North Atlantic

North Atlantic Energy Service Corporation
P.O. Box 300
Seabrook, NH 03874
(603) 474-9521, Fax (603) 474-2987

The Northeast Utilities System

Ted C. Feigenbaum
Senior Vice President &
Chief Nuclear Officer

NYN-95090

November 3, 1995

United States Nuclear Regulatory Commission
Washington, DC 20555

Attention: Document Control Desk

Reference: Facility Operating License NPF-86, Docket No. 50-443

Subject: Guarantees of Payments of Deferred Premiums

Gentlemen:

Pursuant to 10 CFR 140.21(e), North Atlantic Energy Service Corporation (North Atlantic), on behalf of the licensees named in Facility Operating License NPF-86, provides herewith, the Annual Reports for 1994 listed below to demonstrate the collective ability of the licensees to meet their obligation for payment of deferred premiums.

Annual Reports for 1994 (containing certified financial statements) for the following:

- North Atlantic Energy Corporation
- The United Illuminating Company
- Massachusetts Municipal Wholesale Electric Company
- New England Electric System (for subsidiary New England Power Company)
- Connecticut Light and Power Company
- Commonwealth Energy System (for subsidiary Canal Electric Company)
- Eastern Utilities Associates (for subsidiary Montaup Electric Company)
- New Hampshire Electric Cooperative, Inc.
- Taunton Municipal Lighting Plant
- Hudson Light and Power Department (Annual Return to the Commonwealth of Massachusetts)
- Great Bay Power Corporation

In addition, the Agreement of Joint Ownership, Construction and Operation of New Hampshire Nuclear Units, dated May 1, 1973 as amended, and specifically the provisions of Paragraph 10.1, as amended by the Eighteenth Amendment, dated March 14, 1986, is incorporated by reference.

The enclosed annual reports are also submitted pursuant to 10 CFR 50.71(b).

A004
1/1

Should you have any questions regarding this matter, please contact Mr. James M. Peschel, Regulatory Compliance Manager, at (603) 474-9521, extension 3772.

Very truly yours,

Ted C. Feigenbaum

TCF:ALL/act

Enclosures

cc without enclosures:

Mr. Thomas T. Martin
Regional Administrator
U.S. Nuclear Regulatory Commission
Region I
475 Allendale Road
King of Prussia, PA 19406

Mr. Albert W. De Agazio, Sr. Project Manager
Project Directorate I-4
Division of Reactor Projects
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Mr. John B. Macdonald
NRC Senior Resident Inspector
P.O. Box 1149
Seabrook, NH 03874

As filed with the Securities and Exchange Commission on March 30, 1995

Registration No. 33-88232

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

GREAT BAY POWER CORPORATION

(Exact name of registrant as specified in its charter)

New Hampshire	4911	02-0396811
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

20 Ladd Street, Portsmouth, New Hampshire 03801-4080, (603) 433-8822

(Address, including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

JOHN A. TILLINGHAST
President
GREAT BAY POWER CORPORATION
20 Ladd Street
Portsmouth, New Hampshire 03801-4080
(603) 433-8822

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:
DAVID E. REDLICK, ESQ.
HALE AND DORR
60 State Street
Boston, Massachusetts 02109
(617) 526-6000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date hereof.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☒

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	*Amount to be Registered*	*Proposed Maximum Offering Price Per Share*	*Proposed Maximum Aggregate Offering Price*	*Amount of Registration Fee*
Common Stock, $.10 par value per share	6,120,530	$7.94 (1)	$45,165,008.20	$15,575(2)

(1) Determined on the basis of the average of the bid and ask prices of the Common Stock on the Nasdaq over-the-counter market as reported on the Nasdaq OTC Bulletin Board on March 28, 1995, solely for the purpose of calculating the registration fee, in accordance with Rule 457(c) under the Securities Act of 1933, as amended.

(2) Of this amount, $13,273 was paid on January 5, 1995 based upon (i) a bona fide estimate of the maximum offering price, estimated solely for the purpose of calculating the registration fee, pursuant to Rule 457(a) under the Securities Act of 1933, of $7.29 per share, the price at which the Registrant sold shares of its Common Stock to the Selling Stockholders referred to in this Registration Statement on November 23, 1994 and (ii) the registration of 5,280,000 shares. The additional fee of $2,302 for the registration of the additional 840,530 shares being registered on this Amendment No. 1 is based upon the average of the bid and ask prices of the Common Stock on the Nasdaq over-the-counter market as reported on the Nasdaq OTC Bulletin Board on March 28, 1995 ($7.94 per share).

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Great Bay Power Corporation

Cross-Reference Sheet Showing Location in Prospectus of Information Required by Items of Form S-1

	Form S-1 Registration Statement Item and Heading	Location in Prospectus
1.	Forepart of the Registration Statement and Outside Front Cover Page of Prospectus	Outside Front Cover Page
2.	Inside Front and Outside Back Cover Pages of Prospectus	Inside Front and Outside Back Covers
3.	Summary Information, Risk Factors and Ratio of Earnings to Fixed Charges	Prospectus Summary; The Company; Risk Factors
4.	Use of Proceeds	Outside Front Cover Page
5.	Determination of Offering Price	Outside Front Cover Page
6.	Dilution	Not Applicable
7.	Selling Security Holders	Principal and Selling Stockholders
8.	Plan of Distribution	Plan of Distribution
9.	Description of Securities to be Registered	Prospectus Summary; Description of Capital Stock
10.	Interests of Named Experts and Counsel	Not Applicable
11.	Information with Respect to the Registrant	Outside Front Cover Page; Prospectus Summary; Risk Factors; Price Range of Common Stock and Dividend Policy; Dilution; Selected Financial Data; Management's Discussion and Analysis of Financial Condition and Results of Operations; Business; Management; Principal and Selling Stockholders; Description of Capital Stock; Experts; Financial Statements
12.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities	Not Applicable

PROSPECTUS

GREAT BAY POWER CORPORATION

6,120,530 shares of Common Stock

This Prospectus covers the sale of 6,120,530 shares of Common Stock, $.01 par value per share (the "Common Stock"), of Great Bay Power Corporation ("Great Bay" or the "Company"). An aggregate of 5,640,530 of the shares of Common Stock offered hereby are being sold by certain stockholders of the Company (the "Selling Stockholders"). The remaining 480,000 shares (the "Escrow Shares") may be sold by the Selling Stockholders or, alternatively, may be sold out of an escrow fund (the "Escrow Fund") established in connection with a Settlement Agreement dated September 9, 1994 between the Company and the Selling Stockholders (the "Investor Settlement Agreement"), with the net proceeds of such sale being paid to the Selling Stockholders. See "Principal and Selling Stockholders" and "Business -- Reorganization Plan and Reorganization Plan Equity Financing." The Company will not receive any of the proceeds from either the sale of shares of Common Stock by the Selling Stockholders or the sale of the Escrow Shares.

The Selling Stockholders have advised the Company that they propose to sell, from time to time, the shares of Common Stock offered hereby on the Nasdaq National Market in ordinary brokerage transactions, in negotiated transactions, or otherwise at market prices prevailing at the time of sale, at prices related to such market prices or at negotiated prices. The Escrow Shares will be sold in similar ways. See "Plan of Distribution."

The Company's Common Stock has been approved for quotation on the Nasdaq National Market under the symbol "GBPW." The Common Stock is currently quoted on the Nasdaq OTC Bulletin Board under the symbol "GRBY." The Common Stock will cease to be quoted on the Nasdaq OTC Bulletin Board upon the effectiveness of the registration statement of which this Prospectus is a part, at which time the Common Stock will be quoted on the Nasdaq National Market. See "Price Range of Common Stock and Dividend Policy."

THE COMMON STOCK OFFERED HEREBY INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, ANY UNDERWRITER PARTICIPATING FROM TIME TO TIME MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NASDAQ STOCK MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The date of this Prospectus is _____, 1995.

ADDITIONAL INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-1 (together with all amendments, exhibits and schedules thereto, "the Registration Statement") under the Securities Act of 1933, as amended (the "Act"), with respect to the Common Stock offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto. For further information with respect to the Company and the Common Stock, reference is made to the Registration Statement and the exhibits and schedules filed as a part thereof. Statements contained in this Prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and, in each instance, if such contract or document is filed as an exhibit, reference is made to the copy of such contract or document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference to such exhibit. The Registration Statement and the exhibits thereto may be inspected and copied at prescribed rates at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and at the regional offices of the Commission located at Seven World Trade Center, 13th Floor, New York, New York 10048 and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661.

In order for the Common Stock to be approved for quotation on the Nasdaq Stock Market, the Company will become subject to the information and reporting requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith will file periodic reports, proxy statements and other information with the Commission. The Company intends to furnish to its stockholders annual reports containing financial statements audited by an independent public accounting firm and quarterly reports containing unaudited financial statements for the first three quarters of each fiscal year.

Great Bay Power Corporation ("Great Bay" or the "Company") is a New Hampshire corporation incorporated in 1986. The Company's office is located at 20 Ladd Street, Portsmouth, New Hampshire 03801-4080 and its telephone number at that address is (603) 433-8822.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. See also "Risk Factors."

The Company

Great Bay (formerly known as EUA Power Corporation) is a New Hampshire public utility whose principal asset is a 12.1% joint ownership interest in the Seabrook Nuclear Power Project in Seabrook, New Hampshire (the "Seabrook Project"). The Company's share of the Seabrook Project capacity is approximately 140 megawatts ("MW"). The Company sells its share of the electricity output of the Seabrook Project in the wholesale electricity market, primarily in the Northeast United States. Great Bay does not have operational responsibility for the Seabrook Project.

The Company filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of New Hampshire on February 28, 1991. At the time the Company filed its Chapter 11 bankruptcy petition, it owed $293,723,000 on account of its Series B and Series C Secured Notes (the "Notes"). The cash generated by the Company from its sale of electricity in the spot market was insufficient to cover its interest costs on the Notes and its share of the Seabrook Project costs. The Company conducted its business as a Debtor-in-Possession until November 23, 1994, at which time the Company's Chapter 11 Plan of Reorganization (the "Reorganization Plan") became effective and the Company emerged from Chapter 11. See "Business -- Bankruptcy Proceeding."

On November 23, 1994, the effective date of the Reorganization Plan, the Company sold 4,800,000 shares of Common Stock, representing 60% of its outstanding Common Stock at such date (after giving effect to the issuance of Common Stock to certain former creditors of the Company pursuant to the Reorganization Plan), to the Selling Stockholders for an aggregate purchase price of $35 million (the "Reorganization Plan Equity Financing"). An additional 2,720,000 shares of Common Stock, representing 34% of the Company's outstanding Common Stock at November 23, 1994, have been distributed to certain of the Company's creditors pursuant to the Reorganization Plan. Pursuant to the Investor Settlement Agreement, the remaining 480,000 shares of Common Stock, which represented 6% of the Company's outstanding Common Stock at November 23, 1994 (after giving effect to the issuance of Common Stock to certain former creditors of the Company pursuant to the Reorganization Plan), were deposited in the Escrow Fund and after November 23, 1995 will be delivered to the Selling Stockholders, sold out of the Escrow Fund with the net proceeds being paid to the Selling Stockholders, delivered to the Company's creditors who were previously issued Common Stock under the Reorganization Plan, or some combination of the foregoing. As a result of the implementation of the Reorganization Plan, the Company's long-term debt was eliminated.

The Company was originally organized as a wholly-owned subsidiary of Eastern Utilities Associates ("EUA"), a holding company that owns several operating retail electric utility companies. Great Bay acquired its joint ownership interest in the Seabrook Project for approximately $174 million in November 1986 from five New England electric utilities in independently negotiated transactions. At that time, construction of Seabrook Unit 1, the first of two generating units originally planned for the Seabrook Project, was substantially completed and Seabrook Unit 2 had been cancelled. On August 19, 1990 Seabrook Unit 1, which has a total generating capacity of approximately 1,150 MW, commenced commercial operation and the Company began selling its allotment of the power generated by Seabrook Unit 1. Prior to confirmation of the Reorganization Plan, the Company ceased being a subsidiary of EUA pursuant to a Settlement Agreement dated

November 18, 1992 among the Company, EUA and the Bondholders' Committee, the entity responsible for representing the interests of the holders of the Notes. See "Business -- Bankruptcy Proceeding."

To date, the Company has entered into two long-term power purchase contracts, one covering 10 MW of power and a second, the effectiveness of which is subject to the satisfaction of certain material conditions precedent, covering up to 20 MW of power. All of the Company's other contracts to sell power are short-term in nature and are at prices which currently do not generate sufficient revenues to permit the Company to meet its cash requirements for operations, maintenance and capital expenditures. The success of the Company's business is materially dependent on its ability to sell power at prices significantly above the current short-term market prices.

The Company has only one employee. Substantially all of the Company's power marketing and administrative functions are performed on the Company's behalf by third parties pursuant to contractual arrangements.

The Offering

Common Stock offered by the Selling Stockholders	6,120,530 shares(1)
Common Stock held by the Selling Stockholders (as of February 28, 1995)	5,640,530 shares
Common Stock outstanding (as of December 31, 1994)	8,000,000 shares

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(1) The Company issued 4,800,000 shares of Common Stock to the Selling Stockholders pursuant to a Stock and Subscription Agreement in connection with the Reorganization Plan Equity Financing and an additional 480,000 shares of Common Stock to a disbursing agent pursuant to the Investor Settlement Agreement entered into as part of the Reorganization Plan. In addition, certain of the Selling Stockholders have purchased an aggregate of 840,530 shares of the Company's Common Stock through private transactions and on the Nasdaq Bulletin Board. In accordance with the provisions of the Investor Settlement Agreement, on or after November 23, 1995, depending upon the average market price of the Common Stock over the 60 trading days preceding such date, the Escrow Shares may be delivered to the Selling Stockholders, sold out of the Escrow Fund with the net proceeds being paid to the Selling Stockholders, delivered to the Company's creditors who were previously issued Common Stock under the Reorganization Plan, or some combination of the foregoing. See "Business -- Reorganization Plan and Reorganization Plan Equity Financing."

SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	Reorganized Company	Predecessor Company				
	November 24-December 31, 1994	January 1-November 23, 1994	For the Years Ended December 31, 1993	1992	1991	1990	1989
Income Statement Data:							
Operating Revenues	$3,129	$13,989	$24,620	$23,027	$20,919	$ 10,499	$ --
Fuel, Operation and Maintenance	2,409	21,762	22,991	26,823	27,896	10,004	451
Net Income (Loss)	182	131,385(2)	(9,433)	(47,468)(3)	(19,792)	(74,505)(4)	(2,983)

	Reorganized Company	Predecessor Company				
	December 31, 1994	November 23, 1994	December 31, 1993	1992	1991	1990	1989
Balance Sheet Data:							
Cash & Short-Term Investments	$ 22,217	$ 22,993	$ 138	$ 4,817	$ 133	$ 16	$ 208
Working Capital	27,169	27,650	(289,585)	(284,819)	(160,756)	(20,899)	(4,704)
Total Assets	145,666	138,990	324,590	333,758	359,058	365,920	413,195
Decommissioning Liability	48,530	42,576	--	--	--	--	--
Capitalization:							
Long-Term Debt (excluding current maturities)(1)	0	0	0	0	180,000	300,597	279,597
Total Shareholders Equity	88,292	88,110	(139,783)	(130,350)	(82,882)	(63,090)	11,417

Notes:

(1) As a result of Predecessor's bankruptcy filing, the Predecessor was in default under the indenture pursuant to which the Notes were issued. Long-Term Debt of the Predecessor was thereafter classified as a current liability subject to compromise.

(2) The period from January 1, 1994 to November 23, 1994 reflects the writedown of assets and liabilities of $137,908, recording of reorganization expenses of $4,038 and extraordinary income from the forgiveness of debt and related interest of $293,723.

(3) In 1992, the Predecessor Company reversed all accumulated tax benefits related to carryforwards of net operating losses and alternative minimum tax credits to reflect the anticipated imposition of certain tax law limitations and the impact of certain settlement agreements between the Predecessor Company and EUA.

(4) On February 28, 1991, the Predecessor Company filed a voluntary petition in the United States Bankruptcy Court for protection under Chapter 11 of the United States Bankruptcy Code. On March 29, 1991, the Predecessor Company announced that it had provided for an impairment reserve in 1990 against its investment in Seabrook Unit 1.

RISK FACTORS

In addition to the other information in this Prospectus, the following factors should be considered carefully by potential investors in evaluating an investment in the Common Stock offered hereby.

Brief Operating History Subsequent to Chapter 11 Reorganization; Noncomparability of Certain Historical Financial Information. The Company has been operating outside of the protection of Chapter 11 of the United States Bankruptcy Code only since November 23, 1994, after having operated under Chapter 11 between February 28, 1991 and November 23, 1994. In connection with the Chapter 11 proceeding, the Company's capital structure was materially modified, with all of the Company's long-term debt as of the effective date of the Reorganization Plan being eliminated.

Moreover, as a result of the adoption of "fresh-start" reporting, as required by Statement of Position 90-7, "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," issued by the American Institute of Certified Public Accountants, the Company's assets and liabilities have been adjusted to fair values as of November 23, 1994, and the Company's accumulated deficit as of November 23, 1994 has been eliminated. Historical financial information of the predecessor company presented in this Prospectus, therefore, cannot be viewed as indicative of the Company's future financial performance, and financial statements for periods as of or after November 23, 1994 are not comparable to financial statements for prior periods. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The Company does not intend to release routinely projections of its future performance. However, in 1994, to satisfy certain statutory tests established by the Bankruptcy Code as a condition to confirming its Reorganization Plan, the Company was obligated to provide financial projections to demonstrate that its Reorganization Plan was feasible. Those projections were based on assumptions made during the Chapter 11 case and the circumstances then prevailing. The Company does not intend to update those projections or to release information when and if any of the assumptions upon which the projections were based have changed.

Ownership of Single Asset. The Company owns a single principal asset, its 12.1% joint interest in the Seabrook Nuclear Power Project in Seabrook, New Hampshire. Accordingly, the Company's results of operations are completely dependent upon the successful and continued operation of the Seabrook Project. In particular, if the Seabrook Project experiences unscheduled outages of significant duration, the Company's results of operations will be materially adversely affected.

History of Losses; Implementation of Business Strategy. The Company has never reported an operating profit since its incorporation. The Company's business strategy is to seek purchasers for its share of the Seabrook Project electricity output at prices, either in the short-term market or pursuant to medium or long-term contracts, significantly in excess of the prices currently available in the short-term wholesale electricity market since sales at current short-term rates do not result in sufficient revenue to enable the Company to meet its cash requirements for operations, maintenance and capital related costs. The Company's ability to obtain such higher prices will depend on regional, national and worldwide energy supply and demand factors which are beyond the control of the Company. There can be no assurance that the Company ever will be able to sell power at prices that will enable it to meet its cash requirements.

