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**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

In the Matter of:	: Docket No. 50-245
NORTHEAST NUCLEAR	: Docket No. 50-336
ENERGY COMPANY	: Docket No. 50-423
NORTH ATLANTIC ENERGY	:
SERVICE CORPORATION	:
CONSOLIDATED EDISON	:
COMPANY OF NEW YORK, INC.	:
(Millstone Nuclear Power Station,	:
Units Nos. 1, 2 and 3; Facility	:
Operating Licenses Nos. DPR-21,	:
DPR-65, NPF-49)	: AUGUST 28, 2000

**CONNECTICUT COALITION AGAINST MILLSTONE
AND LONG ISLAND COALITION AGAINST MILLSTONE
APPLICATION FOR STAY OF ORDER AND
REQUEST FOR INDEPENDENT INVESTIGATION**

The Connecticut Coalition Against Millstone ("CCAM") and the Long Island Coalition Against Millstone ("CAM")(collectively, "Petitioners") hereby apply for a stay in the action of the U.S. Nuclear Regulatory Commission ("NRC") on August 22, 2000 approving indirect transfer of the Millstone Units 1, 2 and 3 operating licenses to "Consolidated Edison, Inc." ("CEI") pursuant to 10 C.F.R. Section 2.1327.

The Petitioners further request an independent investigation of the circumstances surrounding the decision at issue.

I. Summary Of The Action Which Is Requested To Be Stayed

On January 13, 2000, Northeast Nuclear Energy Company and North Atlantic Energy service Corporation (collectively "NU") and Consolidated Edison Company of New York, Inc. ("Con Ed") applied to the NRC under

10 C.F.R. 50.80 for the proposed indirect transfer of Facility Operating Licenses Nos. DPR-21, DPR-65 and NPF-49 for the Millstone Nuclear Power Station, Units 1, 2 and 3, respectively ("Millstone"). The indirect transfer would be to a "new" Consolidated Edison, Inc. ("CEI"), incorporated in Delaware. ("Application")

NRC published notice of consideration of issuance of an order approving the application. 65 Fed. Reg. 18381 (April 7, 2000).

On April 27, 2000, the Connecticut Coalition Against Millstone and Long Island Coalition Against Millstone¹ petitioned for leave to intervene in the proceedings and requested a hearing pursuant to 10 C.F.R. Section 2.1306. Said petition presented six contentions, identified as follows:

1. The Commission lacks legal authority to grant "indirect" transfer of the Millstone Facility Operating Licenses pursuant to 10 C.F.R. 50.80.
2. The application does not provide the information required by 10 C.F.R. 50.33.
3. The application is premature.
4. The application requires an environmental evaluation.
5. The Commission should not consider Indian Point or Seabrook license transfers in this proceeding.
6. NU and Con Ed have demonstrated wilful disregard for the public health and safety.

Northeast Nuclear Energy Company ("NNECO") timely filed an answer to the petition. However, to date, NRC has taken no action on the petition. The NRC has not acknowledged receipt of the petition; entered an order granting or denying the petition; nor has it scheduled a hearing as requested by the Petitioners.

¹ Connecticut Coalition Against Millstone is an organization of statewide safe-energy and environmental groups and individuals devoted to permanent closure of Millstone. Its membership includes Millstone whistleblowers who were fired by NU in retaliation for raising safety issues of consequence to the public health and safety. Its membership includes families with young children who reside within five miles of the Millstone nuclear reactors. CCAM is based at 13 Water Street, Mystic, Connecticut, within the 10-mile emergency evacuation zone of Millstone. Long Island Coalition Against Millstone is an organization of Long Island, New York, safe-energy and environmental groups and individuals devoted to the permanent closure of Millstone. Its membership includes families with young children who reside within the 10-mile emergency evacuation zone of Millstone. CAM is based at 66 Newtown Lane in East Hampton, New York.

On August 23, 2000, articles appeared in the news media, including the Hartford Courant, concerning the prospects of the Connecticut Department of Public Utility Control approval of the pending request for merger of Con Ed and NU. The news articles reported that the merger deal was in trouble. (See, e.g., "NU Deal In Doubt," Hartford Courant, August 23, 2000, annexed hereto.) The Hartford Courant is a daily newspaper which goes to press the day before the morning when it appears on newsstands.

On August 22, 2000, NRC issued a series of orders granting all pending applications, as referenced in the Federal Register notice, for the indirect transfer of the Millstone operating licenses. More particularly, NRC issued "Order Approving Application Regarding Corporate Merger of Consolidated Edison, Inc. and Northeast Utilities," ("the Order") annexed hereto.

