

OCT 13 1977

Distribution w/enclosures:

Docket File A. Toalston B. Scott, DPM  
NRC PDR R. C. DeYoung IE (3)  
Local PDR D. Vassallo N. Dube, MIPC  
LWR #3 File O. Parr M. Jinks, OA (4)  
OELD A. Dromerick W. Miller, ADM  
J. Rutberg, OELD M. Rushbrook V. A. Moore, DSE  
Docket No. A. 50-423 W. Zelinsky, AIG B. Scharf, OA (10)  
D. Skovholt E. Hughes  
H. Smith O. D. Lynch, DSE  
M. Duncan, DSE  
Northeast Nuclear Energy Company  
ATTN: Mr. Donald C. Switzer  
President  
P. O. Box 270  
Hartford, Connecticut 06101

bcc: J. Buchanan  
T. Abernathy  
ACRS (16)  
A. Rosenthal, ASLAB  
J. Yore, ASLBP

Gentlemen:

SUBJECT: AMENDMENT NO. 5 TO CPPR-113 - MILLSTONE NUCLEAR POWER STATION,  
UNITS NO. 3

Your letters, dated April 18, 1977 and May 9, 1977, transmitted an application for an Amendment to the Millstone Unit No. 3 Construction Permit. The purpose of the amendment is to provide for the addition of Central Maine Power Company as an applicant for all licenses previously requested and the transfer of ownership shares.

We have reviewed your request for an Amendment to Construction Permit CPPR-113 and have concluded that the addition of the Central Maine Power Company as an owner and the transfer of shares does not affect our previous conclusion that the applicants are financially qualified to design and construct the Millstone Nuclear Power Station, Unit No. 3. The basis for our conclusion is set forth in the enclosed safety evaluation.

We have further concluded that the activities authorized by this amendment can be conducted without endangering the health and safety of the public and that authorization of this amendment to the permit does not involve a significant hazards consideration inasmuch as it involves no significant increase in the consequences of an accident, nor does it involve a significant decrease in the safety margin. 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.

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Northeast Nuclear Energy Company - 2 -

Enclosed is Amendment No. 5 to CPPR-113 for the Millstone Nuclear Power Station, Unit No. 3 which modifies the construction permit to reflect the changes stated above. Also enclosed is a copy of a related notice which has been forwarded to the Office of the Federal Register for publication.

Sincerely,

15/  
Olan D. Parr, Chief  
Light Water Reactors Branch No. 3  
Division of Project Management

Enclosures:

1. Amendment No. 5 to Construction Permit No. CPPR-113
2. Federal Register Notice
3. Safety Evaluation Report

cc w/enclosures:

Mr. Herbert J. Davis  
First Selectman of the Town  
of Waterford  
Hall of Records  
200 Boston Post Road  
Waterford, Connecticut 06385

Connecticut Energy Agency  
ATTN: Assistant Director, Research  
and Policy Department  
Department of Planning and  
Energy Policy  
20 Grand Street  
Hartford, Connecticut 06106

U. S. Environmental Protection Agency  
Region I Office  
ATTN: EIS Coordinator  
JFK Federal Building  
Boston, Massachusetts 02203

AIG *af*  
A. Toalston  
10/11/77

OFFICE	LWR #3	LWR #3	AD:OAO	OELD	LWR #3
SURNAME	MRushbrook/LM	ADromerick	DSkermolt	<i>af</i>	ODParr
DATE	10/11/77	10/11/77	10/11/77	10/12/77	10/18/77

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Northeast Nuclear Energy Company - 3 -

cc: Mr. John J. Korkosz, Manager  
City of Chicopee Electric  
Light Department  
725 Front Street  
Chicopee, Massachusetts 01014

Mr. James E. Tribble  
Assistant to the President  
New England Electric System  
20 Turnpike Road  
Westborough, Massachusetts 06508

Mr. Bruce R. Garlick  
Manager, Energy Supply  
Fitchburg Gas and Electric  
Light Company  
655 Main Street  
Fitchburg, Massachusetts 01421

