

UNITED STATES OF AMERICANUCLEAR REGULATORY COMMISSION

In the Matter of)	Docket Nos. 50-029, 72-31
)	
YANKEE ATOMIC ELECTRIC COMPANY)	License No. DPR-3
)	
NORTHEAST UTILITIES)	
)	
NSTAR)	
)	
(Yankee Nuclear Power Station))	
)	

ORDER APPROVING APPLICATION
REGARDING PROPOSED MERGER

I.

Yankee Atomic Electric Company (Yankee Atomic or the licensee) is the holder of Facility Operating License No. DPR-3, which authorizes possession, use, and operation of the Independent Spent Fuel Storage Installation at the Yankee Nuclear Power Station. The facility is located at the licensee's site in Rowe, Massachusetts.

II.

By application dated December 6, 2010, as supplemented on March 16, May 16, June 8, August 16, August 24, and August 25, 2011 (together, the "application"), Yankee Atomic notified the Nuclear Regulatory Commission (NRC or the Commission) of the pending merger of Northeast Utilities and NSTAR (each current indirect minority co-owners of 38.5 percent and 14 percent, respectively, of Yankee Atomic) and requested that, pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (AEA), and Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.80, the NRC consent to the indirect transfer of control of License No. DPR-3 for the Yankee Nuclear Power Station, to the extent effected by the pending merger of Northeast Utilities and NSTAR.

The increase in ownership by Northeast Utilities of Yankee Atomic would be the result of several transactions to be executed pursuant to a Merger Agreement, dated October 16, 2010, as amended on November 1, 2010, among Northeast Utilities, NSTAR and certain subsidiaries of Northeast Utilities. The transactions involve mergers of NSTAR and special-purpose subsidiaries of Northeast Utilities, which will result in NSTAR merging into a subsidiary of Northeast Utilities and becoming a wholly-owned subsidiary of Northeast Utilities. This subsidiary will be renamed "NSTAR LLC." The corporate organizational and ownership structure of all the other subsidiaries of Northeast Utilities and NSTAR will not be affected by the merger – those subsidiaries that are currently owned by Northeast Utilities will continue to be owned by Northeast Utilities and in the same ownership percentage after the merger, and those that are currently owned by NSTAR will be owned by the renamed entity, NSTAR LLC, and in the same ownership percentage after the merger as before the merger.

Following the proposed merger, Northeast Utilities, the surviving company, will have an indirect ownership of 52.5 percent of Yankee Atomic through its subsidiaries, The Connecticut Light and Power Company, Public Service Company of New Hampshire, Western Massachusetts Electric Company, and NSTAR Electric Company. Yankee Atomic will continue to operate the facility and hold the license.

No physical changes to the Yankee Nuclear Power Station facility or operational changes are being proposed in the application.

Approval of the transfer of the license is requested by the applicant pursuant to 10 CFR 50.80. Notice of the request for license transfer, opportunity to comment, and opportunity to request a hearing was published in the *Federal Register* on July 14, 2011 (76 FR 41532). No comments or hearing requests were received.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Upon review of the information in the application and other information

before the Commission, and relying upon the representations contained in the application, the NRC staff has determined that the proposed indirect transfer of control of the subject license, to the extent which will result from the proposed merger of Northeast Utilities and NSTAR, will not affect the technical or financial qualifications of the licensee and is otherwise consistent with applicable provisions of law, regulations, and Orders issued by the NRC, pursuant thereto, subject to the condition set forth below.

The findings set forth above are supported by the NRC staff's safety evaluation (SE) dated December 20, 2011.

III.

Accordingly, pursuant to Sections 161b, 161i, 161o, and 184 of the AEA, 42 U.S.C. Sections 2201(b), 2201(i), 2201(o), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the indirect license transfer related to the proposed merger of Northeast Utilities and NSTAR, as described herein, is approved, subject to the following condition:

Within thirty (30) days following consummation of the proposed merger, Northeast Utilities, via its post-merger subsidiaries, The Connecticut Light and Power Company, Western Massachusetts Electric Company, Public Service Company of New Hampshire, and NSTAR Electric Company, who together will exercise majority control, will call for votes directing that Yankee Atomic approve a negation action plan consistent with the requirements of 10 CFR 50.38 and implement said plan within 30 days of the vote, and directing that records of the votes, reflecting the vote of each representative and the stock holder company represented, be forwarded to the NRC within seven (7) days of the vote, and be made available to the public.

IT IS FURTHER ORDERED that Yankee Atomic shall inform the Director of the Office of Nuclear Material Safety and Safeguards, in writing, of the date of closing of the merger between Northeast Utilities and NSTAR at least one business day before the closing. Should the transfer

of the license not be completed within one year of this Order's date of issuance, this Order shall become null and void, provided, however, that upon written application and for good cause shown, such date may be extended by Order.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated December 6, 2010 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML103490133), as supplemented by letters dated on March 16 (ML110770022), May 16 (ML11139A088), June 8 (ML11166A124), August 16 (ML11235A723), August 24 (ML11243A087), and August 25, 2011 (ML112490526), and the SE dated December 20, 2011 (ML113270127), which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, 11555 Rockville Pike, Room O-1 F21 (First Floor), Rockville, Maryland, and accessible electronically from the ADAMS Public Electronic Reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS, or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR Reference staff by telephone at 1-800-397-4209 or 301-415-4737, or by e mail at pdr.resource@nrc.gov.

Dated at Rockville, Maryland, this 20th day of December, 2011.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Daniel H. Dorman, Acting Director
Office of Nuclear Material Safety
and Safeguards