

# NORTHEAST UTILITIES



THE CONNECTICUT LIGHT AND POWER COMPANY  
WESTERN MASSACHUSETTS ELECTRIC COMPANY  
HOLYOKE WATER POWER COMPANY  
NORTHEAST UTILITIES SERVICE COMPANY  
NORTHEAST NUCLEAR ENERGY COMPANY

General Office • Selden Street, Berlin, Connecticut

P.O. BOX 270  
HARTFORD, CONNECTICUT 06141-0270  
(203) 665-5000

March 21, 1991

Docket No. 50-423

B13772

Re: 10CFR50.90

U.S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, DC 20555

Gentlemen:

Millstone Nuclear Power Station, Unit No. 3  
License Amendment Request--Change in Control of  
Public Service Company of New Hampshire's Ownership Interest

Pursuant to 10CFR50.90, Northeast Nuclear Energy Company (NNECO) hereby proposes to amend its facility operating license, NPF-49, to reflect the fact that Public Service Company of New Hampshire (PSNH) will be a wholly owned subsidiary of Northeast Utilities (NU) as of the merger date. Specifically, a new licensee is not being added to the operating license. Rather, NNECO requests that the operating license be amended as shown in Attachment 1 to reflect NU's ownership and control of PSNH as of the merger date.

Millstone Unit No. 3 is a nuclear-powered electric generating facility which has been constructed and is being operated by NNECO on behalf of 14 co-owners (a group of investor-owned and municipal utilities). The NRC operating license, NPF-49, includes a list of co-owners. PSNH, one of the co-owners, is an electric public utility organized and operating under the laws of the State of New Hampshire. PSNH has a 2.8475 percent ownership interest and entitlement in Millstone Unit No. 3.

On January 28, 1988, PSNH filed a voluntary petition with the United States Bankruptcy Court, District of New Hampshire (the "Bankruptcy Court") for protection under Chapter 11 of the Bankruptcy Code and has since operated its business as a debtor-in-possession under the protection of the Bankruptcy Code. After prolonged proceedings, the Bankruptcy Court on December 28, 1989, approved the Third Amended Plan of Reorganization (the "Joint Plan") proposed by Northeast Utilities Service Company and other parties. On April 20, 1990, the Bankruptcy Court confirmed the Joint Plan and ordered its implementation.

Under the terms of the Joint Plan, NU will ultimately acquire all of PSNH's business and assets in exchange for cash and/or securities. PSNH's ownership interest in Unit No. 1 of Seabrook Station ("Seabrook") will be transferred to

a new wholly owned subsidiary of NU.<sup>(1)</sup> PSNH's management and operation responsibilities with respect to Seabrook will be transferred to another wholly owned subsidiary of NU;<sup>(2)</sup> all of PSNH's other assets, including its interest in Millstone Unit No. 3, will remain in the reorganized PSNH which will be merged with yet another subsidiary of NU. Reorganized PSNH will be the surviving entity in such a merger. The existing creditors and equity security holders of PSNH will receive cash and/or securities for their claims or interests. Elements of the Joint Plan are subject to regulatory approval by numerous state and federal agencies. After all regulatory approvals have been received, the Joint Plan contemplates that a formal merger will be consummated. (The date that such merger occurs is referred to herein as the "Merger Date.")

The Millstone Unit No. 3 interest is not technically being transferred as a result of the merger because PSNH, the surviving entity in the merger, will continue to hold this interest after the Merger Date. However, PSNH will become a wholly owned subsidiary of NU after the merger, and thus the Millstone Unit No. 3 interest will undergo a change in control.

On January 23, 1991, pursuant to 10CFR50.80, NNECO requested the consent of the NRC to the acquisition of control by NU of the 2.8475 percent undivided ownership interest of PSNH in Millstone Unit No. 3.<sup>(3)</sup> In that request, NNECO provided necessary information to ascertain that the proposed action:

1. Will not reduce the funds available to NNECO to carry out activities under its operating license.
2. Will not adversely affect the management of NNECO's operations.
3. Will not result in NNECO being owned, controlled, or dominated by an alien, foreign corporation, or foreign government.

#### Safety Assessment

The proposed change to the operating license does not involve a change in the safety analysis, the technical specifications, or day-to-day operation of

- 
- (1) T. C. Feigenbaum letter to the U.S. Nuclear Regulatory Commission, "Application to Amend Facility Operating License No. NPF-86 to authorize North Atlantic Energy Corporation as a Licensee to Acquire and Possess the Public Service Company of New Hampshire Ownership Interest in Seabrook," dated November 13, 1990.
  - (2) T. C. Feigenbaum letter to the U.S. Nuclear Regulatory Commission, "Application to Amend Facility Operating License No. NPF-86 to authorize North Atlantic Energy Service Company to Act as Managing Agent for Seabrook Station, Unit No. 1," dated November 13, 1990.
  - (3) E. J. Mroczka letter to the U.S. Nuclear Regulatory Commission, "Change in Control of Public Service Company of New Hampshire's Ownership Interest," dated January 23, 1991.

