

November 1, 2002

Mr. Ted C. Feigenbaum
Executive Vice President and
Chief Nuclear Officer
North Atlantic Energy Service Corporation
c/o Mr. James M. Peschel
P.O. Box 300
Seabrook, NH 03874

SUBJECT: ISSUANCE OF CONFORMING AMENDMENT - SEABROOK STATION,
UNIT NO. 1 (TAC NO. MB6497)

Dear Mr. Feigenbaum:

By Order dated October 25, 2002, the U.S. Nuclear Regulatory Commission (NRC) approved the transfer of the license for Seabrook Station, Unit No. 1 (Seabrook Station), to the extent held by North Atlantic Energy Service Corporation (NAESCO), as the licensed operator of the facility, and certain co-owners of the facility, on whose behalf NAESCO was also acting, to FPL Energy Seabrook, LLC (FPLE Seabrook). The NRC also approved a conforming amendment. These actions were taken pursuant to Sections 50.80 and 50.90 of Title 10 of the *Code of Federal Regulations*.

In a letter dated October 28, 2002, NAESCO informed the NRC that the closing for the sale of the relevant Seabrook Station ownership interests is scheduled to occur on November 1, 2002, and that all proposed selling owners will transfer their respective interests in Seabrook Station to FPLE Seabrook on that date. In a letter dated October 22, 2002, NAESCO notified the NRC that it was in receipt of all regulatory approvals other than the NRC's required for the license transfer. In a letter dated July 25, 2002, American Nuclear Insurers documented that FPLE Seabrook had obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

Accordingly, the Commission has issued the enclosed Amendment No. 86 to Facility Operating License No. NPF-86 for Seabrook Station. The safety evaluation supporting the conforming amendment was enclosed with the Order issued on October 25, 2002.

T. Feigenbaum

-2-

Enclosure 2 contains 13 copies of Indemnity Agreement No. B-106, Amendment No. 4, for Seabrook Station, which are required in connection with the transfer of the license. Please ensure that each of the 12 signatories receives an original copy of the Indemnity Agreement signed by all signatories and return the other original signed copy to the NRC.

Sincerely,

/RA/

Robert D. Starkey, Project Manager, Section 2
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-443

Enclosures: 1. Amendment No. 86 to NPF-86
2. Indemnity Agreements

cc w/encls: See next page

T. Feigenbaum

-2-

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Sincerely,

/RA/

Robert D. Starkey, Project Manager, Section 2
Project Directorate I
Division of Licensing Project Management
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cc w/encls: See next page

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ADAMS Accession Number: **ML022840434**

*see previous concurrence

OFFICE	PDI-2/PM	PDI-2/LA	OGC*	PDI-2/(A)SC
NAME	DStarkey	SLittle	SHom	JAndersen
DATE	10/30/02	10/30/02	10/30/02	11/1/02

OFFICIAL RECORD COPY

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cc:

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Seabrook Station, Unit No. 1
cc:

-2-

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Mr. Steve Allen
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NORTH ATLANTIC ENERGY SERVICE CORPORATION, ET AL.

DOCKET NO. 50-443

SEABROOK STATION, UNIT NO. 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 86
License No. NPF-86

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment filed by the North Atlantic Energy Service Corporation (the licensee) dated May 17, 2002, as supplemented by letters dated June 28, July 1, July 24, August 29, and October 11, 2002, 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.

