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December 9, 1992

U. S. Nuclear Regulatory Commission  
One White Flint  
11555 Rockville Pike  
Rockville, Maryland 20852  
Attn: Document Control Desk

References: (a) Letter, dated November 19, 1992, J.A. Ritsher  
to T.E. Murley  
(b) Telephone conversation on November 24, 1992,  
G.E. Edison, Sr. to T. Harpster  
(c) Letter, dated November 25, 1992, J.A. Ritsher  
to G.E. Edison, Sr.  
(d) Letter, dated December 2, 1992, J.A. Ritsher  
to NRC.

Re: Docket No. 50-443, Seabrook Station Unit 1;  
EUA Power Corporation Bankruptcy Proceeding

Dear Sir:

As counsel for the several Joint Owners of Seabrook Station, we have been directed by North Atlantic Energy Service Corporation ("North Atlantic"), the licensed operator of Seabrook Station, to augment the request, evidenced by the correspondence referenced above, for consent to the indirect transfer of control of an interest in Operating License No NPF-86 in the above docket.

As more fully described in references (a) and (c), the pending request seeks Commission consent to the indirect transfer of control of the interest of EUA Power Corporation, debtor-in-possession, in said Operating License which would result from the proposed redemption of all the outstanding stock of that debtor as the initial step toward seeking confirmation of a Plan of

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Reorganization by the Bankruptcy Court.<sup>1</sup> This proposed redemption of stock is a facilitating preliminary step which is designed to eliminate SEC jurisdiction over EUA Power and thereby obviate the statutory requirement for SEC review of the Plan of Reorganization, a process which could consume considerable time to the detriment of EUA Power and its creditors.

In order to support the parties' request for expedited treatment of the pending request for consent to the transfer of control of an interest in the Operating License, we believe that it would be helpful to demonstrate that the pending request does not involve a significant hazards consideration by evaluating it in the context of the three standards set forth in 10 CFR §50.92(c):

1. The proposed transfer of control of the EUA Power's interest in the Operating License will not involve a significant increase in the probability or consequences of an accident previously evaluated. The transfer of control involves no physical change in the Seabrook facility and will result in no changes in the Limiting Conditions for Operation, Limiting Safety System Settings and Safety Limits specified in the Technical Specifications. Also, the Seabrook Quality Assurance Program, and the Seabrook Emergency Plan, Security Plan and Operator Training and Regualification Program will be unaffected by the transfer of control. Finally, the terms and provisions of the Managing Agent Operating Agreement ("MAOA"), which designates North Atlantic as Managir, Agent and operator of Seabrook Station, will not be affected by the transfer of control.

2. The proposed transfer of control will not create the possibility of a new or different kind of accident from any accident previously evaluated. The proposed transfer of control will have no effect on the physical configuration of Seabrook or the manner in which it will operate. The Seabrook plant design and design basis 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.

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<sup>1</sup> On December 8, 1992, the Bankruptcy Court entered its order approving the Settlement Agreement, dated November 18, 1992 (filed as an attachment to reference (a) above), subject to the receipt of necessary regulatory approvals. Section 11 of the Settlement Agreement provides for the redemption of EUA Power stock which is the subject of the pending request before the Commission.

The Limiting Conditions for Operation, Limiting Safety System Settings and Safety Limits specified in the Technical Specifications for Seabrook are not affected by the proposed transfer of control. The plant conditions for which the design basis accident analyses have been performed will remain valid. Therefore, the proposed transfer of control cannot create the possibility of a new or difference kind of accident from any accident previously evaluated. Finally, the terms and provisions of the MAOA which designates North Atlantic as Managing Agent and operator of Seabrook Station, will not be affected by the transfer of control.

3. The proposed transfer of control will not 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 no change to the physical design or operation of the plant, there will be no change to any of these margins. Thus, the proposed transfer of control will not involve significant reduction in a margin of safety. Finally, the terms and provisions of the MAOA, which designates North Atlantic as Managing Agent and operator of Seabrook Station, will not be affected by the transfer of control.

Based upon the foregoing and the description of the proposed transaction provided herein and in the above references, we submit that the proposed transfer of control of EUA Power's interest in the Operating License will not involve a significant increase in the probability or consequences of any accident previously evaluated, create the possibility of a new or difference kind of accident from any accident previously evaluated, or involve a reduction in a margin of safety. Therefore, the proposed transfer of control meets the requirements of 10 CFR §50.92(c) and does not involve a significant hazards consideration.

Finally, we would reiterate that the proposed transfer of control will not affect in any way the operation of Seabrook Station which remain the responsibility of North Atlantic Energy Service Corporation.

U. S. Nuclear Regulatory  
Commission

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December 9, 1992

We are enclosing for your use a proposed form of notice.  
Please contact Mr. Harpster (603-474-9521) or Mr. Ritscher (617-  
951-7322) if you need any further information.

