

Docket No. 50-443
Serial No. SEA-93-028

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

Dear Mr. Feigenbaum:

January 7, 1994
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SUBJECT: TRANSFER OF OWNERSHIP SHARE OF VERMONT ELECTRIC GENERATION AND
TRANSMISSION COOPERATIVE, INC. TO NORTH ATLANTIC ENERGY CORPORATION
(TAC M87313)

The Commission has issued the enclosed Amendment No. 28 to Facility
Operating License No. NPF-86 for the Seabrook Station, Unit No. 1, in response
to your application dated August 27, 1993.

The amendment revises the Seabrook Station, Unit No. 1 operating license to
reflect the transfer of the Vermont Electric Generation and Transmission
Cooperative, Inc.'s 0.4125% undivided ownership interest to North Atlantic
Energy Corporation.

The transfer of any right under the operating license is subject to NRC
approval pursuant to 10 CFR 50.80(a). Such approval is given in the enclosed
Order Approving Transfer of License, which is being forwarded to the Office of
the Federal Register for publication.

A copy of the related Safety Evaluation is also enclosed. The Notice of
Issuance will be included in the Commission's biweekly Federal Register
notice.

Sincerely,

/S/

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

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PDR

Enclosures:

1. Amendment No. 28 to NPF-86
2. Order
3. Safety Evaluation

cc w/enclosures:

See next page *See previous concurrence

OFFICE	LA:PDI-4	PM:PDI-4	NRR:ILPB*	D:PDI-4	OGC
NAME	SNorris	ADeAgazio:cn	AGody, Sr.	JStolz	U/zhung
DATE	12/29/93	12/29/93	12/23/93	12/29/93	12/29/93
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NAME	JCalvo	SVarga	LJCallan	TMurley	
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 7, 1994

Docket No. 50-443
Serial No. SEA-93-028

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

Dear Mr. Feigenbaum:

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(TAC M87313)

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Operating License No. NPF-86 for the Seabrook Station, Unit No. 1, in response
to your application dated August 27, 1993.

The amendment revises the Seabrook Station, Unit No. 1 operating license to
reflect the transfer of the Vermont Electric Generation and Transmission
Cooperative, Inc.'s 0.41259% undivided ownership interest to North Atlantic
Energy Corporation.

The transfer of any right under the operating license is subject to NRC
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Order Approving Transfer of License, which is being forwarded to the Office of
the Federal Register for publication.

A copy of the related Safety Evaluation is also enclosed. The Notice of
Issuance will be included in the Commission's biweekly Federal Register
notice.

Sincerely,

A handwritten signature in cursive script, reading "Albert W. De Agazio", is positioned above the typed name.

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

Enclosures:

1. Amendment No. 28 to NPF-86
2. Order
3. Safety Evaluation

cc w/enclosures:
See next page

Mr. Ted C. Feigenbaum

Seabrook Station

cc:

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Bethesda Licensing Office
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3 Metro Center
Bethesda, Maryland 20814



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

NORTH ATLANTIC ENERGY SERVICE CORPORATION, ET AL*

DOCKET NO. 50-443

SEABROOK STATION, UNIT NO. 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 28
License No. NPF-86

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by North Atlantic Energy Service Corporation, et al. (the licensee), dated August 27, 1993, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. 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
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

*North Atlantic Energy Service Company (NAESCO) is authorized to act as agent for the: North Atlantic Energy Corporation, Canal Electric Company, The Connecticut Light and Power Company, Great Bay Power Corporation, Hudson Light and Power Department, Massachusetts Municipal Wholesale Electric Company, Montaup Electric Company, New England Power Company, New Hampshire Electric Cooperative, Inc., Taunton Municipal Light Plant, The United Illuminating Company, and Vermont Electric Generation and Transmission Cooperative, Inc., and has exclusive responsibility and control over the physical construction, operation, and maintenance of the facility.

2. Accordingly, the footnote to page 1** of the Facility Operating License No. NPF-86 is hereby amended to read as follows:

*North Atlantic Energy Service Company (NAESCO) is authorized to act as agent for the: North Atlantic Energy Company, Canal Electric Company, The Connecticut Light and Power Company, Great Bay Power Corporation, Hudson Light & Power Department, Massachusetts Municipal Wholesale Electric Company, Montaup Electric Company, New England Power Company, New Hampshire Electric Cooperative, Inc., Taunton Municipal Light Plant, and The United Illuminating Company, and has exclusive responsibility and control over the physical construction, operation and maintenance of the facility.

