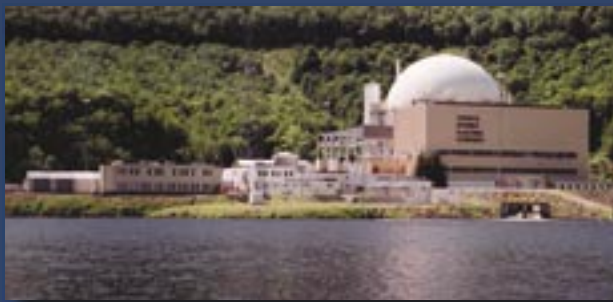


Site Closure and Reuse at Yankee Rowe



safety • security • restoration
beneficial use • community review



An Introduction to the Site Closure Project

DURING ITS MORE THAN THREE DECADES of service, the Yankee Nuclear Power Station in Rowe, Massachusetts, provided electricity to individual homes and businesses across New England. At 185 megawatts of generating capacity, Yankee Rowe met the needs of more than 150,000 residential customers—equivalent to a city the size of Springfield, Hartford, Providence or Worcester.

In 1992, Yankee Rowe's owner—Yankee Atomic Electric Company—decided for economic reasons to permanently cease operations at the plant. Since then, the Company has been engaged in the process of decommissioning the site for eventual reuse. Significant effort over the past decade has focused on satisfying the detailed site release requirements of the federal Nuclear Regulatory Commission. In connection with this, the plant's spent nuclear fuel has been securely stored in steel and concrete casks at the site. Demolition of the buildings at the site is scheduled for completion in 2004.

Yankee has undertaken two parallel efforts to satisfy the regulatory obligations of site closure. From a radiological perspective, the Company has prepared a License Termination Plan in order to terminate its license from the Nuclear Regulatory Commission (NRC). Similarly, in the non-radiological arena, the Company has implemented plans to characterize, analyze, remediate and restore the property at the site. This will be accomplished through the Yankee Rowe Site Closure Project.

Yankee has developed the Site Closure Project with the assistance and expertise of three environmental firms—CLF Ventures, Inc., a non-profit affiliate of the Conservation Law Foundation; Environmental Resources Management; and Gradient Corporation.



Site Closure Project Goals

THE GOALS OF THE SITE CLOSURE PROJECT are simple and straightforward. First, the project will achieve radiological and non-radiological site closure in a safe, responsible, reliable and beneficial manner. Second, site closure will restore the plant site to environmental quality standards. This will permit its secure transfer to an eventual third party, in a way that is consistent with local input. Third, the project will safely manage the spent nuclear fuel stored at the site until the federal Department of Energy satisfies its legal obligation to remove the fuel. Finally, site closure will take into account the views of a broad spectrum of stakeholders, including regulatory agencies at all levels of government, elected officials, neighbors, potential future users of the property and interested citizens. Stakeholders will be kept informed and involved throughout the site closure process. We have targeted June 2005 for the substantial completion of physical site work.

KEY GOALS

- Safe, thorough cleanup
- Secure stewardship of spent fuel
- Full public participation
- Beneficial site reuse

Secure On-Site Spent Fuel Storage



To safely contain and store spent nuclear fuel used at Yankee Rowe, the Company has designed and constructed an Independent Spent Fuel Storage Installation adjacent to the plant. The 16 steel and concrete casks at this facility permit the safe, secure storage and management of spent fuel and related material. All spent fuel placement into NRC-approved dry canisters and storage casks was complete in June 2003. The fuel must be protected at the site until the U.S. Department of Energy meets its statutory and contractual obligations to remove the spent fuel to a federal facility.

