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Docket File
PDR
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SEP 09 1981

Docket No.: 50-423

Mr. William B. Ellis, President
Northeast Nuclear Energy Company
Post Office Box 270
Hartford, Connecticut 06101



Dear Mr. Ellis:

Subject: Issuance of Amendment No. 7 to CPPR-113 Millstone Nuclear Power Station, Unit No. 3

Your letter, dated June 10, 1981, transmitted an application for an amendment to the Millstone Unit No. 3 Construction Permit to add Connecticut Municipal Electric Energy Cooperative (CMEEC) as a co-owner and to transfer 1.7391% ownership shares from Public Service Company of New Hampshire, co-owner, to the Connecticut Municipal Electric Energy Cooperative.

We have reviewed your application and have concluded that Connecticut Municipal Electric Energy Cooperative is financially qualified to assume 1.7391% ownership shares in the Millstone Nuclear Power Station, Unit No. 3.

We have also concluded that Connecticut Municipal Electric Energy Cooperative is financially qualified to participate in the ownership of Millstone, Unit 3 and that this action does not involve a significant hazards consideration, does not constitute an unreasonable risk to the health and safety of the public, and is not inimical to the common defense and security. The bases for these conclusions are set forth in the enclosed safety evaluation.

We have also concluded that the amendment involves an action which is insignificant from the standpoint of environmental impact and pursuant to 10 CFR Section 51.5(d)(4) that an environmental impact statement or negative declaration, and environmental impact appraisal need not be prepared in connection with the issuance of this amendment.

Amendment No. 7 to CPPR-113 and a related notice which has been forwarded to the Office of the Federal Register for publication are enclosed.

Sincerely,
Original signed by
Darrell G. Eisenhut

Darrell G. Eisenhut, Director
Office of Nuclear Reactor Regulation

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Enclosures:

1. Amendment No. 7 to CPPR-113
2. Safety Evaluation Report

*See previous yellow.

3. Federal Register Notice

OFFICE	DL:LB#1	DL:LB#1	DE/AB	SP	OELD	DL:AD/L	DL:AD/L
SURNAME	Rushbrook/yt	JGrant	*Toalstone	*JPetersen	*MRothchild	BJYoungblood	RLFedesco
DATE	9/1/81	9/1/81	9/1/81	9/1/81	9/1/81	9/4/81	9/4/81

Docket No.: 50-423

Mr. William B. Ellis, President
Northeast Nuclear Energy Company
Post Office Box 270
Hartford, Connecticut 06101

Dear Mr. Ellis:

Subject: Issuance of Amendment No. 7 to CPPR-113 - Millstone Nuclear Power Station, Unit No. 3

Your letter, dated June 10, 1981, transmitted an application for an amendment to the Millstone Unit No. 3 Construction Permit to add Connecticut Municipal Electric Energy Cooperative (CNEEC) as a co-owner and transfer 1.7391% ownership shares from Public Service Company of New Hampshire, co-owner, to the Connecticut Municipal Electric Energy Cooperative.

We have reviewed your application and have concluded that Connecticut Municipal Electric Energy Cooperative is financially qualified to assume 1.7391% ownership shares in the Millstone Nuclear Power Station, Unit No. 3.

We have also concluded that Connecticut Municipal Electric Energy Cooperative is financially qualified to participate in the ownership of Millstone, Unit 3 and that this action does not involve a significant hazards consideration, does not constitute an unreasonable risk to the health and safety of the public, and is not inimical to the common defense and security. The bases for these conclusions are set forth in the enclosed safety evaluation.

We have also concluded that the amendment involves an action which is insignificant from the standpoint of environmental impact and pursuant to 10 CFR Section 51.5(d)(4) that an environmental impact statement or negative declaration, and environmental impact appraisal need not be prepared in connection with the issuance of this amendment.

Amendment No. 7 to CPPR-113 and a related notice which has been forwarded to the Office of the Federal Register for publication are enclosed.

Sincerely,

Darrell G. Eisenhut, Director
Office of Nuclear Reactor Regulation

Enclosures:

1. Amendment No. 7 to CPPR-113
2. Safety Evaluation Report
3. Federal Register Notice

*See previous yellow.