Mr. Wardman K. Brooksbank, Manager  
Town of South Hadley Electric  
Light Department  
85 Main Street  
South Hadley, Massachusetts 01075

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The United Illuminating Company  
80 Temple Street  
New Haven, Connecticut 06508

Mr. H. R. Nims, Manager  
Nuclear Projects  
Northeast Utilities Service Company  
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Hartford, Connecticut 06101

Chief, Energy Systems  
Analyses Branch (AW-459)  
Office of Radiation Programs  
U. S. Environmental Protection Agency  
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401 M Street, S.W.  
Washington, D.C. 20460

Richard C. MacKenzie, Esq.  
Day, Berry & Howard  
One Constitution Plaza  
Hartford, Connecticut 06103

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SURNAME➤						
DATE➤						

NORTHEAST NUCLEAR ENERGY COMPANY, ET AL\*

DOCKET NO. 50-423

MILLSTONE NUCLEAR POWER STATION, UNIT NO. 3

AMENDMENT TO CONSTRUCTION PERMIT

Amendment No. 5

Construction Permit NO. CPPR-113

1. The Nuclear Regulatory Commission (the Commission) having found that:
  - A. The application for amendment contained in letters, dated April 18, 1977 and May 9, 1977, 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 consideration.

\*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, 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., Wakefield Municipal Light Department, West Boylston Municipal Lighting Plant, Western Massachusetts Electric Company, Westfield Gas and Electric Light Department.

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2. Accordingly, Construction Permit No. CPPR-113 is amended to reflect a change in the ownership of the facility by adding Central Maine Power Company as an owner and transferring shares as follows:

A. A new paragraph is added as follows:

- 3.F.(2) c. The following ownership shares may be transferred as indicated:

TO: Massachusetts Municipal Wholesale Electric Company	1.857%
FROM:	<u>Shares</u>
Ashburnham Municipal Light Plant	0.011
Boylston Municipal Lighting Plant	0.009
City of Holyoke, Massachusetts	0.121
Marblehead Municipal Light Department	0.059
North Attleborough Electric Department	0.062
Paxton Municipal Light Department	0.012
Shrewsbury Light Plant	0.093
Town of South Hadley Electric Light Department	0.450
Templeton Municipal Lighting Plant	0.016
Wakefield Municipal Light Department	0.095
West Boylston Municipal Lighting Plant	0.029
Westfield Gas and Electric Light Department	0.900
Total	1.857
TO: Vermont Electric Cooperative, Inc.	0.10%
FROM:	<u>Shares</u>
Central Vermont Public Service Corporation	0.10%
Total	0.10%
TO: Central Maine Power Company	2.50%
FROM:	<u>Shares</u>
Connecticut Light and Power Company	1.325%
The Hartford Electric Light Company	.700%
Western Massachusetts Electric Company	.475%
Total	2.50%

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TO: Massachusetts Municipal Wholesale  
Electric Company 1.339%  
FROM: Shares

Connecticut Light and Power Company .710%  
The Hartford Electric Light Company .375%  
Western Massachusetts Electric Company .254%

Total 1.339%

TO: Montaup Electric Company 1.637%  
FROM: Shares

Connecticut Light and Power Company .868%  
The Hartford Electric Light Company .458%  
Western Massachusetts Electric Company .311%

Total 1.637%

B. All references in Construction Permit No. CPPR-113 to "applicants" include:

Central Maine Power Company

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

FOR THE NUCLEAR REGULATORY COMMISSION

15/  
Olan D. Parr, Chief  
Light Water Reactors Branch No. 3  
Division of Project Management

Date of Issuance: OCT 19 1977

OFFICE >	DPM/LWR-3	DPM/LWR-3	AIG	AD:GAD	OELD	DPM/LWR-3
SURNAME >	MRushbrock	AD:GAD	AD:GAD	D.Skovholt	JRutberg/	ODParr
DATE >	10/11/77	10/11/77	10/11/77	10/11/77	10/12/77	10/18/77

UNITED STATES NUCLEAR REGULATORY COMMISSION

DOCKET NO. 50-423

NORTHEAST NUCLEAR ENERGY COMPANY, ET AL\*

NOTICE OF ISSUANCE OF AMENDMENT

TO CONSTRUCTION PERMIT

Notice is hereby given that the U. S. Nuclear Regulatory Commission (the Commission) has issued Amendment No. 5 to Construction Permit No. CPPR-113 issued to the Northeast Nuclear Energy Company, et al. The amendment reflects a change in ownership and transfer of shares 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 amendment provides for the addition of Central Maine Power Company as an applicant for all licenses previously requested and the transfer of ownership shares as noted in the construction permit amendment.

