

August 30, 1994

Mr. Ted C. Feigenbaum
Senior Vice President
and Chief Nuclear Officer
North Atlantic Energy Service Corporation
Post Office Box 300
Seabrook, NH 03874

SUBJECT: ORDER MODIFYING ORDER APPROVING TRANSFER OF LICENSE: TRANSFER OF CONTROL OF GREAT BAY POWER CORPORATION INTEREST (TAC M90212)

Dear Mr. Feigenbaum:

The Commission has issued the enclosed Order modifying the Orders issued on August 16, 1993, February 15, 1994, and June 30, 1994, which approved the transfer of control of Great Bay Power Corporation's (formerly EUA Power Corporation), 12.1324 percent ownership in Seabrook Station, Unit No. 1. The current Order extends the date by which that transfer of control is to be completed and responds to an application submitted for North Atlantic Energy Service Corporation by Ropes & Gray on August 17, 1994. The modified completion date for the transfer is December 31, 1994.

The enclosed Order for Modification of Order Approving Transfer of License is being sent to the Office of the Federal Register for publication.

Sincerely,
Original signed by

Albert W. De Agazio, Sr. Project Manager
Project Directorate I-4
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket No. 50-443
Serial No. SEA-94-024

Enclosure: Order

cc w/encl: See next page

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NAME	CMillerJStolz for	SVarga	RZimmerman	WRussell	
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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

August 30, 1994

Mr. Ted C. Feigenbaum
Senior Vice President
and Chief Nuclear Officer
North Atlantic Energy Service Corporation
Post Office Box 300
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The enclosed Order for Modification of Order Approving Transfer of License is being sent to the Office of the Federal Register for publication.

Sincerely,

A handwritten signature in cursive script, reading "Albert W. De Agazio".

Albert W. De Agazio, Sr. Project Manager
Project Directorate I-4
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Docket No. 50-443
Serial No. SEA-94-024

Enclosure: Order

cc w/encl: See next page

Mr. Ted C. Feigenbaum
North Atlantic Energy Service Corporation

Seabrook Station, Unit No. 1

cc:

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
)	Docket No. 50-443
NORTH ATLANTIC ENERGY SERVICE)	(License No. NPF-86)
CORPORATION)	
(Seabrook Station, Unit No. 1))	

ORDER FOR MODIFICATION OF ORDER APPROVING TRANSFER OF LICENSE

I.

Great Bay Power Corporation (Great Bay), formerly EUA Power Corporation, is the owner of a 12.1324 percent share of Seabrook Station, Unit No. 1 (Seabrook). Great Bay's interest in Seabrook is governed by License No. NPF-86 issued by the U.S. Nuclear Regulatory Commission (NRC), pursuant to Part 50 of Title 10 of the Code of Federal Regulations (10 CFR Part 50), on March 15, 1990, in Docket No. 50-443. Under this license, only North Atlantic Energy Service Corporation (North Atlantic), acting as agent and representative of the 11 joint owners listed in the license, has the authority to operate Seabrook. Seabrook is located in Rockingham County, New Hampshire.

II.

The transfer of any right under License No. NPF-86 is subject to NRC approval pursuant to 10 CFR 50.80(a). By letter of May 14, 1993, from its counsel, Ropes & Gray, North Atlantic filed two requests with the NRC. In one, it requested NRC approval of the indirect transfer of control of EUA Power Corporation's 12.1324 percent ownership in Seabrook. In the other, it

requested an amendment to the Operating License to reflect EUA Power Corporation's change of name to Great Bay Power Corporation. The name of EUA Power Corporation was formally changed to Great Bay Power Corporation in February 1993 following the redemption of all outstanding stock in EUA Power Corporation from its corporate parent, Eastern Utility Associates. Following the redemption of its outstanding stock, EUA Power Corporation was no longer a subsidiary of Eastern Utility Associates, and the name was changed to remove any implication of a continuing relationship with its former corporate parent. The name change did not affect the corporate entity of the debtor in bankruptcy. An indirect transfer of ownership occurs with the elimination of the existing stock of the debtor (Great Bay) and the issuance of new stock to others. On August 16, 1993, the NRC issued Amendment 23 to License No. NPF-86 that incorporated the name change of EUA Power Corporation to Great Bay Power Corporation in the footnote to page 1 of the operating license and issued an order approving the indirect transfer of the ownership interest of EUA Power Corporation. The order was contingent on the transfer of control being completed no later than February 15, 1994, and included the provision that upon application and showing of good cause, the order may be extended for a short period beyond February 15, 1994.

