

NOTICE OF VIOLATION

Maine Yankee Atomic Power Company
Maine Yankee Atomic Power Station
Wiscasset, Maine

Docket Nos.: 50-309, 72-30
License No.: DPR-36
EA-2011-271

During an U.S. Nuclear Regulatory Commission (NRC or Commission) licensing review of a December 6, 2010, request from Maine Yankee Atomic Power Company (MYAPC), 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, MYAPC has been owned, controlled or dominated by a foreign corporation. Specifically, MYAPC is governed by a board of directors whose members are appointed, in part, by companies that are ultimately controlled by foreign entities, as follows: Central Maine Power Co. (38% - Iberdrola S.A.), New England Power Co. (24% - National Grid); Bangor Hydro-Electric and Maine Public Service Co. (12% - Emera).

This is a Severity Level IV violation.

Pursuant to the provisions of 10 CFR 2.201, MYAPC 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-2011-271” 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

United States Nuclear Regulatory Commission Official Hearing Exhibit	
In the Matter of: NUCLEAR INNOVATION NORTH AMERICA LLC (South Texas Project Units 3 and 4)	
	ASLBP #: 09-885-08-COL-BD01 Docket #: 05200012 05200013 Exhibit #: NRC000163-00-BD01 Admitted: 1/6/2014 Rejected: Other:
	Identified: 1/6/2014 Withdrawn: Stricken:

Enclosure

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.

January 27, 2012

EA-2011-283

Mr. Wayne Norton
President and Chief Executive Officer
Yankee Atomic Electric Company
49 Yankee Road
Rowe, MA 01367

SUBJECT: YANKEE ATOMIC ELECTRIC COMPANY, YANKEE NUCLEAR POWER
STATION – NOTICE OF VIOLATION EA-2011-283 (TAC NO. L24566)

Dear Mr. Norton:

This letter refers to the U.S. Nuclear Regulatory Commission (NRC or Commission) staff's (staff's) review related to the indirect license transfer that will result from a proposed merger of Northeast Utilities (NU) and NSTAR. By application dated December 6, 2010 (Agencywide Documents Access and Management System Accession (ADAMS) No. ML103490133), as supplemented by letters dated March 16, 2011 (ML110770022), May 16, 2011 (ML11139A088), June 8, 2011 (ML11166A124), August 16, 2011 (ML11235A723), August 24, 2011 (ML11243A087), and August 25, 2011 (ML112490526), Yankee Atomic Electric Company (YAEC or licensee) requested NRC consent to the indirect transfer of control of License No. DPR-3 for the Yankee Nuclear Power Station, to the extent effected by the proposed merger between NU and NSTAR.

As part of the indirect license transfer review, the staff examined compliance with the Commission's rules and regulations. The staff's review included a review of foreign ownership, control or domination (FOCD) requirements in 10 CFR 50.38. As stated, 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." As YAEC's Yankee Nuclear Power Station is currently licensed under 10 CFR Part 50, the provisions of 10 CFR 50.38 apply.

During the staff's review, an apparent violation of the requirements in 10 CFR 50.38 was identified. A series of incremental ownership changes has resulted in YAEC being owned, controlled, or dominated by two foreign corporations – Iberdrola, based in Spain, and National Grid, based in the United Kingdom. Although NRC consent or approval was not required for those cases where the specific ownership changes did not constitute a transfer of control that would necessitate a license transfer, compliance with 10 CFR 50.38 was still required.

Based on the totality of circumstances, the staff has determined that the existing ownership of YAEC is contrary to the requirements of 10 CFR 50.38. Specifically, YAEC's shareholders are ultimately owned, in part, by foreign entities, and YAEC is governed by a board of directors whose members are appointed, in part, by companies that are also ultimately controlled by foreign entities, as follows: New England Power Co. (34.5% - National Grid), and Central Maine Power Co. (9.5% - Iberdrola S.A.).

W. Norton

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On April 20, 2011 (ML111101402), the staff requested additional information from YAEC. The letter stated, "the NRC staff knows and has reason to believe that the [licensee is] owned, controlled, or dominated by foreign corporations" (i.e., YAEC is not meeting the requirements of 10 CFR 50.38). The letter also requested YAEC to submit a negation action plan to negate the FOCD (using the methods identified in the Final Standard Review Plan on Foreign Ownership, Control, or Domination (64 FR 52355; September 28, 1999)), or take action to remove the FOCD, to restore compliance with 10 CFR 50.38.

