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Docket No. 50-309

February 7, 1997

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

Subject: Maine Yankee Atomic Power Company -- Draft Management Services Agreement

Gentlemen:

As described in the letter from Maine Yankee Atomic Power Company (Maine Yankee) to the Nuclear Regulatory Commission dated February 6, 1997, Maine Yankee is planning to execute a "Phase I Management Services Agreement Between Maine Yankee Atomic Power Company and Entergy Nuclear, Inc." (Management Services Agreement). For your information, a copy of the draft Management Services Agreement is enclosed.

Maine Yankee had planned to execute this agreement today. However, Maine Yankee recognizes the NRC's interest in this agreement. In order to assure that the information is on the docket prior to execution of the agreement, and prior to effectiveness of the initial planned management changes described in the letter of February 6, 1996, Maine Yankee and Entergy Nuclear, Inc. have agreed to briefly defer execution of the agreement. Similarly, the management changes will be deferred pending execution of the agreement. The parties nonetheless remain committed to moving forward with the agreement expeditiously to pursue the continuing process of improvement at the Maine Yankee plant. The company is interested in meeting with the agency at the earliest mutually convenient time to discuss these matters.

As explained in the letter of February 6, 1997, it remains the conclusion of Maine Yankee that execution of the contract and the planned management changes do not require prior NRC approval. However, if the NRC later determines otherwise, the agreement specifies that it would be renegotiated between the parties (Section 6.4) and may be terminated, in whole or in part.

Maine Yankee and Entergy Nuclear, Inc. both request that the attached draft Management Services Agreement be withheld from public disclosure on the grounds that it contains privileged or confidential commercial or financial information. In accordance with 10 C.F.R. § 2.790(b)(1), appropriate affidavits on behalf of Maine Yankee and Entergy Nuclear, Inc. are

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attached. For logistical reasons, these are facsimile versions of the affidavits. The originals will be forwarded separately.

Sincerely,


David A. Repka

Counsel for Maine Yankee Atomic
Power Company

DAR/kah

Enclosures

cc: Daniel H. Dorman
Steven R. Hom
John A. Zwolinski
Donald C. Hintz