Note suggested revision

DL:DIR
DEisenhut
9/ /81

OFFICE	SURNAME	DATE	DL:LB#1	DL:LB#1	DE/AB	SP	QELD	DL:LB#1	DL:AD/L
	Rushbrook, vs	9/2/81	*JGrant	*Toalston	*JPetersen	M. Rothchild	9/3/81	*BJYoungblood	RLTedesco

Docket No.: 50-423

Mr. William B. Ellis, President
Northeast Nuclear Energy Company
Post Office Box 270
Hartford, Connecticut 06101

Dear Mr. Ellis:

Subject: Issuance of Amendment No. 7 to CPPR-113 - Millstone Nuclear Power Station, Unit No. 3

Your letter, dated June 10, 1981, transmitted an application for an amendment to the Millstone Unit No. 3 Construction Permit. This amendment transfers 1.7391% ownership shares in Millstone Unit 3 from Public Service Company of New Hampshire to the Connecticut Municipal Electric Energy Cooperative.

We have reviewed your application and have concluded that Connecticut Municipal Electric Energy Cooperative is financially qualified to assume an additional 1.7391% ownership share in the Millstone Nuclear Power Station, Unit No. 3.

We have also concluded that the transfer of ownership shares from present co-owners does not involve a significant hazards consideration, does not constitute an unreasonable risk to the health and safety of the public, and is not inimical to the common defense and security. The bases for these conclusions are set forth in the enclosed safety evaluation.

We have also concluded that the amendment involves an action which is insignificant from the standpoint of environmental impact and pursuant to 10 CFR Section 51.5(d)(4) that an environmental impact statement or negative declaration, and environmental impact appraisal need not be prepared in connection with the issuance of this amendment.

Enclosed is Amendment No. 7 to CPPR-113 and a related notice which has been forwarded to the Office of the Federal Register for publication.

Sincerely,

Darrell G. Eisenhut, Director
Office of Nuclear Reactor Regulation

DL:DIR
DEisenhut
8/ /81

Enclosures:

1. Amendment No. 7 to CPPR-113
2. Safety Evaluation Report

OFFICE	DL:LB#1	DL:LB#1	DL:LB#1	DL:LB#1	DL:LB#1	DL:LB#1	DL:AD/L
SURNAME	Rushbrook/ys	JGraham	Toalston	JPetersen	M. Rothchild	BJYoungblood	RLTedesco
DATE	8/ /81	8/16/81	8/20/81	8/20/81	9/3/81	8/ /81	8/ /81

NORTHEAST NUCLEAR ENERGY COMPANY, ET AL*

DOCKET 50-423

MILLSTONE NUCLEAR POWER STATION, UNIT NO. 3

AMENDMENT TO CONSTRUCTION PERMIT

Amendment 7

Construction Permit No. CPPR-113

1. The Nuclear Regulatory Commission (the Commission) having found that:
 - A. The application for amendment contained in a letter, dated June 10, 1981, for the purpose of adding Connecticut Municipal Electric Energy Cooperative as a co-owner of the Millstone Nuclear Power Station, Unit No. 3 complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I:
 - B. Connecticut Municipal Electric Energy Cooperative is qualified to finance its ownership interests in the facility.
 - C. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - D. Issuance of this amendment will not result in any environmental impacts not previously considered.

*The following are the holders of Construction Permit No. CPPR-113: Ashburnham Municipal Light Plant, Boylston Municipal Lighting Plant, Central Maine Power Company, Central Vermont Public Service Corporation, Chicopee Municipal Lighting Plant, City of Burlington, Vermont, City of Holyoke, Connecticut Municipal Electric Energy Cooperative, Massachusetts Gas and Electric Department, The Connecticut Light and Power Company, Fitchburg Gas and Electric Light Company, Green Mountain Power Corporation, The Hartford Electric Light Company, Marblehead Municipal Light Department, Massachusetts Municipal Wholesale Electric Company, Middleton Municipal Light Department, Montaup Electric Company, New England Power Company, North Attleborough Electric Department, Northeast Nuclear Energy Company, Paxton Municipal Light Department, Peabody Municipal Light Plant, Public Service Company of New Hampshire, Shrewsbury Light Plant, Templeton Municipal Lighting Plant, Town of South Hadley Electric Light Department, The United Illuminating Company, Vermont Electric Cooperative, Inc., Vermont Electric Power Company, Inc., The Village of Lyndonville Electric Department,

OFFICE	Wakefield Municipal Light Department, West Boylston Municipal Lighting Plant,					
SURNAME	Western Massachusetts Electric Company, Westfield Gas and Electric Light					
DATE	Department					
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USGPO: 1980-329-824

2. Accordingly, Construction Permit No. CPPR-113 is amended to reflect a change in ownership shares as follows:

A. All references to Applicants shall include Connecticut Municipal Electric Energy Cooperative.

B. A new paragraph is added as follows:

3.E.(2) e. The following ownership shares may be transferred as indicated:

	<u>Shares</u>
TO: Connecticut Municipal Electric Energy Cooperative	1.7391%

FROM: Public Service Company of New Hampshire

3. This Amendment is effective as of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by
Darrell G. Eisenhut

Darrell G. Eisenhut, Director
Division of Licensing

Date of Issuance: SEP 09 1981

DL:LB#1
MRushbrook/ys
9/2/81

See previous yellow.