Said order states in pertinent part as follows:

Pursuant to the [Federal Register] notice, a petition for leave to intervene and request for hearing regarding the proposed indirect transfer of the licenses for the Millstone units has been received from the Connecticut Coalition Against Millstone and the Long Island Coalition Against Millstone and the matter is currently pending before the Commission.

The Petitioners contend that NRC issuance of the Order violates the provisions of 10 C.F.R. Section 2.1316, which permits action only "during the pendency of any hearing under this subpart," and thus is premature, insofar as the NRC has neither granted nor denied the Petitioner's request for hearing, let alone convened the requested hearing. Moreover, the Petitioners contend that the Order was issued in the absence of a factual record supporting the decision and that the record which does exist compels denial of the application.

Therefore, the petitioners request the Commission to immediately grant the following relief:

- (1) Issue an order temporarily restraining or staying the effectiveness of the order;
- (2) Issue an order granting the petitioners intervention status and scheduling a hearing in this matter; and

- (3)** Order an immediate independent investigation of the circumstances surrounding the decision-making at issue.

II. Statement Of The Grounds For A Stay

A. The Order Violates 10 C.F.R. 2.1316

This matter involves an application for the “indirect” transfer of the operating licenses of three nuclear reactors which have been among the most problem-plagued in the history of the United States commercial nuclear industry.

The application proposes to “indirectly” transfer the operating licenses to a corporate entity which has no legal existence in the State of Connecticut nor authority to operate in the State of Connecticut.² The proposed transferee, Consolidated Edison, Inc., has no experience in operating commercial nuclear reactors. Indeed, the application at issue fails to provide even the street address of the proposed transferee. The term “indirect license transfer” is not defined in the Atomic Energy Act nor in the Code of Federal Regulations, nor do legal standards exist which define the parameters for approval or denial of such transfers.

Nevertheless, the NRC staff has approved the application. See attached order dated August 22, 2000. 10 CFR 2.1316 permits NRC staff approval “during the pendency of any hearing under this subpart.” However, under this regulation, the approval is premature insofar as the NRC has not yet decided whether to permit the Petitioners to intervene and whether to convene a hearing in this matter. The NRC staff acted prematurely and in violation of 10 C.F.R. 2.1316.

B. The Petitioners Will be Irreparably Harmed Unless A Stay Is Granted

The Petitioners will be irreparably harmed unless a stay is granted. The Petitioners’ intervention and hearing rights pursuant to 10 C.F.R. 2.1306 will be rendered meaningless and nugatory if the order is enforced prior to a ruling on the petition and its request for a hearing.

² The Secretary of State of the State of Connecticut has no record that the prospective transferee, Consolidated Edison, Inc., has registered to do business in the State of Connecticut nor filed a Certificate of Authority pursuant to Connecticut General Statutes Section 33-920.,

The petitioners have raised serious and significant contentions regarding the application. The significance of an transfer of operating licenses regarding Millstone – direct or indirect, however defined – has extraordinary potential to impact the health and safety of each and every member of CCAM and CAM as well as the public at large. Such a momentous decision cannot be made without providing an opportunity for public input and development of a factual record before a neutral body which has not prejudged the outcome.

C. The Petitioners Will Prevail On The Merits

The Petitioners will prevail on the merits in this matter. The NRC and NRC staff have clearly acted outside the scope of their permissible authority.

D. The Stay Will Not Harm Other Participants

The stay will not harm other participants. To date, NU and Con Ed have failed to persuade the Connecticut Department of Public Utility Control that their proposed merger is in the public interest. If the merger proposal is denied by the DPUC, the issue before the NRC will become moot. Until the issue is decided by the DPUC, the participants cannot credibly allege harm.

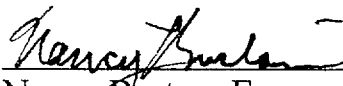
E. The Public Interest Compels Issuance Of A Stay

Millions of residents and business in Connecticut are entitled to have their voice heard in the process whereby the operating licenses of the Millstone nuclear reactors may be “indirectly” transferred to a paper company based in New York which has no experience in operating nuclear reactors and has not even provided the scant information required by the Code of Federal Regulations. A hearing is required for the development of a record from which such significant action may be assessed. If a hearing is held after approval has been given, the hearing will be a sham. Granting of the requested stay will significantly benefit the public interest because it will provide the public with confidence that the NRC’s review process and hearing procedure have meaning and the NRC intends to continue imbuing said procedures with meaning.