3. This license amendment is effective as of the date of its issuance to be implemented by May 30, 1994.

FOR THE NUCLEAR REGULATORY COMMISSION



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

Attachment:

Page 1 of the Facility Operating License NPF-86

Date of Issuance: January 7, 1994

**Page 1 is attached, for convenience, for the composite license to reflect this change.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

NORTH ATLANTIC ENERGY SERVICE COMPANY, ET AL.*

DOCKET NO. 50-443

SEABROOK STATION, UNIT NO. 1

FACILITY OPERATING LICENSE

License No. NPF-86

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for a license filed by the Public Service Company of New Hampshire, acting for itself and as agent and representative of the utilities listed in the footnote below, and for the North Atlantic Energy Service Company (NAESCO), all of whom are hereafter referred to as licensees, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I; and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the Seabrook Station, Unit No. 1 (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-135 and the application, as amended, the provisions of the Act, and the regulations of the Commission;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission (except as exempted from compliance in Section 2.D below);
 - D. There is reasonable assurance: (i) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I (except as exempted from compliance in Section 2.D below);
 - E. North Atlantic Energy Service Company is technically qualified to engage in the activities authorized by this license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;

*North Atlantic Energy Service Company (NAESCO) is authorized to act as agent for the: North Atlantic Energy Company, Canal Electric Company, The Connecticut Light and Power Company, Great Bay Power Corporation, Hudson Light & Power Department, Massachusetts Municipal Wholesale Electric Company, Montaup Electric Company, New England Power Company, New Hampshire Electric Cooperative, Inc., Taunton Municipal Light Plant, and The United Illuminating Company, and has exclusive responsibility and control over the physical construction, operation and maintenance of the facility.

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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

ORDER APPROVING TRANSFER OF LICENSE

I.

Vermont Electric Generation and Transmission Cooperative, Inc., (Vermont) is the holder of a 0.41259-percent ownership share in Seabrook Station, Unit No. 1. Vermont's interest in Seabrook Station, Unit No. 1, is governed by License No. NPF-86 issued by the U.S. Nuclear Regulatory Commission (the NRC) pursuant to 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 12 joint owners listed in the license, has the authority to operate Seabrook Station, Unit No. 1. Seabrook Station, Unit No. 1, is located in Rockingham County, New Hampshire.

II.

By letter dated August 27, 1993, North Atlantic proposed an amendment to License No. NPF-86 which would change the license to reflect the transfer of Vermont's 0.41259-percent ownership share in Seabrook Station, Unit No. 1, to North Atlantic Energy Corporation (NAEC).

In 1990, Vermont filed a claim against Public Service Company of New Hampshire (PSNH) with the United States Bankruptcy Court which was then hearing a petition from PSNH for reorganization under Chapter 11 of the United States Bankruptcy Code. Vermont's claim sought redress for damages that were alleged to have been incurred while PSNH had been the managing agent for the Seabrook Station. In November 1990, the two parties reached a settlement which included an agreement by PSNH or its designee to purchase Vermont's share of the Seabrook Station, Unit No. 1, subject to obtaining the necessary approvals from all regulatory agencies. In December 1990, the Bankruptcy Court issued an order approving the stipulation that PSNH and Vermont had filed describing the settlement.

In June 1992, in accordance with the Plan of Reorganization for PSNH that was confirmed by the Bankruptcy Court, Northeast Utilities (NU) acquired PSNH in merger transactions and, after receipt of NRC approval, NAEC (a newly formed and wholly owned subsidiary of NU) acquired PSNH's interest in Seabrook Station, Unit No. 1. The transfer of Vermont's ownership share in Seabrook to NAEC will consummate the settlement entered into by Vermont and PSNH.

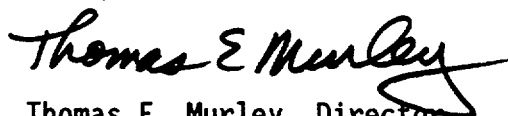
The transfer of rights under License No. NPF-86 is subject to the NRC's approval under 10 CFR 50.80(a). After reviewing information submitted in the August 27, 1993, letter and other information before the Commission, the NRC staff has determined that the transfer of Vermont's interest in Seabrook Station, Unit No. 1 to NAEC (which is already a licensee) does not affect NAEC's technical or financial qualifications to be a holder of License No. NPF-86, and that the license transfer is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission.

III.

Pursuant to 10 CFR 51.21, 51.32, and 51.35, an environmental assessment and finding of no significant impact was published in the Federal Register on January 5, 1994 (59 FR 605). Accordingly, based upon the environmental assessment, the Commission has determined that issuance of this order will not have a significant effect on the quality of the human environment.