Your May 16, 2011, response to the request for additional information (ML11139A088) acknowledged the foreign ownership and stated that establishing a negation action plan would result in undue hardship to the licensee and shareholders. In lieu of submitting a negation action plan and restoring compliance with NRC regulations, you requested an exemption from the FOCD requirements in 10 CFR 50.38, in your May 16, 2011, letter. The NRC is reviewing this exemption request separately and you will be informed of the results of this review under separate correspondence.

Based on our review of the information in your May 16, 2011, letter and the information you submitted during the license transfer review, the NRC has determined that a Severity Level IV violation of the requirements in 10 CFR 50.38 has occurred. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>.

The violation is cited in the enclosed Notice of Violation (Notice). The violation is being cited in the Notice because it was identified by the NRC.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. If you have additional information that you believe the NRC should consider, you may provide it in your response to the Notice. The NRC review of your response to the Notice will also determine whether further enforcement action is necessary to ensure timely compliance with regulatory requirements.

The staff acknowledges receipt of your December 21, 2011, letter (ML11364A053), which provided additional information on FOCD matters and included a negation action plan that outlined certain foreign ownership negation and exclusion measures. You stated that resolutions implementing the plan were adopted by YAEC on December 14, 2011. In your response to the Notice, you may reference this correspondence and should provide additional details on the actions you have taken to implement the negation measures, including all documents relevant to implementation of the negation action plan (e.g., executed copies of the board resolutions signed by the board of directors, signed copies of the certifications, and/or updates to your by-laws, as referenced in your letter).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response, will be made available electronically for public inspection in the NRC Public Document Room or from ADAMS, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, sensitive, or safeguards information, so that it can be made available to the public without redaction.

W. Norton

- 3 -

If you have any questions, please contact me at (301) 492-3297, or John Goshen of my staff, at (301) 492-3325.

Sincerely,

/RA/

Michael D. Waters, Chief
Licensing Branch
Division of Spent Fuel Storage and Transportation
Office of Nuclear Material Safety
and Safeguards

Docket Nos.: 50-029, 72-31

License No.: DPR-3

TAC No.: L24566

Enclosure: Notice of Violation

cc: Yankee (Rowe) Nuclear Power Station
Service List

W. Norton

- 3 -

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Service List

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ADAMS :

OFC	NMSS/SFST	NMSS/SFST	NMSS/SFST	NMSS/SFST	NRR
NAME	JGoshen	WWheatley	RWharton	RTemp	CRegan
DATE	1/11/12	1/11/12	1/11/12	1/ 11/12	1/13/12
OFC		NMSS/SFST	OGC	OE	NMSS/SFST
NAME		CAraguas	CSafford	JWray	MWaters
DATE		1/ 25/12	1/ 20/12	1/ 20 /12	1/27/12

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Yankee (Rowe) Nuclear Power Station Service List

cc:

Mr. Wayne Norton
President and Chief Executive Officer
Yankee Atomic Electric Company
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Rowe, MA 01367

Diane Screnci, Region I
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Mr. Joseph Fay
General Counsel
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Rowe, MA 01367

John Giarrusso
State Liaison Officer
Division Chief, Planning and Preparedness
Massachusetts Emergency Management
Agency
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Mr. Robert Capstick
Regulatory Affairs Director
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Newton, MA 02461

Assistant Attorney General
Commonwealth of Massachusetts
200 Portland Street
Boston, MA 02114

Director
MA Radiation Control Program
Schrafft Center, Suite 1M2A
529 Main Street
Charlestown, MA 02129

Secretary
Massachusetts Executive Office of Public
Safety
One Ashburton Place
Room 2133
Boston, MA 02108

Peggy Sloan, AICP
Franklin Regional Council of Governments
425 Main Street, Suite 20
Greenfield, MA 01301-3313

Regional Administrator, Region I
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

January 27, 2012

EA-2011-271

Mr. Wayne Norton
Chief Nuclear Officer
Maine Yankee Atomic Power Company
321 Old Ferry Road
Wiscasset, ME 04578-4922