F. The Public Interest Compels An Independent Investigation

The Petitioners filed their Petition to Intervene on April 27, 2000. Four months later, there has been no official action by the NRC on the petition, which requested a hearing on the application following notice of the opportunity for hearing in the Federal Register. On August 23, 2000 news media reports in Connecticut forecast the possibility that the Connecticut Department of Public Utility Control would reject the proposed merger between NU and Con Ed, which merger is a critical component to the present application. On August 22, 2000, as the news media reports were readied for publication on August 23, 2000, the NRC and its staff issued orders approving the application. Their conduct could give rise in the mind of neutral observers that the NRC and its staff were acting to influence the official decision-making in Connecticut to benefit NU and Con Ed in their deal-making. The conduct of NRC and its staff must be independently investigated.

Respectfully Submitted,
CONNECTICUT COALITION
AGAINST MILLSTONE
LONG ISLAND COALITION
AGAINST MILLSTONE

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NU Deal In Doubt

By SUSAN E. KINSMAN

The Hartford Courant

August 23, 2000

A solid wall of opposition has been built in Connecticut to Consolidated Edison Inc.'s proposed \$7.5 billion acquisition of Northeast Utilities, and speculation is growing that the deal is in trouble. With the exception of the companies, everyone who participated in long months of regulatory hearings - from consumer advocates to large commercial users of electricity to competing utilities to environmental organizations - is urging state regulators to reject the takeover as a bad deal for Connecticut and its electric customers.

Faced with a "mountain of evidence," state regulators said Tuesday that they needed more time to rule on the case. A preliminary, or draft, decision due today has been delayed three weeks, until Sept. 12, with a final ruling pushed to Oct. 4.

Beryl Lyons, a spokeswoman for the state Department of Public Utility Control, said the delay did not mean the takeover application would be rejected. "The staff just needs more time," she said.

But Glenn Arthur, Connecticut's lead commissioner in the NU review, said all options remained on the table, suggesting that the five commissioners were not yet in agreement.

All five DPUC commissioners, rather than the usual three, are reviewing the case to ensure that the final decision has at least the minimum three votes.

"The department's deliberative process is dealing with a large body of evidence on such complex issues that the evidence could lead to more than one conclusion. I want to weigh all the options. All possibilities are being considered," Arthur said.

The DPUC took the unusual step of issuing a press release Tuesday to explain the delay and its options in deciding whether to transfer corporate control over NU to ConEd.

The acquisition would create the nation's largest gas and electric utility with about 6 million customers and a service area from Pennsylvania to the Canadian border. The companies estimate a merger savings of \$1.3 billion over 10 years.

Eight states and several federal regulatory agencies must approve the proposed acquisition. Among the states, only Connecticut, New York and New Hampshire have reviews still pending. The other states have approved the deal.

But during the public hearings, Connecticut's regulators have repeatedly voiced concern over the lack of a clear financial benefit to customers, the potential loss of jobs and the impact on Connecticut's economy if NU should be acquired by New York-based ConEd.

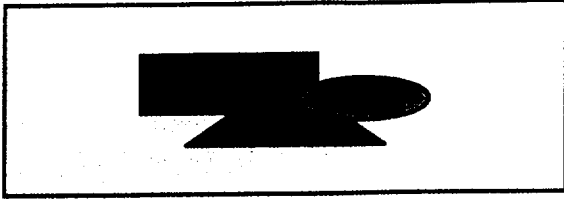
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Read more of today's
BUSINESS NEWS

Get help with your finances and your career.

Wall Street Journal Sunday
Learn more about Connecticut's future.

Connecticut 2000
Learn more about Connecticut's top-rated companies.
Courant 100



or the public.

In briefs filed with the DPUC, they said that they opposed the merger because NU and ConEd have failed to describe clear, tangible and immediate ratepayer benefits.

Blumenthal said the merger would reserve the "great majority of expected merger savings for the companies," threatens Connecticut's economy and open space, threatens the reliability of CL&P's electric service and potentially creates market concentration issues that would impede development of a competitive retail electricity market in Connecticut.

In its brief, the Connecticut Industrial Energy Consumers said "merger benefits are noticeably lopsided toward NU shareholders and NU executives. The merger does nothing for CL&P ratepayers and may cost them in the end."

NU executives "also stand to profit handsomely from a cache of golden parachutes potentially worth \$20 million or more," the CIEC said.

The Connecticut Fund for the Environment, and several local land trusts, also urged the regulators to reject the deal unless they impose conditions to protect the "important natural resource" represented by the undeveloped lands now held by NU.

NU owns nearly 7,900 acres of open-space land of conservation significance in 90 municipalities, the group said.

NU has reached a memorandum of understanding with the state Department of Environmental Protection to identify and help protect environmentally sensitive utility property.