On February 3, 1994, North Atlantic, through its counsel Ropes & Gray, filed an application requesting extension of the Order until June 30, 1994, and identified the reasons why the transfer of control could not be completed by February 15, 1994. In that application, North Atlantic asserted that the sole obstacle to final implementation of the Plan of Reorganization was the difficulty with completing the contemplated \$45 million credit facility for the source of funds to cover Great Bay's cash requirements. In lieu of this

credit facility, the debtor's bondholders (Bondholders) entered into an agreement in principle with Omega Advisors that provided for an investment of \$35 million by Omega Advisors in exchange for 60 percent equity in Great Bay. This agreement, reached on February 2, 1994, was a modification to the Plan of Reorganization and additional time was required to formalize the agreement, recirculate a revised Disclosure Statement to the creditors, and obtain reconfirmation of the revised Plan of Reorganization from the Bankruptcy Court.

On February 15, 1994, the NRC issued an Order which modified the August 16, 1993, Order Approving Transfer of License by extending the expiration date to June 30, 1994. On April 7, 1994, a Stock Subscription Agreement was entered into with Omega Advisors and Elliot Associates, L.P.¹ (the Investors), and a revised Disclosure Statement was circulated to all creditors. The Revised Plan of Reorganization was confirmed by the Bankruptcy Court on May 23, 1994, and a closing of the transaction was scheduled for June 15, 1994. However, on June 11, 1994, The Investors notified Great Bay that unanticipated events delaying the completion of the Seabrook third refueling outage from early June 1994 until early August 1994 could affect adversely Great Bay's financial projections, and therefore the delay constituted a material adverse change in Great Bay's financial condition. The Investors

On April 14, 1994, Ropes & Gray submitted a status report on behalf of North Atlantic and a copy of the Supplemental Disclosure Statement. That statement disclosed that in addition to Omega Advisors, Elliot Associates, L.P., would participate in the acquisition of an aggregate of 60 percent of Great Bay's equity securities. Previously, Omega Advisors was identified as the sole participant in the equity financing. The stock purchase agreement discloses that the Omega entities will purchase 49 percent of the equity position and Elliot Associates will purchase the remaining 11 percent.

requested postponement of the scheduled closing while independent financial and engineering consultants retained by the Investors assessed the impact of these events. However, these evaluations could not be available by June 30, 1994, leading North Atlantic to request, through its counsel Ropes & Gray, on June 27, 1994, a second extension of the Order until August 31, 1994. On June 30, 1994, the NRC issued an Order which modified the August 16, 1993, Order Approving Transfer of License by extending the expiration date to August 31, 1994.

North Atlantic (Ropes & Gray letter of August 17, 1994) now has advised the NRC that Great Bay and the Investors have nearly resolved their differences and have agreed tentatively to close the transaction, but on a slightly modified basis. The modification to the proposal originally agreed to would compensate the Investors for loss resulting from the extended outage. To effect this, the Great Bay Bondholders will place 480,000 shares of Great Bay common stock (to which they would otherwise be entitled) into escrow. If, 1 year after closing, the Investors' original investment has a market value less than \$38.5 million, some or all of the escrowed shares will be distributed to the Investors to raise their investment to that dollar value. Any remaining escrowed shares will be distributed to the Bondholders. The net effect of such a distribution to the Investors would be to raise their ownership share to a maximum of 66 percent rather than 60 percent. Because this modification changes the distribution to the Bondholders under the Plan of Reorganization, a revised Disclosure Statement must be circulated to the creditors and the Bankruptcy Court must reconfirm the Plan for Reorganization.

North Atlantic asserts that additional time, anticipated to be about 75 days, is required to obtain reconfirmation of the Plan of Reorganization and the requisite regulatory approvals and exhaust any appeal periods, but that the timing of events is largely beyond its control and estimates are unreliable.

North Atlantic has requested (Ropes & Gray letter of August 17, 1994) that the Order's expiration date be extended until the Bankruptcy Court issues a Final Decree. On the basis of the information in North Atlantic's application (Ropes & Gray letter of August 17, 1994), I find that there is good cause to extend the expiration date of the Order Approving Transfer of License dated August 16, 1993.

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 Order Approving Transfer of License dated August 16, 1993, is modified to change the latest date for completion of the transfer, as specified in Section III of the August 16, 1993, Order, to December 31, 1994. Should transfer not be completed by this date, the Director of the Office of Nuclear Reactor Regulation, upon demonstration by North Atlantic of good cause, may in writing relax or rescind any condition of this Order. The Order of August 16, 1993, except as modified herein, remains in effect.

FOR THE NUCLEAR REGULATORY COMMISSION
Original signed by
William T. Russell, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this 30th day of August 1994

DOCUMENT NAME: G:\DEAGZIO\90212ORD *See previous concurrence
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DATE	08/26/94	08/26/94	08/26/94	08/26/94	

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FOR THE NUCLEAR REGULATORY COMMISSION



William T. Russell, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this 30th day of August 1994