



10 CFR 50.80

June 26, 2012

U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

ATTENTION: Document Control Desk

SUBJECT: NRC License No. NPF-49 (Docket No. 50-423) (Millstone Power Station, Unit No. 3); License No. DPR-36 (Dockets Nos. 50-309, 72-30) (Maine Yankee); License No. DPR-61 (Docket Nos. 50-213, 72-39) (Connecticut Yankee); and License No. DPR-3 (Docket Nos. 50-029, 72-31) (Yankee Atomic)

REFERENCE: (a) "Application for Consent to Proposed License Transfers; Request for Threshold Determination," dated September 9, 2011, from Central Vermont Public Service Corporation and Gaz Métro Limited Partnership
(b) "Order Approving Application Regarding Merger of Central Vermont Public Service Corporation and Gaz Métro Limited Partnership and Resultant Indirect Transfer of License (TAC No. ME7127)," dated June 15, 2012
(c) "Supplemental Information," dated November 4, 2011, from Central Vermont Public Service Corporation and Gaz Métro Limited Partnership
(d) NRC letter to CVPS, "Millstone Power Station, Unit No. 3—Partial Acceptance of Requested Licensing Action re: Application for Consent to Proposed License Transfers; Request for Threshold Determination (TAC NO. ME7127)," dated February 14, 2012
(e) "Response to NRC's Request for Additional Information," dated April 6, 2012
(f) "Additional Supplemental Information," dated May 4, 2012

Request to Reinitiate NRC's Review of Second Merger; Supplemental Information

Central Vermont Public Service Corporation (CVPS) and Gaz Métro Limited Partnership (Gaz Métro) (the Applicants) submitted a license transfer application to the Nuclear Regulatory Commission (NRC) in Reference (a). The Application requested NRC consent pursuant to 10 CFR 50.80 for two related merger transactions: (1) the indirect transfer of control of CVPS' 1.7303% interest in the license for Millstone 3 resulting from the acquisition of CVPS by Gaz Métro (the "First Merger"); and (2) the transfer of control of CVPS' interest in the license for Millstone 3 resulting from a subsequent restructuring in which CVPS will be consolidated with Gaz Métro's existing U.S. subsidiary Green Mountain Power Corporation (GMP) (the "Second Merger"). By Order dated June 15, 2012

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(Reference (b)), the NRC approved the indirect license transfer resulting from the First Merger. The Applicants are writing to request that the NRC Staff now reinstate its review of the Second Merger, which had previously been deferred.

In Reference (d), the NRC informed the Applicants that it would review the First Merger and defer its review of the Second Merger until the Applicants provided additional documentation, specifically an executed Agreement and Plan of Merger for the Second Merger. Below we provide the necessary additional information on the Second Merger, including a copy of the executed Agreement and Plan of Merger. This supplemental information, along with the information previously submitted in References (a), (c), (e) and (f), should enable the NRC Staff to reinstate its review of the Second Merger.

Name of Combined Company; Conforming License Amendment Request

The Applicants have decided that the combined company resulting from the Second Merger will be named "Green Mountain Power Corporation." For the sake of clarity, we refer to the combined CVPS and GMP after the Second Merger as the "Combined Company" herein. A conforming license amendment will be necessary to reflect the change of name for the co-owner licensee on the Millstone 3 license from Central Vermont Public Service Corporation to Green Mountain Power Corporation. The Applicants have coordinated with Dominion Nuclear Connecticut, Inc. (DNC), the lead licensee for Millstone 3, which is authorized to act as agent for the joint owners. The Applicants understand that DNC will submit the necessary conforming license amendment request to the NRC on our behalf in the near future.

Purpose and Nature of the Transaction

The license transfer is requested in order to allow Gaz Métro to consolidate its two electric utility subsidiaries, CVPS and Green Mountain Power Corporation (GMP), which are the two largest electric utilities in the State of Vermont. The consolidation would produce substantial benefits for electric customers in the state. As the Vermont Public Service Board (PSB) observed in its June 15, 2012 Order approving both the First and Second Mergers, the proposed consolidation of CVPS and GMP "is an unprecedented opportunity to create operational efficiencies that will significantly benefit electric customers and the state of Vermont."¹ The Vermont PSB noted that currently "retail customers pay electric rates that reflect substantial duplication in costs and functions for these two utilities" and that the consolidation of the two utilities will achieve significant operational efficiencies.