But that agreement "does nothing to ensure that ... towns and land trusts have the right to designate land for protection so they can play a meaningful role in preserving lands of local interest," the group wrote.

Michael S. Worms, a utility analyst for Gerard Klauer Mattison, said he thought the acquisition would go forward, depending on the conditions the regulators might impose.

But if the deal does blow up, NU may find itself alone on the merger dance floor for a while. "If it's not ConEd, I don't know who else it would be," Worms said.

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And the regulators made it clear Tuesday that in making their decision they would do more than consider whether ConEd has the financial resources, technical competency and managerial suitability to step into NU's shoes.

The department, they said, has broad powers to consider issues of "public interest," such as rates, corporate citizenship, employment levels, impact on the economy, improvements to the local company's plants or operations, service reliability, customer service, environmental impacts and use of open space.

All those issues were raised during the ConEd/NU hearings.

Connecticut regulators have three options: to approve the ConEd takeover as proposed, to reject it outright or to approve it with conditions.

Because the DPUC in at least the past 10 years has not rejected any merger application, observers say the regulators are more likely to approve the deal with conditions.

But the conditions - which would correct any serious flaws the regulators identify in the proposal - could prove to be deal-breakers if they undermine the economic benefits for the companies.

Neither company would comment Tuesday about any terms or conditions that would force them to walk away from the deal.

"We don't have any preconceived strategy that would tell us how to react to something we haven't seen yet," said Frank Poirot, an NU spokesman. "We're cautiously optimistic. We're confident that in one form or another [the acquisition] will go forward."

Likewise, Joseph Petta, a ConEd spokesman, said, "We are not going to speculate on possible outcomes. We will have to wait and see what the commission decides."

"We still believe that this merger is good for Connecticut and will result in cost savings for customers and will have a positive impact on Connecticut's economy."

But there are a host of others that disagree, including Attorney General Richard Blumenthal, the state Office of Consumer Counsel and the Connecticut Industrial Energy Consumers, whose members include Kimberly-Clark, Pratt & Whitney, Praxair Inc. and RR Donnelley & Sons Co.

The consumer advocates, at the urging of regulators, had attempted to resolve their differences with the companies in settlement talks. When negotiations failed, the companies made additional commitments to regulators that would give customers an additional \$50 million in savings.

But the consumer advocates said those commitments would not go far enough, and that the proposed merger was still not in the best interest of ratepayers.

UNITED STATES OF AMERICANUCLEAR REGULATORY COMMISSION

In the Matter of

THE CONNECTICUT LIGHT AND POWER
 COMPANY, WESTERN MASSACHUSETTS
 ELECTRIC COMPANY, PUBLIC SERVICE
 COMPANY OF NEW HAMPSHIRE, AND
 NORTHEAST NUCLEAR ENERGY
 COMPANY

(Millstone Nuclear Power Station,
 Units 1, 2, and 3)

Docket Nos. 50-245, 50-336, and 50-423

ORDER APPROVING APPLICATION REGARDING CORPORATE MERGER OF
 CONSOLIDATED EDISON, INC. AND NORTHEAST UTILITIES

I.

The Connecticut Light and Power Company (CL&P) holds 81-percent ownership interest in Millstone Nuclear Power Station (Millstone) Units 1 and 2, and 52.9330-percent ownership interest in Millstone Unit 3; Western Massachusetts Electric Company (WMECO) holds 19-percent ownership in Millstone Units 1 and 2, and 12.2385-percent ownership in Millstone Unit 3; and Public Service Company of New Hampshire (PSNH) holds 2.8475-percent ownership in Millstone, Unit 3. CL&P, WMECO, and PSNH are subsidiaries of Northeast Utilities (NU). Ten other investor-owned and municipal entities unaffiliated with NU hold the remaining ownership interests in Millstone Unit 3.

CL&P and WMECO are holders of Facility Operating License No. DPR-21 issued by the Atomic Energy Commission pursuant to 10 CFR Part 50 on October 7, 1970, for Millstone Unit 1 and Facility Operating License No. DPR-65 issued by the Nuclear Regulatory Commission (NRC) pursuant to 10 CFR Part 50 on September 26, 1975, for Millstone Unit 2. CL&P, WMECO, and PSNH (with the other co-owners of Millstone Unit 3) are holders of Facility

Operating License No. NPF-49 issued by the NRC pursuant to 10 CFR Part 50 on January 31, 1986, for Millstone Unit 3. Under these licenses, Northeast Nuclear Energy Company (NNEC), an affiliate of NU, has the authority to operate Millstone Units 1, 2, and 3, and is a co-holder of the respective licenses in this regard. Millstone is located in New London County, Connecticut.

