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NEWS RELEASE

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Yankee President And CEO Testifies Before U.S. Senate Committee on Nuclear Fuel Storage Problem in New England

"DOE Should Remove Used Nuclear Fuel Now"

Auburn, Massachusetts, September 28, 2000 – Russ Mellor, President and CEO of Yankee Atomic Electric Co. and Connecticut Yankee Atomic Power Co., testified today at the U.S. Senate Committee on Energy and Natural Resources hearing in Washington, D.C., regarding nuclear fuel storage at shutdown nuclear plants in New England. The hearing was held to examine the impacts of the U.S. Appeals Court decision upholding utilities' right to sue the federal government for failure to begin accepting used fuel from the nation's commercial nuclear power plants. The decision also affirmed the federal government's liability for breaching its contracts with the Yankee companies.

In testimony given to the Committee today, Mellor said, "The recent court decisions represent a clear victory for the Yankee companies and New England's electric ratepayers, but they do not provide a solution to the region's spent fuel storage problem." Mellor added that unless and until the Department of Energy (DOE) meets its legal obligation to remove used fuel, permanently shutdown plants like Yankee Rowe and Connecticut Yankee are prevented from completing the timely and cost-effective decommissioning of their sites.

The Yankee companies, along with Maine Yankee Atomic Power Co., have lawsuits pending in the Court of Federal Claims for hundreds of millions of dollars in damages resulting from the DOE's failure to remove the plants' used fuel on time. The utilities and their ratepayers currently bear the cost of continued spent fuel storage at these plants as a result of the delay. According to Mellor, prolonged litigation could be avoided if the DOE would meet its obligation and start removing fuel now.

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Citing no legitimate basis for further delay, Mellor said that the DOE can and should site and operate a central, temporary storage facility for the nation’s used nuclear fuel until a permanent facility is available.

Mellor also called for prioritized acceptance of used fuel from shutdown plants. He stated that many permanently shutdown plants, including the Yankee companies, are preparing to package their fuel in special NRC-licensed canisters that will be placed directly in shipping casks once the DOE begins moving fuel. This will not only expedite the transfer of fuel from shutdown plants in New England to a federal facility, but also reduce the number of used fuel shipments from these plants from over 6000 truck shipments to 600 rail shipments.

Historical DOE delays, lengthy fabrication times for transport casks, and the DOE’s proposals that it “take title” to used fuel at utility sites has caused state and local community concern that on-site used fuel storage at plant sites might become permanent.

Since used nuclear fuel has been, and routinely continues to be, safely shipped throughout the U.S. from research reactors, defense facilities and foreign countries, Mellor urged the DOE to demonstrate its commitment to remove fuel and allay community concerns by immediately implementing a program to fabricate the necessary transport casks and rail system.

The recent federal appeals court action affirms that the DOE has a legal obligation to remove fuel, which remains unmet. “Further delay is unacceptable,” said Mellor.

Russ Mellor’s written testimony and a joint statement from the governors of Massachusetts, Connecticut and Maine are attached.

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