\*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, 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., 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.

For further details with respect to this action, see (1) the application for amendment contained in Northeast Nuclear Energy Company's letters, dated April 18, 1977 and May 9, 1977, (2) Amendment No. 5 to Construction Permit No. CPPR-113, and (3) the Commission's related Safety Evaluation contained in the Commission's letter to Northeast Nuclear Energy Company. All of these items are available for public inspection at 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.

A copy of item (2) may be obtained upon request addressed to the U. S. Nuclear Regulatory Commission, Washington, D. C. 20555, Attention: Director, Division of Project Management.

Dated at Bethesda, Maryland this <sup>19<sup>th</sup></sup> day of *October*, 1977.

FOR THE NUCLEAR REGULATORY COMMISSION

*15/*  
Olan D. Parr, Chief  
Light Water Reactors Branch No. 3  
Division of Project Management

OFFICE ➤	DPM/LWR-3	DPM/LWR-3	ATG	AD: <i>9/11</i>	OELD	DPM/LWR-3
SURNAME ➤	MRusbybrook	ADomerick	<i>295 77</i>	D. Skovholt	Ruthberg/	ODParr
DATE ➤	10/11/77	10/11/77	10/11/77	10/11/77	10/12/77	10/18/77



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

Introduction

On April 18, 1977 and May 9, 1977, Northeast Nuclear Energy Company requested amendments to its construction permit for the Millstone Nuclear Power Station, Unit No. 3, to secure approval of changes in the ownership percentages. The April 18, 1977 request involves Connecticut Light and Power Company, The Hartford Electric Light Company, and Western Massachusetts Electric Company transferring ownership interests of 2.903 percent, 1.533 percent, and 1.040 percent, respectively, to Central Maine Power Company, Massachusetts Municipal Wholesale Electric Company, and Montaup Electric Company. Of the aggregate 5.476 percent proposed to be sold, 2.50 percent, 1.339 percent, and 1.637 percent will be transferred to Central Maine, MMWEC, and Montaup, respectively. The May 9, 1977 request involves Central Vermont Public Service Corporation transferring a 0.10 percent ownership interest to Vermont Electric Cooperative, Inc. and twelve Massachusetts municipalities (Ashburnham, Boylston, Holyoke, Marblehead, North Attleborough, Paxton, Shrewsbury, South Hadley, Templeton, Wakefield, West Boylston, and Westfield) transferring a 1.857 percent ownership interest to Massachusetts Municipal Wholesale Electric Company.

Thus, the staff's only concern, from a financial qualifications standpoint, is the capability of Central Maine, Massachusetts Municipal Wholesale Electric Company, Montaup, and Vermont Electric Cooperative, Inc. to assume financial responsibility for their proposed ownership interests 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.

Analysis

Central Maine Power Company is an investor-owned electric utility serving 355,000 customers in the southern and central part of Maine. For the 12 months ended December 31, 1976, Central Maine Power Company operating revenues were \$155 million and net income was \$16.9 million. Invested capital totaled \$400 million and consisted of 53.7 percent long-term debt, 11.4 percent preferred stock, and 34.9 percent common equity. After-tax coverage of total interest charges on December 31, 1976 was 2 times. Central Maine Power Company's first mortgage bonds, rated A by Moody's and triple B by Standard and Poor's, are judged to be of medium to upper medium grade quality. Central Maine's purchase of the 2.50 percent ownership share in the Millstone 3 facility should have no impact on the company's ability to finance its planned construction budget. For the next six years (1977-1982) Central Maine Power Company estimates that construction expenditures associated with this 2.50 percent interest in the Millstone 3 facility will total nearly \$30 million, including an allowance for funds used during

construction. In comparison to Central Maine Power Company's overall construction budget of approximately \$495 million for the 1977 - 1982 period, this proposed ownership interest will result in a relatively small 6 percent increase in average annual construction expenditures.

