

Maine Yankee

RELIABLE ELECTRICITY FOR MAINE SINCE 1872

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October 31, 1991
MN-91-154

GDW-91-81

UNITED STATES NUCLEAR REGULATORY COMMISSION
Attention: Document Control Desk
Washington, DC 20555

Reference: (a) License No. DPR-36 (Docket No. 50-309)

Dear Sir/Madam:

In response to the Commission's invitation for comments regarding 10 C.F.R. Pt. 50.82, the management of Maine Yankee Atomic Power Company presents the following comments.

Maine Yankee is in agreement with the Nuclear Regulatory Commission's (NRC's) position that decommissioning funding plans for reactors which are prematurely shutdown, be handled on a case by case basis.

Also, as described on Page 41494 Column 2, Paragraph 2, we agree that the Commission should consider factors other than availability of decommissioning funds. We suggest clarification that such consideration "may include but not be limited to" the number of power plants in the licensee's system.

Maine Yankee would not agree with the use of a licensee's credit rating as the sole criterion for financial solvency and we wish to stress the importance of allowing alternative mechanisms, as well, to demonstrate financial solvency. It is important to us that the assurance mechanisms allowed by 10 C.F.R. Pt. 50.75(e), be available as an avenue to demonstrate financial solvency. For Maine Yankee, we do not believe that licensee credit ratings are appropriate, since Maine Yankee has another method of assuring the payments necessary to meet decommissioning obligations through our 10 owner utilities' contractual commitment to meet these obligations in the event that Maine Yankee requires them to do so.

Maine Yankee also urges the NRC to consider an additional decommissioning funding alternative to those identified in the Federal Register Notice. The NRC has identified the options of funding prior to commercial operation, funding over the licensed life, and funding for a period after operation. Another alternative would be to allow the plant owner to fund over a portion of the licensed life, in recognition of the risk of premature shutdown.

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Maine Yankee urged this approach to the Federal Energy Regulatory Commission (FERC) in the late 1980's, following a third state referendum to force a shutdown of the plant. Specifically, noting the continued risk of shutdown referenda, Maine Yankee proposed accelerating its collection for decommissioning to a ten year schedule rather than over the twenty year then remaining life of the plant. Notwithstanding the support of state officials for this approach, the FERC rejected it. While its owners presumably could still collect decommissioning money in their retail rates, Maine Yankee itself is a single asset company, and could be forced to bill for decommissioning without having any more sales of electricity on which the costs could be spread.

Maine Yankee remains convinced that the FERC's rejection of its approach was unfortunate. The NRC could play an important role in addressing this issue by recognizing that accelerated recovery of decommissioning expense during the operation of a plant is a reasonable alternative that should be allowed where there is plausible risk of early shutdown and where the impact on rates will not be excessive.

Finally, we wish to comment in general support of the proposed rule with consideration of the comments provided above. We believe that an orderly funding plan or assurances of funding over a reasonable period of time for a financially healthy licensee provides a responsible funding plan that serves the best interests of our electric customers.

Please do not hesitate to contact me for any follow-up or questions that you may have.

Very truly yours,



G. D. Whittier, Vice President
Licensing & Engineering

MET/plb

c: EEI
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