A BROAD RANGE OF STAKEHOLDERS

- Elected Officials
- Local Citizens
- Town Officials
- Federal, State & Local Agencies
- Community Advisory Board
- Future Users of the Site



Commitment to a Public Process

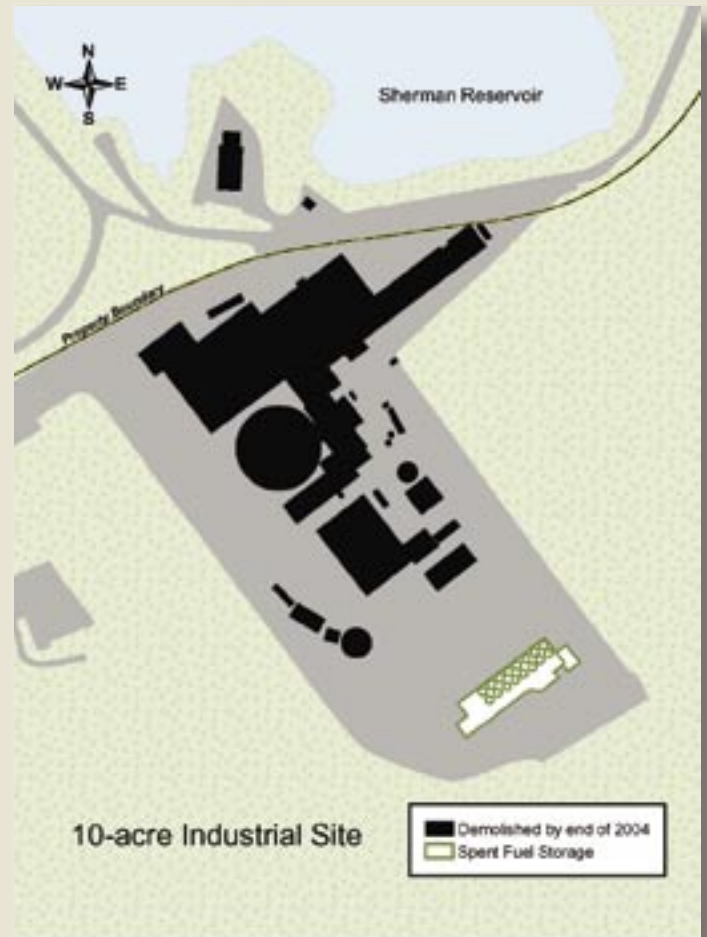
DECOMMISSIONING AND SITE CLOSURE of the Yankee Rowe plant will be conducted in a manner that is consistent with the highest level of public confidence.

Successful closure of the 1,800-acre site in the town of Rowe will rely upon the expertise and careful judgment of a diverse team of professionals. But success is also measured by openness. During the remainder of the process, we intend to maintain clear, accurate, consistent and continuous communication between Yankee Atomic and all of our stakeholders.

Those stakeholders include elected officials from all levels of government, federal and state regulatory agencies, municipal officials from the surrounding communities, and local citizens.

Our outreach effort will be implemented in a number of ways, but its focus will be on two major areas. The first involves strong communications with the 15-member Yankee Rowe Community Advisory Board (CAB). Formed in 1998, the CAB is a diverse group representing local communities, government agencies, businesses and other organizations. The board convenes at least four times a year to review the decommissioning and site closure projects. Should issues emerge that call for more frequent dialogue, Yankee will reach out directly to affected stakeholders to communicate project developments and receive feedback.

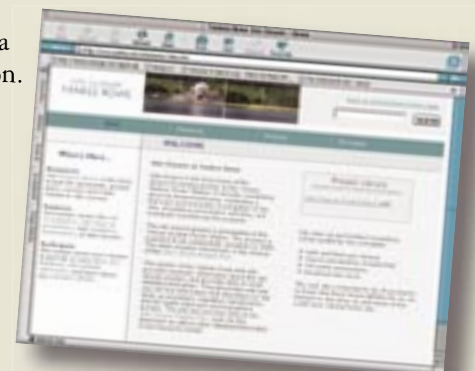
Our outreach effort also will feature an enhanced presence on the World Wide Web. A special Site Closure section of the Yankee web site—located at www.yankee.com—has been created to address the specifics of the Site Closure Project. While providing detailed background information, this section of our web site is designed to deliver accurate and timely



information to all of our stakeholders, while encouraging stakeholders to offer their thoughts, comments and insights on the site closure process.

