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November 21, 2002

Mr. Samuel J. Collins, Director
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, D.C. 20555-0001

RE: New England Power Company Special Nuclear Committee

Dear Mr. Collins:

This correspondence is to advise you of New England Power Company's (NEP) plans to dissolve the Special Nuclear Committee of the NEP Board of Directors (SNC). The SNC is no longer needed in light of the recent sale of NEP's 9.9% ownership interest in Seabrook Station to FPL Energy Seabrook, LLC (FPLE Seabrook), which occurred on November 1, 2002. As a result of the sale, NEP no longer has any ownership interest in a nuclear generating facility.

The SNC was established in connection with the NRC's consent to an indirect transfer of control of NEP's minority ownership interests in the Seabrook and Millstone Unit 3 operating licenses (9.9% of Seabrook and 12.2% of Millstone Unit 3) resulting from the merger between New England Electric System (NEES), the former parent company of NEP, and National Grid Group plc (National Grid).[1] Because of National Grid Group's status as a company incorporated under the laws of England and Wales, the SNC was established as part of a "negation action plan" to address the NRC's requirements concerning foreign ownership or control. On December 10, 1999, the NRC issued Orders and accompanying Safety Evaluations approving the indirect license transfers, in which the NRC approved NEP's negation action plan, including the SNC as described in the amended Bylaws of NEP, as adequate to address the foreign control prohibitions.

Earlier this year, NEP and certain other co-owners of Seabrook entered into an agreement to sell their collective 88.23% ownership interest in Seabrook to FPLE Seabrook. By letter dated May 17, 2002, North Atlantic Energy Service Corporation (NAESCO), on behalf of itself and the selling owners, and FPLE Seabrook submitted an application for an order consenting to the

[1] National Grid Group plc recently changed its name to National Grid Transco plc.

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transfer of the operating license for Seabrook to FPLE Seabrook. By Order dated October 25, 2002, the NRC approved the proposed license transfer. The closing for the transaction occurred on November 1, 2002.

In light of the divestiture of NEP's interest in Seabrook, NEP no longer holds any ownership interest in a nuclear generating facility and is no longer an NRC licensee. (NEP previously sold its interest in Millstone Unit 3 to Dominion Nuclear Connecticut, Inc.) As a result, any concerns about potential foreign control of NEP's nuclear activities have been eliminated and the SNC is no longer needed.[2]

Accordingly, NEP is planning to dissolve the SNC and anticipates doing so by December 31, 2002. The NRC's December 10, 1999 Order approving the indirect license transfer resulting from the NEES-National Grid merger required that the Director, Office of Nuclear Reactor Regulation consent in writing to any "material changes" concerning the SNC, but did not specify whether consent would be needed to the dissolution of the SNC once NEP had disposed of all its interests in nuclear generating facilities and was no longer an NRC licensee. NEP does not believe that consent is necessary to the dissolution of the SNC under the circumstances. Nevertheless, NEP is notifying you of its intent to dissolve the SNC so that the NRC may promptly provide any consent if you deem it necessary. NEP would appreciate the NRC's response by December 20, 2002.

We appreciate your assistance on this matter. Please contact us should you have any questions or need further information.

Sincerely,

Daniel F. Stenger
Counsel for New England Power Company

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2 As noted in the Staff's Safety Evaluation dated December 10, 1999 (at page 3), NEP is a minority shareholder in the Yankee companies which own and are the licensees for nuclear plants in New England. The NRC concluded that consent under 10 C.F.R. § 50.80 was not required with respect to the Yankee plants and the NEES-National Grid merger. Accordingly, the requirement of a negation action plan or SNC did not extend to NEP's minority shareholder interests in the Yankee companies.