

Ms. Billie Staub
81 Pattagansett Road
Niantic, CT 06357

January 14, 1997

Dear Ms. Staub:


In my April 18, 1996, letter to you, I provided the estimated decommissioning costs and the corresponding trust funds for decommissioning the Millstone and Haddam Neck nuclear power plants. After the Connecticut Yankee Atomic Power Company (CYAPCO) announced the early decommissioning of the Haddam Neck Plant (HNP), I noticed the decommissioning cost recently announced by CYAPCO was significantly higher than the cost I forwarded to you. I followed up on this issue and found the information provided to you was low because it only considered Northeast Utilities' (NU) costs. Since NU only owns approximately 50 percent of HNP, the decommissioning cost I previously forwarded to you (i.e., \$188.9 million) should have been doubled to represent the total decommissioning cost associated with the plant.

Based on information recently provided to me by the licensee, the estimated decommissioning cost for HNP is approximately \$427 million (1996 dollars considering immediate dismantlement) and the trust fund contains approximately \$200 million (market value). The estimated decommissioning cost was increased from the previous year's estimate due to the early decommissioning of the facility and industry lessons learned from decommissioning other nuclear power plants.

Since Northeast Utilities does not own 100 percent of Millstone Unit 3, the decommissioning cost I provided to you for this unit was also too low. The current estimated decommissioning cost for this unit is \$427 million (1995 dollars considering immediate dismantlement) and the trust fund contains approximately \$119 million (market value).

Please feel free to call me at (301) 415-1455 or write to me at the above address if you have any questions on this issue.

Sincerely,


Stephen Dembek, Project Manager
Special Projects Office - Licensing
Office of Nuclear Reactor Regulation

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 14, 1997

Ms. Billie Staub
81 Pattagansett Road
Niantic, CT 06357

Dear Ms. Staub:

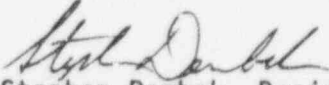
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