Very truly yours,

Ropes and Gray

By John A. Ritscher  
John A. Ritscher

JAR/jmf:JARNRCLT.NA  
Enclosure

cc: E. Reis, Esq.  
A. Johnson

DRAFT FEDERAL REGISTER NOTICE

**North Atlantic Energy Service Corporation, et al.:**

Consideration of Issuance of Consent to  
Indirect Transfer of Control of EUA Power  
Corporation's Interest the Operating License,  
Proposed No Significant Hazards Consideration,  
and Opportunity for Hearing

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of its consent to the indirect transfer of control of the interest of EUA Power Corporation ( "EUA Power") in Facility Operating License NPF-86, issued to North Atlantic Energy Service Corporation, et al. (the licensee), for operation of the Seabrook Nuclear Power Station, Unit 1 located in Seabrook, New Hampshire.

The licensee and The Official Bondholders' Committee of EUA Power Corporation, appointed by order dated March 14, 1991 of the United States Trustee in the bankruptcy proceeding relating to EUA Power Corporation (Chapter 11 Case No. 91-10525, Bankr. D. N.H.), have requested that the Commission consent to the indirect transfer of control of EUA Power's interest in the Operating License. The proposed transfer of control would result from the redemption of all the preferred and common stock of EUA Power which is one element of a Settlement Agreement among certain parties to that bankruptcy proceeding which has been approved, subject to receipt of necessary regulatory approvals, by the Bankruptcy Court. The Settlement Agreement has resolved several issues that have been preventing progress in the bankruptcy proceeding and contemplates that the redemption be implemented prior to the anticipated confirmation of the Plan of Reorganization so as to accelerate the ultimate resolution of those proceedings. The required regulatory approvals include the consent of this Commission and approval by the Securities and Exchange Commission (see SEC Release No. 35-25688).

The licensee and said Committee requested expeditious review of this request because further delays in the bankruptcy proceeding would be detrimental to EUA Power and the interests of its creditors.

Before issuance of the proposed consent to transfer of control, the Commission will have made the determinations required by the Atomic Energy Act of 1954, as amended (the Act) and by the Commission's regulations.

The Commission has made a proposed determination that the request involved no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facility after the transfer of control would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety.

Pursuant to 10 CFR 50.91(a), the licensee has provided its analysis of the issue of no significant hazards consideration, which is presented below.

The proposed transfer of control does not involve a significant hazards consideration because:

1. The proposed transfer of control of the EUA Power's interest in the Operating License will not involve a significant increase in the probability or consequences of an accident previously evaluated. The transfer of control involves no physical change in the Seabrook facility and will result in no changes in the Limiting Conditions for Operation, Limiting Safety System Settings and Safety Limits specified in the Technical Specifications. Also, the Seabrook Quality Assurance Program, and the Seabrook Emergency Plan, Security Plan and Operator Training and Requalification Program will be unaffected by the transfer of control. Finally, the terms and provisions of the Managing Agent Operating Agreement ("MAOA"), which designates North Atlantic as Managing Agent and operator of Seabrook Station, will not be affected by the transfer of control.

2. The proposed transfer of control will not create the possibility of a new or different kind of accident from any accident previously evaluated. The proposed transfer of control will have no effect on the physical configuration of Seabrook or the manner in which it will operate. The Seabrook plant design and design basis 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 Seabrook are not affected by the proposed transfer of control. The plant conditions for which the design basis accident analyses have been performed will remain valid. Therefore, the proposed transfer of control cannot create the possibility of a new or difference kind of accident from any accident previously evaluated. Finally, the terms and provisions of the MAOA which designates North Atlantic as Managing Agent and

operator of Seabrook Station, will not be affected by the transfer of control.

3. The proposed transfer of control will not 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 no change to the physical design or operation of the plant, there will be no change to any of these margins. Thus, the proposed transfer of control will not involve significant reduction in a margin of safety. Finally, the terms and provisions of the MAOA, which designates North Atlantic as Managing Agent and operator of Seabrook Station, will not be affected by the transfer of control.

Based upon the foregoing and the description of the proposed transaction provided herein and in the above references, we submit that the proposed transfer of control of EUA Power's interest in the Operating License will not involve a significant increase in the probability or consequences of any accident previously evaluated, create the possibility of a new or difference kind of accident from any accident previously evaluated, or involve a reduction in a margin of safety. Therefore, the proposed transfer of control meets the requirements of 10 CFR §50.92(c) and does not involve a significant hazards consideration.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the request involves no significant hazards consideration.

The Commission is seeking public comments on this proposed determination. Any comments received within fifteen (15) days after the date of publication of this notice will be considered in making any final determination.

Written comments may be submitted by mail to the Rules and Directives Review Branch, Division of Freedom of Information and Publications Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, and should cite the publication date and page number of this **Federal Register** notice. Written comments may also be delivered to room P-223, Phillips Building, 7920 Norfolk Avenue, Bethesda, Maryland, from 7:30 a.m. to 4:15 p.m. Federal workdays. Copies of written comments received may be examined at the NRC Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, D.C. 20555.

For further details with respect to this action, see the request for consent to transfer of control, dated November 19, 1992, and supplemental information dated November 25, December 2, and December 9, which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW, Washington DC 20555.

Dated at Rockville, Maryland, this \_\_\_\_ day of December, 1992.