

[7590-01]

Nuclear Regulatory Commission

[Docket No. 50-309]

Maine Yankee Atomic Power Co.

(Maine Yankee Atomic Power Station)

ISSUANCE OF DIRECTOR'S DECISION UNDER 10 CFR 2.206 (DD-83-3)

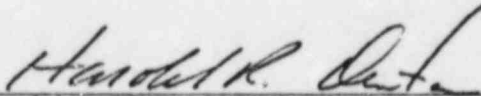
By petition dated October 20, 1982, Safe Power for Maine, Emil G. Garrett, John B. Green and John Jerabek, requested that the Director of Nuclear Reactor Regulation revoke, suspend or modify the license of the Maine Yankee Atomic Power Company to operate the Maine Yankee Atomic Power Station pending demonstration of adequate financial resources to continue operation and to provide for eventual decommissioning. Notice was published in the Federal Register on December 8, 1982 (47 FR 55353) that the petition was being considered under 10 CFR 2.206 of the Commission's regulations. For the reasons set forth in a "Director's Decision under 10 CFR 2.206" regarding this matter, the petition has been denied.

Copies of the "Director's Decision under 10 CFR 2.206" are available for inspection in the Commission's Public Document Room at 1717 H Street, N.W., Washington, D.C. 20555 and in the local public document room at the Wiscasset Public Library Association, High Street, Wiscasset, Maine. A copy of the decision will also be filed with the Secretary for the Commission's review in accordance with 10 CFR 2.206(c). As provided in 10 CFR 2.206(c), this decision will constitute the Commission's final action 25 days after issuance,

unless the Commission on its own motion institutes review of the decision within that time.

Dated at Bethesda, Maryland, this 14th day of Feb., 1983.

FOR THE NUCLEAR REGULATORY COMMISSION



Harold R. Denton, Director
Office of Nuclear Reactor Regulation

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October 20, 1982

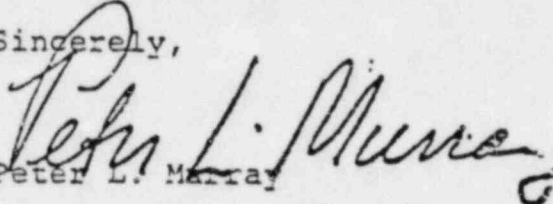
Office of the Director
Office of Inspection and Enforcement
United States Nuclear Regulatory Commission
Washington, D.C. 20055

RE: Maine Yankee Atomic Power Company - Docket #50-309

Dear Sir:

Enclosed for filing please find Request for Issuance of Order to Show Cause by Safe Power for Maine, Emil G. Garrett, John B. Green, and John Jerabek.

Sincerely,


Peter L. Murray

PLM:clf

Enclosure

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has been publicly identified with concerns of public safety and nuclear power in Maine, has appeared as intervenor in proceedings before the Public Utilities Commission and Nuclear Regulatory Commission, has conducted meetings, programs, and other activities in representation of this interest. Safe Power has vigorously represented substantial public interest and concern over the safety of nuclear power as it presently exists in the State of Maine and as proposed in that state.

2. Emil G. Garrett is a resident of Stockton Springs, Maine. Mr. Garrett individually and as an officer of Safe Power for Maine has expressed and represented public concerns over the safety of nuclear power in Maine over the past eight years. John P. Green is a resident of Portland, Maine. Over the past eight years, Mr. Green has expressed and represented public concern over the safety of nuclear power in the State of Maine. John Jerabek is a resident of North Sullivan, Maine. Over the past eight years, Mr. Jerabek has expressed and represented public concerns over the safety of nuclear power in Maine. All three individual requestors are customers and ratepayers of Maine electric utilities which in turn are stockholders and customers of Maine Yankee Atomic Power Company, the subject matter of this request. Under the terms of agreements between Maine Yankee Atomic Power Company and its stockholder utilities, such utilities are required to contribute capital to Maine Yankee Atomic Power Company when necessary to meet that company's capital needs.

3. Maine Yankee Atomic Power Company is a licensee of the Nuclear Regulatory Commission and operates a nuclear powered electricity generating station at Wiscasset, Maine.

4. Recent developments in connection with a proceeding initiated by Maine Yankee before the Maine Public Utilities Commission for permission to undertake a special "fuel financing" have given rise to concerns about the financial capability of Maine Yankee to continue to operate its reactor in a safe and sound manner and to provide for the permanent disposal of spent fuel now stored at Maine Yankee and to be generated during the remainder of its licensing period.

5. During the course of the proceeding the following facts were adduced through the sworn testimony of witnesses in behalf of Maine Yankee:

A. Funds obtained through the pledge of the company's stock of nuclear fuel have been used for purposes other than the purchase, remanufacturing, and handling of the nuclear fuel.

B. Although Maine Yankee has collected substantial monies from its customers based on a proposed reserve for spent fuel disposal, the monies collected have not been set aside but have been used for other purposes of the company so that there is no reserve fund presently in existence.