Liquidity Needs. Following consummation of the Reorganization Plan, the Company had approximately $19.5 million in cash and cash equivalents at November 23, 1994, after giving effect to certain reorganization expenses. The Company believes that such cash, together with the anticipated proceeds from the sale of electricity by the Company, will be sufficient to enable the Company to meet its cash requirements until the prices at which the Company can sell its electricity increase sufficiently to enable the Company to cover its annual cash requirements. However, if the Seabrook Project operates at a capacity factor below historical levels, or if expenses associated with the ownership or operation of the Seabrook Project, including without limitation decommissioning costs, are materially higher than anticipated, or if the prices at which the Company is able to sell its share of the Seabrook Project electricity do not increase at the rates and within the time expected by the Company, the Company would be required to raise additional capital, either through a debt financing or an equity financing, to meet its ongoing cash requirements. There is no assurance that the Company would be able to raise such capital or that the terms on which any additional capital is available would be acceptable. If additional funds are raised by issuing equity securities, dilution to then existing stockholders will result.

Changes in Power Sale Contract Terms Available in Wholesale Power Market. In the past, wholesale sellers of electric power, which typically were regulated electric utilities, frequently entered into medium or long-term power sale contracts providing for prices in excess of the prices available in the short-term market. Recently, increased competition in the wholesale electric power market, reduced growth in the demand for electricity and low prices in the short-term market have reduced the willingness of wholesale power purchasers to enter into medium or long-term contracts and have reduced the prices obtainable from such contracts.

Risks in Connection with Joint Ownership of Seabrook Project. The Company is required under the Agreement for Joint Ownership, Construction and Operation of New Hampshire Nuclear Units dated May 1, 1973, as amended, by and among the Company and the other 11 utility companies who are owners of the Seabrook Project (the "JOA"), to pay its share of Seabrook Unit 1 and Seabrook Unit 2 expenses, including without limitation operations and maintenance expenses, construction and nuclear fuel expenditures and decommissioning costs, regardless of the level of Seabrook Unit 1's operations. Under certain circumstances, a failure by the Company to make its monthly payments under the JOA entitles certain other joint owners of the Seabrook Project to purchase the Company's interest in the Seabrook Project for 75% of the then fair market value thereof.

In addition, the failure : monthly payments under the JOA by owners of the Seabrook Project other than the Compa.. / have a material adverse effect on the Company by requiring the Company to pay a greater prop..ion of the Seabrook Unit 1 and Seabrook Unit 2 expenses in order to preserve the value of its share of the Seabrook Project. In the past, certain of the owners of the Seabrook Project other than the Company have not made their full respective payments.

The Seabrook Project is owned by the Company and the other owners thereof as tenants in common, with the various owners holding varying ownership shares. This means that the Company, which owns only a 12.1% interest, does not have control of the management of the Seabrook Project. As a result, decisions may be made affecting the Seabrook Project, notwithstanding the Company's opposition. See "Business -- Joint Ownership of Seabrook."

Certain costs and expenses of operating the Seabrook Project or owning an interest therein, such as certain insurance and decommissioning costs, are subject to increase or retroactive adjustment based on factors beyond the Company's control. The cost of disposing of Unit 2 of the Seabrook Project is not known at this time. These various costs and expenses may adversely effect Great Bay, possibly materially.

Extensive Government Regulation. The Seabrook Project is subject to extensive regulation by federal and state agencies. In particular, the Seabrook Project and the Company, as part owner of a licensed nuclear facility, are subject to the broad jurisdiction of the Nuclear Regulatory Commission (the "NRC"), which is empowered to authorize the siting, construction and operation of nuclear reactors after consideration of public health and safety, environmental and antitrust matters. The Company is also subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") and, as a result, is required to file with FERC all contracts for the sale of electricity. FERC has the authority to suspend the rates at which the Company proposes to sell power, to allow such rates to go into effect subject to refund and to modify a proposed or existing rate if FERC determines that such rate is not "just and reasonable." FERC's jurisdiction also includes, among other things, the sale, lease, merger, consolidation or other disposition of facilities, interconnection of certain facilities, accounts, service and property records. Compliance with the various requirements of the NRC and FERC is expensive. Noncompliance with NRC requirements may result, among other things, in a shutdown of the Seabrook Project.

The NRC has promulgated a broad range of regulations affecting all aspects of the design, construction and operation of a nuclear facility, such as the Seabrook Project, including performance of nuclear safety systems, fire protection, emergency response planning and notification systems, insurance and quality assurance. The NRC retains authority to modify, suspend or withdraw operating licenses, such as that pursuant to which the Seabrook Project operates, at any time that conditions warrant. The NRC might order Seabrook Unit 1 shut down (i) if flaws were discovered in the construction or operation of Seabrook Unit 1, (ii) if problems developed with respect to other nuclear generating plants of a design and construction similar to Unit 1, or (iii) if accidents at other nuclear facilities suggested that nuclear generating plants generally were less safe than previously believed.

The Company is also subject to the New Hampshire public utility law and regulations of the New Hampshire Public Utilities Commission (the "NHPUC") which affect, among other things, the issuance of securities, transfer of utility property and contracts with affiliates as well as the sale, lease, merger, consolidation or other disposition of facilities. The NHPUC does not regulate wholesale electricity rates.

See "Business -- Nuclear Energy and Utility Regulation," "-- Nuclear Power Issues," "-- Nuclear Waste Disposal," "-- Environmental Regulation" and "-- Energy Policy Act."

Risk of Nuclear Accident. Nuclear reactors have been used to generate electric power for more than 30 years and there are currently more than 100 nuclear reactors used for electric power generation in the United States. Although the safety record of such nuclear reactors in the United States generally has been very good, accidents and other unforeseen problems have occurred both in the United States and elsewhere, including the well-publicized incidents at Three Mile Island in Pennsylvania and Chernobyl in the former Soviet Union. The consequences of such an accident can be severe, including loss of life and property damage, and the available insurance coverage may not be sufficient to pay all the damages incurred.

Public Controversy Concerning Nuclear Power Plants. Substantial controversy has existed for some time concerning nuclear generating plants and over the years such opposition has led to construction delays, cost overruns, licensing delays, demonstrations and other difficulties. The Seabrook Project was the subject of significant public controversy during its construction and licensing and remains controversial. An increase in public concerns regarding the Seabrook Project or nuclear power in general could adversely affect the operating license of Seabrook Unit 1. While the Company cannot predict the ultimate effect of such controversy, it is possible that it could result in a premature shutdown of the unit.

Waste Disposal; Decommissioning Cost. There has been considerable public concern and regulatory attention focused upon the disposal of low- and high-level nuclear wastes produced at nuclear facilities and the ultimate decommissioning of such facilities. As to waste disposal concerns, both the federal government and the State of New Hampshire are currently delinquent in the performance of their statutory obligations. This has necessitated on-site storage of such wastes at the Seabrook Project. The Seabrook Project anticipates increasing its on-site storage capacity for low-level wastes in 1996. The increased capacity is expected to be sufficient through 2006. In addition, the Seabrook Project has adequate on-site storage capacity for high-level wastes until approximately 2010. See "Business -- Nuclear Waste Disposal."

As to decommissioning, the NRC regulations require that upon permanent shutdown of a nuclear facility, appropriate arrangements for full decontamination and decommissioning of the facility be made. These regulations include a requirement to set aside during operation sufficient funds to defray decommissioning costs. While the owners of the Seabrook Project are accumulating a trust fund to defray decommissioning costs, these costs could substantially exceed the value of the trust fund, and the owners (including the Company) would remain liable for the excess. Moreover, the amount that is required to be deposited in the trust fund is subject to periodic review and adjustment by an independent commission of the State of New Hampshire, which could result in material increases in such amounts. Such a review is currently in process. See "Business -- Decommissioning."

Intense Competition. The Company sells its share of Seabrook Project electricity primarily into the Northeast United States wholesale electricity market. There are a large number of suppliers to this market and competition is intense. A primary source of competition comes from traditional utilities, many of which presently have excess capacity. In addition, non-utility wholesale generators of electricity, such as independent power producers ("IPPs"), Qualifying Facilities ("QFs") and Exempt Wholesale Generators ("EWGs"), as well as power marketers and brokers, actively sell electricity in this market. The Company may face increased competition, primarily based on price, from all such sources in the future. See "Business -- Competition."

No Established Public Market; Possible Volatility of Share Price; Lack of Dividends. No established public market for the Common Stock exists, and there can be no assurance that an active trading market will develop. Investors should be aware that market prices for securities of companies such as Great Bay are highly volatile. Factors such as fluctuations in energy prices, unscheduled outages at the Seabrook Project, events at the Seabrook Project or other nuclear reactors, the terms of power sales contracts entered into by the Company and market conditions for utility stocks in general could have a significant impact on the future market price of the Common Stock. No dividends have been paid on the Common Stock to date and the Company does not anticipate paying dividends in the foreseeable future.

Supermajority Voting Provision. The Company's Articles of Incorporation contain a provision requiring the affirmative votes of the holders of 75% of the outstanding shares of capital stock of the Company to effect any amendment to the Company's Articles of Incorporation. This provision may limit the ability of stockholders to approve transactions that they deem to be in their best interests. For example, because the Company has already issued all of its authorized common stock (after giving effect to the issuance of Common Stock to certain former creditors of the Company pursuant to the Reorganization Plan), it would have to meet the 75% voting requirement before being able to authorize capital stock necessary for an equity financing. See "Liquidity Needs" above.

PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

No established public trading market exists in the Company's Common Stock. Since January 27, 1995, the Company's Common Stock has traded in the Nasdaq over-the-counter market and has been quoted on the Nasdaq OTC Bulletin Board under the symbol "GRBY." Transfers have occurred infrequently, and at a low volume level. From January 27, 1995 through March 27, 1995, the low and high prices at which transactions in the Company's Common Stock have occurred on the Nasdaq OTC Bulletin Board were $7.80 and $9.00 per share, respectively. On March 27, 1995, the last reported bid and asked prices of the Company's Common Stock on the Nasdaq OTC Bulletin Board were $7.12 and $8.75 per share, respectively. These prices may reflect inter-dealer prices, without retail mark-ups, mark downs or commissions, and may not necessarily represent actual transactions.

The Company's Common Stock has been approved for quotation on the Nasdaq National Market under the symbol "GBPW." The Common Stock will cease to be quoted on the Nasdaq OTC Bulletin Board upon the effectiveness of the registration statement of which this Prospectus is a part, at which time the Common Stock will be quoted on the Nasdaq National Market. As of March 22, 1995, there were approximately 34 holders of record of shares of Common Stock.

The Company has never paid cash dividends on the Common Stock. The Company currently intends to retain all of its earnings, if any, and will not pay any cash dividends on the Common Stock, at least until such time, if any, as prices for the sale of the Company's share of the Seabrook Project electricity have increased such that the Company's revenues from power sales are sufficient to meet the Company's ongoing cash requirements on a current basis and to enable the Company to set aside satisfactory cash reserves.

SELECTED FINANCIAL DATA

The following table sets forth selected financial data and other operating information of the Company. The selected financial data presented below for periods subsequent to November 23, 1994 give effect to the consummation of the Company's Reorganization Plan and to the adoption of fresh start reporting by the Company as of that date in accordance with the American Institute of Certified Public Accountants' Statement of Position 90-7 "Financial Reporting by Entities in Reorganization under the Bankruptcy Code." Accordingly, periods prior to November 23, 1994 have been designated "Predecessor Company" or the "Predecessor" and periods subsequent to November 23, 1994 have been designated "Reorganized Company" or the "Company". Selected balance sheet and statement of income (loss) data of the Predecessor Company periods are not comparable to those of the Reorganized Company periods and a line has been drawn in the tables to separate the Predecessor financial data from the Company financial data.

The following data presents (i) selected financial data of the Reorganized Company as of December 31, 1994 and for the period from November 24, 1994 to December 31, 1994, and (ii) selected financial data of the Predecessor Company for the period from January 1, 1994 to November 23, 1994 and for each of the four years in the period ended December 31, 1993. The information below should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Company's financial statements, including the notes thereto, contained elsewhere in this Prospectus.

The following selected historical financial data for the four years ended December 31, 1993 are derived from the Company's financial statements, which have been audited by Coopers & Lybrand L.L.P., independent auditors. The selected historical financial data as of December 31, 1994 and for the periods from January 1, 1994 to November 23, 1994 and November 24, 1994 to December 31, 1994 are derived from the Company's financial statements which have been audited by Arthur Andersen LLP.

(Dollars in Thousands)

	Reorganized Company	Predecessor Company					
	November 24-December 31, 1994	January 1-November 23, 1994	For the Years Ended December 31, 1993	1992	1991	1990	1989
Income Statement Data:							
Operating Revenues	$3,129	$ 13,989	$24,620	$23,027	$20,919	$ 10,499	$ --
Fuel, Operation and Maintenance	2,409	21,762	22,991	26,823	27,896	10,004	451
Net Income (Loss)	182	131,385(2)	(9,433)	(47,468)(3)	(19,792)	(74,505)(4)	(2,983)

	Reorganized Company		Predecessor Company				
	December 31, 1994	November 23, 1994	December 31, 1993	1992	1991	1990	1989
Balance Sheet Data:							
Cash & Short Term Investments	$ 22,217	$ 22,993	$ 138	$ 4,817	$ 133	$ 16	$ 208
Working Capital(1)	27,269	27,650	(289,585)	(284,819)	(160,756)	(20,899)	(4,704)
Total Assets	145,666	138,990	324,590	333,758	359,058	365,920	413,195
Decommissioning Liability	48,530	42,576	--	--	--	--	--
Capitalization:							
Long-Term Debt (excluding current maturities)(1)	0	0	0	0	180,000	300,597	279,597
Common Equity	88,292	88,110	(139,783)	(130,350)	(82,882)	(63,090)	11,417
Cumulative Convertible Preferred Stock	0	0	63,090	63,090	63,090	63,090	60,790
Total Capitalization	88,292	88,110	(76,693)	(67,260)	160,208	300,597	351,804

Notes:

(1) As a result of Predecessor's bankruptcy filing, the Predecessor was in default under the indenture pursuant to which the Notes were issued. Long-Term Debt of the Predecessor was thereafter classified as a current liability subject to compromise.

(2) The period from January 1, 1994 to November 23, 1994 reflects the writedown of assets and liabilities of $137,908, recording of reorganization expenses of $4,038 and extraordinary income from the forgiveness of debt and related interest of $293,723.

(3) In 1992, the Predecessor Company reversed all accumulated tax benefits related to carryforwards of net operating losses and alternative minimum tax credits to reflect the anticipated imposition of certain tax law limitations and the impact of certain settlement agreements between the Predecessor Company and EUA.

(4) On February 28, 1991, the Predecessor Company filed a voluntary petition in the United States Bankruptcy Court for protection under Chapter 11 of the United States Bankruptcy Code. On March 29, 1991, the Predecessor Company announced that it had provided for an impairment reserve in 1990 against its investment in Seabrook Unit 1.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Emergence from Chapter 11

On February 28, 1991, the Company filed a petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code. On November 23, 1994 (the "Effective Date"), a formal confirmation order by the U.S. Bankruptcy Court for the District of New Hampshire with respect to the Company's Reorganization Plan became effective. At that time, the Company emerged from bankruptcy. As a result of the Chapter 11 proceeding and in accordance with the provisions of the Reorganization Plan, the capital structure of the Company was completely changed. In particular, as part of its Chapter 11 proceeding, the Company discharged all of its pre-petition debt, which consisted primarily of the approximately $280 million principal amount of outstanding Notes and unpaid accrued interest on the Notes of approximately $14 million, and raised gross proceeds of $35 million in the Reorganization Plan Equity Financing. See "Business -- Bankruptcy Proceeding." Thus, as a result, the Company's net worth increased significantly and the Company was relieved of the obligation to make principal and interest payments on the Notes.

The following discussion focuses solely on operating revenues and operating expenses which are presented in a substantially consistent manner for all of the periods presented. As a result of the Chapter 11 proceeding and subsequent effectiveness of the Reorganization Plan on November 23, 1994, the 1994 Statement of Income represents separately the results of operations of the predecessor company prior to November 23, 1994 from the results of operations of the Company after that date.

On the Effective Date, the Company adopted a "Fresh Start" Balance Sheet. That Balance Sheet reflects the assets and liabilities of the Company at their estimated fair values as of the Effective Date, including the net proceeds of the Reorganization Plan Equity Financing, and eliminating liabilities discharged under the Reorganization Plan.

Overview

The Company reported an operating loss in each of the years ended December 31, 1992 and December 31, 1993 and for the combined twelve-month period ended December 31, 1994. These losses were primarily due to sales of the Company's share of electricity from the Seabrook Project in the short-term market at prices resulting in revenues substantially below actual expenses.

The Seabrook Project from time to time experiences both scheduled and unscheduled outages. Scheduled outages occur primarily for refueling purposes. Normal maintenance and repairs are performed during scheduled outages. The next refueling outage of the Seabrook Project is scheduled for November 1995 based on the present rate of fuel consumption. Unscheduled outages or continued operation of the reactor unit at reduced capacity can occur due to the automatic operation of fail-safe systems following the detection of a malfunction. In addition, it is possible for the reactor unit to be shut down or operated at reduced capacity based on the results of scheduled and unscheduled inspections and routine surveillance by Seabrook Project personnel. It is not possible for the Company to predict the frequency or duration of any future unscheduled outages; however, such unscheduled outages are certain to occur.

Results of Operations

Operating Revenues

Years Ended December 31, 1994, 1993 and 1992

Operating revenues for the combined twelve-month period in 1994 decreased by approximately $7.5 million, or 30.5%, in comparison with 1993. The decrease was primarily due to greater scheduled and unscheduled outages at the Seabrook Project during 1994 than in 1993, with an average capacity factor of 61.6% in 1994 in comparison with 89.9% in 1993. The sales price per kilowatt-hour ("kWh") power was substantially unchanged, increasing to 2.27 cents in the combined twelve-month period in 1994 from 2.24 cents in 1993. The Company's cost of power (determined by dividing Total Operating Expenses by the Company's 12.1% share of the power produced by the Seabrook Project during the applicable period) for the same periods increased by 68.3% to 4.88 cents per kWh in the combined twelve-month period in 1994 as compared with 2.90 cents per kWh in 1993, primarily as a result of the outages described above.

Operating revenues increased by approximately $1.6 million, or 6.9%, in 1993 in comparison with 1992. The increase was primarily due to fewer scheduled and unscheduled outages at the Seabrook Project during 1993 in comparison with 1992, with an average capacity factor of 89.9% in 1993 in comparison with 77.9% in 1992. The effect of the higher capacity factor in 1993 was partially offset by a decrease in the average sales price per kWh of 6.3%, from 2.39 cents in 1992 to 2.24 cents in 1993. The Company's cost of power for the same periods decreased by 58.3% to 2.90 cents per kWh in 1993 as compared with 6.96 cents per kWh in 1992.

