



Northeast Nuclear Energy

Rope Ferry Rd. (Route 156), Waterford, CT 06385

Millstone Nuclear Power Station
Northeast Nuclear Energy Company
P.O. Box 128
Waterford, CT 06385-0128
(860) 447-1791
Fax (860) 444-4277

The Northeast Utilities System

NOV 29 1999

Docket No. 50-423
B17929

Re: 10 CFR 50.90

TAC # MA 500 Y

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

Millstone Nuclear Power Station, Unit No. 3
Proposed Revision to Operating License
Transfer of Montaup Electric Company's Interest in Millstone Unit 3 to
New England Power Company
License Amendment Request (LAR) 3-99-03

Pursuant to 10 CFR 50.90, Northeast Nuclear Energy Company (NNECO) hereby transmits New England Power Company's (NEP) request for the Nuclear Regulatory Commission (NRC) to issue a conforming license amendment that would implement NRC approval under 10 CFR 50.80 of the transfer of Montaup Electric Company's interest in the Millstone Unit 3 Operating License (NPF-49) to NEP.

Description of Montaup-NEP Transaction

On June 15, 1999, Montaup Electric Company (Montaup) and NEP filed a joint application with the NRC requesting approval under 10 CFR 50.80 of three separate transfers of Montaup's ownership interest in the Millstone Unit 3 Operating License that would result from the merger of the parent company of Montaup, Eastern Utilities Associates (EUA), with the parent company of NEP, New England Electric System (NEES). The transfers are the following:

- 1) The merger of EUA and NEES will change the parent company of Montaup from EUA to NEES. This will result in an indirect transfer of control from EUA to NEES requiring NRC approval under 10 CFR 50.80. Since this change results in an indirect transfer with no change to the license, it is NEP's position that a conforming license amendment is not necessary.
- 2) In addition to its merger with EUA, NEES has agreed to merge with the National Grid Group, plc (National Grid). NEP filed an application with the NRC on March 15, 1999, requesting approval under 10 CFR 50.80 of the indirect transfer of control of

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the Millstone Unit 3 ownership share held by NEP that would result from the National Grid merger. Because National Grid will become the parent company of NEES upon conclusion of the merger, it will also become the parent company of Montaup, once EUA and NEES merge. Montaup and NEP thus requested NRC approval under 10 CFR 50.80 of this indirect transfer of control, as well. Since the NEES-National Grid merger also results in an indirect transfer of control with no change to the license, it is NEP's position that again a conforming license amendment is not necessary.

- 3) After consummation of the EUA-NEES merger, Montaup will be consolidated into NEP. In this instance, Montaup's 4.0% share of Millstone Unit 3 will be directly transferred to NEP, which is also an existing minority, non-operating licensee of Millstone Unit 3. NEP's position is that this license transfer requires a conforming license amendment, which is requested in the enclosure.

Markup of Proposed Revision

A copy of the marked up MP-3 Operating License page is contained in Attachment 1. The markup reflects the currently issued version of the License. Pending License Amendments are not reflected in the enclosed markup.

Retype of Proposed Revision

A copy of the retyped MP-3 Operating License page is presented in Attachment 2. The retyped page reflects the incorporation of the proposed changes to the License. The retyped page reflects the currently issued version of the MP-3 Operating License. Pending License Amendments are not reflected in the enclosed retype. The enclosed retype should be checked for continuity with recently issued License Amendments prior to issuance.

Background, Safety Assessment, Significant Hazards Consideration and Environmental Considerations

The Background and Safety Summary, related to this License Amendment Request (LAR) is presented in Attachment 3. The Significant Hazards Consideration (SHC) and Environmental Considerations are presented in Attachment 4.

Plant Operations Review Committee and Nuclear Safety Assessment Board Review

Plant Operations Review Committee and Nuclear Safety Assessment Board have reviewed this proposed License Amendment change and concur with the conclusions presented in the rationale for the proposed change relative to safety.

State Notification

In accordance with 10 CFR 50.91(b), we are providing the state of Connecticut with a copy of this proposed amendment to ensure their awareness of this request.

Schedule Request for NRC Approval

NNECO requests NRC review and approval of this proposed revision, and that the License Amendment be effective upon issuance. Furthermore NNECO requests that this proposed revision to the MP-3 Operating License be implemented within 60 days of issuance.

There are no regulatory commitments contained within this letter.

If the NRC Staff should have any questions or comments regarding this submittal, please contact Mr. David W. Dodson at (860) 447-1791, extension 2346.

