



YANKEE ATOMIC ELECTRIC COMPANY

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NEWS RELEASE

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Yankee Atomic Files Amended DOE Damage Claim

Seeks up to \$231 million for DOE failure to remove used nuclear fuel

Rowe, Massachusetts – March 31, 2003. Yankee Atomic Electric Company has submitted an amended monetary damage claim in the U.S. Court of Federal Claims to address the increasing costs resulting from the Department of Energy's (DOE) continued failure to meet its legal obligation to remove Yankee's used nuclear fuel and Greater Than Class C (GTCC) Waste.

Yankee's original damage claim was submitted to the Court of Federal Claims in 1999 after the Court ruled that Yankee was entitled to seek damages as a result of the DOE's failure to begin removing the spent fuel. The original \$71 million damages estimate included costs through 2010 – which is the soonest the DOE projects to begin removing fuel. A provision in the amended filing also notes additional damages for each year fuel remains at Yankee Rowe through 2020.

The new submittal nearly triples the original claim to \$191 million through 2010 and notes an additional \$40 million if fuel storage is required from 2010 to 2020 for a total potential damage claim of \$231 million. The amended filing reflects ongoing operational costs – including enhanced security measures required since 9/11 – to safely store and protect the plant's used nuclear fuel until it is removed.

“The 1998 lawsuit against the DOE was filed to protect electric customers who bear the cost of storing the fuel at the plant sites until the federal government finally removes it,” said Yankee President, Rick Kacich. “Because the DOE has failed to remove the fuel, it must continue to be safely stored and protected at Yankee Rowe, leaving regional electric consumers to bear the financial burden of the federal government's inaction.”

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If Yankee ultimately prevails in the Court of Federal Claims case, any damages awarded by the Court will be credited to the decommissioning fund and any remaining funds returned to electric ratepayers when decommissioning is complete.

The additional costs related to the DOE's delay in removing the fuel are an increase over those forecast in Yankee's 1999 cost estimate filing with the Federal Energy Regulatory Commission (FERC). As a result, Yankee will also be filing a new decommissioning estimate with FERC later this week. The new cost estimate will be approximately \$190 million more than the 1999 cost estimate.

Yankee's fuel is currently being transferred to dry cask storage as part of the effort to safely store and protect the fuel until it is removed. This will facilitate the completion of decommissioning, enhance fuel storage safety at the decommissioned site and prepare the fuel for eventual shipment. Fuel transfer from wet to dry storage is scheduled to be completed this spring. Demolition of the now empty buildings and structures on the site will begin this summer and be completed by the end of 2004.

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