Expenses

Years Ended December 31, 1994, 1993 and 1992

Total Operating Expenses (excluding depreciation and all taxes) for the combined twelve-month period in 1994 increased $1.2 million, or 5.1%, in comparison with 1993, primarily as a result of increased maintenance costs during the Seabrook Project's 1994 outages. Total Operating Expenses (excluding depreciation and all taxes) for 1993 decreased $3.8 million, or 14.3%, in comparison with 1992, primarily due to (i) the implementation of operational expense controls that resulted in increased efficiencies at the Seabrook Project throughout 1993 compared to 1992 and (ii) fewer scheduled and unscheduled outages in 1993 resulting in lower maintenance expenses.

Taxes Other Than Income increased for the combined twelve-month period in 1994 by approximately $0.4 million, or 10.4%, over 1993, reflecting changes in the manner in which the Company accrued for this liability as a result of the uncertainty regarding the timing and magnitude of the credits described below. Taxes Other Than Income decreased by approximately $2.2 million, or 56.7%, in 1993 as compared with 1992, primarily due to a reduction in taxes due under a New Hampshire state tax on nuclear facilities. In 1992, the State of New Hampshire imposed a tax on all nuclear facilities located in the state. As a result of settlement of litigation over the amount of this tax, the level of the tax was reduced beginning in 1993 and certain of the 1992 payments were credited against future taxes due in 1994 and 1993.

Net Operating Losses

For federal income tax purposes, as of December 31, 1994, the Company had net operating loss carryforwards ("NOLs") of approximately $102 million, which are scheduled to expire between 2005 and 2009. Because the Company has experienced one or more ownership changes, within the meaning of Section 382 of the Internal Revenue Code of 1986, as amended, an annual limitation has been imposed on the ability of the Company to deduct the NOLs it generated prior to any date on

which it experienced an ownership change and on the ability of the Company to deduct certain amounts attributable to the depreceiation of its property or equipment. The Company believes that such annual limitation is approximately $5.5 million and that, accordingly, the ability of the Company annually to utilize its NOLs and depreciation deductions attributable to its property and/or equipment will be substantially restricted.

Liquidity and Capital Resources

The Company is required under the JOA to pay its share of Seabrook Unit 1 and Seabrook Unit 2 expenses, including, without limitation, operation and maintenance expenses, construction and nuclear fuel expenditures and decommissioning costs, regardless of the level of Seabrook Unit 1's operations. The Company currently is selling most of its power in the Northeast United States short-term wholesale power market. The cash generated from electricity sales by the Company is and has been less than the Company's ongoing cash requirements. The Company expects that it will continue to incur cash deficits until the prices at which it is able to sell its share of the Seabrook Project electricity increase, which may be a number of years, if ever. The Company intends to cover such deficits with its cash reserves, which totalled approximately $19.5 million at December 31, 1994, after giving effect to the payment of certain reorganization expenses. However, if the Seabrook Project operates at a capacity factor below historical levels, or if expenses associated with the ownership or operation of the Seabrook Project, including without limitation decommissioning costs, are materially higher than anticipated, or if the prices at which the Company is able to sell its share of the Seabrook Project electricity do not increase at the rates and within the time expected by the Company, the Company would be required to raise additional capital, either through a debt financing or an equity financing, to meet its ongoing cash requirements.

The Company's principal asset available to serve as collateral for borrowings is its 12.1% joint interest in the Seabrook Project. Pursuant to a power purchase agreement, dated as of April 1, 1993, between the Company and UNITIL Power Corp. the Company's interest in the Seabrook Project is encumbered by a mortgage. This mortgage may be subordinated to up to $80 million of senior secured financing. See "Business -- Power Purchase Agreement and Power Purchase Option."

The Company's fiscal 1994 decommissioning expenses totalled approximately $1,000,000. The decommissioning funding schedule is determined by the New Hampshire Nuclear Decommissioning Financing Committee (the "NDFC"), which reviews such schedule for the Seabrook Project at least annually. The Company's decommissioning expenses for fiscal 1995 and fiscal 1996 will depend upon the outcome of pending proceedings before the NDFC. The Company expects to use revenues from the sale of power to pay these decommissioning expenses. See "Risk Factors -- Waste Disposal; Decommissioning Cost" and "Business -- Decommissioning."

The Company anticipates that its share of the Seabrook Project's capital expenditures for the 1995 fiscal year will total approximately $7 million, primarily for nuclear fuel.

BUSINESS

Introduction

Great Bay Power Corporation (formerly known as EUA Power Corporation; "Great Bay" or the "Company") is a New Hampshire public utility whose principal asset is a 12.1% joint ownership interest in the Seabrook Nuclear Power Project in Seabrook, New Hampshire (the "Seabrook Project"). The Company sells its share of the electricity output of the Seabrook Project in the wholesale electricity market, primarily in the Northeast United States. Great Bay does not have operational responsibility for the Seabrook Project. The Company's share of the Seabrook Project capacity is approximately 140 megawatts ("MW"). Great Bay currently sells all but 10 MW of its share of the Seabrook Project capacity in the short-term market.

Bankruptcy Proceeding

The Company filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of New Hampshire on February 28, 1991. It conducted its business as a Debtor-in-Possession until November 23, 1994, at which time the Company's Chapter 11 Plan of Reorganization (the "Reorganization Plan"), became effective and the Company emerged from Chapter 11. As a result of the implementation of the Reorganization Plan, the Company's long-term debt was eliminated.

The Company was originally organized as a wholly-owned subsidiary of Eastern Utilities Associates ("EUA"), a holding company that owns several operating retail electric utility companies. Great Bay acquired its joint ownership interest in the Seabrook Project for approximately $174 million in November 1986 from five New England electric utilities in independently negotiated transactions.

At the time the Company filed its Chapter 11 bankruptcy petition, it was still a wholly-owned subsidiary of EUA and owed $293,723,000 on account of its Series B and Series C Secured Notes (the "Notes"). The cash generated by the Company from its sale of electricity in the spot market was insufficient to cover its interest costs on the Notes and its share of the Seabrook Project costs. As of the bankruptcy filing date, $14,126,000 of interest had accrued on the Notes. All amounts owing with respect to the Notes were satisfied pursuant to the Reorganization Plan in exchange for shares of Common Stock.

Prior to confirmation of the Reorganization Plan, the Company ceased being a subsidiary of EUA pursuant to a Settlement Agreement dated November 18, 1992 among the Company, EUA and the Bondholders' Committee, the entity responsible for representing the interests of the holders of the Notes (the "EUA Settlement Agreement"). The Bondholders' Committee had commenced litigation against EUA and asserted various claims on behalf of the Company and the holders of the Notes against EUA. Pursuant to the EUA Settlement Agreement, EUA paid the Company $20,000,000, waived approximately $50,000,000 of claims against the Company and had its shareholder interests in the Company redeemed for no consideration.

Pursuant to the Reorganization Plan, the Company received $35,000,000 of new equity. Of the $35,000,000, approximately $11,700,000 was used to pay in full the Company's debtor-in-possession loan and approximately $4,500,000 was budgeted to pay Chapter 11 related costs of administration and Reorganization Plan Equity Financing-related costs. The Company expects that these costs will be fully determined by April 1995 and that they will not exceed $4,500,000. The Reorganization Plan further provided for certain small creditors of the Company to be paid a cash dividend equal to 50% of the allowed amounts of their claims. The Company paid these creditors approximately $25,000.

The Seabrook Project

The Seabrook Project is located on an 896 acre site in Seabrook, New Hampshire. It is owned by the Company and 10 other utility companies (the "Participants").

Seabrook Unit 1 is a 1,150 MW nuclear-fueled steam electricity generating station. It employs a four loop, pressurized water reactor and support auxiliary systems designed by the Westinghouse Electric Company. The reactor is housed in a steel-lined reinforced concrete containment structure and a concrete containment enclosure structure. Reactor cooling water is obtained from the Atlantic Ocean through a 17,000 foot long intake tunnel and returned through a 16,500 foot long discharge tunnel. The station has an expected service life of 36 years (which commenced in 1990). Seabrook Unit 1 transmits its generated power to the New England 345 kilovolt transmission grid, a major network of interconnecting lines covering New England, through

three separate transmission lines emanating from the station. On March 15, 1990, the Joint Owners of Seabrook Unit 1 received from the Nuclear Regulatory Commission (the "NRC") a full power operating license which authorizes operation of Seabrook Unit 1 until October 2026. Commercial operation of Seabrook Unit 1 commenced on August 19, 1990. Management believes that Seabrook Unit 1 is in good condition.

Since the Seabrook Project was originally designed to consist of two generating units, the Company also owns a 12.1% joint ownership interest in Seabrook Unit 2, to which it has assigned no value. On November 6, 1986, the joint owners of the Seabrook Project, recognizing that Seabrook Unit 2 had been cancelled in 1984, voted to dispose of Unit 2. Certain assets of Seabrook Unit 2 have been and are being sold from time to time to third parties. The Participants are currently considering plans regarding disposition of Seabrook Unit 2, but such plans have not yet been finalized and approved. The Company is unable to estimate the costs for which it will be responsible in connection with the disposition of Seabrook Unit 2. Because Seabrook Unit 2 was never completed or operated, costs associated with its disposition will not include any amounts for decommissioning. The Company currently pays its share of monthly expenses required to preserve and protect the value of the Seabrook Unit 2 components.

Joint Ownership of Seabrook

The Company and the other Participants are parties to an Agreement for Joint Ownership, Construction and Operation of New Hampshire Nuclear Units dated May 1, 1973, as amended (the "JOA"). The JOA establishes the respective ownership interests of the Participants in the Seabrook Project and defines their responsibilities with respect to the ongoing operation, maintenance and decommissioning of the Seabrook Project. In general, all ongoing costs of the Seabrook Project are divided proportionately among the Participants in accordance with their ownership interests in the Seabrook Project. Each Participant is only liable for its share of the Seabrook Project's costs and not liable for any other Participant's share. The Company's joint ownership interest of 12.1% is the third largest interest among the Participants, exceeded only by the approximately 40% interest held by Northeast Utilities and its affiliates and the 17.5% interest held by The United Illuminating Company.

A Participant may sell any portion of its ownership interest to any entity that is engaged in the electric utility business in New England. Before such sale, however, such selling Participant must give certain other Participants the right of first refusal to purchase the interest on the same terms. Any Participant may transfer, free from the foregoing right of first refusal, any portion of its interest (a) to a wholly-owned subsidiary, (b) to another company in the same holding company system or a construction trust for the benefit of the transferor or another company in the same holding company system, or (c) in connection with a merger, consolidation or acquisition of the assets of such Participant.

The JOA provides for a Managing Agent to carry out the daily operational and management responsibilities of the Seabrook Project. The current Managing Agent, appointed on June 29, 1992, is North Atlantic Energy Service Corporation ("NAESCO"), a wholly-owned subsidiary of Northeast Utilities. Northeast Utilities, in conjunction with certain of its affiliates, is the largest of the Participants, as described above. Certain material decisions regarding the Seabrook Project are made by a seven-member Executive Committee consisting of the chief executive officers of certain of the Participants or their designees. The Executive Committee acts by majority vote of its members, although any action of the Executive Committee may be modified by vote of 51% of the ownership interests. The Company does not have a representative on the Executive Committee. Under the JOA, the appointment of the managing agent of the Seabrook Project may only be made by a majority in interest of the Participants.

Current Business

The business of Great Bay consists of the management of its joint ownership interest in the Seabrook Project and the sale in the wholesale power market of its share of electricity produced by the Seabrook Project. Great Bay does not have operational responsibility for the Seabrook Project. To date, the Company has entered into two long-term power contracts covering up to approximately 30 MW of Great Bay's share of the Seabrook Project capacity. The effectiveness of one of these contracts (covering up to 20 MW of power) is subject to the satisfaction of certain material conditions precedent. Great Bay currently sells the balance of its share of the Seabrook Project capacity in the short-term market. The Company's business strategy is to seek purchasers for its share of the Seabrook Project electricity output at prices, either in the short-term market or pursuant to medium or long-term contracts, significantly in excess of the prices currently available in the short-term market since sales at current short-term rates do not result in sufficient revenues to enable the Company to meet its cash requirements for operations, maintenance and capital expenditures. See "Risk Factors -- History of Losses; Implementation of Business Strategy."

Reorganization Plan Equity Financing

As part of the Company's Chapter 11 Plan of Reorganization (the "Reorganization Plan"), the Company obtained a commitment from Omega Advisors, Inc., an investment management corporation, or certain accounts managed by it or its affiliates (collectively, "Omega") and from Elliott Associates, L.P., a private investment partnership ("Elliott"), to provide $35 million of equity financing for the Company (the "Reorganization Plan Equity Financing"). On April 7, 1994, the Company entered into a Stock and Subscription Agreement with affiliates of Omega and with Elliott (the "Stock and Subscription Agreement"). Pursuant to the Stock and Subscription Agreement, Elliott agreed to purchase 11% of the Company's Common Stock and Omega agreed to purchase 49% of such Common Stock, constituting the $35 million financing. Elliott and Omega are referred to herein as the "Selling Stockholders."

The Reorganization Plan Equity Financing was incorporated into a First Modification to the Fifth Amended Plan of Reorganization (the "Modified Plan"). The Modified Plan was confirmed by the Bankruptcy Court on May 23, 1994. The Modified Plan, however, did not become effective because the Selling Stockholders declined to complete the Reorganization Plan Equity Financing, claiming that a Material Adverse Effect (as defined in the Stock and Subscription Agreement) in the financial condition of the Company and the Company's interest in the Seabrook Project had occurred.

The Selling Stockholders based their claim of Material Adverse Effect on (i) the publication of the 1994 New England Power Pool Capacity, Energy Load and Transmission Report (the "CELT Report"), which forecasted lower load growth than prior years' forecasts, (ii) a 60-day extension, from June through July 1994, to the regularly scheduled refueling outage for the Seabrook Project which was caused by the need to make unanticipated repairs to the reactor coolant pumps and heat exchange tubes, and (iii) the need for the repairs to the pumps and tubes. With respect to the CELT Report, the bondholders' committee representing the interests of the Company's bondholders in bankruptcy (the "Bondholders' Committee") believed that all of the information in the CELT Report was available prior to the signing of the Stock and Subscription Agreement and that the market data referenced in the CELT Report had already been incorporated into the projections provided to the Selling Stockholders. In addition, the Bondholders' Committee did not believe that the 60-day extension of the refueling outage and the need for the related repairs materially reduced the value of the Selling Stockholders' investment.

Rather than resorting to litigation to resolve this dispute, the Bondholders' Committee and the Selling Stockholders agreed to settle this matter on the terms and conditions set forth in a Settlement Agreement, dated September 9, 1994, among the Company and the Selling Stockholders (the "Investor Settlement Agreement"). The basic concept underlying the Investor Settlement Agreement was to allow the market for the Company's Common Stock to determine whether the Selling Stockholders' investment in the Company deteriorated. Under the Reorganization Plan Equity Financing, the Selling Stockholders received 4,800,000 shares, representing 60% of the outstanding Common Stock of the Company at November 23, 1994 (after giving effect to the issuance of Common Stock to certain former creditors of the Company pursuant to the Reorganization Plan), in exchange for their $35 million investment. Pursuant to the Investor Settlement Agreement, in addition to the 4,800,000 shares issued and sold by the Company to the Selling Stockholders pursuant to the Stock and Subscription Agreement, the Company issued to a disbursing agent 480,000 additional shares of Common Stock (the "Escrow Shares"), representing 6% of the Company's outstanding Common Stock at November 23, 1994 (after giving effect to the issuance of Common Stock to certain former creditors of the Company pursuant to the Reorganization Plan), which shares would have otherwise been distributed to certain creditors of the Company under the Reorganization Plan. The remaining 34% of the outstanding Common Stock of the Company, consisting of 2,720,000 shares of Common Stock, were issued to certain of the Company's former creditors pursuant to the Reorganization Plan. At any meeting of the stockholders of the Company, the disbursing agent is required to vote the Escrow Shares in the same proportion as such former creditors of the Company vote the shares of Common Stock issued to them pursuant to the Reorganization Plan.

On November 23, 1995, the first anniversary of the Effective Date of the Reorganization Plan (the "Reorganization Plan Anniversary Date"), the value of the Selling Stockholders' 4,800,000 shares of Common Stock will be determined by calculating the average price per share of the Common Stock for the 60 trading days immediately preceding the Reorganization Plan Anniversary Date (the "Per Share Value") by using the low trading price for days on which a trade occurs and the closing bid price for days on which no trade occurs. This valuation of the 4,800,000 shares will occur regardless of the number of shares the Selling Stockholders own at that time. If the Per Share Value multiplied by 4,800,000 (the "Aggregate Value") is less than $38.5 million, the Company is obligated to pay to the Selling Stockholders an amount (the "True-Up Amount") equal to the lesser of (i) $38.5 million less the Aggregate Value or (ii) the Escrow Shares. The True-Up amount payable to each Selling Stockholder is referred to herein as such Selling Stockholder's "True-Up Claim."

Each Selling Stockholder may elect to have its True-Up Claim, if any, satisfied by the issuance of Escrow Shares or in cash. If a Selling Stockholder elects to have its True-Up Claim satisfied by the issuance of Escrow Shares, such Selling Stockholder is entitled to receive, within three business days after the Reorganization Plan Anniversary Date, a number of Escrow Shares equal to the True-Up Claim divided by the Per Share Value. If a Selling Stockholder elects to have its True-Up Claim satisfied in cash, such Selling Stockholder is entitled to receive, within 25 business days after the Reorganization Plan Anniversary Date, its pro rata share, based upon its original ownership of the 4,800,000 shares, of the net cash proceeds realized from the sale of Escrow Shares (up to the amount of the Selling Stockholder's True-up Claim). In no event will more than the 480,000 Escrow Shares be distributed to the Selling Stockholders or sold by the disbursing agent to satisfy all of the True-Up Claims. If the Aggregate Value is equal to or greater than $38.5 million, the Escrow Shares will be issued on a pro rata basis to certain persons who were creditors of the Company as of the effective date of the Reorganization Plan. If the amount of the True-up Claims is less than the value of the Escrow Shares, any excess Escrow Shares will be distributed pro rata to such former creditors of the Company.

The terms of the Investor Settlement Agreement were incorporated into the Reorganization Plan and an amendment to the Stock and Subscription Agreement. The Bankruptcy Court approved the Investor Settlement Agreement and the amendment to the Stock and Subscription Agreement on October 31, 1994. All necessary regulatory approvals to consummate the Reorganization Plan Equity Financing and the Reorganization Plan were obtained and the Reorganization Plan Equity Financing closed on November 23, 1994.