Very truly yours,

NORTHEAST NUCLEAR ENERGY COMPANY



Raymond P. Necci
Vice President - Nuclear Oversight and
Regulatory Affairs

Subscribed and sworn to before me

this 29 day of November, 1999

Donna Lynne Williams
Notary Public

Date Commission Expires: Nov 30, 2001

cc: H. J. Miller, Region I Administrator
J. A. Nakoski, NRC Senior Project Manager, Millstone Unit No. 3
A. C. Cerne, Senior Resident Inspector, Millstone Unit No. 3

Director
Bureau of Air Management
Monitoring and Radiation Division
Department of Environmental Protection
79 Elm Street
Hartford, CT 06106-5127

Attachment 1

Millstone Nuclear Power Station, Unit No. 3

Proposed Revision to Operating License
Transfer of Montaup Electric Company's Interest in Millstone Unit 3 to
New England Power Company (LAR 3-99-03)

Marked Up Pages

MARKUP OF PROPOSED REVISION

Refer to the attached markup of the proposed revision to the MP-3 Operating License. The attached markup reflects the currently issued version of the license. Pending license revisions issued subsequent to this submittal are not reflected in the enclosed markup.

The following license change is included in the attached markup.

Reference to "Montaup Electric Company" is deleted from footnote (1) of the Millstone Nuclear Power Station, Unit No. 3 Facility Operating License.



5/28/92
UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

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

- I. 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 the 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.D 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):

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- (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, ~~Montpelier 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.

Attachment 2

Millstone Nuclear Power Station, Unit No. 3
Proposed Revision to Operating License
Transfer of Montaup Electric Company's Interest in Millstone Unit 3 to
New England Power Company (LAR 3-99-03)

Retyped Pages

RETYPE OF PROPOSED REVISION

Refer to the attached retype of the proposed revision to the MP-3 Operating License. The attached retype reflects the currently issued version of the license. Pending license revisions issued subsequent to this submittal are not reflected in the enclosed retype. The enclosed retype should be checked for continuity with the MP-3 Operating License prior to issuance.

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

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

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

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- 14
- A. The application for license filed by Northeast Nuclear Energy Company, as agent and representative of 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 the 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.D 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, 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.

Attachment 3

Millstone Nuclear Power Station, Unit No. 3
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New England Power Company (LAR 3-99-03)

Background and Safety Summary

Background

This License Amendment Request (LAR) proposes a change to the MP-3 Operating License. The proposed change will revise the list of Joint Owners contained in footnote number (1) to the Millstone Nuclear Power Station, Unit No. 3 (MP-3) Facility Operating License. This change reflects upon Nuclear Regulatory Commission (NRC) approval, the transfer of control of Montaup Electric Company's ownership share in MP-3 to New England Power Company (NEP) which is an existing owner already listed in the footnote, by deleting the name of Montaup Electric Company from the list of Joint Owners. The purpose of the amendment is administrative in that it is a conforming amendment to reflect the transfer of Montaup's interest in MP-3 to NEP^[1] upon approval of the transfer by the NRC under 10 CFR 50.80.

This license amendment is necessary due to the consolidation and merger of Montaup into NEP that will occur subsequent to the proposed merger of Montaup's parent company, Eastern Utilities Associates (EUA), with New England Electric System (NEES), the parent company of NEP.

On June 15, 1999, Montaup and NEP (Applicants) filed a joint application^[2] with the NRC requesting approval under 10 CFR 50.80 of three separate transfers of control with respect to MP-3 (as well as other facilities) that will result from the transactions described above. Specifically, Applicants requested NRC approval for: (i) the indirect transfer of control from EUA to NEES resulting from the merger of their parent companies; (ii) the indirect transfer of control from NEES to the National Grid Group, plc (National Grid) resulting from the change in parental control that will result upon the consummation of the proposed merger of NEES with National Grid (which merger is subject to a separate application currently pending before the Commission)^[3]; and (iii) the direct transfer of the license and ownership interests in MP-3 (and others) from Montaup to NEP that would result from the consolidation of Montaup into NEP subsequent to the merger of the parent companies. NEP has requested that Northeast Nuclear Energy Company (NNECO) submit this LAR to effectuate this third request, which NEP believes requires NRC approval for the transfer of Montaup's minority, non-operating ownership interest in the license for MP-3 to NEP, which is also an existing minority, non-operating owner licensee. Upon completion of the transfer, NEP will remain a minority non-operating owner licensee.

[1] In Long Island Lighting Company (Shoreham Nuclear Power Station, Unit 1), CLI-92-4, 35 NRC 69, 77, n. 6 (1992), the Commission noted that after a license transfer is finalized there remains a need for administrative purposes to have the license changed to reflect the name of the new licensee.