OFFICE	DL:LB#1	DE/AB	SP	OELD	DL:LB#1	DL:ADL	DL:DIP
SURNAME	JGrant.*	*AToalson....	*JPetersen....		*BJYoungblood*	RLTedesco	DEisenhut
DATE						9/4/81	

NORTHEAST NUCLEAR ENERGY COMPANY, ET AL*

DOCKET 50-423

MILLSTONE NUCLEAR POWER STATION, UNIT NO. 3

AMENDMENT TO CONSTRUCTION PERMIT

Amendment 7

Construction Permit No. CPPR-113

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

- A. The application for amendment contained in a letter, dated June 10, 1981, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I:
- B. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
- C. Prior public notice of this amendment is not required since the amendment does not involve a significant hazards considerations.

*The following are the holders of Construcion Permit No. CPPR-113:
Ashbrunham Municipal Light Plant, Boylston Municipal Lighting Plant,
Central Maine Power Company, Central Vermont Public Service Corporation,
Chicopee Municipal Lighting Plant, City of Burlington, Vermont, City of
Holyoke, Massachusetts Gas and Electric Department, the Connecticut Light
and Power Company, Fitchburg Gas and Electric Light Company, Green
Mountain Power Corporation, The Hartford Electric Light Company, Marblehead
Municipal Light Department, Massachusetts Municipal Wholesale Electric
Company, Middleton Municipal Light Department, Montaup Electric Company,
New England Power Company, North Attleborough Electric Department,
Northeast Nuclear Energy Company, Paxton Municipal Light Department,
Peabody Municipal Light Plant, Public Service Company of New Hampshire,
Shrewsbury Light Plant, Templeton Municipal Lighting Plant, Town of
South Hadley Electric Light Department, The United Illuminating Company,
Vermont Electric Cooperative, Inc., Vermont Electric Power Company, Inc.,
The Village of Lyndonville Electric Department, Wakefield Municipal Light
Department, West Boylston Municipal Lighting Plant, Western Massachusetts
Electric Company, Westfield Gas and Electric Light Department.

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SURNAME

DATE

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2. Accordingly, Construction Permit No. CPPR-113 is amended to reflect a change in ownership shares as follows:

A. A new paragraph is added as follows:

3.E.(2) e. The following ownership shares may be transferred as indicated:

	<u>Shares</u>
TO: Connecticut Municipal Electric Energy Cooperative	1.7391%
FROM: Public Service Company of New Hampshire	

3. This Amendment is effective as of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Darrell G. Eisenhut, Director
Division of Licensing

Date of Issuance:

DL:LB#1
MRusbrook/ys
8/2/81

OFFICE	DL:LB#1	DE/AB	SP	OELD	DL:LB#1	DL:AD/L	DL:DIR
SURNAME	JGrant	ATOaltson	JPetersen		BJYoungblood	RLTedesco	DEise
DATE	8/18/81	8/20/81	8/20/81	8/ /81	8/4/81	8/ /81	8/ 24

UNITED STATES NUCLEAR REGULATORY COMMISSIONDOCKET NO. 50-423NORTHEAST NUCLEAR ENERGY COMPANY, ET AL.*MILLSTONE NUCLEAR POWER STATION, UNIT NO. 3NOTICE OF ISSUANCE OF AMENDMENT TO CONSTRUCTION PERMIT

The U. S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 7 to Construction Permit No. CPPR-113. The amendment adds Connecticut Municipal Electric Energy Cooperative as a co-owner and reflects a transfer of 1.739% ownership shares from Public Service Company of New Hampshire to Connecticut Municipal Electric Energy Cooperative for the Millstone Nuclear Power Station, Unit No. 3 (the facility), located in New London County, Connecticut. The amendment is effective as of its date of issuance.

