

UNITED STATES NUCLEAR REGULATORY COMMISSION  
NORTHEAST NUCLEAR ENERGY COMPANY, ET AL.  
MILLSTONE NUCLEAR POWER STATION, UNIT NO. 3  
DOCKET NO. 50-423  
NOTICE OF CONSIDERATION OF APPROVAL OF  
APPLICATION REGARDING PROPOSED CORPORATE RESTRUCTURING  
AND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an order under 10 CFR 50.80 approving the indirect transfer of Facility Operating License No. NPF-49 for the Millstone Nuclear Power Station, Unit No. 3 (Millstone, Unit 3), to the extent held by United Illuminating Company (UI). The indirect transfer would be to UIL Holdings Corporation (Holdings), incorporated in Connecticut. Currently, Holdings is a wholly owned subsidiary of UI.

According to a February 17, 2000, application, as supplemented on March 1, 2000, by UI, for approval of certain indirect license transfers, on January 24, 2000, UI entered into an "Agreement and Plan of Merger and Share Exchange" (Plan of Exchange) with Holdings. Under the Plan of Exchange, UI will become a wholly owned subsidiary of Holdings, while the unregulated businesses of UI will be transferred to Holdings as subsidiaries thereof. The establishment of a new parent for UI will effect an indirect transfer of the Millstone, Unit 3 license to the extent held by UI to Holdings. UI holds a 3.685-percent ownership interest in Millstone, Unit 3; however, Northeast Nuclear Energy Company (NNEC) is exclusively authorized to operate the unit. NNEC would remain as the managing agent for the 14 joint

owners of the facility including UI and would continue to have exclusive responsibility for the management, operation, and maintenance of Millstone, Unit 3. The application does not propose a change in the rights, obligations, or interests of the other 13 joint owners of Millstone, Unit 3. In addition, no physical changes to the Millstone, Unit 3 facility or operational changes are being proposed in the application. No direct transfer of the license will result from the proposed corporate restructuring of UI.

The application also seeks approval of a proposed indirect license transfer in connection with UI's partial ownership of Seabrook Station, which will be the subject of a separate notice.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. The Commission will approve an application for the indirect transfer of a license, if the Commission determines that the underlying transaction that will effectuate the indirect transfer will not affect the qualifications of the holder of the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

The filing of requests for hearing and petitions for leave to intervene, and written comments regarding the license transfer application, are discussed below.

By May 29, 2000, any person whose interest may be affected by the Commission's action on the application may request a hearing, and, if not the applicants, may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance with the Commission's rules of practice set forth in Subpart M, "Public Notification, Availability of Documents and Records, Hearing Requests and Procedures for Hearings on License Transfer Applications," of 10 CFR Part 2. In particular, such requests and petitions must comply with the requirements set forth in 10 CFR 2.1306, and should address the considerations contained in

10 CFR 2.1308(a). Untimely requests and petitions may be denied, as provided in 10 CFR 2.1308(b), unless good cause for failure to file on time is established. In addition, an untimely request or petition should address the factors that the Commission will also consider, in reviewing untimely requests or petitions, set forth in 10 CFR 2.1308(b)(1)-(2).

Requests for a hearing and petitions for leave to intervene should be served upon Barton Z. Cowan, Esq., Eckert Seamans Cherin & Mellott, LLC, 600 Grant Street, 44<sup>th</sup> floor, Pittsburgh, PA 15219 (telephone number 412-566-6000 and e-mail address [bzc@escm.com](mailto:bzc@escm.com).) attorney for United Illuminating Company; the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555 (e-mail address for filings regarding license transfer cases only: [OGCLT@NRC.gov](mailto:OGCLT@NRC.gov)); and the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, in accordance with 10 CFR 2.1313.

The Commission will issue a notice or order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the FEDERAL REGISTER and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, by June 7, 2000, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-001, Attention: Rulemakings and Adjudications Staff, and should cite the publication date and page number of the FEDERAL REGISTER notice.

For further details with respect to this action, see the application dated February 17, 2000, and supplement dated March 1, 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>).

Dated at Rockville, Maryland this 1st day of May 2000.

FOR THE NUCLEAR REGULATORY COMMISSION

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Project Directorate I  
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