Marketing

The Company's marketing efforts include direct negotiations with utilities, participation in utility-sponsored supply bidding processes and other activities designed to find opportunities to sell the Company's power in the power markets. These efforts are being performed on behalf of the Company by UNITIL Resources, Inc. ("UNITIL Resources"), a subsidiary of UNITIL Corporation ("UNITIL"), a public utility holding company, pursuant to a Marketing Agent Agreement, dated as of April 1, 1993 (the "Marketing Agreement"). The Marketing Agreement had an initial term of one year and provides for automatic successive one-year renewals. However, it may be terminated by either party at any time upon 90 days' prior written notice to the other party. Under the terms of the Marketing Agreement, the Company pays UNITIL Resources for costs incurred in rendering marketing services to the Company plus a commission for sales of power. The commission varies based on the prices at which electricity is sold. The Marketing Agreement provides significant incentives for UNITIL Resources to obtain contracts with higher power sale prices.

The Company currently sells most of its power to utility companies located in the Northeast United States in the short-term wholesale power market. Great Bay is currently not dependent on any single customer because many utilities and marketers are willing to buy the Company's share of electricity from the Seabrook Project at substantially the same price. Prices in the short-term market are typically higher during the summer and winter because the demand for electrical power is higher during these periods in the Northeast United States.

Power Purchase Agreements

The Company is a party to a power agreement, dated as of April 1, 1993 (the "UNITIL Power Purchase Agreement"), with UNITIL Power Corp. ("UNITIL Power"), a wholly-owned subsidiary of UNITIL, which provides for the Company to sell to UNITIL Power approximately 10 MW of power. The UNITIL Power Purchase Agreement commenced on May 1, 1993 and runs through October 31, 2010. During the first year of this term, the price of power under the UNITIL Power Purchase Agreement was 5.0 cents per kilowatt-hour ("kWh"). Thereafter, the price is subject to increase in accordance with a formula which provides for adjustments at less than the actual rate of inflation. UNITIL Power has an option to extend the UNITIL Power Purchase Agreement for an additional 12 years until 2022.

The UNITIL Power Purchase Agreement is front-end loaded whereby UNITIL Power pays higher prices, on an inflation adjusted basis, in the early years of the Agreement and lower prices in later years. The amount of the excess paid by UNITIL Power in the early years of the UNITIL Power Purchase Agreement is quantified in a "Balance Account" which increases annually to $4.1 million in 1998, then decreases annually, reaching zero in 2001. If the UNITIL Power Purchase Agreement terminates prior to its scheduled termination and if at that time there is a positive amount in the Balance Account, the Company is obligated to refund that amount to UNITIL Power.

To secure the obligations of the Company under the UNITIL Power Purchase Agreement, including the obligation to repay to UNITIL Power the amount of the Balance Account, the UNITIL Power Purchase Agreement grants UNITIL Power a mortgage on the Company's interest in the Seabrook Project. This mortgage may be subordinated to first mortgage financing of up to a maximum amount of $80,000,000. The UNITIL Power Purchase Agreement further provides that UNITIL Power's mortgage will rank pari passu with other mortgages that may hereafter be granted by the Company to other purchasers of power from the Company to secure similar obligations, provided that (i) the maximum amount of indebtedness secured by the first mortgage on the Seabrook Interest may not exceed $80,000,000 and (ii) the combined total of all second mortgages on the Seabrook Interest may not exceed the sum of (a) $80,000,000 less the total amount of the Company's debt then outstanding which is secured by a first mortgage plus (b) $57,000,000.

In addition to the UNITIL Power Purchase Agreement, the Company also has entered into an option agreement with UNITIL Power (the "Power Purchase Option Agreement") under which the Company has granted UNITIL Power the option to purchase, during the period from November 1, 1998 through October 31, 2018, approximately 15 MW of electricity at a price equal to 6.5 cents per kWh, subject to adjustment in accordance with a formula. UNITIL Power is required to exercise its option under the Power Purchase Option Agreement on or before the earlier of (i) October 31, 1996, or (ii) 30 days after the first date on which the Company is prepared to commit to sell, for a minimum of 10 years, all or any part of the last remaining 15 MW of the Company's share of power generated by the Seabrook Project.

The Company has also entered into a Purchased Power Agreement, dated as of March 2, 1995 (the "Freedom Purchased Power Agreement"), with Freedom Electric Power Company ("Freedom Electric") pursuant to which the Company agreed to sell to Freedom Electric, subject to the satisfaction of certain material conditions precedent, up to 20 MW of power at an initial price of approximately 4.5 cents per kWh. The price for power is subject to increase based on the producer price index.

The Freedom Purchased Power Agreement is subject to the receipt by Freedom Electric of all necessary regulatory approvals, including approval from the New Hampshire Public Utilities Commission (the "NHPUC") to operate as a utility and to sell electricity directly to end-users and approval by the Federal Energy Regulatory Commission ("FERC") of the rates specified in the agreement. In addition, the agreement is subject to the entry by Freedom Electric into an agreement with Public Service Company of New Hampshire ("PSNH") to provide transmission services from PSNH to Freedom Electric. The Company has the right to terminate the Freedom Purchased Power Agreement in the event that these conditions are not satisfied by February 28, 1996.

Freedom Electric has petitioned the NHPUC for permission to sell electric power directly to end-users located in the franchise service area of PSNH, but it is not currently authorized to operate an electric utility. Currently, Freedom Electric has only one customer with a requirement of approximately 5.5 MW.

Competition

The Company sells its share of Seabrook electricity into the wholesale electricity market in the Northeast United States. There are a large number of suppliers to this market and competition is intense. A primary source of competition comes from traditional utilities, many of which presently have excess capacity. In addition, non-utility wholesale generators of electricity, such as independent power producers ("IPPs"), Qualifying Facilities ("QFs") and Exempt Wholesale Generators ("EWGs"), a new class of non-utility generators established by the Energy Policy Act of 1992 (the "Energy Act"), as well as power marketers and brokers, also actively sell electricity in this market.

The Company may face increased competition, primarily based on price, from all the foregoing sources in the future. The Company believes that it is able to compete effectively in the wholesale electricity market based on price because of the current low cost of electricity generated by the Seabrook Project in comparison with existing alternative sources and the reduction of the Company's capital costs resulting from the implementation of the Reorganization Plan. See "Risk Factors -- Competition."

NEPOOL

The Company is a party to the New England Power Pool ("NEPOOL") Agreement and is a member of NEPOOL. NEPOOL is open to all investor-owned, municipal and cooperative electric utilities in New England that are connected to the New England power grid. The NEPOOL Agreement provides for coordinated planning of future facilities as well as the operation of nearly 100% of existing generating capacity in New England and of related transmission facilities as if they were one system. The NEPOOL Agreement imposes on its participants obligations concerning generating capacity reserves and the right to use major transmission lines. On occasions when one or more transmission lines are out of service, the quantity of power being produced by then operating generation plants may exceed the quantity of power that can be carried safely by the transmission system. In such instances, one or more generation plants may be taken off-line by NEPOOL. To date, the Seabrook Project has not been taken off-line in these instances. The Company believes that it is unlikely that the Seabrook Project would be taken off-line in such instances because NEPOOL prefers to take off-line non-nuclear plants which are less complex and less difficult to schedule than nuclear units.

The NEPOOL agreement also provides for central dispatch of the generating capacity of NEPOOL members with the objective of achieving economical use of the region's facilities. Pursuant to the NEPOOL Agreement, interchange sales (purchases from or sales to the pool by a NEPOOL member) are made at prices approximately equal to the fuel cost for generation without contribution to the support of fixed charges, if NEPOOL has the right to schedule delivery of the power. On rare occasions, unscheduled power is delivered, or "dumped," to the pool, for which no payment is made by NEPOOL. The Company does not expect to "dump" power to NEPOOL. NEPOOL members also jointly schedule generation plant maintenance to avoid capacity shortages in the NEPOOL area. The number of generation plants undergoing maintenance at any time affects the cost of replacement power in the market. Thus, the Company's operating revenues and costs are affected to some extent by the operations of plants of other members.

Nuclear Power, Energy and Utility Regulation

The Seabrook Project and the Company, as part owner of a licensed nuclear facility, are subject to the broad jurisdiction of the NRC, which is empowered to authorize the siting, construction and operation of nuclear reactors after consideration of public health and safety, environmental and antitrust matters. The Company has been, and will be, affected to the extent of its proportionate share by the cost of any such requirements made applicable to Seabrook Unit 1.

The Company is also subject to the jurisdiction of the FERC under Parts II and III of the Federal Power Act and, as a result, is required to file with FERC all contracts for the sale of electricity. FERC has the authority to suspend the rates at which the Company proposes to sell power, to allow such rates to go into effect subject to refund and to modify a proposed or existing rate if FERC determines that such rate is not "just and reasonable." FERC's jurisdiction also includes, among other things, the sale, lease, merger, consolidation or other disposition of facilities, interconnection of certain facilities, accounts, service and property records.

Because it is an EWG, the Company is not subject to the jurisdiction of the Securities and Exchange Commission (the "Commission") under the Public Utility Holding Company Act of 1935. In order to maintain its EWG status, the Company must continue to engage exclusively in the business of owning and/or operating all or part of one or more "eligible facilities" and to sell electricity only at wholesale (i.e., not to end users). An "eligible facility" is a facility used for the generation of electric energy exclusively at wholesale or used for the generation of electric energy and leased to one or more public utility companies. The term "facility" may include a portion of a facility. In the case of the Company, its 12.1% joint ownership interest in the Seabrook Project comprises an "eligible facility."

The Company is subject to regulation by the NHPUC in many respects including the issuance of securities, the issuance of debt, contracts with affiliates, forms of accounts, transfers of utility properties, mortgaging of utility property and other matters. The NHPUC does not regulate rates charged for sales of electricity at wholesale.

See "Risk Factors -- Government Regulation."

Nuclear Power Issues

Nuclear units in the United States have been subject to widespread criticism and opposition, which has led to construction delays, cost overruns, licensing delays and other difficulties. Various groups have sought to prohibit the completion and operation of nuclear units and the disposal of nuclear waste by litigation, legislation and participation in administrative proceedings. The Seabrook Project was the subject of significant public controversy during its construction and licensing and remains controversial. An increase in public concerns regarding the Seabrook Project or nuclear power in general could adversely affect the operating license of Seabrook Unit 1. While the Company cannot predict the ultimate effect of such controversy, it is possible that it could result in a premature shutdown of the unit.

In the event of a permanent shutdown of any unit, NRC regulations require that it be completely decontaminated of any residual radioactivity. While the owners of the Seabrook Project are accumulating a trust fund to defray decommissioning costs, these costs could substantially exceed that trust fund, and the owners (including the Company) would remain liable for the excess. See "Nuclear Waste Disposal" and "Decommissioning" below and "Risk Factors -- Public Controversy," and "-- Waste Disposal; Decommissioning Cost."

Nuclear Related Insurance Requirements

In accordance with the Price-Anderson Act, the limit of liability for a nuclear-related accident as of November 18, 1994 is approximately $8.9 billion. The primary layer of insurance for this liability is $200 million of coverage per accident provided by the commercial insurance market and paid for by the project owner. The secondary coverage is approximately $8.7 billion, based on the 110 currently licensed reactors in the United States. The secondary layer is based on a retrospective premium assessment of $79.275 million per nuclear accident per licensed reactor, payable at a rate not exceeding $10 million per year per accident and a maximum of $20 million per year regardless of the number of accidents. In addition, the retrospective premium is subject to inflation-based indexing at five-year intervals and, if the sum of all public liability claims and legal costs arising from any nuclear accident exceeds the maximum amount of financial protection available, then each licensee can be assessed an additional 5% ($3.964 million) of the maximum retrospective assessment. With respect to the Seabrook Project, the Company would be obligated to pay its ownership share of any assessment resulting from a nuclear incident at any United States nuclear generating facility. The Company estimates that its maximum liability per accident currently would be an aggregate of approximately $9.59 million per accident ($10.07 million per accident if the Seabrook Project is assessed an additional 5% of the maximum retrospective assessment as

described above), with a maximum annual assessment of approximately $1.21 million per accident, per year. In the event of multiple accidents, the Company estimates that its maximum annual assessment would not exceed $2.42 million per year.

In addition to the insurance required by the Price-Anderson Act, the NRC regulations require licensees, including the Seabrook Project, to carry all-risk nuclear property damage insurance in the amount of at least $1.06 billion, which amount must be dedicated, in the event of an accident to the reactor, to the stabilization and decontamination of the reactor to prevent significant risk to the public health and safety. The Seabrook Participants currently carry such insurance in an aggregate amount of $2.75 billion, subject to a $500,000 deductible. The Company is required to pay its ownership share of the cost of purchasing such insurance for the Seabrook Project.

Nuclear Fuel

The Seabrook Project Participants are parties to various arrangements for the acquisition of uranium concentrate, the conversion, enrichment, fabrication and utilization of nuclear fuel and the disposition of that fuel after use. Many of these arrangements are pursuant to multiyear contracts with concentrate or services providers. Based on the Seabrook Project's existing contractual arrangements, the Company believes that the Seabrook Project has available or under supply contract sufficient nuclear fuel for operations through approximately 2001. The next refueling, based on the current rate of fuel consumption, is scheduled for November 1995. Uranium concentrate and conversion, enrichment and fabrication services currently are available from a variety of sources. The cost of such concentrate and such services varies based upon market factors.

Nuclear Waste Disposal

Costs associated with nuclear plant operations include amounts for disposal of nuclear wastes, including spent fuel, as well as for the ultimate decommissioning of the plants. Under the Nuclear Waste Policy Act of 1982 (the "NWPA"), the United States Department of Energy (the "DOE") is required to design, license, construct and operate a permanent repository for high level radioactive wastes and spent nuclear fuel. The NWPA requires the DOE to provide, beginning in 1998, for the disposal of spent nuclear fuel and high level radioactive waste from commercial nuclear plants through contracts with the owners and generators of such waste.

The owners of the Seabrook Project have entered into contracts with the DOE for disposal of spent nuclear fuel in accordance with the NWPA. In return for payment of the prescribed fees, the federal government is to take title to and dispose of the Seabrook Project's high level wastes and spent nuclear fuel beginning no later than 1998. However, the DOE has announced that its first high level waste repository will not be in operation earlier than 2010, notwithstanding the DOE's statutory and contractual responsibility to begin disposal of high-level radioactive waste and spent fuel beginning not later than January 31, 1998.

Until the federal government begins receiving such materials in accordance with the NWPA, operating nuclear generating units such as the Seabrook Project will need to retain high level wastes and spent fuel on-site or make other provisions for their storage. The Participants believe that on-site storage facilities for the Seabrook Project will be adequate until at least 2010 and the Participants anticipate no near-term capital expenditures to deal with any increase in storage requirements after 2010.

Disposal costs for low-level radioactive wastes ("LLW") that result from normal operation of nuclear generating units have increased significantly in recent years and are expected to continue to rise. The cost increases are functions of increased packaging and transportation costs and higher fees and surcharges charged by the disposal facilities. Pursuant to the Low-Level Radioactive Waste Policy Act of 1980, each state was responsible for providing disposal facilities for LLW generated

within the state and was authorized to join with other states into regional compacts to jointly fulfill their responsibilities. However, pursuant to the Low-Level Radioactive Waste Policy Amendments Act of 1985, each state in which a currently operating disposal facility is located (South Carolina, Nevada and Washington) is allowed to impose volume limits and a surcharge on shipments of LLW from states that are not members of the compact in the region in which the facility is located. On June 19, 1992, the United States Supreme Court issued a decision upholding certain parts of the Low-Level Radioactive Waste Policy Amendments Act of 1985, but invalidating a key provision of that law requiring each state to take title to LLW generated within that state if the state fails to meet federally-mandated deadlines for siting LLW disposal facilities. The decision has resulted in uncertainty about states' continuing roles in siting LLW disposal facilities and may result in increased LLW disposal costs and the need for longer interim LLW storage before a permanent solution is developed.

The State of New Hampshire has not met deadlines for compliance with the Low-Level Radioactive Waste Policy Act, and Seabrook Unit 1 has been denied access to existing disposal facilities. Therefore, LLW generated by the Seabrook Project is being stored on-site. The Seabrook Project storage facility currently has capacity to store approximately an additional five years' accumulation of waste generated by the Seabrook Project, and the Participants plan to expand storage capacity as necessary.

Decommissioning

NRC licensing requirements and restrictions are also applicable to the decommissioning of nuclear generating units at the end of their service lives, and the NRC has adopted comprehensive regulations concerning decommissioning planning, timing, funding and environmental review. Any changes in NRC requirements or technology can increase estimated decommissioning costs.

Along with the other Participants, the Company is responsible for its pro rata share of the decommissioning and cancellation costs for Seabrook. The decommissioning funding schedule is determined by the New Hampshire Nuclear Decommissioning Financing Committee (the "NDFC"). The NDFC reviews the decommissioning funding schedule for the Seabrook Project at least annually and, for good cause, may increase or decrease the amount of the funds or alter the funding schedule. The Company pays its share of decommissioning costs on a monthly basis as an operating expense.

The cost to decommission Seabrook Unit 1, based on a study performed for the owner of the largest interest in the Seabrook Project, has been estimated to be approximately $400 million in 1994 dollars, which assumes a 36-year plant life and a future escalation rate of 4.25% per annum. The Company's share of that amount is 12.1% or approximately $48.5 million. As part of the NDFC's annual review, on May 30, 1994, NAESCO filed a revised decommissioning funding schedule with the NDFC on behalf of the Participants estimating the total decommissioning cost to be approximately $360 million.

Since NAESCO filed its updated funding schedule, several parties have intervened in the proceedings before the NDFC and have raised issues concerning the assumed operating life of the plant, the appropriate escalation rate, assurances that fund contributions will be collected from the Participants, the method of decommissioning, the adequacy of NAESCO's updated estimate and whether the funding should be in terms of real or nominal dollars. If all of the adverse positions taken by the intervening parties are adopted by the NDFC, the annual required contributions of the Company would increase to approximately $4 million per year. During 1994, the Company contributed approxiamtely $1 million to the decommissioning fund. The consultant hired by the NDFC has also filed recommendations which, if adopted, would significantly increase the Company's annual decommissioning obligations.

The NDFC held public hearings on these issues in November 1994. The decommissioning cost estimates reviewed by the NDFC ranged from approximately $360 million to $434 million. In April 1995, the Company expects to receive a draft report of the NDFC's proposed decision which the Company believes will reflect a decommissioning cost estimate of approxiamtely $400 million, assuming a 36-year funding schedule and a 4.25% escalation rate per annum. The final order of the NDFC is expected to be issued in May 1995 following the expiration of a 30-day period for comments on the draft report. The Company cannot predict the final action of the NDFC on the draft report. See "Risk Factors -- Waste Disposal; Decommissioning Cost."

The agreements of purchase and sale under which the Company purchased its interest in the Seabrook Project required the Company to establish a fund of $10 million to secure payment of part of its share of the decommissioning costs of Seabrook Unit 1 and any costs of cancellation of Seabrook Unit 1 or Unit 2. In May 1990, EUA guaranteed $10 million of this obligation and the entire fund was released to the Company and expended by the Company. In connection with the Company's bankruptcy proceedings, EUA reaffirmed its guaranty.

