held in the QNDT. Attachment 2 is a copy of the current ISFSI Radiological Decom Statement of Account from Bank of America, the current Trustee of Maine Yankee's Decommissioning Trust. This Statement is being provided for information purposes and is not a requirement associated with this Funding Status Report.

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

Sincerely,



Carla M. Pizzella, Treasurer

3-27-12
Date

Attachment 1 - "NRC Decommissioning Funding Status Report"

Attachment 2 - "Maine Yankee NDT Qualified Trust Statement of Account - ISFSI Radiological Decom"

cc:

W. M. Dean, NRC Region I Administrator

M. S. Ferdas, Chief, Decommissioning Branch, NRC, Region I

J. Goshen, NRC Project Manager, Maine Yankee Plant

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Attachment 1

NRC Decommissioning Funding
Status Report

March 2012

Attachment 1 to OMY-12-017, Page 1 of 2
NRC Decommissioning Funding Status Report²

Maine Yankee
(Status as of 12/31/11)

1. <i>The amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c).</i>	\$105.7 million ³
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)(i).</i>	\$94.5 million ⁴
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% (2012–2023)
<i>Annual after-tax earnings rate on decommissioning trust funds</i>	5.5% (reduced in last few years)
<i>Other factors assumed</i>	None

² Maine Yankee is licensed under a 10 CFR Part 50 General License. Accordingly, Maine Yankee reports the status of decommissioning funding with respect to the ISFSI under the reporting format of 10 CFR 50.75(f)(1) and (2). In that context, Maine Yankee is also reporting the current status of funding related to the ongoing management of the spent fuel and other high level waste until transfer of title and possession thereof to the DOE. Such information is part of spent fuel management planning pursuant to 10 CFR 50.54(bb) and is provided in this context to update the NRC.

³ Since the original power plant has been decommissioned and the license amended to reflect the current status of the facility, the only remaining decommissioning as defined by the NRC in 10 CFR Parts 50 and 72 concerns the decommissioning of the ISFSI once the spent fuel is removed. The Site-Specific Cost Estimate for future costs (spent fuel management and ISFSI decommissioning) beyond 2011 is \$105.7 million (in 2011 dollars). This total includes the current estimate for spent fuel management costs (i.e., long-term ISFSI operations, ultimate fuel transfer for disposal by DOE) through 2023 (\$94.9 million) and decommissioning the ISFSI (\$10.8 million). The estimate for the ISFSI decommissioning includes funds required for radiological decommissioning of the ISFSI, as well as funds for non-radiological costs for activities such as site restoration and license termination.

⁴ 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 of the ISFSI. Since the original power plant has been decommissioned and the license amended to reflect the current status, the only remaining decommissioning is decommissioning of the ISFSI (estimated at \$10.8 million of the current market value balance) once the fuel and other high level waste is removed. Those funds have been placed in a separate account within the QNDT.

Attachment 1 to OMY-12-017, Page 2 of 2
NRC Decommissioning Funding Status Report

Maine Yankee
(Status as of 12/31/11)

5. *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 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.* None

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Attachment 2

Maine Yankee NDT Qualified Trust Statement of Account – ISFSI Radiological Decom

March 2012

Table Withheld Under 10CFR 2.390

Please do not rely on reports generated from this website to prepare tax returns. This information may change after audits or corrections by Bank of America. Portions of the estimated annual income may not reflect actual income received or income for tax reporting purposes. Income and cost-basis information should not be used to make investment decisions without first consulting your relationship manager, personal tax or legal advisor. This information is not intended as an offer to provide trust or investment services in states where Bank of America is not authorized to do so.

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Oil, Gas and Mineral Interests

To holders of Oil, Gas and Mineral properties: Market value for Oil, Gas and Mineral properties represents an estimate only, calculated from the most recent 12 months net income from producing properties and includes nominal value applied to non-producing properties.

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