Massachusetts Municipal Wholesale Electric Company, a public corporation of the Commonwealth of Massachusetts, recently purchased a 1.603 percent interest in the Millstone 3 facility and, with the proposed transfer of the additional 3.196 percent interest, will own 4.799 percent of the subject facility. Massachusetts Municipal Wholesale Electric Company plans to finance its share through the issuance of long-term debt in the form of Power Supply System revenue bonds. These bonds are fully secured for the life of the unit under Power Sales Agreements with 25 member municipal electric systems. Each member has agreed to pay its respective share of the annual costs, even in the event the project is not completed or does not become operational. As of May 1, 1977, Massachusetts Municipal Wholesale Electric Company had issued \$75 million of the \$335 million of revenue bonds currently authorized by the Massachusetts Department of Public Utilities. Massachusetts Municipal Wholesale Electric Company plans to cover all debt service costs, including interest payments, and to provide for the eventual retirement of its bonds through rates charged to the member participants. Rates charged by Massachusetts Municipal Wholesale Electric Company to its members are not subject to regulatory agency approval. In addition, the 25 participating municipal electric systems' rates are fixed by the individual municipal light boards and may be changed as often as once every three months.

Montaup Electric Company, a wholly-owned subsidiary of Eastern Utilities Associates, is engaged in generating, buying and transmitting electricity to the three operating subsidiaries of Eastern Utilities Associates. Presently, Montaup Electric Company owns a 2.372 percent interest in the Millstone 3 facility and, with the purchase of the additional 1.637 percent interest, will own 4.009 percent of the subject facility. Montaup Electric Company plans to finance its share of the Millstone 3 facility through internally generated funds, external sales of debt and equity securities, and short-term borrowings. Available funds from these sources in 1976, after debt payments and retirements of \$6.6 million, totaled \$10.5 million. The internally generated funds of \$7.8 million represented 66.7 percent of 1976 construction expenditures. For the next six years (1977 - 1982), Montaup Electric Company estimates that construction expenditures associated with the additional 1.637 percent interest will total approximately \$18 million, including an allowance for funds used during construction. In comparison to Montaup Electric Company's projected overall construction budget of approximately \$175 million for the 1977 - 1982 period, this proposed ownership interest will result in a 10 percent increase in average annual construction expenditures. This increase in construction expenditures should have no significant impact on Montaup Electric Company's ability to finance its planned construction budget.

Vermont Electric Cooperative, Inc., a rural electric cooperative serving mainly residential customers in northwestern and south central Vermont, recently purchased a .10 percent interest in the subject facility and, with the proposed transfer of the additional .10 percent interest, will own .20 percent of the Millstone 3 facility. Vermont Electric Cooperative, Inc. plans to finance its

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share with long-term debt guaranteed by the Rural Electrification Administration (REA). At our request, Vermont Electric Cooperative, Inc. submitted a copy of the REA Commitment Notice on the proposed loan guarantee. In the event it is necessary to use short-term financing, Vermont Electric Cooperative, Inc. has secured a \$1,000,000 line of credit with the Rural Utilities Cooperative Finance Corporation. Vermont Electric Cooperative, Inc.'s long-term financing is secured by revenues derived from the sale of electricity to its customers.

### Conclusion

Based on the preceding analysis, we have concluded that Central Maine Power Company, Massachusetts Municipal Wholesale Electric Company, Montaup Electric Company, and Vermont Electric Cooperative are financially qualified to participate in the construction of the Millstone Nuclear Power Station, Unit No. 3, at the proposed 2.50 percent, 4.799 percent, 4.009 percent and 0.20 percent ownership interests, respectively. This conclusion is based on our determination that each of the applicants has reasonable assurance of obtaining the necessary funds to cover its respective share of the construction and related fuel cycle costs.