*The following are holders of Construction Permit No. CPPR-113: Ashburnham Municipal Light Plant, Boylston Municipal Lighting Plant, Central Maine Power Company, Central Vermont Public Service Corporation, Chicopee Municipal Lighting Plant, City of Burlington, Vermont, City of Holyoke, Connecticut Municipal Electric Energy Cooperative, Massachusetts Gas and Electric Department, The Connecticut Light and Power Company, Fitchburg Gas and Electric Light Company, Green Mountain Power Corporation, The Hartford Electric Light Company, Marblehead Municipal Light Department, Massachusetts Municipal Wholesale Electric Company, Middleton Municipal Light Department, Montaup Electric Company, New England Power Company, North Attleborough Electric Department, Northeast Nuclear Energy Company, Paxton Municipal Light Department, Peabody Municipal Light Plant, Public Service Company of New Hampshire, Shrewsbury Light Plant, Templeton Municipal Lighting Plant, Town of South Hadley Electric Light Department, The United Illuminating Company, Vermont Electric Cooperative, Inc., Vermont Electric Power Company, Inc., The Village of Lyndonville Electric Department, Wakefield Municipal Light Department, West Boylston Municipal Lighting Plant, Western Massachusetts Electric Company, Westfield Gas and Electric Light Department.

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The application for the amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations. The Commission has made appropriate findings as required by the Act and the Commission's rules and regulations in 10 CFR Chapter I, which are set forth in the amendment. Prior public notice of this amendment was not required since the amendment does not involve a significant hazards consideration.

For further details with respect to this action, see (1) the application for amendment, dated June 10, 1981,; (2) Amendment No. 7 to Construction Permit CPPR-113; and (3) the Commission's related Safety Evaluation. All of these items are available for public inspection in the Commission's Public Document Room, 1717 H Street, N. W., Washington, D. C., and at the Waterford Public Library, Rope Ferry Road, Route 156, Waterford, Connecticut 06385. Items 2 and 3 may be requested by writing to the U. S. Nuclear Regulatory Commission, Washington, D. C., 20555. Attention: Director, Technical Information and Document Control.

Dated at Bethesda, Maryland, this 9th day of September, 1981.

FOR THE NUCLEAR REGULATORY COMMISSION

15/
B. J. Youngblood, Chief
Licensing Branch No. 1
Division of Licensing

Concern in license amendment & Fed. Reg. notice, subject to revision noted on this copy of Fed. Reg. notice.

With this change no need to return to ERD JB

OFFICE	DL:LB#1	DL:LB#1	OELD	DL:LB#1			
SURNAME	MRushbrook/ys	JGrant	M. Rothschild	BJYoungblood			
DATE	8/2/81	8/18/81	9/3/81	9/4/81			

UNITED STATES NUCLEAR REGULATORY COMMISSIONDOCKET NO. 50-423NORTHEAST NUCLEAR ENERGY COMPANY, ET AL.*MILLSTONE NUCLEAR POWER STATION, UNIT NO. 3NOTICE OF ISSUANCE OF AMENDMENT TO CONSTRUCTION PERMIT

The U. S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 7 to Construction Permit No. CPPR-113. The amendment reflects a transfer of ownership shares from Public Service Company of New Hampshire to Connecticut Municipal Electric Energy Cooperative, co-owners of the Millstone Nuclear Power Station, Unit No. 3 (the facility), located in New London County, Connecticut. The amendment is effective as of its date of issuance.

*The following are holders of Construction Permit No. CPPR-113:
 Ashburnham Municipal Light Plant, Boylston Municipal Lighting Plant,
 Central Maine Power Company, Central Vermont Public Service Corporation,
 Chicopee Municipal Lighting Plant, City of Burlington, Vermont, City of
 Holyoke, Massachusetts Gas and Electric Department, the Connecticut Light
 and Power Company, Fitchburg Gas and Electric Light Company, Green
 Mountain Power Corporation, The Hartford Electric Light Company, Marblehead
 Municipal Light Department, Massachusetts Municipal Wholesale Electric
 Company, Middleton Municipal Light Department, Montaup Electric Company,
 New England Power Company, North Attleborough Electric Department,
 Northeast Nuclear Energy Company, Paxton Municipal Light Department
 Peabody Municipal Light Plant, Public Service Company of New Hampshire,
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 South Hadley Electric Light Department, The United Illuminating Company,
 Vermont Electric Cooperative, Inc., Vermont Electric Power Company, Inc.,
 The Village of Lyndonville Electric Department, Wakefield Municipal Light
 Department, West Boylston Municipal Lighting Plant, Western Massachusetts
 Electric Company, Westfield Gas and Electric Light Department.

OFFICE						
SURNAME						
DATE						

SAFETY EVALUATION REPORT
MILLSTONE NUCLEAR POWER STATION, UNIT NO. 3

INTRODUCTION

On June 10, 1981, Northeast Nuclear Energy Company requested an amendment to its construction permit for the Millstone Nuclear Power Station, Unit No. 3, to secure approval of a transfer in ownership percentages. This request involved a transfer from Public Service Company of New Hampshire (PSNH) of a 1.7391% ownership share (20MW) in Millstone Unit No. 3 to the Connecticut Municipal Electric Energy Cooperative (CMEEC). The staff's concern, from a financial qualifications standpoint, is the capability of CMEEC to assume financial responsibility for its proposed increase in ownership interest in the subject facility. The Nuclear Regulatory Commission's regulations relating to the determination of an applicant's financial qualifications are Section 50.33(f) and Appendix C to 10 CFR Part 50.

