

April 28, 1992

Docket No. 50-423

Mr. John F. Opeka
Executive Vice President, Nuclear
Connecticut Yankee Atomic Power Company
Northeast Nuclear Energy Company
Post Office Box 270
Hartford, Connecticut 06141-0270

Dear Mr. Opeka:

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SUBJECT: MILLSTONE NUCLEAR POWER STATION, UNIT NO. 3 -
ISSUANCE OF ORDER APPROVING TRANSFER OF LICENSE
(TAC NO. M83184)

The Commission has issued the enclosed Order to Facility Operating License No. NPF-49 for the Millstone Nuclear Power Station, Unit No. 3 (Millstone 3). This Order is in response to a letter dated April 14, 1992 from LeBoeuf, Lamb, Leiby and MacRae on behalf of Fitchburg Gas and Electric Light Company (Fitchburg). The Order consents to the proposed ownership of Fitchburg, with its 0.217 percent ownership share of Millstone 3, by UNITIL Corporation (UNITIL).

In the April 14, 1992 letter, Fitchburg informed the Commission that, as a result of a proposed merger with UNITIL, a public utility holding company, Fitchburg will become a wholly owned subsidiary of UNITIL. Fitchburg expressed its conclusion that NRC action was not required for the transaction, but provided information regarding the transaction and requested Commission consent if the Commission believed that its approval was required.

Pursuant to 10 CFR 50.80, the Commission may consent to the transfer of control of a license, or any right thereunder, after notice to interested persons and upon the Commission's determination that the holder of the license following the transfer of control is qualified to have control of the license and transfer of control is otherwise consistent with applicable provisions of law, regulations, and orders of the Commission. To assure compliance with 10 CFR 50.80, the NRC published notice in the Federal Register of the proposed merger (57 FR 14593, April 21, 1992) and reviewed the information provided by Fitchburg. The focus of our review was to examine the proposed transaction to ensure that the management of Millstone 3 will not be adversely affected and that the transaction will not result in Millstone 3 becoming owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

Upon completion of the merger, the present holders of Fitchburg stock will become the majority shareholders of UNITIL and a majority of the directors of UNITIL will consist of the present directors of Fitchburg. Additionally,

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P PDR

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Fitchburg has no direct involvement in the operation or control of Millstone 3. Under License No. NPF-49, Northeast Nuclear Energy Company (NNECO) has the authority to operate Millstone 3 and act as agent for the 14 other licensees of Millstone 3, including Fitchburg's 0.217 percent share. Therefore, there will be no change in the management of Millstone 3 as a result of the proposed merger.

In approving the merger, the Federal Energy Regulatory Commission examined the effect of the transaction on the capital structure and capital costs of both Fitchburg and UNITIL. Fitchburg is a public utility and UNITIL is a public utility holding company. As a result of the merger, there will be no change in the outstanding bonded debt of Fitchburg. UNITIL has no bonded debt. Therefore, the merger will not adversely affect the ability of Fitchburg to carry out its financial obligations under the license.

Following completion of the merger, all of the officers and directors of Fitchburg and all of the officers and directors of UNITIL will be American citizens. Neither Fitchburg nor UNITIL will be owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. Therefore, the proposed merger will not result in the ownership, control, or domination of Millstone 3 by an alien, a foreign corporation, or a foreign government.

Based on the information provided, we have determined that the proposed action will not affect the qualifications of Fitchburg as a holder of the Millstone 3 license, and that the proposed action is otherwise consistent with applicable provisions of law, regulations, and orders of the Commission. Accordingly, Commission consent to the proposed ownership of Fitchburg by UNITIL is given in the enclosed Order Approving Transfer of License, which is being forwarded to the Office of the Federal Register for publication.

You should notify us upon completion of the merger of Fitchburg with UNITIL.

Sincerely,

/s/

John F. Stolz, Director
Project Directorate I-4
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Enclosure:
Order

cc w/enclosure:
See next page

OFFICIAL RECORD COPY		*See previous concurrence		Document	Name
LA:PDI-4	PM:PDI-4	D:PDI-4	OGC*	AD:DRPE	D:DRPE
SMorris	VRoonen	JStolz	EHoller	JCalvo	SVarga
			w/corrections		
4/28/92	4/28/92	4/28/92	4/27/92	4/28/92	4/28/92
ADP:NAK	D:DRPE				
JPartlow	TMurphy				
4/28/92	4/28/92				

Mr. John F. Opeka
Northeast Nuclear Energy Company

Millstone Nuclear Power Station
Unit 3

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY)	Docket No. 50-423
(Millstone Nuclear Power Station,)	
Unit No. 3))	

ORDER APPROVING TRANSFER OF LICENSE

I.

The Fitchburg Gas and Electric Light Company (Fitchburg) is the holder of a 0.217 percent ownership share of the Millstone Nuclear Power Station, Unit No. 3. Fitchburg's interest in Millstone 3 is governed by License No. NPF-49, issued by the U.S. Nuclear Regulatory Commission (the NRC) pursuant to 10 CFR Part 50 on January 31, 1986, in Docket No. 50-423. Under this license, only Northeast Nuclear Energy Company (NNECO) has the authority to operate Millstone 3 as agent and representative of 14 other utilities, which include the Fitchburg Gas and Electric Light Company. Millstone 3 is located in New London County, Connecticut.

II.

By letter from Fitchburg's counsel, LeBouef, Lamb, Leiby and MacRae dated April 14, 1992, Fitchburg informed the Commission that according to a proposed merger, UNITIL Corporation (UNITIL) will become the sole holder of Fitchburg stock, and the current holders of shares of Fitchburg common stock will become holders of shares of the common stock of UNITIL on a share-by-share basis. As a result of this transaction, Fitchburg will become a wholly owned subsidiary of UNITIL.

The transfer of any right under License No. NPF-49 is subject to the NRC's approval pursuant to 10 CFR 50.80(a). Based on the information provided in the April 14, 1992 letter from LeBouef, Lamb, Leiby and MacRae, the staff has determined that Fitchburg will remain qualified to be a holder of License No. NPF-49 and that the proposed transfer of control is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission.

III.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended, 42 USC 2201 et seq., and 10 CFR 50.80, IT IS HEREBY ORDERED that the Commission consents to the proposed ownership of Fitchburg by UNITIL Corporation subject to the following: (1) should the transfer not be completed by July 31, 1992, this Order will be null and void and (2) on application and for good cause shown, this Order may be extended for a short period beyond July 31, 1992.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by
Frank J. Miraglia

Frank J. Miraglia, Acting Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this 28th day of April 1992

*See previous concurrence

LA:PDI-4 SNorris	PM:PDI-4 VRooney/cn	D:PDI-4 JStolz	OGC* EHoller w/corrections	AD:DRPE* JCalvo	D:DRPE* SVarga
4/28/92	4/28/92	4/28/92	4/27/92	4/28/92	4/28/92
ADP:NR JPartlow	DIR:NR TMurley	Tech Ed.* BCalure			
4/28/92	4/29/92	4/22/92			