Some examples of the benefits of the Second Merger noted by the Vermont PSB include:

- \$144 million of guaranteed direct rate savings over 10 years, with \$15.5 million of these guaranteed benefits being provided within the first 3 years after the Second Merger;
- Electric rates that will be at least 5.82 percent lower than they otherwise would have been without the operational efficiencies achieved from the Second Merger;
- Improved customer service quality and reliability, as a result of (1) streamlining storm response resources so that power will be restored faster and the frequency and duration of outages will be reduced, and (2) combining information technology resources so that customer information will be moved online so that customers may receive more personalized service; and

¹/ State of Vermont Public Service Board, Docket No. 7770, Order entered 6/15/2012 at page 5.

- A new “Community Energy Efficiency and Development Fund” that will deliver at least \$25 million in benefits to customers in the former CVPS territory, such as investments in new and existing efficiency programs, renewable and clean energy programs, other demand resources, and new and innovative technologies.

Agreement and Plan of Merger

Attachment (1) hereto contains an executed copy of the Agreement and Plan of Merger for the Second Merger (Second Merger Agreement). (This agreement supersedes the draft form of the Second Merger Agreement that the Applicants previously provided in Reference (c).) As described in the Second Merger Agreement, the Second Merger will result in a consolidation of Gaz Métro’s two electric utility subsidiaries in Vermont, CVPS and GMP. Specifically, as noted in Section 2.1 of the Second Merger Agreement, in accordance with the Vermont Business Corporation Act, CVPS will merge with and into GMP, with GMP being the surviving corporation. As noted in Reference (a), prior to the consolidation, both CVPS and GMP will be direct wholly-owned subsidiaries of Gaz Métro’s existing wholly-owned U.S. subsidiary Northern New England Energy Corporation (NNEEC), and following the consolidation, the Combined Company will remain a direct wholly-owned subsidiary of NNEEC.

The Combined Company will remain an electric utility subject to rate regulation by the Vermont PSB, and as such, is exempt from NRC financial qualifications review requirements. As described in Section 3.2 of the Second Merger Agreement, all obligations and duties of CVPS shall attach to the Combined Company as a result of the Second Merger. The Combined Company will thus succeed to all of CVPS’s current financial obligations with respect to payment of its proportionate share of the operations and maintenance costs of Millstone 3 and responsibility for its proportionate share of the decommissioning funding assurance obligations for Millstone 3. No changes in CVPS’s financial and decommissioning funding obligations for Millstone 3 are proposed as a result of the Second Merger.

The Combined Company will also be the successor to CVPS’s small minority shareholder interests in the three Yankee Companies. As described in Reference (a), the Combined Company’s ownership interest in the Yankee Companies would be solely as a shareholder. As a shareholder owner, the Combined Company, like CVPS currently, would have one member on the Board of Directors of each of the Yankee Companies. However, with only a small minority shareholder interest, it would not have the ability to control the management of the Yankee Companies and would have no operational control over the licensed facilities of the Yankee Companies. The Second Merger thus does not result in any transfer of control of the licenses for the Yankee Companies. As part of its license transfer approval in Reference (b), the NRC issued a threshold determination that the First Merger did not result in any transfer of control of the licenses for the Yankee Companies requiring approval of the NRC. To the extent necessary, the Applicants request that the NRC issue another threshold determination that the Second Merger similarly does not result in any transfer of control of the licenses for the Yankee Companies.

The Applicants expect to have a list of the directors and principal officers of the Combined Company shortly after the closing of the First Merger, which is scheduled for June 27, 2012, and will submit a supplement with that information as soon as the directors and principal officers have been identified. In addition, as provided in Section 4.2 of the Second Merger Agreement, the Bylaws of the Combined Company will be the Bylaws of CVPS. The proposed Bylaws for CVPS were previously provided to the NRC in Attachment 1 to Reference (f). The Bylaws of

the Combined Company will contain the Negation Action Plan that was approved by the NRC in its June 15, 2012 Order for purposes of preventing impermissible foreign ownership, control or domination (FOCD). A copy of the Bylaws for Combined Company will be submitted in a future supplement as soon as they are ready. No substantive changes to the Negation Action Plan are being proposed.