Environmental Regulation

The Seabrook Project, like other electric generating stations, is subject to standards administered by federal, state and local authorities with respect to the siting of facilities and associated environmental factors. The United States Environmental Protection Agency (the "EPA"), and certain state and local authorities, have jurisdiction over releases of pollutants, contaminants and hazardous substances into the environment and have broad authority in connection therewith, including the ability to require installation of pollution control devices and remedial actions. The NRC has promulgated a variety of standards to protect the public from radiological pollution caused by the normal operation of nuclear generating facilities.

The EPA issued a National Pollutant Discharge Elimination System permit, valid for a period of five years, to NAESCO on October 30, 1993 authorizing discharges from Seabrook Station into the Atlantic Ocean and the Browns River in accordance with limitations, monitoring requirements and conditions specified in the permit. On August 31, 1994, the New Hampshire Department of Environmental Services issued to NAESCO permits to operate two auxiliary boilers and two emergency diesel generators in accordance with New Hampshire RSA 125-C. These permits, which are effective until August 31, 1997, prescribe limits for the emission of air pollutants into the ambient air as well as recordkeeping and other reporting criteria.

In some environmental areas, the NRC and the EPA have overlapping jurisdiction. Thus, NRC regulations are subject to all conditions imposed by the EPA and a variety of federal environmental statutes, including obtaining permits for the discharge of pollutants (including heat, which is discharged by the Seabrook Project) into the nation's navigable waters. In addition, the EPA has established standards, and is in the process of reviewing existing standards, for certain toxic air pollutants, including radionuclides, under the Clean Air Act which apply to NRC-licensed facilities. The effective date for the new EPA radionuclide standards has been stayed as applied to nuclear generating units. Environmental regulation of the Seabrook Project may result in material increases in capital and operating costs, delays or cancellation of construction of planned improvements, or modification or termination of operation of existing facilities. The Seabrook Project has not budgeted any funds for the remainder of the 1995 fiscal year, and has budgeted approximately $381,000 for the 1996 fiscal year, for capital expenditures for environmental pollution control facilities.

Energy Policy Act

The Energy Act deals with many aspects of national energy policy and includes important changes for electric utilities and registered holding companies. For example, the Energy Act grants FERC new authority to mandate transmission access for QFs, EWGs and traditional utilities. It is not possible to predict the impact which the Energy Act and the rules and regulations which will be promulgated by various regulatory agencies pursuant to the Energy Act will have on the Company. It is also not possible to predict the timing or content of future energy policy legislation and the significance of such legislation to the Company. Various issues not addressed by the Energy Act, including regional planning and transmission arrangements, could be addressed in future legislation.

Employees and Management

The Company has only one employee, its President, John A. Tillinghast. See "Directors and Executive Officers" and "Executive Compensation" below. In addition, day-to-day management and administration services are provided to the Company by UNITIL Resources pursuant to a Management and Administrative Services Agreement (the "Services Agreement"). The Services Agreement became effective on November 23, 1994 and provides for UNITIL Resources to provide a full range of services to the Company, including management and administration, accounting and bookkeeping, budgeting and regulatory compliance. Under the Services Agreement, the Company is required to pay UNITIL Resources $225,000 per year for senior executive services relating to the management of the Company's interest in the Seabrook Project and to pay for day-to-day operational services at an amount equal to 125% of the cost to UNITIL Resources of those services. The Services Agreement has a one-year term and provides for automatic one-year renewals. Either the Company or UNITIL Resources may terminate the Services Agreement without cause at any time by providing 60 days' prior written notice.

MANAGEMENT

Executive Officer and Directors

The executive officer and directors of the Company are as follows:

Name	Age	Position
John A. Tillinghast	67	President, Treasurer, Secretary and Chairman of the Board of Directors
Walter H. Goodenough	55	Director
Kenneth A. Buckfire	36	Director

Mr. Tillinghast has served as President, Treasurer, Secretary and a director of the Company since November 23, 1994, the Effective Date. Since 1987, Mr. Tillinghast has served as President and the sole stockholder of Tillinghast Technology Interests, Inc. ("TILTEC"), a private consulting firm that provides services to various corporations relative to cogeneration, alternative energy projects, third party power generation and general restructuring of the U.S. utility industry. In addition, from 1986 to 1993, Mr. Tillinghast served as Chairman of the Energy Engineering Board of the National Academy of Sciences. He holds an M.S. in Mechanical Engineering from Columbia University.

Mr. Goodenough has served as a director of the Company since November 23, 1994, the Effective Date. From 1989 to 1991, Mr. Goodenough served as Vice President of Finance for Texas Utilities Services, Inc., an electric utility service company. Concurrently, he served as Treasurer and Assistant Secretary of Texas Utilities Company, the holding company for the Texas Utilities System. From October 1991 to November 1992, he was Vice President of Public Affairs for Texas Utilities Services, Inc. Since November 1992, Mr. Goodenough has provided consulting services to various utility industry clients, including the Company as debtor-in-possession. Mr. Goodenough is a Certified Public Accountant and holds a B.A. in accounting from Texas A&M University.

Mr. Buckfire has served as a director of the Company since November 23, 1994, the Effective Date. Mr. Buckfire was an associate in investment banking with Dillon, Read & Co., Inc. during 1989. From January of 1990 to February of 1991, Mr. Buckfire was a Vice President with Kidder Peabody Group, Inc. a New York-based investment bank. From March 1991 to August 1994, he served as a Vice President of High Yield Banking, and since September 1994 he has served as a Senior Vice President of High Yield Banking, for Lehman Brothers, Inc., also a New York-based investment bank, where he advises clients on high yield financings and is responsible for managing investments by Lehman Brothers, Inc. in restructured companies. Mr. Buckfire is a director of Pike Advertising Services, Inc. and Caddis International, Inc. Mr. Buckfire holds a B.A. from the University of Michigan and an M.B.A. from Columbia University.

Board of Directors

Directors are elected annually and hold office until the next annual meeting of stockholders or until their successors are elected and qualified. The executive officer of the Company is elected by the Board of Directors on an annual basis and serves at the discretion of the Board. Employee directors do not receive any compensation for serving on the Board. Non-employee directors receive $2,500 per quarter, plus reasonable expenses.

Executive Compensation

Summary Compensation Table. The following table sets forth information concerning the compensation of the Company's Chief Executive Officer, who was the only person serving as an executive officer of the Company on December 31, 1994:

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation Salary ($)(1)
John A. Tillinghast ..... Chief Executive Officer	1994(1)	$10,109

(1) Mr. Tillinghast's employment with the Company commenced on November 23, 1994.

Employment Agreement

Mr. Tillinghast has entered into an Employment Agreement with the Company, effective as of November 23, 1994 (the "Employment Agreement") under which he serves as the Company's President. The Employment Agreement has a term of one year and provides for an annual salary of $95,000. Under the Employment Agreement, Mr. Tillinghast is permitted to engage in certain limited business activities in addition to his services for the Company.

The Employment Agreement also entitles Mr. Tillinghast to a cash bonus payable within 30 days after each of the first five anniversaries of the effective date of the Employment Agreement. Each such bonus will be equal to the amount by which the price per share of the Company's Common Stock is higher on the applicable employment anniversary date than its highest price on any prior anniversary date multiplied by the following respective percentages of 17,500:

November 23, 1994 to November 22, 1995:	100%
November 23, 1995 to November 22, 1996:	100%
November 23, 1996 to November 22, 1997:	75%
November 23, 1997 to November 22, 1998:	50%
November 23, 1998 to November 22, 1999:	25%

This bonus arrangement remains in effect regardless of whether Mr. Tillinghast remains employed by the Company after the initial one-year term of the Employment Agreement, although Mr. Tillinghast must work for the full one-year term in order to be eligible for the bonus.

Certain Transactions

Mr. Tillinghast served as a consultant to the Company with respect to all matters related to the confirmation of the Reorganization Plan during 1993 and in 1994 through November 23, 1994. For such services, the Company paid him fees and expense reimbursements totalling $110,883 in 1993 and $184,284 in 1994. In addition, TILTEC, which is wholly owned by Mr. Tillinghast, and the Company are parties to an Agreement under which TILTEC provides Great Bay with approximately 1,000 square feet of furnished office space located within close proximity to the Seabrook Project at 20 Ladd Street in Portsmouth, New Hampshire, and administrative support services for a total fee of

$3,500 per month. The Agreement commenced on November 23, 1994, has a one-year term and provides for automatic one-year renewals. The Company believes the office space will be adequate for the Company's needs for the foreseeable future.

Mr. Buckfire, a director of the Company, is a Senior Vice President of Lehman Brothers, Inc., an investment banking firm, ("Lehman Brothers"). Lehman Brothers provided investment banking services to the Company in connection with the Reorganization Plan, for which it was paid $75,000 in 1993 and $937,500 in 1994. Lehman Brothers may provide investment services to the Company in the future, at the direction and upon the approval of the Board of Directors at the Company.

Mr. Goodenough, a director of the Company, was paid approximately $7,441 during 1994 for consulting services rendered to the predecessor company in connection with negotiation of the Reorganization Plan Equity Financing.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information with respect to beneficial ownership of the Company's outstanding Common Stock as of March 22, 1995 by (i) each director of the Company, (ii) the Company's sole executive officer, (iii) all current directors and the sole executive officer of the Company as a group, (iv) each person known by the Company to beneficially own 5% or more of the outstanding shares of Common Stock, and (v) each Selling Stockholder.

	Shares Beneficially Owner Prior to Offering (1)			Shares to be Beneficially Owned After Offering (1)	
	Number	Percent	Number of Shares Offered	Number	Percent
5% Stockholders					
Omega Capital Partners, L.P. Wall Street Plaza 88 Pine Street New York, NY 10005	1,383,760(2)(3)	17.3%	1,383,760	0	0
Omega Advisors, Inc. Wall Street Plaza 88 Pine Street New York, NY 10005	1,258,320(2)(3)(4)	15.7%	1,258,320	0	0
Elliott Associates, L.P. 712 Fifth Avenue 36th Floor New York, NY 10019	1,211,161(2)(5)	15.1%	1,211,161	0	0
Omega Institutional Partners, L.P. Wall Street Plaza 88 Pine Street New York, NY 10005	977,920(2)(3)	12.2%	977,920	0	0

Omega Overseas Partners, L.P. c/o Omega Advisors, Inc. 88 Pine Street New York, NY 10005	736,960(2)(3)(6)	9.2%	736,960	0	0
Other Selling Stockholders					
Westgate International, L.P. c/o Midland Bank Trust Corporation (Cayman) Limited P.O. Box 1109 Mary Street Grand Cayman Cayman Islands British West Indies	287,212(2)(5)	3.6%	287,212	0	0
The Common Fund c/o Omega Advisors, Inc. 88 Pine Street New York, NY 10005	239,120(2)(3)(6)	3.0%	239,120	0	0
Manchester Securities Corp. 712 Fifth Avenue 36th Floor New York, NY 10019	222,157(2)(5)	2.8%	222,157	0	0
Omega Overseas Partners II, Ltd. c/o Omega Advisors, Inc. 88 Pine Street New York, NY 10005	113,680(2)(3)(6)	1.4%	113,680	0	0
Haussman Holdings, N.V. c/o Omega Advisors, Inc. 88 Pine Street New York, NY 10005	90,160(2)(3)(6)	1.1%	90,160	0	0
Goldman Sachs & Co. Profit Sharing Master Trust c/o Omega Advisors, Inc. 88 Pine Street New York, NY 10005	78,400(2)(3)(6)	1.0%	78,400	0	0
Directors and Executive Officer					
Kenneth A. Buckfire	1,000	*	0	1,000	*
Walter H. Goodenough	1,000	*	0	1,000	*
John A. Tillinghast	1,000	*	0	1,000	*

All directors and executive officer as a group (3 individuals)	3,000	*	0	3,000	*

* Less than one percent.

(1) Except as indicated in these notes, the persons named in the table have sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by them, subject to community property laws where applicable and the information contained in this table and these notes. Applicable percentage of ownership assumes the completion of the distribution of shares of the Company's Common Stock to record holders of certain previously outstanding Notes pursuant to the Reorganization Plan and, therefore, is based on an aggregate of 8,000,000 shares of Common Stock outstanding. An aggregate of 7,968,963 shares of Common Stock were outstanding on March 22, 1995.

(2) Excludes pro rata portion of up to 480,000 Escrow Shares currently held by a disbursing agent in an Escrow Fund pursuant to the Investor Settlement Agreement. On or after November 23, 1995, such Escrow Shares may be delivered to the Selling Stockholders or certain former creditors of the Company. The disbursing agent is required to vote the Escrow Shares in the same proportion as such former creditors of the Company vote the shares of Common Stock issued to them pursuant to the Reorganization Plan. If all 480,000 shares are issued pro rata (based on the number of shares purchased in the Reorganization Plan Equity Financing) to the Selling Stockholders, the Shares Beneficially Owned Prior to Offering and Number of Shares Offered, for each of the Selling Stockholders (instead of the amounts reflected in the table), would be as follows: Omega Capital Partners, L.P. (1,522,136); Omega Advisors, Inc. (1,384,152); Elliott Associates, L.P. (1,321,661); Omega Institutional Partners, L.P. (1,075,712); Omega Overseas Partners, L.P. (810,656); Westgate International, L.P. (294,712); The Common Fund (263,032); Manchester Securities Corp. (222,157); Omega Overseas Partners II, Ltd. (125,048); Haussman Holdings, N.V. (99,176); and Goldman Sachs & Co. Profit Sharing Master Trust (86,240). Certain Selling Stockholders have acquired from certain former creditors of the Company the right to receive a portion of any Escrow Shares that are issued to such former creditors of the Company. If all 480,000 Escrow Shares are issued pro rata (based on the number of shares issued pursuant to the Reorganization Plan) to such former creditors of the Company, the Shares Beneficially Owned Prior to Offering and Number of Shares Offered, for each of the following Selling Stockholders (instead of the amounts reflected in the table), would be as follows: Elliott Associates, L.P. (1,229,895); Westgate International, L.P. (296,036); and Manchester Securities Corp. (261,361). See "Business -- Reorganization Plan and Reorganization Plan Equity Financing."

(3) These stockholders may be deemed to be a group for purposes of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended.

(4) Consists of shares of Common Stock held by the following entities: Omega Overseas Partners, L.P. (736,960 shares), The Common Fund (239,120 shares), Omega Overseas Partners II, Ltd. (113,680 shares), Goldman Sachs & Co. Profit Sharing Master Trust (78,400 shares) and Haussman Holdings, N.V. (90,160 shares). Omega Advisors, Inc. has sole power to vote and sole power to dispose of all shares of Common Stock of the Company held by Omega Overseas Partners, Ltd. and Omega Overseas Partners II, Ltd. Omega Advisors, Inc. has shared power to vote and to dispose with respect to all shares of Common Stock held by each of The Common Fund, Haussman Holdings, N.V. and Goldman Sachs & Co. Profit Sharing Master Trust.

(5) Paul E. Singer, either directly or indirectly, controls each of these entities. These stockholders may be deemed to be a group for purposes of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended.

(6) Represents shares attributed to Omega Advisors, Inc. See note (4) above.

The shares of Common Stock issued and sold by the Company to the Selling Stockholders pursuant to the Reorganization Plan Equity Financing were sold pursuant to the exemption from registration set forth in Section 4(2) of the Securities Act of 1933, as amended (the "Act"), and are restricted securities. The Selling Stockholders have the benefit of certain registration rights with respect to these shares and with respect to certain shares purchased from certain former creditors of the Company. The offering that is the subject of this Prospectus is being made pursuant to a demand by the Selling Stockholders under such registration rights. See "Description of Capital Stock -- Registration Rights." The shares of Common Stock issued by the Company to certain former creditors of the Company pursuant to the Reorganization Plan were issued pursuant to Section 1145 of the United States Bankruptcy Code and are not restricted securities unless the holder is an "underwriter" for purposes of Section 1145.

DESCRIPTION OF CAPITAL STOCK

The Company's authorized capital stock consists of 8,000,000 shares of Common Stock, $.01 par value per share. As of March 22, 1995, 7,968,963 shares of Common Stock were outstanding (although the 480,000 Escrow Shares were held by a disbursing agent in the Escrow Fund).

Common Stock

The Company is authorized to issue 8,000,000 shares of Common Stock, $.01 par value per share. Holders of Common Stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. Accordingly, holders of a majority of the shares of Common Stock entitled to vote in any election of directors may elect all of the directors standing for election. Holders of Common Stock are entitled to receive ratably such dividends, if any, as may be declared by the Board of Directors out of funds legally available therefor. Upon the liquidation, dissolution or winding up of the Company, the holders of Common Stock are entitled to receive ratably the net assets of the Company available after the payment of all debts and other liabilities. Holders of Common Stock have no preemptive, subscription, redemption or conversion rights. The outstanding shares of Common Stock are fully-paid and nonassessable.

Indemnification and Limitation of Liability

Article EIGHTH of the Restated Articles of Incorporation of the Company provides that the directors and officers of the Company shall be indemnified by the Company to the fullest extent permitted by New Hampshire law, as amended from time to time, against all liabilities and expenses reasonably incurred by reason of such service for or on behalf of the Company. Except for derivative claims as to which a director or officer has been adjudged liable to the Company, the Company will indemnify directors and officers for claims arising out of actions taken on behalf of the Company so long as such action was taken in good faith and in the reasonable belief that such action was in the best interests of the Company, was not opposed to the Company's best interests, or with respect to a criminal action, was taken in the reasonable belief that such action was lawful.

Registration Rights

The Selling Stockholders are entitled to require the Company to register, under the Act, up to a total of 6,120,530 shares (giving effect to the possible delivery to the Selling Stockholders of the 480,000 Escrow Shares) of outstanding Common Stock (the "Registrable Shares") under the terms of a registration rights agreement among the Company and the Selling Stockholders (the "Registration Rights Agreement"). The Registration Rights Agreement provides that in the event that a single Selling Stockholder requests the registration of a number of shares equal to or greater than 5% of the outstanding Common Stock at the time of the request, the Company shall effect the registration of such shares and the shares of other Selling Stockholders requesting registration. The Registration Rights Agreement also provides that in the event the Company proposes to register any of its securities under the Act at any time or times, the Selling Stockholders, subject to certain exceptions, shall be entitled to include Registrable Shares in such registration. The offering that is the subject of this Prospectus is being made pursuant to a demand by the Selling Stockholders under the Registration Rights Agreement.

The Company is generally required to bear all the expenses of the first three registrations initiated at the request of the Selling Stockholders, excluding any underwriting discounts, commissions or transfer taxes. The Company has also agreed to indemnify the Selling Stockholders, and certain of their affiliates, for claims under the Act arising from statements in the registration statement of which this Prospectus is a part, unless such statements were provided to the Company by such Selling Stockholders.