II.

Pursuant to Section 184 of the Atomic Energy Act of 1954 (the Act), as amended, and 10 CFR 50.80, NNEC and North Atlantic Energy Service Corporation, on behalf of the NU subsidiary licensees of the Millstone units, and Consolidated Edison Company of New York, Inc. (CEI of NY), a subsidiary of Consolidated Edison, Inc. (CEI), jointly filed an application dated January 13, 2000, as supplemented by letter dated May 2, 2000 (collectively herein referred to as the application), requesting the Commission's approval of the indirect transfer of the licenses for the Millstone units to the extent held by CL&P, PSNH, WMECO, and NNEC in connection with the proposed corporate mergers involving CEI and NU. The applicants informed the Commission that CEI and NU were in the process of implementing a corporate merger in which CEI and NU will be combined through two simultaneous mergers: the merger of CEI into New CEI, a Delaware corporation, and the merger of an indirect, wholly owned subsidiary of New CEI with NU. New CEI would become the parent corporation to, and sole owner of, CEI of NY and NU. CL&P, WMECO, PSNH, and NNEC, will remain subsidiaries of NU. CL&P, WMECO, and PSNH would continue to hold their respective ownership interests in and possession-only licenses for Millstone Units 1, 2, and 3. The indirect CEI interest in Indian Point Units 1 and 2 and the indirect NU interest in Seabrook Station Unit 1, will be the subject of separate orders. NNEC will remain the operator of Millstone Units 1, 2, and 3. The NU

subsidiary owners would each remain an "electric utility" as defined in 10 CFR 50.2, engaged in the generation, transmission, and distribution of electric energy for wholesale and retail sale. No physical changes to the facilities or operational changes are being proposed in the application. Notice of this request for approval was published in the Federal Register on April 7, 2000 (65 FR 18381). Pursuant to the notice, a petition for leave to intervene and request for hearing regarding the proposed indirect transfer of the licenses for the Millstone units has been received from the Connecticut Coalition Against Millstone and the Long Island Coalition Against Millstone and the matter is currently pending before the Commission.

Under 10 CFR 50.80, no license shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission gives its consent in writing. Upon review of the information submitted in the application and other information before the Commission, the NRC staff has determined that the corporate merger will not affect the qualifications of WMECO, CL&P, PSNH, and NNEC as holders of the licenses referenced above, and that the indirect transfer of the licenses, to the extent effected by the merger, is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission subject to the conditions set forth herein. These findings are supported by a Safety Evaluation dated August 22, 2000.


III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC §§ 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the indirect license transfers referenced above is approved subject to the following conditions: (1) CL&P, WMECO, and PSNH, as applicable, shall provide the Director of the Office of Nuclear Reactor Regulation a copy of any

application, at the time it is filed, to transfer (excluding grants of security interests or liens) from CL&P, WMECO, or PSNH, respectively, to its proposed direct or indirect parent or to any other affiliated company, facilities for the production, transmission, or distribution of electric energy having a depreciated book value exceeding ten percent (10%) of the subject licensee's consolidated net utility plant, as recorded in the licensee's books of account, and (2) should the corporate merger of CEI and NU not be completed by December 31, 2001, this Order shall become null and void, provided, however, on application and for good cause shown, such date may be extended.

For further details with respect to this action, see the initial application dated January 13, 2000, the supplemental letter dated May 2, 2000, and the Safety Evaluation dated August 22, 2000, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site (<http://www.NRC.gov>).

FOR THE NUCLEAR REGULATORY COMMISSION


Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland,
this 22nd day of August 2000.

**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

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CERTIFICATE OF SERVICE

This is to certify that a copy of the "CONNECTICUT COALITION AGAINST MILLSTONE AND LONG ISLAND COALITION AGAINST MILLSTONE APPLICATION FOR STAY OF ORDER AND REQUEST FOR INDEPENDENT INVESTIGATION" was sent by U.S. Mail, postage pre-paid, on August 28, 2000, to the following:

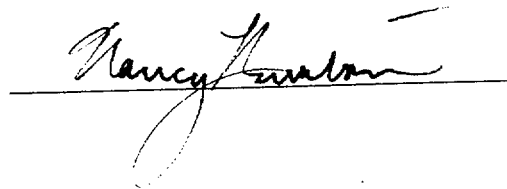
Office of the Secretary
U.S. Nuclear Regulatory Commission
Washington DC 20555-001

Rulemakings and Adjudications Staff
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A handwritten signature in cursive script, appearing to read "Nancy L. Landon", is written over a horizontal line. The signature is fluid and stylized, with a long, sweeping underline that extends to the right.