SUBJECT: MAINE YANKEE ATOMIC POWER COMPANY, MAINE YANKEE ATOMIC
POWER STATION – NOTICE OF VIOLATION EA-2011-271 (TAC NO. L24538)

Dear Mr. Norton:

This letter refers to the U.S. Nuclear Regulatory Commission (NRC or Commission) staff's (staff's) review related to the indirect license transfer that will result from a proposed merger of Northeast Utilities (NU) and NSTAR. By application dated December 6, 2010 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML103490133), as supplemented March 16, 2011 (ML110770022), May 16, 2011 (ML11139A088), June 8, 2011 (ML11166A124), August 16, 2011 (ML11235A723), August 24, 2011 (ML11243A087), and August 25, 2011 (ML112490526), Maine Yankee Atomic Power Company (MYAPC or licensee) requested a threshold determination that the proposed merger between NU and NSTAR does not involve any direct or indirect transfer of control of License No. DPR-36 for the Maine Yankee Atomic Power Station (MYAPS), and thus, does not require NRC consent.

As part of the threshold review, the staff reviewed compliance with foreign ownership, control or domination (FOCD) requirements in 10 CFR 50.38. As stated, 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." As MYAPS is currently licensed under 10 CFR Part 50, the provisions of 10 CFR 50.38 apply.

During the staff's review, an apparent violation of the requirements in 10 CFR 50.38 was identified. A series of incremental ownership changes has resulted in MYAPC being owned, controlled, or dominated by three foreign corporations – Iberdrola, based in Spain; National Grid, based in the United Kingdom; and Emera, based in Canada. Although NRC consent or approval was not required for those cases where the specific ownership changes did not constitute a transfer of control that would necessitate a license transfer, compliance with 10 CFR 50.38 was still required.

Based on the totality of circumstances, the staff has determined that the existing ownership of MYAPC is contrary to the requirements of 10 CFR 50.38. Specifically, MYAPC's is ultimately owned, in part, by foreign entities, and MYAPC is governed by a board of directors whose members are appointed, in part, by companies that are also ultimately controlled by foreign

W. Norton

- 2 -

entities, as follows: Central Maine Power Co. (38% - Iberdrola S.A.), New England Power Co. (24% - National Grid); Bangor Hydro-Electric and Maine Public Service Co. (12% - Emera).

On April 20, 2011 (ML111101402), the staff requested additional information (RAI) from MYAPC. The letter stated, "the NRC staff knows and has reason to believe that the [licensee is] owned, controlled, or dominated by foreign corporations" (i.e., MYAPC is not meeting the requirements of 10 CFR 50.38). The letter also requested MYAPC to submit a negation action plan to negate the FOCD (using the methods identified in the Final Standard Review Plan on Foreign Ownership, Control, or Domination (64 FR 52355; September 28, 1999)), or take action to remove the FOCD, to restore compliance with 10 CFR 50.38.

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and Safeguards

Docket Nos.: 50-309, 72-30

License No.: DPR-36

TAC No.: L24538

Enclosure: Notice of Violation

cc: Maine Yankee Atomic Power Station
Service List

W. Norton

- 3 -

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ADAMS: ML120300332

OFC	NMSS/SFST	NMSS/SFST	NMSS/SFST	NMSS/SFST	NRR
NAME	JGoshen	WWheatley	RWharton	RTemps	CRegan
DATE	1/ 06 /12	1/11/12	1/ 16 /12	1/ 11 /12	1/ 13 /12
OFC	NMSS/SFST	NMSS/SFST	OGC	OE	NMSS/SFST
NAME		CAraguas	CSafford	JWray	MWaters
DATE		1/ 25/12	1/ 20/12	1/20 /12	1/27/12

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Maine Yankee Atomic Power Station Service List

cc:

Mr. Wayne Norton
Chief Nuclear Officer
Maine Yankee Atomic Power Company
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Wiscasset, ME 04578-4922

Senator Charles Pray
State Nuclear Safety Advisor
State Planning Office
State House Station #38
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Mr. Gerald Poulin
Chairman and President
Maine Yankee Atomic Power Company
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Director
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Department of Human Services
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State of Maine Nuclear Safety Inspector
Department of Health and Human Services
Maine Public Health
Division of Environmental Health
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