The Registration Rights Agreement provides for liquidated damages in the event that the Company fails to file a registration statement within 60 days of a request pursuant to the Registration Rights Agreement (30 days with respect to the request to file the Registration Statement of which this Prospectus is a part), or in the event that such registration statement has not become effective within 180 days of such request. Liquidated damages range between 1% and 2% of the value of the number of shares requested to be registered.

Transfer Agent and Registrar

The transfer agent and registrar for the Common Stock is Boston Financial Data Services, Inc., a wholly-owned subsidiary of State Street Bank and Trust Company.

PLAN OF DISTRIBUTION

The Selling Stockholders have advised the Company that the shares of Common Stock covered hereby may be sold in private or public transactions, in transactions involving principals, in transactions involving brokers, or by any other lawful methods. Sales through brokers may be made by any method of trading authorized by the Nasdaq National Market or any stock exchange on which the Common Stock may be listed in the future, including block trading in negotiated transactions. Without limiting the foregoing, such brokers may act as dealers by purchasing any or all of the shares covered by this Prospectus, either as agents for others or as principals for their own accounts and reselling such shares pursuant to this Prospectus. The Selling Stockholders have advised the Company that they do not anticipate paying any consideration other than usual and customary broker's commissions in connection with sales of the shares and that a portion of the shares being offered hereunder may be sold in accordance with the provisions of Rule 144 under the Act to the extent that such sales may be made in compliance with Rule 144.

To the extent required, the number of shares of Common Stock to be sold, the names of the Selling Stockholders, the purchase price, the name of any such agent, dealer or underwriter and any applicable commissions with respect to a particular offer will be set forth in an accompanying Prospectus supplement. The aggregate proceeds to the Selling Stockholders from the sale of the shares of Common Stock offered by them hereby will be the selling price of such shares of Common Stock less discounts and commissions, if any.

In order to comply with the securities laws of certain states, if applicable, the shares of Common Stock will be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states the shares of Common Stock may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

In offering the shares of Common Stock covered by this Prospectus, it is possible that the Selling Stockholders and any broker/dealers who execute sales for the Selling Stockholders may be considered to be "underwriters" within the meaning of the Act, and any profits realized by the Selling Stockholders and the compensation of such broker/dealers may be deemed to be underwriting discounts and commissions.

Sales of shares are, in general, expected to be made at the market price prevailing at the time of each such sale; however, prices in negotiated transactions may differ considerably. The engagement of a broker for the sale of any of the shares covered by this Prospectus may be terminated at any time by the Selling Stockholder or the broker. The Selling Stockholders are acting independently of the Company in making decisions with respect to the timing, manner and size of any sale.

This offering will terminate on the earlier of (a) two years from the effective date of this Prospectus or (b) the date on which all shares offered hereby have been sold by the Selling Stockholders.

LEGAL MATTERS

The validity of the Common Stock offered hereby is being passed upon for the Company by Hale and Dorr, Boston, Massachusetts.

EXPERTS

The financial statements as of December 31, 1994 and for the periods from January 1, 1994 to November 23, 1994 and November 24, 1994 to December 31, 1994 included in this Prospectus and elsewhere in the registration statement, to the extent and for the periods indicated in their reports, have been audited by Arthur Andersen LLP, independent accountants, and are included herein in reliance upon the authority of said firms as experts in giving said reports.

The financial statements included in this Prospectus and the related registration statement as of December 31, 1993 and for each of the two years in the period ended December 31, 1993 have been audited by Coopers & Lybrand L.L.P., independent accountants, and such financial statements are included herein in reliance upon the authority of said firm as experts in accounting and auditing.

Coopers & Lybrand L.L.P., whose report for each of the two years ended December 31, 1993, appears elsewhere in this Prospectus, were the Company's independent accountants until November 23, 1994. In connection with the bankruptcy proceeding, the Bondholders' Committee determined to select a new accounting firm to be engaged by the Company following the Company's emergence from bankruptcy. Coopers & Lybrand L.L.P. did not resign and did not decline to stand for reelection. During the foregoing period of Coopers & Lybrand L.L.P.'s engagement by the

Company, there were no disagreements between Coopers & Lybrand L.L.P. and the Company on any matters of accounting principles or practices, financial statement disclosure or auditing scope or procedure and no reportable events relating to the relationship between the Company and Coopers & Lybrand L.L.P.

On November 26, 1993, the Bankruptcy Court approved the Company's selection of Arthur Andersen, LLP as the Company's independent accountant, to be effective only upon the Company's emergence from bankruptcy. Prior to November 23, 1994, the predecessor company had not consulted Arthur Andersen LLP regarding the application of accounting principles to specified transactions or the type of audit opinion that might be rendered on the Company's financial statements during the period from January 1, 1991 through December 31, 1993.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of
Great Bay Power Corporation and

To the Director of
Great Bay Power Corporation (formerly EUA Power Corporation)

We have audited the accompanying balance sheet of Great Bay Power Corporation (a New Hampshire corporation) as of December 31, 1994 and the related statements of income, changes in stockholders' equity and cash flows for the period from November 24, 1994 to December 31, 1994. We have also audited the accompanying statements of income, changes in stockholders' equity and cash flows of Great Bay Power Corporation (formerly EUA Power Corporation, the "Predecessor") for the period from January 1, 1994 to November 23, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Great Bay Power Corporation as of December 31, 1994, and the results of the operations and cash flows of Great Bay Power Corporation and Great Bay Power Corporation (formerly EUA Power Corporation, the "Predecessor") for the periods from November 24, 1994 to December 31, 1994 and January 1, 1994 to November 23, 1994, respectively, in conformity with generally accepted accounting principles.

Arthur Andersen LLP

Boston, Massachusetts
March 10, 1995

GREAT BAY POWER CORPORATION
BALANCE SHEET
(Dollars in Thousands)

	December 31, 1994
ASSETS:	
Current Assets:	
Cash & Cash equivalents	$18,533
Short-term Investments, at market	3,684
Accounts Receivable	2,598
Materials & Supplies	4,846
Prepayments & Other Assets	2,976
Total Current Assets	32,637
Property, Plant, & Equipment:	
Utility Plant	101,308
Less: Accumulated Depreciation	(95)
Net Utility Plant	101,213
Nuclear Fuel	10,556
Less: Accumulated Amortization	(2,118)
Net Nuclear Fuel	8,438
Net Property, Plant & Equipment	109,651
Other Assets:	
Decommissioning Trust Fund	3,290
Deferred Debits & Other	88
Total Other Assets	3,378
TOTAL ASSETS	145,666
LIABILITIES AND STOCKHOLDERS' EQUITY:	
Current Liabilities:	
Accounts Payable and Accrued Expenses	$303
Taxes Accrued	1,166
Reorganization Expenses	2,653
Miscellaneous Current Liabilities	1,346
Total Current Liabilities	5,468
Operating Reserves:	
Decommissioning Liability	48,530
Miscellaneous Other	719
Total Operating Reserves	49,249
Other Liabilities & Deferred Credits	2,563
Accumulated Deferred Taxes	94
Commitments & Contingencies (Note H)	
Stockholders' Equity:	
Common stock, $.01par value Authorized, issued and outstanding - 8,000,000 shares	80
Additional paid-in capital	88,030
Retained earnings	182
Total Stockholders' Equity	88,292
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$145,666

(The accompanying notes are an integral part of these statements.)

GREAT BAY POWER CORPORATION
STATEMENTS OF INCOME
(Dollars in Thousands)

	SUCCESSOR	PREDECESSOR
	November 24 to December 31, 1994	January 1 to November 23, 1994
Operating Revenues	$3,129	$13,989
Operating Expenses:		
Production	1,836	16,891
Transmission	70	834
Administrative & General	503	4,037
Depreciation & Amortization	240	8,027
Taxes other than Income	346	3,934
Total Operating Expenses	2,995	33,723
Operating Income	134	(19,734)
Other (Income) Deductions:		
Write-down of Assets & Liabilities	-	137,908
Reorganization Expenses	-	4,038
Interest and Dividend (Income) Expense	(143)	760
Miscellaneous	1	(102)
Total Other Deductions	(142)	142,604
Earnings Before Income Taxes	276	(162,338)
Income Taxes:		
Current	-	-
Deferred	94	-
Total Income Taxes	94	-
Income Before Extraordinary Item	182	-
Extraordinary Income (Loss) Foregiveness of Long-term Debt and Accrued Interest	-	293,723
Net Income	$182	$131,385

(The accompanying notes are an integral part of these statements.)

GREAT BAY POWER CORPORATION
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Dollars in Thousands)

	PREDECESSOR			SUCCESSOR		
	Balance at December 31 1993	Financial Results January 1 to November 23 1994	Equity Infusion and Fresh-start Adjustments	Balance at November 23 1994	Financial Results November 24 to December 31 1994	Balance at December 31 1994
Common stock, $.01par value Authorized, issued and outstanding 10,000 shares	10	-	(10)	-	-	-
Less:Treasury Stock,10,000 shares	(10)	-	10	-	-	-
Paid-In Capital - Treasury Stock	10	-	(10)	-	-	-
Total Common Stock	10		(10)			
Common stock, $.01par value Authorized, issued and outstanding - 8,000,000 shares	-	-	80	80	-	80
Additional paid-in capital	-	-	88,030	88,030	-	88,030
Redeemable Preferred Stock	63,090	-	(63,090)	-	-	-
Retained earnings	(139,793)	131,385	8,408	-	182	182
Total Stockholders' Equity	(76,693)	131,385	33,418	88,110	182	88,292

(The accompanying notes are an integral part of these statements.)

GREAT BAY POWER CORPORATION
STATEMENTS OF CASH FLOWS
(Dollars in Thousands)

	SUCCESSOR	PREDECESSOR
	November 24 to December 31, 1994	January 1 to November 23, 1994
Net cash flow from operating activities:		
Net Income	182	131,385
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation	240	5,092
Amortization of nuclear fuel	533	3,571
Deferred Income Taxes	94	-
Writedown of assets, net	-	137,908
Gain on forgiveness of debt	-	(293,723)
Provision for reorganization expenses	-	4,038
Payment of reorganization expenses	(1,518)	-
(Increase) decrease in accounts receivable	(635)	507
Decrease in materials & supplies	39	201
(Increase) decrease in prepaids and other assets	(520)	1,631
Increase (decrease) in accounts payable	293	(81)
Increase in taxes accrued	273	312
Increase in misc. current liabilities	400	946
Other	261	717
Net cash provided by (used in) operating activities	(358)	(7,496)
Net cash flows (used in) investing activities:		
Utility plant additions	(260)	(1,774)
Nuclear fuel additions	-	(361)
Payments to decommissioning fund	(98)	(830)
Short term investments, net	(3,684)	-
Net cash used in investing activities	(4,042)	(2,965)
Net cash provided by financing activities:		
Sale of common stock	-	35,000
Borrowings under DIP financing	-	8,823
Repayment of DIP financing	-	(10,567)
Net cash provided by financing activities:	-	33,256
Net (decrease) increase in cash and cash equivalents	(4,400)	22,795
Cash and cash equivalents, beginning of period	22,933	138
Cash and cash equivalents, end of period	18,533	22,933

(The accompanying notes are an integral part of these statements.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Company

The Company, Great Bay Power Corporation, is a New Hampshire corporation, which emerged from Bankruptcy on November 23, 1994. The Predecessor Company, EUA Power Corporation ("The Predecessor") was incorporated in 1986. The Company is authorized by the New Hampshire Public Utilities Commission ("NHPUC") to engage in business as a public utility for the purposes of participating as a joint owner in the Seabrook Project, acquiring its 12.1% interest in the Seabrook Project and selling its share of the output of Seabrook Unit 1 for resale. The Seabrook Project is a nuclear-fueled, steam electricity, generating plant located in Seabrook, New Hampshire, which was originally planned to have two Westinghouse pressurized water reactors, Seabrook Unit 1 and Seabrook Unit 2 (each with a rated capacity of 1,150 megawatts), utilizing ocean water for condenser cooling purposes. Seabrook Unit 1 entered commercial service on August 19, 1990. Seabrook Unit 2 has been canceled. The Company became a wholesale generating company when Seabrook Unit 1 commenced commercial operation on August 19, 1990. In 1993, the Company became an Exempt Wholesale Generator ("EWG") under the Energy Policy Act of 1992.

The Company is required to pay its share (i.e., the same percentage as the percentage of its ownership and its entitlement to the output) of all of the costs of the Seabrook Project including fixed costs (whether or not Seabrook Unit 1 is operating), operating costs, costs of additional construction or modification, costs associated with condemnation, shutdown, retirement, or decommissioning of the Seabrook Project, and certain transmission charges. The Predecessor never reported an operating profit since its incorporation and filed for bankruptcy in 1991. See Footnote B for further discussion. . The Company's current business strategy is to seek purchasers for its share of the Seabrook Project electricity output at prices, either in the short term market or pursuant to medium or long term contracts, in excess of the prices currently available in the short term wholesale electricity market since sales at current short term rates do not result in sufficient revenue to enable the Company to meet its long term cash requirements for operations, maintenance and capital related costs. The Company's ability to obtain such higher prices will depend on regional, national and worldwide energy supply and demand factors.

The Company currently has one employee and substantially all the Company's power marketing and administrative functions are performed on the Company's behalf by third parties pursuant to contractual agreements. See Note 7 for further discussion of these agreements.

B. Bankruptcy Proceeding and Reorganization

The Company filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code ("the Bankruptcy Code") in the United States Bankruptcy Court for the District of New Hampshire ("the Bankruptcy Court") on February 28, 1991. It conducted its business as a Debtor in Possession until November 23, 1994, at which time the Company's First Amendment to the First Modified Plan dated September 9, 1994 ("the Amended Plan") became effective and the Company emerged from Chapter 11.

The Bankruptcy Court confirmed the Bondholders' Committee's Fifth Amended Plan of Reorganization on March 5, 1993. After confirmation, the Predecessor was unable to obtain the $45 million of debt financing contemplated by the Fifth Amended Plan of Reorganization. In February 1994, however, the Bondholders' Committee obtained a commitment from Omega Advisers, Inc. ("Omega") or its designees to provide $35 million of equity financing for the Company (the "Financing").

On April 7, 1994, the Company and the Bondholders' Committee entered into a definitive Stock and Subscription Agreement (the "Stock and Subscription Agreement") with Omega and Elliott Associates, L.P. (Elliott) (collectively, the Investors) with respect to the Omega Financing.

The Bondholders' Committee prepared a First Modification to the Fifth Amended Plan of Reorganization to reflect the change from debt to equity financing and submitted a Supplemental Disclosure Statement describing that First Modification to the Bankruptcy Court for its approval. The Fifth Amended Plan of Reorganization, as modified by the First Modification, is hereinafter referred to as the "Plan." The Bankruptcy Court approved the Supplemental Disclosure Statement at a hearing on March 11, 1994. The Plan was mailed to the Company's creditors for their approval on April 7, 1994, and the creditors approved the Plan by a significant margin.

On May 23, 1994, the Bankruptcy Court confirmed the Plan. The only condition which remained to be satisfied for the occurrence of the Effective Date of the Plan was the closing of the Stock and Subscription Agreement. The Committee believed that all of the conditions to closing set forth in the Stock and Subscription Agreement had been satisfied and was prepared to close the Stock and Subscription Agreement. Before the closing could occur, however, the operators of the Seabrook Project determined, during a regularly scheduled refueling outage, that certain repairs to the Seabrook Project were required. These repairs have been completed and the Seabrook Project is now operating. The repairs, however, caused the Seabrook Project to be out of service for approximately eight weeks longer than anticipated in connection with the scheduled refueling outage.

Because of the unplanned extension of the outage, the repairs required, and the related loss of revenue of the Company, Omega and Elliott asserted that a material adverse event occurred with respect to the Company and that, therefore, they were not obligated to complete the Omega Financing. The Company disagreed with those assertions, and informed Omega and Elliott that they were in default under the Stock and Subscription Agreement and informed Omega and Elliott that the Company would bring suit to enforce the obligations of Omega and Elliott to close the Omega Financing. Notwithstanding its position on this matter, the Company engaged in negotiations with Omega and Elliott to settle the dispute and to complete the Omega Financing. On September 9, 1994, the Company, Omega and Elliott resolved their disputes and entered into a Settlement Agreement (the "Settlement Agreement").

The terms of the Settlement Agreement changed the terms of the Omega Financing. As described above, under the Plan before its amendment, the Investors were to receive 4.8 million shares, representing 60% of the common stock of the Company, in exchange for their $35 million investment. The Settlement Agreement changed the Plan to provide also that, on the Effective Date of the Amended Plan, 480,000 shares of new common stock of the Company, which would have otherwise been distributed to the creditors of the Company, would be issued to the Disbursing Agent under the Plan (the "Escrow Shares"). The Escrow Shares represent 6% of the common stock of the Company. The Company's creditors received the remaining 34% on the Effective Date of the amended Plan.

On the first anniversary of the Effective Date of the Amended Plan, if the aggregate value, as defined, of the Purchasers' 4.8 million shares of common stock is less than $38.5 million, the Company will be obligated to pay to the Investors an amount (the "True-Up Amount") equal to the lesser of (a) $38.5 million less the Aggregate Value, or (b) the total value of all of the Escrow Shares, based on their Per Share Value. The Settlement Agreement permits the Investors to elect to have their True-Up amounts, if any, satisfied by the issuance of Escrow Shares or in cash. If the Aggregate Value is equal to or greater than $38.5 million, the Escrow Shares would be issued on a pro rata basis to Company's creditors in accordance with the Amended Plan. In no event, however, will the Investors be entitled to more than the 480,000 Escrow Shares, or the cash proceeds from the sale of those shares.

Pursuant to the Settlement Agreement, the Company amended the Plan and its related Disclosure Statement, submitted the Amended Plan and the Amended Disclosure Statement to the Bankruptcy Court for its approval and obtained that approval, circulated the Amended Plan and the Amended Disclosure Statement to the Company's creditors in order to give them the opportunity to change their previous votes approving the Plan, and then applied to the Bankruptcy Court for confirmation of the Amended Plan. The Bankruptcy Court confirmed the Amended Plan on November 4, 1994. In addition, the Company obtained extensions of time and, in some cases, reapprovals, from certain regulatory agencies which had previously approved the Omega Financing. Closing of the Omega Financing occurred on November 23, 1994, at which time the Company's First Amendment to the First Modified Plan dated September 9, 1994 ("the Amended Plan") became effective and the Company emerged from Chapter 11.

