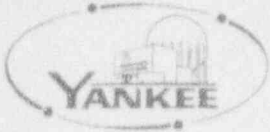


YANKEE ATOMIC ELECTRIC COMPANY



580 Main Street, Bolton, Massachusetts 01740-1398

March 28, 1994
BYR 94-017

H.T. TRACY, JR.
VICE PRESIDENT, TREASURER AND
CHIEF FINANCIAL OFFICER

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

Attention: Mr. Morton Fairtile
Senior Project Manager
Non-Power Reactors and Decommissioning Project Directorate
Division of Operating Reactor Support

- Reference:
- (a) License No. DPR-3 (Docket No. 50-29)
 - (b) Letter, H. Tracy, Yankee Atomic Electric Company (YAEC) to M. Fairtile, U.S. Nuclear Regulatory Commission (NRC), dated December 30, 1993
 - (c) Letter, J. Thayer, YAEC to M. Fairtile, NRC, dated January 31, 1994
 - (d) Letter, S. Weiss, NRC to H. Tracy, NRC, dated March 11, 1994

Dear Mr. Fairtile:

Subject: USE OF DECOMMISSIONING FUNDS

In References (b) and (c), Yankee Atomic Electric Company (YAEC) provided information to the Nuclear Regulatory Commission (NRC) regarding YAEC's proposed use of decommissioning funds for the second phase of component removal activities at the Yankee Nuclear Power Station. In Reference (d), the NRC concluded that it did not object to YAEC's use of decommissioning funds for the second phase activities.

In preparation for implementing the second phase, YAEC has determined that removal and disposal of an additional amount of potentially contaminated asbestos is appropriate. The increase in the volume of asbestos which will be removed and disposed does not change any information provided by YAEC in References (b) and (c), except for the total cost of the project. The total cost, including removal and disposal of the additional volume, is estimated to be \$9 million. The total cost for the project continues to be a small fraction of the total decommissioning trust funds collected to date.

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The additional scope does not impact NRC's conclusions in Reference (d) regarding Yankee's evaluation of the funding guidance. YAEC will proceed with plans for withdrawal of the additional amount of decommissioning trust funds. If you should have any questions, please contact Jane Grant or me at 508-779-6711.

Sincerely,

YANKEE ATOMIC ELECTRIC COMPANY

A handwritten signature in dark ink, appearing to read 'H. T. Tracy, Jr.', written in a cursive style.

H. T. Tracy, Jr.
Vice President, Treasurer, and
Chief Financial Officer

c: NRC Region 1
R. Dudley, NRC, NRR