Accordingly, pursuant to Sections 161b and 161i of the Atomic Energy Act of 1954 (as amended), 42 U.S.C 2201, and 10 CFR 50.80, IT IS HEREBY ORDERED that the transfer of control of Vermont Electric Generation and Transmission Cooperative, Inc.'s 0.41259-percent undivided ownership interest in Seabrook Station, Unit No. 1, to North Atlantic Energy Corporation is approved subject to the following: (1) should the transfer not be completed by May 30, 1994, 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 May 30, 1994.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in black ink, reading "Thomas E. Murley". The signature is fluid and cursive, with a large, stylized "M" and "y".

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this 7th day of January 1994.

III.

Pursuant to 10 CFR 51.21, 51.32, and 51.35, an environmental assessment and finding of no significant impact was published in the Federal Register on January 5, 1994 (59 FR 605). Accordingly, based upon the environmental assessment, the Commission has determined that issuance of this order will not have a significant effect on the quality of the human environment.

Accordingly, pursuant to Sections 161b and 161i of the Atomic Energy Act of 1954 (as amended), 42 U.S.C 2201, and 10 CFR 50.80, IT IS HEREBY ORDERED that the transfer of control of Vermont Electric Generation and Transmission Cooperative, Inc.'s 0.41259-percent undivided ownership interest in Seabrook Station, Unit No. 1, to North Atlantic Energy Corporation is approved subject to the following: (1) should the transfer not be completed by May 30, 1994, 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 May 30, 1994.

FOR THE NUCLEAR REGULATORY COMMISSION

Original signed by

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this 7th day of January 1994.

*SEE PREVIOUS CONCURRENCE

OFFICE	LA:PDI-4	PM:PDI-4	NRR:ILPB*	D:PDI-4	OGC*
NAME	SNorris	ADeAgazio:cn	AGody, Sr.	JStolz	MYoung
DATE	1/17/94	1/17/94	12/23/93	1/17/94	12/29/93
OFFICE	AD:DRPE*	D:DRPE*	Act.ADP:NRR*	D:NRR	Tech Ed*
NAME	JCalvo	SVarga	LJCallan	TMurley	RSanders
DATE	12/30/93	01/03/94	01/04/94	1/17/94	12/21/93

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
RELATED TO AMENDMENT NO. 28 TO FACILITY OPERATING LICENSE NO. NPF-86

NORTH ATLANTIC ENERGY SERVICE CORPORATION

SEABROOK STATION, UNIT NO. 1

DOCKET NO. 50-443

1.0 INTRODUCTION

By letter of August 27, 1993, (Ref. 1), North Atlantic Energy Service Corporation (North Atlantic) proposed an amendment to the license for the Seabrook Station, Unit 1 (Seabrook). The proposed amendment would change the footnote on page 1 of Facility Operating License No. NPF-86 by deleting Vermont Electric Generation and Transmission Cooperative, Inc., (Vermont), as one of the entities for which North Atlantic is authorized to act. This change would reflect the purchase of Vermont's share of the Seabrook Station by North Atlantic Energy Corporation (NAEC) pursuant to a prior settlement of a claim by Vermont against Public Service Company of New Hampshire (PSNH). NAEC acquired PSNH's interest in the Seabrook Station in accordance with the Plan for Reorganization for PSNH.

2.0 DISCUSSION

Vermont is an electric cooperative formed in 1979 for the sole purpose of holding the generation and transmission assets of Vermont Electric Cooperative, Inc., a rural electric cooperative formed in 1938 to provide electric service to rural areas of northern and southern Vermont. Vermont acquired its interest in Seabrook Station in 1984.

In 1990, Vermont filed a claim against PSNH with the United States Bankruptcy Court which was then hearing a petition from PSNH for reorganization under Chapter 11 of the United States Bankruptcy Code. Vermont's claim sought redress for damages which were alleged to have been incurred (by Vermont) as a result of PSNH's mismanagement of the construction of Seabrook Station while it had been the managing agent for the Seabrook Station.

In November 1990, the two parties reached a settlement which included an agreement by PSNH or its designee to purchase Vermont's share of the Seabrook Station subject to obtaining the necessary approvals from all regulatory agencies and a discharge of Vermont from all liabilities to be incurred with respect to Seabrook. In December 1990, the Bankruptcy Court issued an order approving the stipulation that PSNH and Vermont had filed describing the settlement.