DECEMBER 31, 1994

In accordance with Statement of Position 90-7, "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code", the historical amounts of individual assets and liabilities have been adjusted to fair values and Liabilities Subject to Compromise of $293,864,000 have been discharged as a result of the Reorganization Plan. The amount of prior retained deficit eliminated as a result of the reorganization was $159,659,000. The reorganizational value has been determined based on the fair value of the Company (See Note 1D). The adjustments to individual assets and liabilities are as follows:

Adjustments	(In Thousands)
Writedown of Net Utility Plant and Nuclear Fuel	$ 193,635
Writedown of Deferred Debits	27,470
Recognition of Decommissioning Liability, net	45,193
Writedown of Deferred Taxes and ITC	(73,927)
Writedown of Deferred Gains and Credits	(47,375)
Other, net	(7,088)
Net Writedown of Assets	$ 137,908
Forgiveness of Liabilities Subject to Compromise	(293,864)
Recognition of Reorganization Expenses	4,038
Net adjustment to assets and liabilities	$ (151,918)

The following unaudited proforma condensed statement of (loss) income is presented to illustrate the estimated effect of the reorganization as if such transaction had occurred as of January 1, 1994.

	Year Ended December 31 1994	Proforma Adjustments	Proforma Year Ended December 31 1994
Operating Revenues	$ 17,118		$ 17,118
Operating Expenses			
Production & Transmission	19,631	(2,830) (f)	16,801
Administrative & General	4,540	700 (e)	5,240
Depreciation & Amortization.	8,267	(5,461)(d)	2,806
Taxes Other than Income	4,280		4,280
Total Operating Expenses	36,718		29,127
Operating Income	(19,600)		(12,009)
Write down of Assets, net	137,908	(137,908)(a)	0
Reorganization. Expenses	4,038	(4,038)(b)	0
Other Income	(101)		(101)
Interest Charges, net	617	(706)(c)	(143)
Net Loss Before Taxes	(162,062)		(11,765)
Income Taxes	94	(4,096)(g)	(4,002)
Net Loss before Extraordinary Item	(162,156)		(7,763)
Forgiveness of Debt	293,723	(293,723)(c)	0
Net Income (Loss)	$ 133,567		$ (7,763)

(a) Elimination of Writedown of Assets, Net
(b) Elimination of Reorganization Expenses
(c) Elimination of Forgiveness of Debt and related interest
(d) Depreciation expense adjusted to reflect asset writedown
(e) Additional expenses associated with UNITIL and Tillinghast agreements
(f) Recognition of new outage accrual policy
(g) Tax impact of above entries assuming ability to fully benefit loss

C. Regulation

The Company is subject to the regulatory authority of the Federal Energy Regulatory Commission ("FERC"), the Nuclear Regulatory Commission ("NRC") and the New Hampshire Public Utilities Commission ("NHPUC") and other federal and state agencies as to rates, operations and other matters. The Company's cost of service is not regulated. As such, the Company's accounting policies are not subject to the provisions of Statement of Financial Accounting Standards No. 71 "Accounting for the Effects of Certain Types of Regulation".

D. Utility Plant

Utility plant at November 23, 1994 was revalued to its estimated fair value based on the fair value of the Company. The reorganization value of the Company at November 23, 1994 was determined based on discounted cash flow valuation. The cost of additions to utility plant subsequent to November 23, 1994 are recorded at original cost. During the period from January 1, 1994 to November 23, 1994, the Predecessor capitalized $121,000 of interest related to plant additions.

E. Depreciation and Maintenance

Electric plant is depreciated on the straight-line method at rates designed to fully depreciate all depreciable properties over the lesser of estimated useful lives or the Plant's remaining NRC license life, which extends to 2026.

Capital projects constituting retirement units are charged to electric plant. Minor repairs are charged to maintenance expense. When properties are retired, the original cost, plus cost of removal, less salvage, are charged to the accumulated provision for depreciation.

F. Amortization of Nuclear Fuel

The cost of nuclear fuel is amortized to expense based on the rate of burn-up of the individual assemblies comprising the total core. The Company also provides for the cost of disposing of spent nuclear fuel at rates specified by the United States Department of Energy ("DOE") under a contract for disposal between the Company and the DOE.

The Company amortizes to expense on a straight-line basis the estimated cost of the final unspent nuclear fuel core, which is expected to be in place at the expiration of the Plant's NRC operating license, in conformity with rates authorized by the FERC.

G. Amortization of Materials and Supplies

The Company amortizes to expense an amount designed to fully amortize the cost of the material and supplies inventory that is expected to be on hand at the expiration of the Plant's NRC operating license.

H. Decommissioning

The Company has recognized as a liability its proportionate share of the estimated Seabrook Project decommissioning. The estimated cost to decommission the Seabrook Project, based on a study performed for the lead owner of the Plant, is approximately $400 million in 1994 dollars and assumes a 36 year life for the facility and a future escalation rate of 4.25%. Based on this estimate, the Company's share is approximately $ 48.5 million, which has been accrued in the December 31, 1994 balance sheet.

The Seabrook project's decommissioning estimate and funding schedule is subject to review each year by the New Hampshire Nuclear Decommissioning Finance Committee ("NDFC"). The NDFC is currently reviewing the above estimate and funding schedule in 1994 dollars. The range of decommissioning estimates currently under review by the NDFC is $361 million to $434 million. In April of 1995, the Company expects to receive a draft report of the NDFC's decision concerning the current study under review, which the Company believes will confirm the above mentioned estimate of $400 million, the 36 year funding schedule and a 4.25% future escalation rate. A final order by the NDFC is to be issued in May of 1995 after a 30 day comment period for the draft report. This change in estimate from the previous study has been accounted for as an increase in the accrued liability with an offsetting impact to the original fair value of the Company's utility plant.

The Staff of the SEC has questioned certain of the current accounting practices of the electric utility industry regarding the recognition, measurement and classification of decommissioning costs for nuclear generating stations and joint owners in the financial statements of these entities. In response to these questions, the Financial Accounting Standards Board has agreed to review the accounting for nuclear decommissioning costs. The Company is uncertain as to the impact, if any, changes in the current accounting will have on the Company's financial statements.

Funds collected by Seabrook for Decommissioning are deposited in an external irrevocable trust pending their ultimate use. The trust funds are restricted for use in paying the decommissioning of Unit I. The investments in the trust are available for sale. The Company has therefore reported its investment in trust fund assets at market value.

I. Operating Revenues

Revenues are recorded on an accrual basis based on billing rates provided for in contracts and approved by FERC.

J. Taxes on Income

The Company accounts for taxes on income under the liability method required by Statement of Financial Accounting Standards No. 109.

K. Cash Equivalents and Short Term Investments

For purposes of the Statements of Cash Flows, the Company considers all highly liquid short-term investments with an original maturity of three months or less to be cash equivalents. The carrying amounts approximate fair value because of the short-term maturity of the investments.

All other short term investments with a maturity of greater than three months are classified as trading securities and reflected as a current asset at market value.

L. Seabrook Unit 2

The Company also has a 12.1% ownership interest in Seabrook Unit 2 to which it has assigned no value. On November 6, 1986, the joint owners of the Seabrook Project, recognizing that Seabrook Unit 2 had been canceled, voted to dispose of the Unit. Certain assets of Seabrook Unit 2 have been and are being sold from time to time to third parties and or used in Seabrook Unit 1. Plans regarding disposition of Seabrook Unit 2 are now under consideration, but have not been finalized and approved. The Company is unable, therefore, to estimate the costs for which it would be responsible in connection with the disposition of Seabrook Unit 2. Monthly charges are required to be paid by the Company with respect to Seabrook Unit 2 in order to preserve and protect its components and various warranties. Any sales or transfers to Unit 1 of Unit 2 property or inventory will be recorded when consummated.

M. Seabrook Outage Costs

The Company accrues for the incremental costs of the Seabrook Project's scheduled outages over the periods between those outages.

2. NUCLEAR ISSUES

Like other nuclear generating facilities, the Seabrook Project is subject to extensive regulation by the NRC. The NRC is empowered to authorize the siting, construction and operation of nuclear reactors after consideration of public health, safety, environmental and anti-trust matters.

The NRC has promulgated numerous requirements affecting safety systems, fire protection, emergency response planning and notification systems, and other aspects of nuclear plant construction, equipment and operation. The Company has been, and may be, affected to the extent of its proportionate share by the cost of any such modifications to Seabrook Unit 1.

Nuclear units in the United States have been subject to widespread criticism and opposition. Some nuclear projects have been canceled following substantial construction delays and cost overruns as the result of licensing problems, unanticipated construction defects and other difficulties. Various groups have by litigation, legislation and participation in administrative proceedings sought to prohibit the completion and operation of nuclear units and the disposal of nuclear waste. In the event of a shutdown of any unit, NRC regulations require that it be completely decontaminated of any residual radioactivity. The cost of such decommissioning, depending on the circumstances, could substantially exceed the owners' investment at the time of cancellation.

Public controversy concerning nuclear power could adversely affect the operating license of Seabrook Unit 1. While the Company cannot predict the ultimate effect of such controversy, it is possible that it could result in a premature shutdown of the unit.

A. Nuclear Fuel

The Seabrook Project's joint owners have made, or expect to make, various arrangements for the acquisition of uranium concentrate, the conversion, enrichment, fabrication and utilization of nuclear fuel and the disposition of that fuel after use. The owners and lead participants of each United States nuclear unit have entered into contracts with the DOE for disposal of spent nuclear fuel, in accordance with the NWPA. The NWPA requires (subject to various contingencies) that the federal government design, license, construct and operate a permanent repository for high level radioactive wastes and spent nuclear fuel and establish prescribed fees for the disposal of such wastes and fuel. The NWPA specifies that the DOE provide for the disposal of such wastes and spent nuclear fuel starting in 1998. Objections on environmental and other grounds have been asserted against proposals for storage as well as disposal of spent fuel. The DOE anticipates that a permanent disposal site for spent fuel will be ready to accept fuel for storage on or before the year 2010. However, the NRC, which must license the site, stated only that a permanent repository will become available by the year 2025. At the Seabrook Project, there is on-site storage capacity which, with minimal capital expenditures, should be sufficient for twenty years or until the year 2010. No near-term capital expenditures are anticipated to deal with any increase in storage requirements after 2010.

B. Federal Department of Energy ("DOE") Decontamination and Decommissioning Assessment

Title XI of the Energy Policy Act of 1992 (the "Policy Act") provides for decontaminating and decommissioning of the DOE's enrichment facilities to be partially funded by a special assessment against domestic utilities. Each utility's share of the assessment is to be based on its cumulative consumption of DOE enrichment services. As of December 31, 1994, the Company had accrued its pro rata estimated obligation of $ 785,000 related to the project's prior years' usage to be paid over the 15-year period beginning October 1, 1992.

C. Price Anderson Act

In accordance with the Price Andersen Act, the limit of liability for a nuclear-related accident is approximately $8.9 billion, effective November 18, 1994. The primary layer of insurance for this liability is $200 million of coverage provided by the commercial insurance market. The secondary coverage is approximately $ 8.7 billion, based on the 110 currently licensed reactors in the United States. The secondary layer is based on a retrospective premium assessment of $79.3 million per nuclear accident per licensed reactor, payable at a rate not exceeding $10 million per year per accident and a maximum of $20 million per year. In addition, the retrospective premium is subject to inflation based indexing at five year intervals and, if the sum of all public liability claims and legal costs arising from any nuclear accident exceeds the maximum amount of financial protection available, then each licensee can be assessed an additional 5% ($ 3.775 million) of the maximum retrospective assessment. With respect to the Seabrook Project, the Company would be obligated to pay its ownership share of any assessment resulting from a nuclear incident at any United States nuclear generating facility. The Company estimates its maximum liability per incident currently would be an aggregate amount of approximately $9.59 million per accident, with a maximum annual assessment of about $1.21 million per incident, per year.

In addition to the insurance required by the Price Anderson Act, the NRC regulations require licensees, including the Seabrook Project, to carry all risk nuclear property damage insurance in the amount of at least $1.06 billion, which amount must be dedicated , in the event of an accident at the reactor, to the stabilization and decontamination of the reactor to prevent significant risk to the public health and safety.

D. Nuclear Insurance

Insurance has been purchased by the Seabrook Project from Nuclear Electric Insurance Limited ("NEIL") to cover the costs of property damage, decontamination or premature decommissioning resulting from a nuclear incident and American Nuclear Insurance/Mutual Atomic Energy Liability Underwriters ("ANI") to cover workers claims. All companies insured with NEIL and ANI are subject to retroactive assessments, if losses exceed the accumulated funds available to NEIL and ANI, respectively. The maximum potential assessment against the Seabrook Project with respect to losses arising during the current policy years are $26.4 million. The Company's liability for the retrospective premium adjustment for any policy year ceases six years after the end of that policy year unless prior demand has been made.

3. TAXES ON INCOME

As of December 31, 1994, the Company has an estimated $102 million in net operating loss carryforwards ("NOL's") that expire between the years 2005 to 2009 . Nevertheless, because the Company has experienced one or more ownership changes, within the meaning of Section 382 of the Internal Revenue Code of 1986, as amended ("the Tax Code"), an annual limitation has been imposed on the ability of the Company to use these carryforwards. The Company's best estimate at this time is that the annual limitation is approximately $5.5 million, and therefore the ability to use the $102 million in NOL's is restricted. However, the usable NOL's are in excess of any deferred tax liabilities as of December 31, 1994. A valuation allowance has been provided against the excess tax asset as of December 31, 1994. There are therefore no tax assets or liabilities reflected on the December 31, 1994 balance sheet.

The Predecessor's total deferred tax assets and liabilities as of December 31, 1993, prior to recognition of any tax credit carryforwards, are as follows:

	Deferred Tax Assets (000)		Deferred Tax Liabilities (000)
Plant Related Differences	$ 16,999	Plant Related Differences	$ 77,444
Other	9,073	Other	112
Total	$ 26,072	Total	$ 77,556

The Company has not yet determined its 1994 tax filing positions and is, at this time, unable to accurately estimate the impact of the reorganization on deferred tax assets and liabilities, however, as discussed above, management's best estimate of the Company's net deferred tax position, including NOL's is an asset. However, management has determined it would be inappropriate to recognize any asset at this time due to the uncertainties discussed above. The recognition in subsequent years of the tax asset that existed at November 23, 1994 will be applied as a direct addition to paid in capital in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes "

4. COMMON STOCK RESTRICTIONS

The Company has never paid cash dividends on the Common Stock. The Company currently intends that it will retain all of its future earnings and does not anticipate paying a dividend in the foreseeable future.

5. CAPITAL EXPENDITURES

The Company's cash construction expenditures, including nuclear fuel, are estimated to be approximately $7.0 million in 1995 and to aggregate approximately $22.8 million for the years 1996 through 1999.

6. POWER PURCHASE AGREEMENT AND POWER PURCHASE OPTION

The Company has entered into an agreement ("the Power Purchase Agreement"), dated as of April 1, 1993 with UNITIL Power Corporation (UNITIL Power), a wholly owned subsidiary of UNITIL Corporation (UNITIL), which provides for the Company to sell to UNITIL Power approximately 10MW of power. The Power Purchase Agreement commenced on May 1, 1993 and runs through October 31, 2010. During the first year, the price of power under the Power Purchase Agreement was 5.0 cents per kilowatt hour (kWh). Thereafter, the price is subject to increase in accordance with a formula which provides for adjustments at less than the actual rate of inflation. UNITIL Power has the option to extend the Power Purchase Agreement for an additional twelve years to 2022.

The Power Purchase Agreement is front-end loaded whereby UNITIL Power pays higher prices, on an inflation adjusted basis, in the early years of the Agreement and lower prices in later years. The average price per kWh and the contract formula rate in the contract are fixed over the life of the contract, so that any excess cash received in the beginning of the contract will be returned by the end of the contract, provided the contract does not terminate early. The difference between revenue billed under each rate is recorded in a "Balance Account" which increases annually to $4.1 million in 1998, then decreases annually, reaching zero in 2001. Therefore, contract revenue is recorded under Generally Accepted Accounting Principles and Emerging Issues Task Force Ruling 91-6 based on the formula rates and no liability for the "Balance Account" is recognized provided that it is not probable that the contract will terminate early. Management believes it is not probable that either party will terminate this contract prior to the end of its initial term. The balance in the balance account as of December 31, 1994 is approximately $1.1 million.

To secure the obligation of the Company under the Power Purchase Agreement and to repay to UNITIL Power the amounts in the balance account, if the contract terminates early, the Power Purchase Agreement grants UNITIL Power a mortgage on the Company's Seabrock Interest. This mortgage granted to UNITIL Power is junior only to the existing mortgage on the Seabrook Interest granted pursuant to the Third Stipulation and any successor first mortgage financing up to a maximum amount of $80,000,000. The Power Purchase Agreement further provides that UNITIL Power's second mortgage will rank pari passu with other mortgages that may hereafter be granted to other purchasers of power from the Company to secure similar obligations, provided that the maximum amount of indebtedness secured by the first mortgage on the Seabrook Interest does not exceed $60,000,000, and provided that the combined total of all second mortgages on the Seabrook Interest does not exceed the sum of (a) $80,000,000 less the total amount of the Company's debt then outstanding which is secured by a first mortgage plus (b) $57,000,000.

In addition to the Power Purchase Agreement, the Company also has entered into an agreement (the Power Purchase Option Agreement) with UNITIL Power under which the Company will grant UNITIL Power the option to purchase during the period from November 1, 1998 through October 31, 2018, approximately 15MW of electricity at 6.5 cents per kWh, subject to adjustment in accordance with a formula. UNITIL Power will be required to exercise its option under the Power Purchase Option Agreement on or before the earlier of (a) October 31, 1996, and (b) 30 days after the first date on which the Company is prepared to commit to sell, for a minimum of 10 years, all or any part of the last remaining 15 MW of electricity from Seabrook Unit 1 to which the Company is entitled.

7. TRANSACTIONS WITH RELATED PARTIES

The Company has entered into two other agreements with affiliates of UNITIL.

A Management and Administrative Services Agreement is in effect between the Company and UNITIL Resources, Inc. ("UNITIL Resources"), a wholly owned subsidiary of UNITIL. The Management and Administrative Services Agreement went into effect on November 23, 1994 and provides for UNITIL Resources to provide a full range of services to the Company, including management, accounting and bookkeeping, budgeting and regulatory compliance. Under the Management and Administrative Services Agreement, the Company will pay UNITIL Resources $225,000 per year for senior executive management services and will pay for day-to-day operational services by paying an amount equal to the cost of providing those services plus 25% of such cost. The Management and Administrative Services Agreement has an automatically renewing one year term, except that either the Company or UNITIL Resources may terminate without cause on 60 days prior written notice. For the period from November 24, 1994 to December 31, 1994, the Company expensed $ 52,900 related to this agreement.

The Company's marketing efforts are being provided by UNITIL Resources. Under the terms of this Marketing Agreement with UNITIL Resources, the Company pays UNITIL Resources all costs incurred by UNITIL Resources to obtain new sales contracts plus a commission for sales of power. The amount of the commission payable varies based on the length of the power sale contracts and prices obtained. For the period from November 24, 1994 to December 31, 1994, the Company expensed $ 11,500 related to this agreement.