Of particular interest to public officials and agency staff, the new section of the Yankee web site offers an overview of the multi-layered regulatory process that governs decommissioning and site closure, and is designed to facilitate retrieval and review of the key project documents. These documents include the Site Closure Project Plan—the SCPP—which provides an up-to-date description of the entire site closure process and presents a number of useful graphics. Also on line is the License Termination Plan, or LTP, which lays out the blueprint for satisfying the Nuclear Regulatory Commission's radiological closure criteria for license termination.

We will continue to provide updated information on our web site as the site closure process moves forward.



Community Advisory Board

- Berkshire Regional Planning Commission
- Citizens Awareness Network
- City of North Adams, Massachusetts
- Franklin County Chamber Of Commerce
- Franklin Regional Council of Governments
- Massachusetts Department of Public Health
- Massachusetts Emergency Management Agency
- Town of Charlemont, Massachusetts
- Town of Florida, Massachusetts
- Town of Heath, Massachusetts
- Town of Monroe, Massachusetts
- Town of Readsboro, Vermont
- Town of Rowe, Massachusetts
- Town of Whitingham, Vermont
- Town of Williamstown, Massachusetts
- Yankee Atomic Electric Company

Key Steps to Site Closure

An Inventory of the Site



Safe and efficient site closure begins with the collection of a range of data on the physical condition of the 10-acre industrial site and the 1,800 acres of forested

woodlands. Initial data retrieval has already taken place, with additional rounds scheduled over the next two years.

This site inventory advances two major objectives. The first is to catalog the ecological, archaeological and cultural resources of the entire site. This information will assist site cleanup operations and provide essential input on reuse of the property.

The second objective involves rigorous collection of data on the condition of waterways, soils, sediments and structures. The data are essential for determining the type and extent of any remediation that may be needed, and for meeting relevant regulatory standards. Reliable, complete information is a necessary decision-making input to an integrated radiological and non-radiological site closure process.

An Informed Cleanup Plan



Based on its data analysis, Yankee Atomic will prepare and implement a cleanup plan that addresses all applicable federal, state and local regulations. Data

obtained during the initial phases will be integrated with the results of further, scheduled analyses, and then used to guide the final stages of remediation.

Much of the initial cleanup has begun and in some cases is complete. For example, major building systems have been removed, and the plant's spent fuel has been transferred from a containment pool to reinforced, above-ground casks. Tasks currently planned or underway include the removal of construction debris from a small landfill on site, removal and disposal off site of all above-ground structures, and the removal and remediation of a small amount of soil and sediment contaminated with PCB-containing paint chips.

A Strategy for Regulatory Compliance



The third part of the site closure process calls on Yankee Atomic to satisfy environmental and public health standards that have been established by federal

and state statutes and regulations, and by regional and local agencies.

Regulatory compliance will further reinforce several principles that guide the entire site closure process. First, Yankee will reach out to regulatory stakeholders to ensure that agency officials have relevant, up-to-date information. Second, the regulatory process will be coordinated to achieve compliance in an efficient, effective and comprehensive fashion. Finally, throughout the closure process, the Company will actively solicit the views of both regulators and the local community on potential future uses of the site.

The Bottom Line: Secure Restoration and Reuse

THE SITE CLOSURE PROCESS IS DESIGNED to achieve two complementary goals. The first is to ensure that—in satisfying the detailed requirements of the federal Nuclear Regulatory Commission and Environmental Protection Agency, as well as the Massachusetts Departments of Public Health and Environmental Protection—the entire site is safe and secure, and has been restored to a high level of environmental quality. The second goal is to develop and implement a plan for site transfer and eventual reuse.

At Yankee Atomic Electric Company, our approach to site closure unites proven science and technology, a long tradition of safety, and an open public process. By combining these elements, we believe that the restoration of a valuable resource and its return to community service will stand as a model of successful environmental stewardship.



FOR MORE INFORMATION

Visit our Website, www.yankee.com; contact Kelley Smith (888.286.5557 x3019) at Yankee Atomic Electric Company at 19 Midstate Drive, Suite 200, Auburn, Massachusetts 01501; or send an email to ksmith@yankee.com.