2. Accordingly, Facility Operating License No. NPF-86 is hereby amended as indicated in the attachment to this license amendment.
3. This license amendment is effective as of its date of issuance and shall be implemented within 60 days.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Attachment: Changes to the Operating License

Date of Issuance: November 1, 2002

ATTACHMENT TO LICENSE AMENDMENT NO. 86

FACILITY OPERATING LICENSE NO. NPF-86

DOCKET NO. 50-443

Replace the following pages of the Facility Operating License with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Remove

Facility Operating License pages 1 through 6
Cover page for Appendix B
Page 1 of Appendix C

Insert

Facility Operating License pages 1 through 7
Cover page for Appendix B
Page 1 of Appendix C

FPL ENERGY SEABROOK, LLC, 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 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. FPL Energy Seabrook, LLC, 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;
 - F. The licensees have satisfied the applicable provisions of 10 CFR 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;

*FPL Energy Seabrook, LLC, is authorized to act as agent for the: Hudson Light & Power Department, Massachusetts Municipal Wholesale Electric Company, and Taunton Municipal Light Plant and has exclusive responsibility and control over the physical construction, operation and maintenance of the facility.

AMENDMENT NO. 86

- G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economical, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of Facility Operating License No. NPF-86 subject to the conditions for protection of the environment set forth in the Environmental Protection Plan attached as Appendix B, is in accordance with 10 CFR 51 of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession and use of source, byproduct, and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR 30, 40, and 70.
2. Based on the foregoing findings and the Commission's Memorandum and Order, CL1-90-03 (March 1, 1990), Facility Operating License No. NPF-67 is superseded by Facility Operating License No. NPF-86, which is hereby amended to read as follows:
- A. This license applies to the Seabrook Station, Unit 1, a pressurized water nuclear reactor and associated equipment (the facility), owned by the licensees. The facility is located in Seabrook Township, Rockingham County, on the southeast coast of the State of New Hampshire, and is described in the licensees' "Final Safety Analysis Report," as supplemented and amended, and in the licensees' Environmental Report, as supplemented and amended.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - (1) FPL Energy Seabrook, LLC, pursuant to Section 103 of the Act and 10 CFR 50, to possess, use and operate the facility at the designated location in Rockingham County, New Hampshire, in accordance with the procedures and limitations set forth in this license;
 - (2) Hudson Light and Power Department, Massachusetts Municipal Wholesale Electric Company, and Taunton Municipal Light Plant to possess the facility at the designated location in Rockingham County, New Hampshire, in accordance with the procedures and limitations set forth in this license;
 - (3) FPL Energy Seabrook, LLC, pursuant to the Act and 10 CFR 70, to receive, possess, and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;

- (4) FPL Energy Seabrook, LLC, pursuant to the Act and 10 CFR 30, 40, and 70, to receive, possess, and use at any time any byproduct, source, and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
- (5) FPL Energy Seabrook, LLC, pursuant to the Act and 10 CFR 30, 40, and 70, to receive, possess, and use in amounts as required any byproduct, source, or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components;
- (6) FPL Energy Seabrook, LLC, pursuant to the Act and 10 CFR 30, 40, and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility authorized herein; and
- (7) DELETED

C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

FPL Energy Seabrook, LLC, is authorized to operate the facility at reactor core power levels not in excess of 3411 megawatts thermal (100% of rated power).

(2) Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. * and the Environmental Protection Plan contained in Appendix B are incorporated into Facility License No. NPF-86. FPL Energy Seabrook, LLC, shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) License Transfer to FPL Energy Seabrook, LLC

- a. On the closing date(s) of the transfer of any ownership interests in Seabrook Station covered by the Order approving the transfer, FPL Energy Seabrook, LLC, shall obtain from each respective transferring owner all of the accumulated decommissioning trust funds for the facility, and ensure the deposit of such funds and additional funds, if necessary, into a decommissioning trust or trusts for Seabrook Station established by FPL Energy Seabrook, LLC, such that the amount of such funds deposited meets or exceeds the amount required under 10 CFR 50.75 with respect to the interest in Seabrook Station FPL Energy Seabrook, LLC, acquires on such dates(s).