Millstone Unit No. 3. Therefore, the proposed amendment will not affect the safe operation of Millstone Unit No. 3 and is acceptable.

#### Significant Hazards Consideration

In accordance with 10CFR50.92, NNECO has reviewed the proposed license amendment and concluded it does not involve a significant hazards consideration. The basis for this conclusion is that the three criteria of 10CFR50.92(c) are not compromised. The proposed amendment does not involve a significant hazards consideration because it would not:

1. Involve a significant increase in the probability or consequences of an accident previously analyzed.

As a result of the proposed license amendment, there will be no physical change to the Millstone Unit No. 3 facility and all limiting conditions for operation, limiting safety system settings, and safety limits specified in the technical specifications will remain unchanged. Also, the Millstone Unit No. 3 Quality Assurance Program and the Emergency Plan, Security Plan, and Operator Training and Requalification Program will be unaffected. In addition, there will be no changes to the operating organization or personnel as a result of the transaction described herein.

2. Create the possibility of a new or different kind of accident from any previously analyzed.

The proposed amendment will not affect the physical configuration of Millstone Unit No. 3 or the manner in which it will operate. The Millstone Unit No. 3 plant design and design bases will remain the same. The current plant safety analyses will therefore remain complete and accurate in addressing the design basis events and in analyzing plant response and consequences.

The limiting conditions for operation, limiting safety system settings, and safety limits specified in the technical specifications for Millstone Unit No. 3 are not affected by the proposed license amendment. As such, the plant conditions for which the design basis accident analyses have been performed will remain valid. Therefore, the proposed license amendment cannot create the possibility of a new or different kind of accident from any accident previously evaluated.

3. Involve a significant reduction in a margin of safety.

Plant safety margins are established through limiting conditions for operation, limiting safety system settings, and safety limits specified in the technical specifications. Since there will be no change in the physical design or operation of the plant, there will be no change to any of these margins. Thus, the proposed license amendment will not involve a significant reduction in a margin of safety.

Moreover, the Commission has provided guidance concerning the application of standards set forth in 10CFR50.92 by providing certain examples (March 6,



1986, 51FR7751) of amendments that are considered not likely to involve a significant hazards consideration. The change proposed herein is most closely enveloped by Example (viii), a change to a license to reflect a minor adjustment in ownership shares among co-owners already shown in the license. As stated earlier, the Millstone Unit No. 3 interest is not technically being transferred as a result of the merger because PSNH, the surviving entity in the merger, will continue to hold this interest after the Merger Date. However, PSNH will become a wholly owned subsidiary of NU after the merger, and thus the Millstone Unit No. 3 interest will undergo a change in control.

Based upon the above and the information in this submittal, there are no significant radiological or nonradiological impacts associated with the proposed amendment, and the proposed amendment will not have a significant affect on the quality of the human environment.

The Millstone Unit No. 3 Nuclear Review Board has reviewed and approved the proposed amendment and concurred with the above determination.

#### Antitrust Considerations

The merger will not cause any change in the identity of a licensee owning an interest in Millstone Unit No. 3. After the amendment requested herein, the same wholesale customers and the same New Hampshire retail ratepayers will receive the same capacity and energy from Millstone Unit No. 3 that they would have received had the transfer not occurred. Therefore, the transfer of control of PSNH's interest in Millstone Unit No. 3 involves no significant change in the entitlement to the capacity and energy from Millstone Unit No. 3.

PSNH's participation in Millstone Unit No. 3 has already been reviewed as part of the original antitrust review of the project pursuant to Section 105 of the Atomic Energy Act (43 USC 2135). Data with respect to the NU system were also submitted and subjected to review in connection with the licensing of Millstone Unit No. 3 of which NU is, through its subsidiaries, a 65.1715 percent owner. Therefore, since both PSNH and the NU system have undergone an antitrust review in connection with Millstone Unit No. 3, no further review under Appendix L to 10CFR50 is necessary.

Furthermore, to the extent that the acquisition by NU of the entire business of PSNH may raise other questions with respect to antitrust considerations, they have already been reviewed by the Department of Justice and the Federal Trade Commission without any objections being raised. In addition, antitrust considerations of the proposed merger have been extensively addressed in the proceedings conducted by the Federal Energy Regulatory Commission (FERC), in which numerous intervenors actively participated. On December 20, 1990, a FERC Administrative Law Judge issued an initial decision approving NU's proposal to acquire PSNH. The initial decision concludes that the Joint Plan, as proposed with some additional conditions, should be approved as in the public interest. Northeast Utilities Service Company, slip op. at 59 (December 20, 1990) (to be reported at 53 FERC paragraph 963,020).

