



MAINE YANKEE



YANKEE ATOMIC ELECTRIC COMPANY

FOR IMMEDIATE RELEASE

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Yankee Companies Urge Federal Government to Remove Used Nuclear Fuel in Wake of Favorable Federal Court Decision

Haddam, Connecticut, October 4, 2006 – U.S Court of Federal Claims Senior Judge James F. Merow issued a favorable ruling on September 30, 2006 for the three former Yankee nuclear power plants in their litigation with the federal government over its failure to remove used nuclear fuel from the three New England sites. Yankee Vice-President and Chief Financial Officer Michael Thomas said, “While the Court’s decision will need to be reviewed and evaluated, the Yankee companies’ initial reaction to the monetary award is very positive. However, the ruling does not solve the problem of used nuclear fuel remaining at the plant sites, and the federal government is urged to remove the material promptly. We hope this ruling will spur the U.S. Department of Energy to begin fulfilling its obligation.”

To protect their electric customers, Yankee Atomic Electric Company (YAEC), Connecticut Yankee Atomic Power Company (CYAPCO), and Maine Yankee Atomic Power Company (MYAPCO) filed litigation in federal court in 1998 alleging that the federal government breached contracts it entered into with each company in 1983 under the Nuclear Waste Policy Act. In 2004 a trial was conducted in the Court of Federal Claims to determine the amount of damages owed to each company. The three Yankee companies’ individual damage claims are specific to each company and include costs through 2002 for MYAPCO and 2001 for YAEC and CYAPCO.

In the ruling YAEC was awarded \$32.9 million in damages; CYAPCO was awarded 34.1 million; and MYAPCO was awarded 75.8 million. Since the spent nuclear fuel continues to be stored at the sites, the Yankee companies will have the opportunity to potentially recover more damages in future lawsuits. Also, the decision is expected to be appealed

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by the government and therefore delay the damage award from being credited anytime soon to the companies' respective electric ratepayer funded decommissioning or spent fuel trust funds.

Thomas said, "The monetary award does not eliminate the government's contractual obligation to remove used nuclear fuel from the three sites and the real solution is for the government to permanently remove the used fuel and high-level waste. The companies and New England states will continue to work together in an effort to have the used fuel removed from the sites as rapidly as possible."

For more information please refer to the fact sheet accompanying this release.

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