- b. With respect to the decommissioning trust(s) established by FPL Energy Seabrook, LLC,
 - (i) The decommissioning trust agreement must be in a form acceptable to the NRC.
 - (ii) Investments in the securities or other obligations of FPL Group Inc. or its affiliates, successors, or assigns shall be prohibited. In addition, except for investments tied to market indexes or other non-nuclear-sector mutual funds, investments in any entity owning one or more nuclear power plants shall be prohibited.
 - (iii) The decommissioning trust agreement must provide that no disbursements or payments from the trust(s), other than for ordinary administrative expenses, shall be made by the trustee until the trustee has first given the NRC 30 days prior written notice of payment. The decommissioning trust agreement shall further provide that no disbursements or payments from the trust(s) shall be made if the trustee receives prior written notice of objection from the Director of the Office of Nuclear Reactor Regulation.
 - (iv) The decommissioning trust agreement must provide that the agreement cannot be amended in any material respect without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation.
 - (v) The appropriate section of the decommissioning trust agreement shall provide that the trustee, investment advisor, or anyone else directing the investments made in the trust(s) shall adhere to a "prudent investor" standard, as specified in 18 CFR 35.32(a)(3) of the Federal Energy Regulatory Commission's regulations.
- c. FPL Energy Seabrook, LLC, shall take all necessary steps to ensure that the decommissioning trust(s) are maintained in accordance with the license transfer application and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order.
- d. FPL Energy Seabrook, LLC, shall take no action to cause FPL Group Capital, Inc. or its parent companies to void, cancel, or modify the Support Agreement to provide funding of up to \$110 million for FPL Energy Seabrook, LLC, as represented in the license transfer application without prior written consent of the Director of the Office of Nuclear Reactor Regulation.

D. Exemptions

FPL Energy Seabrook, LLC, is exempted from the Section III.D.2(b)(ii) containment airlock testing requirements of Appendix J to 10 CFR 50, because of the special circumstances described in Section 6.2.6 of SER Supplement 5 and authorized by 10 CFR 50.12(a)(2)(ii) and (iii) (51 FR 37684 October 23, 1986).

NRC Materials License No. SNM-1963, issued December 19, 1985, granted an exemption pursuant to 10 CFR 70.24 with respect to requirements for criticality alarms. FPL Energy Seabrook, LLC, is hereby exempted from provisions of 10 CFR 70.24 insofar as this section applies to the storage and handling of new fuel assemblies in the new fuel storage vault, spent fuel pool (when dry), and shipping containers.

These exemptions, authorized by law, will not present an undue risk to the public health and safety and are consistent with the common defense and security. These exemptions are hereby granted pursuant to 10 CFR 50.12. With the granting of these exemptions, the facility will operate, to the extent authorized herein, in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission.

E. Physical Security

FPL Energy Seabrook, LLC, shall fully implement and maintain in effect all provisions of the physical security, guard training and qualification, and safeguards contingency plans, previously approved by the Commission and all amendments and revisions to such plans made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p) including amendments and revisions made pursuant to provisions of the Miscellaneous Amendments and Search Requirements of 10 CFR 73.55. The plans which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Seabrook Station Physical Security Plan," with revisions submitted through June 9, 1988; "Seabrook Station Security Training and Qualification Plan," with revisions submitted through November 4, 1987; and "Seabrook Station Safeguards Contingency Plan," with revisions submitted through May 19, 1987. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.

F. Fire Protection

FPL Energy Seabrook, LLC, shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report, the Fire Protection Program Report, and the Fire Protection of Safe Shutdown Capability Report for the facility, as supplemented and amended, and as approved in the Safety Evaluation Report, dated March 1983; Supplement 4, dated May 1986; Supplement 5, dated July 1986; Supplement 6, dated October 1986; Supplement 7, dated October 1987; and Supplement 8, dated May 1989 subject to the following provisions: FPL Energy Seabrook, LLC, may make changes to the approved fire protection program without prior approval of the Commission, only if those changes would not adversely affect the ability to achieve and maintain shutdown in the event of a fire.