ANALYSISDescription of Business of Proposed Co-Owner and Co-Applicant

CMEEC, the proposed transferee from PSNH, is a public corporation, a public body corporated and politic and political subdivision of the State of Connecticut, organized under Chapter 101a of the Connecticut General Statutes, §§7-233a to 7-233w. CMEEC's present participants are three Connecticut municipalities (the Cities of Groton and Norwich and the Borough of Jewett City) ("Participants") which own and operate their own municipal electric systems under Chapter 101 of the Connecticut General Statutes, §§7-213 to 7-233, and provide electric power and energy to residential, commercial, and industrial customers within their respective service areas. CMEEC's principal business is the sale of electric power to the three Participants. CMEEC is authorized, among other things, to purchase and sell power, to construct and acquire electric generating facilities, and to finance such purchases, construction, and acquisitions. CMEEC has entered into power supply contracts with the Participants under which CMEEC will supply them with all of their power and energy requirements (beyond that which can be provided from their existing generating facilities) on a "take and pay basis."

Cost Estimates and Amount of Ownership Interest Proposed for Transfer

The most recent cost information for the proposed partial ownership transfers of Millstone Unit No. 3 facility are stated in the financial information submitted

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under Northeast Nuclear Energy Company's letter of application, dated June 10, 1981. These costs and their timing are summarized as follows:

YEAR	CUMULATIVE ESTIMATE OF CMEEC's SHARES OF MILLSTONE UNIT NO. 3 Construction Expenditures (Million of Dollars)
1981	\$15.191
1982	19.697
1983	23.788
1984	27.780
1985	31.498
1986	32.727

The above excludes amounts projected to be realized for the Westinghouse Nuclear Fuel Settlement, thereby reflecting total unit costs (excluding transmission and allowance for funds used during construction) to be \$38 million for CMEEC's 1.7391 percent ownership share of Millstone Unit No. 3. These costs are based upon total design and construction costs estimated at \$2.187 billion for the facility.

Financing Plan - Sources of Funds for CMEEC's Ownership Participation in Millstone Unit No. 3

CMEEC has entered into Power Sales Contracts with the Participants to supply all of their power requirements (with minor exceptions). Such Contracts require the Participants to pay all of the costs of CMEEC, including CMEEC's debt service requirements, so long as any power is delivered to the Participants. CMEEC began delivering power under such Contracts on October 1, 1980.

The Power Sales Contracts provide that each Participant will charge rates and charges sufficient to pay its share of all of CMEEC's costs including debt service.

Under a bond resolution to be adopted by CMEEC, CMEEC will pledge all of the revenues derived under the Power Sales Contracts to the payment of the bonds, subject to the prior payment of all operating and maintenance expenses.

CMEEC will establish and maintain a debt service reserve fund to be held by a bank trustee for the benefit of the bondholders, in an amount equal to the maximum annual debt service.

The bond resolution will also contain certain other conventional requirements and covenants as are necessary to ensure broad market acceptance of the bonds and to safeguard the rights and security of the bondholders.

CONCLUSION

Based on the preceding analysis, we have concluded that CMEEC is financially qualified to participate in the construction of Millstone Unit No. 3 at the proposed 1.7391% ownership interest. This conclusion is based on our determination that CMEEC has financing plans that provide a reasonable assurance that funds can be obtained to finance its proposed share of the construction and related fuel cycle costs. Consistent with this, CMEEC possesses rate setting authority that permits it to set rates at such levels with its member municipality participants that will enable it to repay its obligations. As a condition subsequent to this amendment, however, we require an executed final copy of the Joint Participation and Ownership Agreement for Millstone Unit No. 3. This must necessarily be in substantial conformity with the provisional agreement heretofore supplied. As a further condition subsequent to this amendment, we will also require a copy of CMEEC's official statement issued in conjunction with the issuance of bonds issued to finance the construction of its share of Millstone Unit No. 3.

On the basis of the above conclusions, we find that the issuance of the requested amendment transferring ownership percentages from PSNH to CMEEC will not be inimical to the health and safety of the public. We find that the requested amendment does not involve a significant hazards consideration because this action will not involve any significant increase in the probability or consequences of an accident, and this action will not involve any significant decrease in safety margin.

Dated issued: SEP 09 1981