In addition, on October 5, 1989, an application was filed with the Securities and Exchange Commission (SEC) for approval of those aspects of the Joint Plan

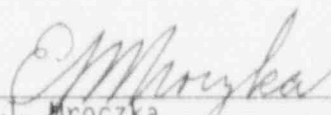
which are subject to its jurisdiction under the Public Utility Holding Company Act of 1935. Again, voluminous pleadings were filed by third parties, including many of the intervenors before the FERC, raising contentions on competitive issues similar to those pursued before FERC. On December 20, 1990, the SEC issued its order approving the aspects of the Joint Plan subject to its jurisdiction, specifically finding the merger would not tend toward the concentration of control of public utility companies of a kind, or to the extent, detrimental to the public interest or the interest of investors or consumers. Northeast Utilities, Public Utility Holding Company Act Release No. 35-25221, slip op. at 40 (December 20, 1990). A petition for rehearing has been filed with the SEC.

Regarding our proposed schedule for this amendment, we request issuance at your earliest convenience, with the amendment to become effective upon issuance.

In accordance with 10CFR50.91(b), we are providing the State of Connecticut with a copy of the proposed amendment.

Very truly yours,

NORTHEAST NUCLEAR ENERGY COMPANY

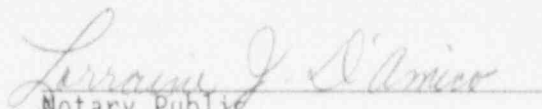
  
E. J. Mroczka  
Senior Vice President

cc: T. T. Martin, Region I Administrator  
D. H. Jaffe, NRC Project Manager, Millstone Unit Nos. 1 and 3  
W. J. Raymond, Senior Resident Inspector, Millstone Unit Nos. 1, 2, and 3

Mr. Kevin McCarthy, Director  
Radiation Control Unit  
Department of Environmental Protection  
Hartford, CT 06106

STATE OF CONNECTICUT )  
COUNTY OF HARTFORD ) ss. Berlin

Then personally appeared before me, E. J. Mroczka, who being duly sworn, did state that he is Senior Vice President of Northeast Nuclear Energy Company, a Licensee herein, that he is authorized to execute and file the foregoing information in the name and on behalf of the Licensee herein, and that the statements contained in said information are true and correct to the best of his knowledge and belief.

  
Notary Public  
My Commission Expires March 31, 1993

Docket No. 50-423  
B13772

Attachment 1

Millstone Nuclear Power Station, Unit No. 3

Proposed Change to Operating License

March 1991

NORTHEAST NUCLEAR ENERGY COMPANY, ET AL. (1)(2)

DOCKET NO. 50-423

MILLSTONE NUCLEAR POWER STATION, UNIT NO. 3

FACILITY OPERATING LICENSE

License No. NPF-49

1. The Nuclear Regulatory Commission (the Commission) has found that:

- A. The application for license filed by Northeast Nuclear Energy Company, as agent and representative of 14 utilities listed below and hereafter referred to as licensees, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
- B. Construction of Millstone Nuclear Power Station, Unit No. 3 (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-113 and the application, as amended, the provisions of the Act, and the regulations of the Commission;
- C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission (except as exempted from compliance, see Section 2.3 below);
- D. There is reasonable assurance: (1) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public and (2) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I (except as exempted from compliance, see Section 2D below):

---

(1) Northeast Nuclear Energy Company is authorized to act as agent and representative for the following Owners: Central Maine Power Company, Central Vermont Public Service Corporation, Chicopee Municipal Lighting Plant, Connecticut Municipal Electric Energy Cooperative, The Connecticut Light and Power Company, Fitchburg Gas and Electric Light Company, Massachusetts Municipal Wholesale Electric Company, Montaup Electric Company, New England Power Company, Public Service Company of New Hampshire, The United Illuminating Company, The Village of Lyndonville Electric Department, Western Massachusetts Electric Company, and Vermont Electric Generation and Transmission Cooperative, Inc., and has exclusive responsibility and control over the physical construction, operation and maintenance of the facility.

(2) As a result of the Plan of Reorganization confirmed by the U.S. Bankruptcy Court for the District of New Hampshire, Public Service Company of New Hampshire has become a wholly owned subsidiary of Northeast Utilities.



follow-up within thirty days in accordance with the procedures described in 10 CFR 50.73(b), (c), and (e).

- G. The licensees shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.
- H. Except for the provisions of Footnote 2, this license is effective as of the date of issuance. Footnote 2 shall become effective on the date on which Public Service Company of New Hampshire merges with and into a wholly owned subsidiary of Northeast Utilities. This license shall expire at midnight on November 25, 2025.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by H. R. Denton

Harold R. Denton, Director  
Office of Nuclear Reactor Regulation

Attachments/Appendices

- 1. Appendix A - Technical Specifications (NUREG-1176)
- 2. Appendix B - Environmental Protection Plan

Date of Issuance: January 3 1985