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August 17, 1994

United States Nuclear Regulatory Commission
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Attention: Document Control Desk

- References:
- (a) Facility Operating License No. NPF-86, Docket No. 50-443 (the "Operating License")
 - (b) Letter, dated May 14, 1993, from Ropes & Gray to the Commission (the "Request for Consent to Transfer" or "Request")
 - (c) Amendment No. 23 to Facility Operating License No. NPT-86, Docket No. 50-443 (the "License Amendment")
 - (d) Order Approving Transfer of License dated August 16, 1993, Docket No. 50-443 (the "Commission's Order")
 - (e) Letter, dated February 3, 1994, from Ropes & Gray to the Commission (the "Original Extension Request")
 - (f) Order for Modification of Order Approving Transfer of License, dated February 15, 1994, Docket No. 50-443 (the "Modification Order")
 - (g) Letter, dated June 27, 1994, from Ropes & Gray to the Commission (the "Second Extension Request")
 - (h) Order for Modification of Order Approving Transfer of License, dated June 30, 1994, Docket No. 50-443 (the "Second Modification Order")

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Subject: Great Bay Power Corporation Plan of
Reorganization: Third Supplemental Status Report
and Application for Further Extension of the
Commission's Order

Gentlemen:

This third supplemental status report and application for further extension of the Commission's Order is filed by North Atlantic Energy Service Corporation ("North Atlantic"), for itself and as agent for the Joint Owners of Seabrook Station, Unit No. 1, and the Official Bondholders' Committee (the "Committee") of Great Bay Power Corporation ("Great Bay" or "Debtor") (formerly known as EUA Power Corporation) to update the Commission on the status of the Great Bay bankruptcy proceeding and to request a further extension of the Commission's Order (Ref. (d)).

Background

The Original Extension Request (Ref. (e)) set forth in detail the background of the bankruptcy proceeding with respect to Great Bay Power Corporation and the evolution of the Debtor's financing plans from a term credit facility to a \$35 million equity infusion. At the time of the Original Extension Request the Debtor had just reached an agreement in principal with Omega Advisors, Inc. with respect to the equity investment and the initial extension of the Commission's Order was requested (Ref. (e)) to allow time for formalizing that agreement, recirculating a revised Disclosure Statement to the creditors and obtaining a reconfirmation of the Plan of Reorganization from the Bankruptcy Court. These steps were successfully accomplished by May 23, 1994: a Stock and Subscription Agreement, dated as of April 7, 1994, was entered into with certain funds managed by Omega Advisors, Inc. and Elliot Associates, L.P. (collectively, the "Investors"); a revised Disclosure Statement was circulated to all creditors on April 7, 1994; and the revised Plan of Reorganization was confirmed by the Bankruptcy Court on May 23, 1994. A closing was scheduled for June 15, 1994.

As explained in the Second Extension Request, on April 9, 1994 Seabrook Station shut down for a scheduled 57 day refueling outage which anticipated coming back on line on June 4, 1994 prior to the scheduled closing. Two unanticipated events occurred during that outage which necessitated sequential extensions of the outage. The Investors construed those events and other factors as constituting a material adverse change in Great Bay's financial condition because of the potential adverse

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affect on Great Bay's financial projections and the operation of the Seabrook Station. Great Bay disagreed with the Investor's interpretation of those events and the closing was delayed. The Second Modification Order (Ref. (h)) was requested to allow time for further negotiations.

Subsequent Events:

Those parties have now resolved their differences and have agreed to close the transaction on a slightly modified basis. The substance of the transaction remains the same with the Investors providing \$35 million of new capital for 60% of Great Bay's common stock. However, to compensate the Investors for any loss resulting from the outage extension, the Bondholders will place in escrow 480,000 shares of Great Bay common stock to which they would otherwise be entitled under the Reorganization Plan and one year after transaction closing, if the Investor's investment has a market value of less than \$38,500,000, then the escrowed shares will be distributed to them in an amount sufficient to raise the value of their holdings to that dollar figure, any balance being distributed pro rata to the Bondholders. The results of this modification of the transaction are that the dollar infusion into Great Bay remains the same and the new equity owners of Great Bay remain the same except that their share holdings may be altered somewhat. Since this changes the distribution to Bondholders under the Reorganization Plan it will require another recirculation of a further revised Disclosure Statement to creditors and obtaining a further reconfirmation of the Plan of Reorganization by the Bankruptcy Court. However, the substance of the indirect change of control approved by the Commission's Order remains unaltered.

Unfortunately, this does mean that the final closing of the transaction cannot occur before August 31, 1994 and, therefore, it becomes necessary to request a further extension of the Commission's Order.

Conclusion

While the parties anticipate that approximately 75 days will be required to obtain reconfirmation of the Plan of Reorganization and the requisite regulatory approvals and exhaust any appeal periods therefrom, past experience in this proceeding has demonstrated that timing of events is largely beyond our control and forecasts in this arena are unreliable. Therefore, North Atlantic and Great Bay respectfully request a further extension of the Commission's Order until the Final Decree is issued by the Bankruptcy Court in the bankruptcy proceeding relating to Great Bay. Since successful consummation of the Plan

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of Reorganization is a prerequisite of the issuance of such a decree, this will avoid the need to return again to the Commission for further extensions in this matter.

Should you have any questions, please contact the undersigned, John A. Ritsher, at (617) 951-7322 or Terry L. Harpster, Director of Licensing Services, at (603) 474-9521, extension 2765.

Respectfully submitted,

NORTH ATLANTIC ENERGY SERVICE
CORPORATION, for itself and as
agent as aforesaid

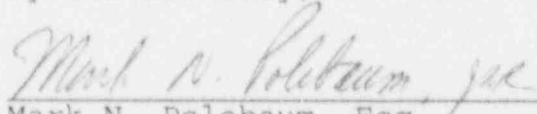
By its attorney,



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THE OFFICIAL BONDHOLDERS' COMMITTEE
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By its attorney,



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