

Maine Yankee

321 OLD FERRY RD. • WISCASSET, ME 04578-4922

July 19, 1999

MN-99-20

GAZ-99-21

UNITED STATES NUCLEAR REGULATORY COMMISSION

Attention: Document Control Desk

Washington, DC 20555

- References:
- (a) License No. DPR-36 (Docket No. 50-309)
 - (b) Letter: M. B. Sellman to USNRC; Certifications of Permanent Cessation of Power Operation and That Fuel Has Been Permanently Removed From the Reactor; MN-97-89 dated August 7, 1997
 - (c) Letter: G.A. Zinke, MYAPC to USNRC; "10CFR Part 50.82(a)(8)(iii) Site-Specific Decommissioning Cost Estimate and PSDAR Update"; MN-98-65; November 3, 1998
 - (d) Letter: G.A. Zinke, MYAPC to USNRC; "Decommissioning Funding Status Report"; MN-99-03; March 24, 1999
 - (e) Meeting Notice: Docket No. 72-30/50-309; Maine Yankee Atomic Power Company; July 7, 1999; 1:00-4:00 pm; One White Flint North Building; dated June 18, 1999

Subject: Notification of Irradiated Fuel Management Plan in Accordance with 10CFR50.54(bb)

Gentlemen:

In Reference (b), Maine Yankee informed the USNRC that the Board of Directors of Maine Yankee had decided to permanently cease operations and that fuel has been permanently removed from the reactor. In accordance with 10CFR50.82(a)(2), the certifications in the letter modified the Maine Yankee license to permanently withdraw Maine Yankee's authority to operate.

10CFR50.54(bb) requires that within two years of permanent cessation of operation of the reactor written notification be provided to the Commission for its review and preliminary approval of the program by which the licensee intends to manage and provide funding for irradiated fuel until title and possession of the fuel is transferred to the Secretary of Energy.

Maine Yankee intends to construct an Independent Spent Fuel Storage Installation (ISFSI) located on owner controlled property currently part of the Maine Yankee Reactor Site. The actual location is approximately 1000 feet north of the existing containment structure.

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The facility will consist of approximately 60 spent fuel dry cask storage and transport units designed by NAC International. This does not include a small number of casks for Greater than Class C waste not subject to Part 50.54(bb). The NAC Universal MPC System (UMS) is currently undergoing license review by the USNRC, Docket No. 72-1015. Maine Yankee intends to use the NAC system, once a Certificate of Conformance is issued, and license the facility under the general license provisions of 10 CFR 72.

Maine Yankee Management met with the USNRC staff of the Spent Fuel Projects Office, Reference (e), to discuss in detail the plans and schedule for the licensing of the NAC International UMS and the construction and loading of the ISFSI at Maine Yankee. Maine Yankee intends to start loading the 1434 spent fuel assemblies currently in storage in the Spent Fuel Pool into the ISFSI April 16, 2001 and complete the transfer of all fuel by August 20, 2002.

Based on progress to date, it is unclear when the Secretary of Energy will begin or complete fuel removal. Maine Yankee's financial projections in its most recent Federal Energy Regulatory Commission (FERC) rate case assumed complete removal of spent fuel in 2023.

The construction of the on-site facilities, the cost of the UMS, and costs associated with loading of the fuel into the UMS, have been included in the fixed price contract Maine Yankee has with Stone and Webster, Inc. Stone and Webster is Maine Yankee's overall decommissioning operations contractor.

The costs of the construction of the ISFSI including the NAC UMS casks, its operation through 2023, and decommissioning was reported to the USNRC in Reference (c), the Site Specific Decommissioning Cost Estimate and PSDAR Update. A more recent update of Spent Fuel Management costs, in mid-1998 dollars, was reported to the NRC by Reference (d). Those costs total, in 1998 dollars, \$153,600,000. Of that total \$57,147,000 is for construction of the facility and purchase of the UMS casks. The remainder of the costs consists of staffing and security, property taxes, NRC and State fees, insurance, ISFSI decommissioning, and other costs all predicated on transfer of the last fuel canister to the Secretary of Energy in the year 2023, as assumed in the FERC rate case referred to previously.

Maine Yankee intends to fund the operational and decommissioning costs of the ISFSI, from the Decommissioning Trust Fund collected under the provisions of 10CFR50.75. Monies allocated to spent fuel management are collected and deposited in the Decommissioning Trust Fund in addition to that required by NRC regulation for the purpose of radiological decommissioning of the Maine Yankee plant as reported in Reference (d).

Effective October 1, 1999, Maine Yankee is authorized by legislative action to withdraw funds from the State of Maine mandated Spent Fuel Disposal Trust (SFDT) to meet expenditures for interim spent fuel storage costs and to offset those interim spent fuel storage costs already incurred.

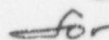
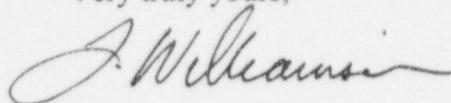
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by Maine Yankee. Capital expenditures related to the construction of the ISFSI and purchase of the NAC UMS casks (\$57,147,00 in mid-1998 dollars) will be funded from the state mandated SFDT. As of December 31, 1998, the state mandated SFDT balance was \$129,400,000. The SFDT is a separate fund designated to pay the DOE obligations for pre-1983 spent fuel disposal and may be used for spent fuel storage expenses as permitted by State law.

The settlement approved by FERC order clarified Maine Yankee's customers obligations to pay for costs associated with spent fuel management to the extent that the Company is unsuccessful in seeking compensation from the DOE, a matter currently being litigated in the Court of Federal Claims.

Very truly yours,



George A. Zinke, Director
Nuclear Safety and Regulatory Affairs

c: Patrick J. Dostie
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Stephen O'Connor