In June 1992, in accordance with the Plan of Reorganization for PSNH that was confirmed by the Bankruptcy Court, Northeast Utilities (NU) acquired PSNH in merger transactions and, after receipt of NRC approval, NAEC (a newly-formed and wholly-owned subsidiary of NU) acquired PSNH's interest in Seabrook Station. As the successor to PSNH's interest in Seabrook Station, NAEC has been designated to purchase the Vermont interest in Seabrook Station. The transfer of Vermont's ownership share in Seabrook to NAEC will consummate the settlement entered into by Vermont and PSNH and is the final step in the resolution of PSNH's bankruptcy. As a result of the Bankruptcy Court order, PSNH or its designee is under a legal obligation to effect the acquisition, however, this transfer of ownership rights under License No. NPF-86 is subject to NRC approval under 10 CFR 50.80(a).

North Atlantic has asserted that NAEC and PSNH propose to enter into an agreement with respect to the Vermont interest equivalent in all material respects to the Seabrook Power Contract. PSNH will, therefore, be unconditionally obligated to buy all of NAEC's share of the capacity and output of NAEC's Seabrook interest including that acquired by NAEC through the purchase of Vermont's interest.

3.0 EVALUATION

The staff, in making its evaluation, has applied the criteria and review areas required by 10 CFR 50.80 "Transfer of Licenses" as appropriate.

3.1 Financial Qualifications

NAEC is an electric utility under New Hampshire law whose wholesale rates are established by the Federal Energy Regulatory Commission (FERC). For this reason, NAEC is an "electric utility" under 10 CFR 50.2 which need not show financial qualifications (cf. 10 CFR 50.33(f), 10 CFR 50.40(b), and 10 CFR 50.57(a)(4)). NAEC is a wholly-owned subsidiary of Northeast Utilities (NU), and its acquisition of Vermont's share of Seabrook in combination with Connecticut Light and Power Company's (CL&P) share will increase the total ownership interest of NU subsidiaries in Seabrook from 39.62927 percent to 40.04186 percent. North Atlantic has asserted that other than this small increase in ownership, the transfer will not convey to NU any additional rights or authority with respect to the operation of Seabrook, and NU will not gain additional voting rights on the Executive Committee as a result of the increased ownership.

3.2 Management and Technical Qualifications

The transfer of ownership interest from Vermont to NAEC does not alter in any manner the management agent status of North Atlantic. The conclusion reached by the NRC in Amendment 10 to License No. NPF-86, issued May 29, 1992, regarding the acceptability of North Atlantic as the operating organization is still valid.

3.3 Foreign Control

NAEC is a wholly-owned subsidiary of NU. NU is a publically-owned domestic corporation whose common stock is freely-traded on the New York Stock Exchange. North Atlantic has asserted that all directors and principal officers of NAEC are citizens of the United States of America. Therefore, the transfer of Vermont's ownership of Seabrook will not result in foreign control of Seabrook.

3.4 Antitrust Considerations

CL&P, PSNH, and Vermont underwent antitrust review during the Seabrook construction permit stage. Additional antitrust reviews were performed prior to the issuance of the Seabrook operating license in 1986, and again prior to the issuance of Amendment 11 (May 29, 1992) to License No. NPF-86. Neither of the later reviews revealed any significant changes.

During the construction permit and operating license reviews, the staff determined that the development of the New England Power Pool allowed power systems in New England to gain access to the economies-of-scale associated with large generating resources as well as transmission facilities generally throughout the region.

The staff conducted a review in connection with the transfer of PSNH's ownership in Seabrook to NAEC (Amendment 11) for the purpose of determining whether there were "significant changes" warranting a full antitrust review. The staff concluded after considering a number of factors, including the Federal Energy Regulatory Commission (FERC) review of the merger and the FERC conditions attached thereto, that the proposed merger did not constitute "significant changes" since the completion of the operating license review.

The staff believes, based on these previous antitrust reviews of NAEC and Vermont, that no additional antitrust review is required as a result of the proposed transfer.

4.0 STATE CONSULTATION

In accordance with the Commission's regulations, the New Hampshire and Massachusetts State officials were notified of the proposed issuance of the amendment. The State officials had no comments.

5.0 ENVIRONMENTAL CONSIDERATION

Pursuant to 10 CFR 51.21, 51.32, and 51.35, an environmental assessment and finding of no significant impact was published in the Federal Register on

January 5, 1994 (59 FR 605). Accordingly, based upon the environmental assessment, the NRC staff has determined that the issuance of the amendment will not have a significant effect on the quality of the human environment.

6.0 CONCLUSION

The Commission has concluded, based on the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendment will not be inimical to the common defense and security or to the health and safety of the public.

Principal Contributors: W. Lambe
A. De Agazio

Date: January 7, 1994