Special Nuclear Committee

As noted in Reference (f), the Applicants have identified the three U.S. citizen directors who will serve as the members of the Special Nuclear Committee of the CVPS Board of Directors after the First Merger, in accordance with the approved Negation Action Plan. The same directors will serve as the members of the Special Nuclear Committee for the Combined Company. Thus, the Special Nuclear Committee of the Combined Company will be made up of the following directors:

Special Nuclear Committee Members of Combined Company
Mary G. Powell (US Citizen). Ms. Powell will be the CEO of CVPS after the First Merger and is the current President and CEO of GMP, a role she has served in from August 2008. Prior to that, Ms. Powell served as Chief Operating Officer and Senior Vice President of GMP from April 2001 to August 2008. Ms. Powell is also a member of the current GMP Board of Directors and will be a member of the CVPS Board of Directors after the First Merger.
David Coates (US Citizen; independent director). Mr. Coates is a retired Partner, KPMG Peat Marwick in Burlington, Vermont. Mr. Coates is also a member of the current GMP Board of Directors and will be a member of the CVPS Board of Directors after the First Merger.
Euclid Irving (US Citizen; independent director). Mr. Irving is an attorney in the New York City office of the law firm of Jones Day. Mr. Irving is also a member of the current GMP Board of Directors and will be a member of the CVPS Board of Directors after the First Merger.

Other Regulatory Approvals

The major regulatory approvals necessary for the Second Merger have been obtained, including approval by the Vermont Public Service Board and merger approval by the Federal Energy Regulatory Commission (FERC). In addition to the NRC's license transfer approval, the other regulatory approvals for the Second Merger are Federal Communications Commission (FCC) approval with respect to certain FCC licenses and FERC approval for the transfer of hydroelectric facility licenses.

Schedule

As explained in Reference (a), the parties intend to complete the Second Merger within approximately three months of the First Merger. The First Merger is scheduled to close on June 27, 2012. The Applicants therefore expect to close the Second Merger by the end of September 2012. Accordingly, Applicants request: (1) NRC consent to the proposed license transfer relating to CVPS's interest in Millstone 3 resulting from the Second Merger, together with approval of the conforming license amendment; and (2) as necessary, issuance of a threshold determination that no license transfer results with respect to the licenses of the Yankee Companies, by September 4, 2012 if possible. Applicants believe this schedule is reasonable in view of the NRC's recent review

and approval of the related First Merger. Applicants are prepared to work closely with the NRC to expedite its review of the Second Merger.

Should you have any questions or require additional information regarding this submittal, please contact Stephen W. Page, Manager, Energy Administration, CVPS, at 802-747-5290.

Sincerely,



Dale A. Rocheleau
Senior Vice President, General Counsel
& Corporate Secretary
Central Vermont Public Service Corporation

STATE OF VERMONT :

: TO WIT:

CITY OF RUTLAND :

I, Dale A. Rocheleau, state that I am the Senior Vice President, General Counsel & Corporate Secretary for Central Vermont Public Service Corporation, and that I am duly authorized to execute and file this application supplement on behalf of the company. To the best of my knowledge and belief, the statements contained in this document are true and correct. To the extent that these statements are not based on my personal knowledge, they are based upon information provided by employees and/or consultants of the companies. Such information has been reviewed in accordance with company practice, and I believe it to be reliable.


Dale A. Rocheleau

Subscribed and sworn before me, a Notary Public in and for the State of Vermont and City of Rutland, this 26th day of June, 2012.

WITNESS my Hand and Notarial Seal:


Notary Public

My Commission Expires:

2/10/2015
Date

Attachments: (1) Agreement and Plan of Merger (Second Merger)

cc: James S. Kim, NRC Project Manager for Millstone 3
John M. Goshen, NRC Project Manager for Maine Yankee, Haddam Neck, and Yankee Rowe
Susan Uttal, NRC Office of General Counsel
Thomas Fredrichs, Senior Level Advisor for Financial Matters, NRR
USNRC, Director, Office of Nuclear Reactor Regulation
USNRC, Director, Office of Nuclear Material Safety and Safeguards
Regional Administrator – NRC Region I
NRC Senior Resident Inspector – Millstone 3
Lillian M. Cuoco, Senior Counsel, Dominion Resources Services, Inc.
Joseph D. Fay, General Counsel for the Yankee Companies
Nicholas J. Scobbo, Jr., Ferriter Scobbo & Rodophele, PC, General Counsel for Massachusetts
Municipal Wholesale Electric Company
Peter Dion, President, Massachusetts Municipal Wholesale Electric Company
Daniel F. Stenger, Hogan Lovells US LLP
Thomas L. Cabbage III, Covington & Burling LLP
Richard A. Meserve, Covington & Burling LLP

ATTACHMENT (1)

Agreement and Plan of Merger (Second Merger)

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this "Agreement"), effective as of June 22, 2012, is made by and between GREEN MOUNTAIN POWER CORPORATION, a Vermont public utility corporation with a place of business in Colchester, Vermont ("GMP"), and CENTRAL VERMONT PUBLIC SERVICE CORPORATION, a Vermont public utility corporation with a place of business in Rutland, Vermont ("CVPS").

RECITALS

WHEREAS, Gaz Métro Limited Partnership ("Gaz Métro"), Danaus Vermont Corp. ("Merger Sub"), and CVPS entered into that certain Agreement and Plan of Merger dated July 11, 2011 (the "CVPS Acquisition Merger Agreement"), pursuant to which Merger Sub will merge with and into CVPS, with CVPS being the surviving corporation, and Northern New England Energy Corporation, the sole shareholder of Merger Sub and a wholly-owned subsidiary of Gaz Métro ("NNEEC") will acquire all of the shares of CVPS stock (the "CVPS Acquisition");

WHEREAS, GMP is a wholly-owned subsidiary of NNEEC;

WHEREAS, the parties desire to enter into this Agreement to provide for the eventual merger of CVPS with and into GMP upon the terms set forth herein, and subject to the conditions set forth herein, including without limitation, the conditions precedent set forth in Article I below.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I
Conditions Precedent

The respective obligations of the parties to proceed with the Stage 2 Merger (as defined below) and to consummate the transactions contemplated by this Agreement is subject to the satisfaction prior to the Effective Time of the following conditions:

- (a) The parties shall have obtained, in satisfactory form to both CVPS and GMP, any and all necessary regulatory, and/or governmental approvals and authorizations of the CVPS Acquisition and the Stage 2 Merger, and any applicable appeal periods have expired.
- (b) The parties shall have obtained, in satisfactory form to both CVPS and GMP, any and all necessary third party consents, waivers or approvals for the consummation of the CVPS Acquisition and the Stage 2 Merger.

- (c) The closing and effective time of the CVPS Acquisition shall have occurred pursuant to the CVPS Acquisition Merger Agreement.
- (d) The board of directors of GMP shall have approved this Agreement and recommended the Stage 2 Merger to NNEEC, the sole shareholder of GMP.
- (e) The board of directors of CVPS after the CVPS Acquisition shall have approved this Agreement and recommended the Stage 2 Merger to NNEEC, the sole shareholder of CVPS after the CVPS Acquisition.
- (f) NNEEC, the sole shareholder of both GMP and CVPS after the CVPS Acquisition, shall have approved this Agreement and the Stage 2 Merger.

ARTICLE II
Plan of Merger

Section 2.1. Stage 2 Merger. As authorized by Section 11.01 of the Vermont Business Corporation Act (the “Act”), at the Effective Time (as defined below), CVPS shall merge with and into GMP (the “Stage 2 Merger”), and GMP shall be the surviving corporation (the “Surviving Corporation”).

Section 2.2. Cancellation of Shares. NNEEC currently holds 100 shares of GMP stock, constituting all of the issued and outstanding shares of GMP stock. The shares of CVPS common stock to be held by NNEEC upon the consummation of the CVPS Acquisition will constitute all of the issued and outstanding shares of stock of CVPS, and at the Effective Time (as defined below), each such share of CVPS common stock shall be cancelled and retired and cease to exist, so that as a result of the Stage 2 Merger, NNEEC shall continue to hold a total of 100 shares of common stock of the Surviving Corporation, constituting all of the issued and outstanding shares of the Surviving Corporation stock.