G. Reporting to the Commission

Except as otherwise provided in the Technical Specifications or Environmental Protection Plan, FPL Energy Seabrook, LLC, shall report any violations of the requirements contained in Sections 2.C.(1) and 2.C.(2) of this license in the following manner: Initial notification shall be made within 24 hours to the NRC Operations Center via the Emergency Notification System, with written follow-up within 30 days in accordance with the procedures described in 10 CFR Part 50.73(b), (c), and (e).

H. Financial Protection

The licensees shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.

I. DELETED

J. Additional Conditions

The Additional Conditions contained in Appendix C, as revised through Amendment No. 50, are hereby incorporated into this license. FPL Energy Seabrook, LLC, shall operate the facility in accordance with the Additional Conditions.

3. This license is effective as of the date of issuance and shall expire at midnight on October 17, 2026.

FOR THE NUCLEAR REGULATORY COMMISSION

(Original signed by:
Thomas E. Murley)

Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

Attachments/Appendices:

1. Appendix A - Technical Specifications (NUREG-1386)
2. Appendix B - Environmental Protection Plan
3. Appendix C - Additional Conditions

Date of Issuance: March 15, 1990

APPENDIX B
TO FACILITY OPERATING LICENSE NO. NPF-86
SEABROOK STATION, UNIT 1
FPL ENERGY SEABROOK, LLC
DOCKET NO. 50-443
ENVIRONMENTAL PROTECTION PLAN
(NONRADIOLOGICAL

AMENDMENT NO. 86

APPENDIX C

ADDITIONAL CONDITIONS
OPERATING LICENSE NO. NPF-86

FPL Energy Seabrook, LLC, shall comply with the following conditions on the schedules noted below:

Amendment Number	Additional Condition	Implementation Date
50	NAESCO is authorized to relocate certain technical specification requirements to licensee-controlled documents. Implementation of this amendment shall include the relocation of these technical specification requirements to the appropriate documents, as described in the licensee's application dated October 17, 1996, and evaluated in the staff's Safety Evaluation attached to this amendment.	The amendment shall be implemented within 60 days from March 12, 1997

November 1, 2002

Docket No. 50-443

AMENDMENT TO INDEMNITY AGREEMENT NO. B-106
AMENDMENT NO. 4

Effective November 1, 2002, Indemnity Agreement No. B-106, between North Atlantic Energy Corporation, The United Illuminating Company, Great Bay Power Corporation, New England Power Company, The Connecticut Light and Power Company, Canal Electric Company, Little Bay Power Corporation, New Hampshire Electric Cooperative, Inc., Massachusetts Municipal Wholesale Electric Company, Taunton Municipal Lighting Plant, Hudson Light and Power Department, and the Nuclear Regulatory Commission, dated December 18, 1985, as amended, is hereby further amended as follows:

The following are the named licensees for the Seabrook Station:

- FPL Energy Seabrook, LLC
- Massachusetts Municipal Wholesale Electric Company
- Taunton Municipal Lighting Plant
- Hudson Light and Power Department

FOR THE UNITED STATES NUCLEAR REGULATORY COMMISSION

IRA
 Christopher I. Grimes, Program Director
 Policy and Rulemaking Program
 Division of Regulatory Improvement Programs
 Office of Nuclear Reactor Regulation

Accepted _____, 2002

Accepted _____, 2002

By _____
North Atlantic Energy Corporation

By _____
The United Illuminating Company

Accepted _____, 2002

Accepted _____, 2002

By _____
Great Bay Power Corporation

By _____
New England Power Company

Accepted _____, 2002

Accepted _____, 2002

By _____
The Connecticut Light and Power Company

By _____
Canal Electric Company

Accepted _____, 2002

Accepted _____, 2002

By _____
Little Bay Power Corporation

By _____
New Hampshire Electric Cooperative,
Inc.

Accepted _____, 2002

Accepted _____, 2002

By _____
Massachusetts Municipal Wholesale
Electric Company

By _____
Taunton Municipal Lighting Plant

Accepted _____, 2002

Accepted _____, 2002

By _____
Hudson Light and Power Department

By _____
FPL Energy Seabrook, LLC