C. By May 11, 1982, Maine Yankee had reached its unsecured borrowing limit and was forced to ask Central Maine Power Company, one of its prime sponsors, to pay its monthly bill early so that Maine Yankee could meet its daily cash requirement.

D. By May 11, 1982, Maine Yankee had exhausted all of its established sources of capital with the exception of infusion of additional common equity contributions by its sponsors.

6. In an internal Maine Yankee memorandum dated August 12, 1982, a senior financial officer of Maine Yankee advised the Financial Vice-President of Central Maine Power Company of Maine Yankee's financing problems including a proposed rate increase to fund "increase in spent fuel disposal costs" and a "portion of all of CWIP in rate base without an AFC offset" and the need for "sponsor guarantees" to continue the fuel financing.

7. These disclosures concerning the poor financial condition of Maine Yankee raise legitimate concerns of the Nuclear Regulatory Commission on two grounds:

A. Maine Yankee's ability to continue to meet its day-to-day capital requirements to continue to function safely and adequately during its licensed term.

B. Maine Yankee's ability to fund and to provide for the cost of disposing of radioactive wastes and spent fuel presently on site at its location in Wiscasset.

8. The Nuclear Regulatory Commission ought to investigate Maine Yankee's financial condition to determine what economic conditions, management decisions, or other factors have led to this state of affairs.

9. Of particular concern is the unfunded obligation to provide for the spent fuel. At the present time there are approximately 577 spent fuel assemblies in storage at Maine Yankee amounting to approximately 370 tons of radioactive material. At the Maine Yankee's estimate of \$130 per kilogram to provide for the disposal of this material, there is now a capital requirement of some \$43 million to dispose of radioactive material accumulated to date.

10. Over its licensed term, Maine Yankee can be expected to generate 1,250 metric tons of highly radioactive spent fuel. Under the present financial condition of Maine Yankee, there is serious question as to whether there will be monies available to dispose of this radioactive material despite the collections by Maine Yankee through its customer utilities from the public.

11. The relief that would be requested in connection with such investigation would be the following:

A. That Maine Yankee be ordered by the Commission to discontinue operations until it has demonstrated that it has adequate financial backing and adequate financial support (provided if necessary by capital infusions from its sponsors) to raise capital required to continue operations, to make any changes or capital investments required or ordered by the NRC, and to provide for the funding of its shutdown and disposal of spent fuel at the end of its licensed term.

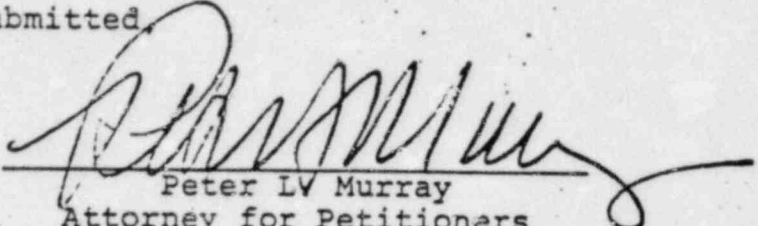
B. That the Commission order that monies collected by Maine Yankee from its sponsors-customers for disposal of spent fuel or decommissioning be segregated and placed in an interest-bearing trust fund to accumulate until needed for the aforementioned purposes.

C. That the Commission determine what amount should be collected per kilogram by Maine Yankee from its sponsor-customers or otherwise to provide for the disposal of the spent fuel and to insure adequate funds available at the conclusion of Maine Yankee's licensed term for decommissioning and safe fuel disposal.

12. Safe Power for Maine and the individual requestors stand ready to appear to assist the Commission in any show cause proceeding initiated pursuant to this request.

DATED: October 20, 1982.

Respectfully submitted



Peter LV Murray
Attorney for Petitioners

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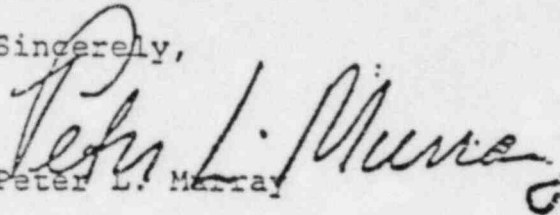
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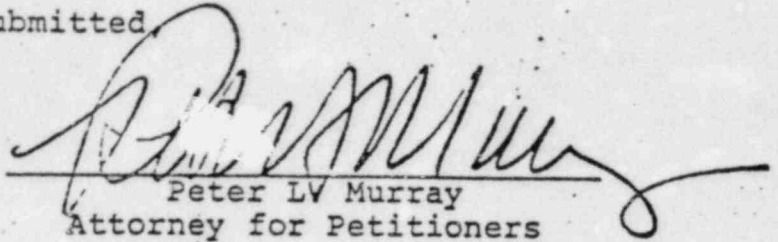
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