



CONNECTICUT YANKEE ATOMIC POWER COMPANY

HADDAM NECK PLANT

362 INJUN HOLLOW ROAD • EAST HAMPTON, CT 06424-3099

March 20, 2013

CY-13-017

10 CFR 50.4

10 CFR 50.82(a)(8)(vii)

ATTN: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, DC 20555 - 0001

Connecticut Yankee Atomic Power Company
Haddam Neck Plant Independent Spent Fuel Storage Installation
NRC License No. DPR-61 (NRC Docket Nos. 50-213 and 72-39)

Subject: Funding Status Report for Managing Irradiated Fuel and GTCC Waste

On December 5, 1996, Connecticut Yankee Atomic Power Company (CYAPCO) informed the USNRC that the Board of Directors of CYAPCO had decided to permanently cease operations at the Haddam Neck Plant and that fuel had been permanently removed from the reactor (Reference 1). In accordance with 10 CFR 50.82(a)(2), the certifications in the letter modified the CYAPCO license to permanently withdraw CYAPCO's authority to operate the reactor. In 1996, CYAPCO commenced decommissioning the power plant. On November 26, 2007, the NRC amended the CYAPCO license, releasing most of the formerly licensed land for unrestricted use, shrinking the licensed land to the Independent Spent Fuel Storage Installation (ISFSI) only (Reference 2). Presently, CYAPCO is storing irradiated fuel and Greater than Class C (GTCC) waste on site until the Department of Energy (DOE) satisfies its contractual obligations to take title and possession of the spent fuel and GTCC waste and remove them from the site.

CYAPCO provides the attached Funding Status Report for Managing Irradiated Fuel and GTCC waste at the Haddam Neck Plant ISFSI to comply with 10 CFR 50.82(a)(8)(vii).

If you have any questions regarding this letter, please do not hesitate to contact me at (860) 267-6426 x304.

Respectfully,

Carla M. Pizzella

Vice President, Chief Financial Officer, and Treasurer

L1M5501
L1M5526

Attachment:

Attachment - Funding Status Report for Managing Irradiated Fuel and GTCC Waste at the Haddam Neck Plant Independent Spent Fuel Storage Installation (Status as of 12/31/2012)

Commitment: This letter contains no regulatory commitments.

References:

1. CYAPCO letter to USNRC, "Haddam Neck Plant Certifications of Permanent Cessation of Power Operation and that Fuel Has Been Permanently Removed from the Reactor Vessel," dated December 5, 1996
2. USNRC letter to CYAPCO, "Haddam Neck Plant - Release of Land from Part 50 License," dated November 26, 2007

cc: W. M. Dean, NRC Region I Administrator
M. S. Ferdas, Chief, Decommissioning Branch, NRC, Region 1
J. Goshen, NRC Project Manager, Haddam Neck Plant
E. L. Wilds, Jr, Director, CT DEEP, Radiation Division

ATTACHMENT

FUNDING STATUS REPORT FOR MANAGING IRRADIATED FUEL AND GTCC WASTE AT THE
HADDAM NECK PLANT INDEPENDENT SPENT FUEL STORAGE INSTALLATION
(STATUS AS OF 12/31/2012)

Attachment to CY-13-017
Funding Status Report for the Managing of Irradiated Fuel and GTCC Waste at the
Haddam Neck Plant Independent Spent Fuel Storage Installation
(Status as of 12/31/2012)

10 CFR Requirement	Response	Comment
10 CFR 50.82(a)(8)(vii) Requirements		
1. The amount of funds accumulated to cover the cost of managing the irradiated fuel.	\$254.7 million (as of 12/31/12)	Connecticut Yankee Atomic Power Company (CYAPCO) has established an account within its Nuclear Decommissioning Trust (NDT) entitled, "ISFSI Radiological Decom" that segregates the funds for decommissioning of the Haddam Neck Plant Independent Spent Fuel Storage Installation (ISFSI) from the larger balance of funds for ongoing management of irradiated fuel and Greater than Class C (GTCC) waste, and the pre-1983 Department of Energy (DOE) Spent Fuel Obligation held in the NDT. The market balance represented here as of 12/31/2012 excludes the funds set-aside for decommissioning the ISFSI.
2. The projected cost of managing irradiated fuel until title to the fuel and possession of the fuel is transferred to the Secretary of Energy.	\$109.1 million From 2013 through 2023 (In 2013 dollars)	On December 17, 2012, CYAPCO provided a decommissioning funding plan in accordance with 10 CFR 72.30(b)(2) that included a cost estimate for managing irradiated fuel and GTCC waste at the Haddam Neck Plant ISFSI. Please note that in 2013, CYAPCO is planning to submit a revised cost estimate for management of the irradiated fuel and GTCC waste at the Haddam Neck Plant ISFSI to the Federal Energy Regulatory Commission (FERC) that will propose to extend the duration of storage of irradiated fuel and GTCC waste based on recent information published by the DOE as a result of Blue Ribbon Commission recommendations. Once approved by FERC, the revised cost estimate will be incorporated into future Funding Status Reports.

Attachment to CY-13-017
Funding Status Report for the Managing of Irradiated Fuel and GTCC Waste at the
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(Status as of 12/31/2012)

10 CFR Requirement	Response	Comment
<p>3. If the funds accumulated do not cover the projected cost, a plan to obtain additional funds to cover the cost.</p>	<p>See Comment</p>	<p>The Company has several methods of obtaining additional funds to cover projected costs.</p> <p>First, CYAPCO is currently collecting funds through its power contracts and amendatory agreements under FERC regulation. The power contracts and the amendatory agreements specify the obligations of the purchasers for the costs of CYAPCO, including the ongoing costs of managing irradiated fuel and GTCC waste, and the costs associated with CYAPCO's pre-1983 DOE Spent Fuel Obligation. Pursuant to these power contracts, CYAPCO has the ongoing ability to seek collections from its purchasers for additional funds that may be required to cover these costs.</p> <p>Second, CYAPCO has received proceeds from the successful litigation of the first phase of its breach of contract damages claims against the DOE for failure to begin the removal of spent nuclear fuel (SNF) and GTCC waste from the site in 1998. A second damages claim is currently pending against the DOE relating to the government's continuing breach of contract and more claims are expected to be filed against the DOE as long as the DOE continues to breach its contract obligations related to SNF and GTCC waste. Each of these claims will likely result in the receipt of proceeds that can be used to offset future costs, if required.</p> <p>Third, CYAPCO expects to utilize the investment return on Decommissioning Trust assets to offset future costs. The current assumed rate of investment return, after fees and taxes is 4.4%.</p>