[2] "Application of Montaup Electric Company and New England Power Company for Transfer of Licenses and Ownership Interests," (June 15, 1999), (Transfer Application).

[3] "Application of New England Power Company for Transfer of Control of Licenses," (March 15, 1999).

Safety Summary

The proposed License Amendment Request reflects a minor change in ownership shares of MP-3 and is considered administrative in nature. Montaup Electric Company owns a 4.0% share of MP-3. This ownership share, upon NRC approval of the transfer of control requested in the Transfer Application and consummation of the consolidation of Montaup into NEP, will be transferred to NEP, which currently owns a 12.2% share. After the transfer, NEP will own a 16.2% share of MP-3.

As stated in the Transfer Application, NEP will remain obligated to perform all current obligations, including paying all costs associated with its ownership interest. Accordingly, should the NRC approve the proposed transfer under 10 CFR 50.80, then this change can be considered as a minor adjustment in ownership shares among co-owners already shown on the license. The aforementioned transfer of interests requested by this LAR does not affect the physical configuration of the facility and does not affect the operation, management and maintenance of the plant. The proposed license modification would only reflect a ministerial change in the list of Joint Owners to conform with the Transfer of Control requested by Montaup and NEP in their June 15, 1999, Application. With respect to the above this change is considered to be safe.

Attachment 4

Millstone Nuclear Power Station, Unit No. 3
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Transfer of Montaup Electric Company's Interest in Millstone Unit 3 to
New England Power Company (LAR 3-99-03)

Significant Hazards Consideration and Environmental Considerations

November 1999

In accordance with 10 CFR 50.92, Northeast Nuclear Energy Company has reviewed the proposed change, and has concluded that upon Nuclear Regulatory Commission (NRC) approval of the transfer under 10 CFR 50.80, it does not involve a Significant Hazards Consideration (SHC). The basis for the conclusion that the proposed change does not involve an SHC is as follows:

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

The proposed change does not alter how any structure, system, or component functions. There will be no effect on equipment important to safety. The proposed change has no effect on any of the design basis accidents previously evaluated. Therefore, this proposed License Amendment Request (LAR) does not impact the probability of an accident previously evaluated, nor does it involve a significant increase in the consequences of an accident previously evaluated.

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

The proposed change is administrative in nature. The proposed change does not alter the plant configuration (no new or different type of equipment will be installed) or require any new or unusual operator actions. The change does not alter the way any structure, system, or component functions and does not alter the manner in which the plant is operated. The proposed change does not introduce any new failure modes. Therefore, the proposed change will not create the possibility of a new or different kind of accident from any accident previously evaluated.

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

The proposed change does not revise the safety margins established through Limiting Conditions for Operation, Limiting Safety System Settings and Safety Limits as specified in the MP-3 Operating License nor is the plant design or its method of operation revised by the proposed change. The plant's design and design basis are not revised and the current safety analyses will remain in effect and the plant will continue to be operated in accordance with the existing Operating License. Since there will be no change to the physical design or operation of the plant, the proposed change does not involve a significant reduction in a margin of safety.

As described above, this LAR does not involve a significant increase in the probability of an accident previously evaluated, does not involve a significant increase in the consequences of an accident previously evaluated, does not create the possibility of a new or different kind of accident from any accident previously evaluated, and does not result in a significant reduction in a margin of safety. As provided in 10 CFR 2.1315, the NRC has generically determined that this type of administrative license amendment to conform the license to reflect the transfer action involves no Significant Hazards Consideration. Furthermore this proposed LAR is also one of the examples of changes cited by the Commission as not involving a Significant Hazards Consideration (SHC), in the Statements of Consideration accompanying the issuance of 10 CFR 50.92 (51FR7744)^[4]. Based on the above evaluation, upon approval of the transfer under 10 CFR 50.80, the proposed change only reflects a ministerial change in the list of Joint Owners to conform with the Transfer of Control requested by Montaup and NEP in their June 15, 1999, application. Therefore, NNECO has concluded that the proposed LAR does not involve an SHC.

Environmental Considerations

NNECO has reviewed the proposed license amendment against the criteria of 10 CFR 51.22 for environmental considerations. The proposed revision does not involve a Significant Hazards Consideration, does not significantly increase the type and amounts of effluents that may be released offsite, nor significantly increase individual or cumulative occupational radiation exposures. Based on the foregoing, NNECO concludes that the proposed revision meets the criteria delineated in 10 CFR 51.22(c)(9) for categorical exclusion from the requirements for environmental review.

[4] The Commission also noted in Shoreham, supra, that a license amendment reflecting an effective license transfer "presents no safety questions and clearly involves no significant hazards considerations." 35 NRC at 77, n6.