Section 2.3. Shareholder Approval. In accordance with Section 11.03 of the Act, this Agreement, once approved and recommended by the boards of directors of both GMP and CVPS, shall be submitted for adoption and approval by NNEEC, the sole shareholder of each of GMP and CVPS after the CVPS Acquisition.

Section 2.4. Articles of Merger. Upon the adoption and approval of this Agreement by NNEEC, Articles of Merger shall be executed and filed in the office of the Secretary of State of Vermont in the manner required by Section 11.05 of the Act.

Section 2.5. Effective Time. The Stage 2 Merger shall become effective upon the filing of Articles of Merger in the office of the Secretary of State of Vermont, which shall hereafter be referred to in this Agreement as the “Effective Time.”

ARTICLE III
Effect of Merger

Section 3.1. Corporate Existence. At the Effective Time:

- (a) GMP's corporate existence shall survive;
- (b) GMP's identity, existence, purposes, powers, objects, franchises, rights and immunities shall continue unaffected and unimpaired by the Stage 2 Merger; and
- (c) CVPS' corporate identity, existence, purposes, powers, objects, franchises, rights and immunities shall be wholly merged into GMP, and the separate existence of CVPS, except insofar as continued by applicable law, shall cease.

Section 3.2. Assets and Liabilities. At the Effective Time, all property, real, personal and mixed, and all debts due to either GMP or CVPS on whatever account, and all and every other interest of or belonging to either GMP or CVPS shall be taken by and deemed to be transferred to and vested in the Surviving Corporation without further act or deed; and all property and every other interest shall be as effectually the property of the Surviving Corporation as it was of the respective corporations prior to the Effective Time, and the title to any real estate or any interest, whether vested by deed or otherwise, in either GMP or CVPS shall not revert or be in any way impaired by reason of the Stage 2 Merger; provided, however, that all rights of creditors and all liens upon the property of either GMP or CVPS shall be preserved unimpaired, and all debts, liabilities, obligations and duties of GMP or CVPS shall attach to the Surviving Corporation, and may be enforced against it to the same extent as if the debts, liabilities, obligations and duties had been incurred or contracted by it. Any action or proceeding pending by or against CVPS may be prosecuted to judgment as if the Stage 2 Merger had not taken place, or the Surviving Corporation may be submitted in place of CVPS. The parties respectively agree that from time to time, when requested by the Surviving Corporation, they will execute and deliver or cause to be executed and delivered all deeds and instruments, and will take or cause to be taken all further or other action, as the Surviving Corporation may deem necessary or desirable in order to vest in and confirm to the Surviving Corporation title to and possession of all the property and rights and otherwise carry out the intent and purposes of this Agreement.

ARTICLE IV
Articles of Incorporation; Bylaws; Directors and Officers

Section 4.1. Articles of Incorporation. From and after the Effective Time, the current Amended and Restated Articles of Incorporation of GMP shall be the Articles of Incorporation of the Surviving Corporation, until further amended as provided therein.

Section 4.2. Bylaws. From and after the Effective Time, the current Bylaws of CVPS shall be the Bylaws of the Surviving Corporation until they shall be altered, amended or repealed, or until new Bylaws shall be adopted, in accordance with the provisions therein.

Section 4.3. Directors and Officers. From and after the Effective Time, the current directors and officers of GMP shall continue to be the directors and officers of the Surviving Corporation and shall hold office until their successors have been elected or appointed and qualified pursuant to the Bylaws of the Surviving Corporation.

ARTICLE V
Conduct of Business

Upon closing the CVPS Acquisition and prior to the Effective Time, CVPS shall conduct its business in its usual and ordinary manner, and shall not enter into any transaction other than in the usual and ordinary course of such business except as otherwise consented to in writing by GMP or as otherwise provided in this Agreement. Prior to the closing of the CVPS Acquisition, any and all relevant provisions of the CVPS Acquisition Merger Agreement shall govern the conduct of CVPS' business, including without limitation, Section 5.1 of the CVPS Acquisition Merger Agreement.

ARTICLE VI
Representations and Warranties

Section 6.1. CVPS Representations and Warranties. CVPS covenants, represents and warrants to GMP that it is on the date of this Agreement and will be immediately prior to the Effective Time (i) a corporation duly organized and existing and in good standing under the laws of the State of Vermont, and (ii) duly authorized under its Articles of Incorporation, as amended to date, and under applicable laws, to engage in the business carried on by it.

Section 6.2. GMP Representations and Warranties. GMP covenants, represents and warrants to CVPS that it is on the date of this Agreement and will be immediately prior to the Effective Time (i) a corporation duly organized and existing and in good standing under the laws of the State of Vermont, and (ii) duly authorized under its Articles of Incorporation, as amended to date, and under applicable laws, to engage in the business carried on by it.

ARTICLE VII
Consummation of Stage 2 Merger; Abandonment of Stage 2 Merger

Section 7.1. Expenses. If the Stage 2 Merger is completed, all expenses incurred in consummating this Agreement shall, except as otherwise agreed in writing, be borne by the Surviving Corporation. If the Stage 2 Merger is not completed, each of GMP and CVPS shall be liable for, and shall pay, the expenses incurred by it.

Section 7.2. Abandonment of Stage 2 Merger. Notwithstanding shareholder authorization and at any time prior to the Effective Time, the Stage 2 Merger may be abandoned:

(a) By the mutual consent of the respective boards of directors of each of GMP and CVPS;

(b) At the election of the board of directors of GMP if the representations and warranties and representations of CVPS contained in this Agreement shall not be accurate in all material respects on and as of the Effective Time, or the covenants of CVPS shall not have been performed or satisfied in all material respects;

(c) At the election of the board of directors of CVPS if the warranties and representations of GMP contained in this Agreement shall not be accurate in all material respects on and as of the Effective Time, or the covenants of GMP shall not have been performed or satisfied in all material respects; or

(d) Immediately and automatically upon the failure of any of the conditions precedent set forth in Article I of this Agreement.

Section 7.3. Effect of Agreement. In the event of the abandonment of the Stage 2 Merger pursuant to the foregoing provisions, this Agreement shall become void and have no effect, without any liability on the part of GMP, CVPS or NNEEC or their respective directors or officers in respect of the Stage 2 Merger except the obligation of each constituent corporation to pay its own expenses as provided in this Article VII.

ARTICLE VIII Miscellaneous

Section 8.1. Access. To enable GMP to coordinate the activities of CVPS into those of GMP on and after the Effective Time, CVPS shall, before the Effective Time, afford to the officers and authorized representatives of GMP free and full access to the plants, properties, books and records of CVPS, and the officers of CVPS will furnish GMP with financial and operating data and other information as to the business and properties of CVPS as GMP shall from time to time reasonably request.

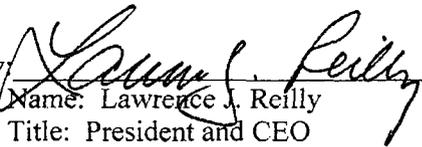
Section 8.2. Conflict. Nothing in this Agreement shall serve to abrogate or change the obligations of any parties that may exist in any separate agreement, including without limitation, the CVPS Acquisition Merger Agreement. In the event of any inconsistency between this Agreement and the CVPS Acquisition Merger Agreement, the terms and conditions of CVPS Acquisition Merger Agreement shall govern.

Section 8.3. Counterparts. This Agreement may be executed in any number of counterparts and each executed counterpart shall be deemed to be an original instrument.

[Remainder of page intentionally left blank; Signature page follows]

IN WITNESS WHEREOF, the parties have duly executed this Agreement and Plan of Merger as of the date first set forth above.

CENTRAL VERMONT PUBLIC SERVICE CORPORATION

By:  _____
Name: Lawrence J. Reilly
Title: President and CEO

GREEN MOUNTAIN POWER CORPORATION

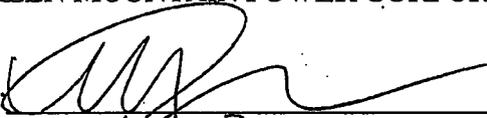
By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have duly executed this Agreement and Plan of Merger as of the date first set forth above.

CENTRAL VERMONT PUBLIC SERVICE CORPORATION

By: _____
Name:
Title:

GREEN MOUNTAIN POWER CORPORATION

By:  _____
Name: *Mary Powell*
Title: *President and CEO*