The Company leases its headquarters space under an expense sharing agreement with TILTEC, a company owned by the Company's President. Under the agreement, TILTEC provides the Company with furnished office space and administrative support services for a total fee of $3,500 per month. The expense sharing agreement has a one year term and provides for automatic one year renewals. Either party may terminate the agreement on 60 days' prior written notice to the other party.

Prior to February 5, 1993, the Predecessor was a wholly-owned subsidiary of EUA. EUA has interests in other retail and wholesale utility companies, a service corporation, and other non-utility companies. Transactions between the Predecessor and EUA affiliated companies prior to the reorganization include accounting, engineering and other services rendered by EUA Service of approximately $116,000 for the period from January 1, 1994 to November 23, 1994.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Director of Great Bay Power Corporation:

We have audited the balance sheet and statement of capitalization of Great Bay Power Corporation (formerly EUA Power Corporation; the "Company") as of December 31, 1993 and the related statements of loss and retained (deficit) earnings and cash flows for each of the two years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express our opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 1993 and the results of its operations and its cash flows for each of the two years in the period ended December 31, 1993 in conformity with generally accepted accounting principles.

As discussed in Note H of "Notes to Financial Statements" under the heading "SEC Review", the Staff of the Securities and Exchange Commission (SEC) has reviewed certain reports previously filed with the SEC and has raised questions principally regarding the accounting for capitalized financing costs and could require that the Company further restate its financial statements.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note B of "Notes to Financial Statements," the Company filed a voluntary petition for protection under Chapter 11 of the Bankruptcy Code because it is currently selling power below its costs and has been unable to pay the debt service related to its Series B and Series C Secured Notes when due, all of which raise substantial doubt about its ability to continue as a going concern. The Company's plans in regard to these matters are also described in Note B. These financial statements do not include all of the adjustments that might result from the outcome of this uncertainty.

Coopers & Lybrand L.L.P.

Boston, Massachusetts
April 7, 1994, except as to the
information presented in
Note I, for which the date is
November 23, 1994

GREAT BAY POWER CORPORATION

(f.k.a. EUA Power Corporation)

BALANCE SHEET

December 31, 1993

(Debtor-in-Possession)(In Thousands)

ASSETS

Utility Plant and Other Investments:		
Utility Plant and Nuclear Fuel	$	542,180
Less:		
Accumulated Provision for Depreciation and Amortization		56,556
Provision for Estimated Loss on Seabrook Investment		51,459
Deferred Allowance for Funds Used During Construction		122,233
Total Net Utility Plant		311,932
Current Assets:		
Cash and Temporary Cash Investments		138
Accounts Receivable:		
Customers		2,470
Prepaid Seabrook Funding		4,044
Other Current Assets		43
Total Current Assets		6,695
Deferred Debits:		
Unamortized Debt Expense		5,069
Other Deferred Debits		894
Total Deferred Debits		5,963
Total Assets	$	324,590

CAPITALIZATION AND LIABILITIES

Capitalization:		
Common Equity	$	(139,783)
Redeemable Preferred Stock		63,090
Total Capitalization		(76,693)
Additional Liabilities Subject to Compromise :		
Long-Term Debt due within One Year		279,597
Accounts Payable		141
Interest Accrued		14,126
Total Liabilties Subject to Compromise		293,864
Liabilities Not Subject to Compromise :		
Accounts Payable		91
Taxes Accrued		581
Debtor-in-Possession Financing		1,744
Unamortized Investment Tax Credits		6,778
Accumulated Deferred Taxes		51,484
Other Liabilities and Deferred Credits		46,741
Total Liabilties Not Subject to Compromise		107,419
Commitments and Contingencies (B,G)		
Total Liabilities and Capitalization	$	324,590

( ) Denotes Contra

The accompanying notes are an integral part of the financial statements.

GREAT BAY POWER CORPORATION

(f.k.a. EUA Power Corporation)

STATEMENT OF LOSS

December 31,

(Debtor-in-Possession)(In Thousands)

	1993	1992
Operating Revenues	$ 24,620	$ 23,027
Operating Expenses:		
Fuel	6,869	6,735
Other Operation	13,052	15,411
Maintenance	3,070	4,677
Depreciation and Decommissioning	9,020	8,816
Taxes Other Than Income	3,878	6,077
Income Tax (Credit)	(630)	(17,497)
Deferred Taxes (Credit)	(3,421)	42,245
Total Operating Expenses	31,838	66,464
Operating (Loss)	(7,218)	(43,437)
Deferred Income Taxes	(459)	(919)
Other Income - Net	226	(47)
Reorganization Expenses	1,867	1,699
Income Before Interest Charges	(9,318)	(46,102)
Interest Charges:		
Interest on Long-Term Debt (Contractual Interest Expense for each of 1993 and 1992 was $48,929,510)		
Other Interest Expense (Contractual Interest Expense for 1993 and 1992 was $144,763 and $2,099,954)	115	1,366
Net Interest Charges	115	1,366
Net Loss	$ (9,433)	$ (47,468)

GREAT BAY POWER CORPORATION

(f.k.a. EUA Power Corporation)

STATEMENTS OF RETAINED (DEFICIT) EARNINGS

Years Ended December 31,

(Debtor-in-Possession)(In Thousands)

	1993	1992
Retained (Deficit) Earnings - Beginning of Year :	$ (130,360)	$ (82,892)
Net Loss	(9,433)	(47,468)
Retained (Deficit) Earnings - End of Year	$ (139,793)	$ (130,360)

The accompanying notes are an integral part of the financial statements.

GREAT BAY POWER CORPORATION

(f.k.a. EUA Power Corporation)

STATEMENTS OF CAPITALIZATION

December 31, 1993

(Debtor-in-Possession)(In Thousands)

Common Equity		
Common Stock and related Additional Paid-In Capital, $.01 par value, authorized, issued and outstanding 10,000 shares		$ 10
Less: Treasury Stock, 10,000 Shares		(10)
Paid-In Capital-Treasury Stock		10
Retained earnings		(139,793)
	Total Common Equity	(139,783)
Redeemable Preferred Stock		
Class A 25% Cumulative Convertible Preferred Stock, $100 par value authorized 750,000 shares, issued and outstanding 630,900 shares		63,090
Less: Treasury Preferred Stock, 630,900 Shares		(63,090)
Paid-In Capital-Treasury Stock		63,090
	Total Preferred Stock	63,090
Long-term Debt Subject to Compromise		
17-1/2% Series B Secured Notes due 1993		180,000
17-1/2% Series C Secured Notes due 1992		99,597
Total		279,597
Less Portion due within One Year		279,597
Total Long-Term Debt		0
Total Capitalization		$ (76,693)

The accompanying notes are an integral part of the financial statements.

GREAT BAY POWER CORPORATION

(f.k.a. EUA Power Corporation)

STATEMENTS OF CASH FLOW

December 31,

(Debtor-in-Possession)(In Thousands)

	1993	1992
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss	$ (9,433)	$ (47,468)
Adjustments to Reconcile Net Loss		
to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	8,124	8,002
Amortization of Nuclear Fuel	5,818	5,853
Deferred Taxes	(2,962)	37,155
Investment Tax Credit, Net	(630)	(268)
Other - Net	1,026	(2,169)
Net Changes of Working Capital:		
Accounts Receivable	(97)	3,793
Accounts Payable	(122)	(910)
Accrued Taxes	139	(12,017)
Other - Net	(1,401)	4,245
Net Cash (Used In) Provided from Operating Activities	462	(3,784)
CASH FLOW FROM INVESTING ACTIVITIES:		
Construction Expenditures	(6,885)	(2,464)
Net Cash (Used In) Provided From Investing Activities	(6,885)	(2,464)
CASH FLOW FROM FINANCING ACTIVITIES:		
Issuances:		
Debtor-in-Possession Financing	1,744	(9,068)
Settlement Proceeds		20,000
Net Cash Provided from Financing Activities	1,744	10,932
Net Increase (Decrease) in Cash	(4,679)	4,684
Cash and Temporary Cash Investments at Beginning of Year	4,817	133
Cash and Temporary Cash Investments at End of Period	$ 138	$ 4,817
Cash paid during the year for:		
Interest	$	$ 1,619
Income Taxes (Benefits)	$	$

The accompanying notes are an integral part of the financial statements.

GREAT BAY POWER CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 1993 and 1992

Note A - Business:

The Registrant, Great Bay Power Corporation (formerly known as EUA Power Corporation), is a New Hampshire corporation, incorporated in 1986, authorized by the NHPUC to engage in business as a public utility for the purposes of participating as a joint owner in the Seabrook Project, acquiring its 12.1% interest in the Seabrook Project and selling its share of the output of Seabrook Unit 1 for resale. The Company, organized as a wholly-owned subsidiary of EUA, became fully independent of EUA on February 5, 1993 in connection with the bankruptcy proceeding described in Note B -- Bankruptcy Proceeding. The Company became a wholesale generating company when Seabrook Unit 1 commenced commercial operation on August 19, 1990.

On February 28, 1991, the Company filed a voluntary petition in the Bankruptcy Court for the District of New Hampshire for protection under Chapter 11 of the Bankruptcy Code. The Bankruptcy Court confirmed the Bondholders Committees' Fifth Amended Plan of Reorganization on March 5, 1993. After confirmation, the Company was unable to obtain the $45 million of debt financing contemplated by the Fifth Amended Plan of Reorganization. In February 1994, however, the Bondholders Committee obtained a commitment from Omega Advisers, Inc. ("Omega") or its designees to provide $35 million of equity financing for the Company (the "Omega Financing"). The Bondholders Committee prepared a First Modification to Fifth Amended Plan of Reorganization to reflect this change in financing and submitted a Supplemental Disclosure Statement describing that First Modification to the Bankruptcy Court for its approval. The Fifth Amended Plan of Reorganization, as modified by the First Modification is hereinafter referred to as the "Plan." The Bankruptcy Court approved the Supplemental Disclosure Statement at a hearing on March 11, 1994. The Plan is scheduled to be mailed to the Company's creditors for their approval on or before April 7, 1994. If the Creditors approve the Plan, the Company expects the Bankruptcy Court to confirm the plan in a hearing currently scheduled for May 13, 1994, although such confirmation cannot be assured. The Omega Financing and the Plan are subject to approval by certain regulatory authorities. On February 15, 1994 the Nuclear Regulatory Commission issued an order approving a transfer of control of the Company as contemplated by the Omega Financing and extending the deadline for completion of such transfer to June 30, 1994. There can be no assurance that other such approvals will be obtained. Moreover, the Omega Financing is not yet reduced to a definitive agreement. The Plan will not be circulated to creditors unless and until such a definitive agreement has been signed.

The Omega Financing provides for the Company to sell its common stock representing a 60% ownership interest in the Company to Omega or its designees for an aggregate purchase price of $35 million. The 40% balance of the Company's common stock will be issued 34% to the Company's Bondholders in full payment and satisfaction of their secured claims and 6% to the Company's unsecured creditors with claims in excess of $25,000 in full payment and satisfaction of their claims. These unsecured claims consist primarily of the unsecured deficiency claims of the Bondholders under the Bonds. (See Bankruptcy Proceeding below for a discussion of the Company's bankruptcy proceeding and the Omega Financing.)

Seabrook Unit 1 is a 1,150 MW nuclear generating plant located in Seabrook, New Hampshire. The Company acquired its joint ownership interest in the Seabrook Project for approximately $174,000,000 in November 1986 from five New England electric utilities in independently negotiated transactions. At that time, construction of Seabrook Unit 1 was substantially completed. Because Seabrook Unit 2 had been canceled, the Company assigned no value to it. On March 29, 1991, the Company announced that it had provided an impairment reserve in 1990 against its investment in Seabrook Unit I, which was recorded effective on December 31, 1990. For financial statement reporting purposes, the Company valued its investment in Seabrook Unit I, including nuclear fuel but net of the related Series B and C Notes which it collateralizes as follows:

(In thousands)	December 31, 1990	December 31, 1993
Net Investment	$340,640	$311,932
Related Secured Debt	(300,597)	(293,723) (1)
Net Carrying Amount	$ 40,043	$ 18,209

(1) includes accrued interest of $14,126

The ultimate value of the investment and the related debt (which is a liability subject to compromise) cannot be determined until the bankruptcy is resolved.

The Company has no employees. John R. Stevens, president of EUA serves as president and sole director of the Company at the request and subject to the direction of the Bondholders Committee. Mr. Stevens expects to resign both positions on the Effective Date. Since the Company's organization, EUA Service, a wholly owned subsidiary of EUA, has provided, or arranged for, various management and professional services. Pursuant to various Bankruptcy Court orders, EUA Service continues to provide similar services to the Company. Under the terms of the Settlement Agreement (as discussed below), EUA Service will continue to provide, at cost, certain services to the Company at the request of the Bondholders Committee for a period of not more than two years from the effective date of the Settlement Agreement. However, such services specifically exclude the marketing of the Company's entitlement in Seabrook Unit 1 on a long-term basis. The Company has agreed with UNITIL that an affiliate of UNITIL will replace EUA Service in providing various services on the Effective Date. In addition, the Company has entered into a contract with an affiliate of UNITIL pursuant to which that affiliate is marketing the Company's share of electricity from Seabrook Unit 1.

Note B - Bankruptcy Proceeding:

Background:

On February 28, 1991, the Company filed a voluntary petition in the Bankruptcy Court for the District of New Hampshire for protection under Chapter 11 of the federal Bankruptcy Code and has been conducting its business as a Debtor and Debtor-in-Possession under the provisions of the Bankruptcy Code. The Company filed such petition because the cash generated by short-term sales of electricity from its entitlement in Seabrook Unit 1 would have been insufficient to pay interest on its outstanding Secured Notes when interest became due on May 15, 1991 and the prospects for signing long-term power sales contracts prior to that date were minimal. The Company continues its efforts to market its entitlement to Seabrook Unit 1 under the direction of the Bondholders Committee.

Settlement Agreement:

On November 18, 1992, the Company, the Bondholders Committee and EUA entered into a Settlement Agreement which resolved certain adversary proceedings against EUA, brought, or threatened to be brought, by the Bondholders Committee including, (i) a claim for recovery of certain alleged preferential transfers in the aggregate amount of $38.5 million, plus interest; (ii) a threatened claim for the recovery of $100 million plus treble damages arising from, among other things, certain alleged breaches of fiduciary duties by EUA, EUA Service and the officers and directors of the Company; and, (iii) certain matters arising out of tax sharing agreements between EUA, its subsidiaries, and the Company. The Settlement Agreement also provided for the payment of $20 million to the Company by EUA. The Settlement Agreement further provided for the relinquishment by EUA of its equity interest in the Company and all claims filed in Bankruptcy Court by EUA and its affiliates against the Company. These claims related primarily to obligations of the Company guaranteed and paid by EUA, including $21 million of Solid Waste Disposal Facility Revenue Bonds, issued by the New Hampshire Industrial Development Authority on behalf of the Company and other notes payable. The settlement of these claims was recorded as a deferred credit on the Company's Balance Sheet, pending the ultimate outcome of the Bankruptcy Proceeding. The Settlement Agreement became effective on December 30, 1992 at which time EUA paid $20 million to the Company. The Company used a substantial portion of the proceeds from the Settlement Agreement to repay amounts outstanding under the First Stipulation (as described below) and to pay reorganization expenses and other operating expenses. The Company redeemed all of its outstanding equity securities which were held by EUA, at no cost, on February 5, 1993. The redeemed shares have been classified as treasury stock on the Company's financial statements as of December 31, 1993. As a result of the redemption, the Company is no longer part of the EUA System.

Under the Settlement Agreement, EUA reaffirmed its guarantee of up to $10 million of the Company's share of future decommissioning costs of Seabrook Unit 1 and any costs of cancellation of Seabrook Unit 1 or Unit 2. EUA had guaranteed this obligation in 1990 in order to secure the release to the Company of a $10 million fund established by the Company for the same purpose at the time the Company acquired its Seabrook Interest. Further, under the Settlement Agreement, all of the officers and directors of the Company (except Mr. Stevens) resigned and the Company changed its name to Great Bay Power Corporation. EUA now has no ownership interest in the Company.

Reorganization Plan:

The Bankruptcy Court confirmed the Bondholders Committees Fifth Amended Plan of Reorganization on March 5, 1993. After confirmation, the Company was unable to obtain the $45 million of debt financing contemplated by the Fifth Amended Plan of Reorganization. In February 1994, however, the Bondholders Committee obtained a commitment from Omega or its designees to provide $35 million of equity financing for the Company. The Bondholders Committee prepared a First Modification to Fifth Amended Plan of Reorganization to reflect this change in financing and submitted a Supplemental Disclosure Statement describing that First Modification to the Bankruptcy Court for its approval. The Bankruptcy Court approved the Supplemental Disclosure Statement at a hearing on March 11, 1994. The Plan is scheduled to be mailed to the Company's creditors for their approval on or before April 7, 1994. If the Creditors approve the Plan, the Company expects the Bankruptcy Court to confirm the Plan in a hearing currently scheduled for May 13, 1994, although such confirmation cannot be assured. The Omega Financing and the Plan are subject to approval by certain regulatory authorities. On February 15, 1994 the Nuclear Regulatory Commission issued an order approving a transfer of control of the Company as contemplated by the Omega Financing and extending the deadline for completion of such transfer to June 30, 1994. There can be no assurance that other such approvals will be obtained. Moreover, the Omega Financing is not yet reduced to a definitive agreement. The Plan will not be circulated to creditors unless and until such a definitive agreement has been signed.

The Omega Financing provides for the Company to sell its common stock representing a 60% ownership interest in the Company to Omega or its designees for an aggregate purchase price of $35 million. The 40% balance of the Company's common stock will be issued 34% to the Company's Bondholders in full payment and satisfaction of their secured claims pursuant to the Bonds and 6% to the Company's unsecured creditors with claims in excess of $25,000 in full payment and satisfaction of their claims. These unsecured claims consist primarily of the unsecured deficiency claims of the Bondholders under the Bonds. The holders of unsecured claims of less than $25,000, other than those unsecured claims resulting from the ownership of the Secured Notes, will be paid 50% of the amounts of their claims allowed by the Bankruptcy Court in cash on the Effective Date. The Plan requires that prior to the Effective Date the Bondholders Committee obtain the Omega Financing.

Although a bar date for all claims has been entered and passed, claims arising from the rejection of contracts or claims which the Bankruptcy Court permits to be filed notwithstanding the bar date may dilute the percentage of the unsecured claims held by the Secured Bondholders. All of the previously issued and outstanding equity securities of the Company have been redeemed by the Company. The CICs issued in connection with the Series B Notes or otherwise will be extinguished on the Effective Date. After the Effective Date, the equity of the Company will be represented by a single class of common stock. The Company will use good faith efforts to list its shares of common stock so that they will be tradeable on the American Stock Exchange or the NASDAQ National Market System.

The Bondholders Committee has appointed or will appoint agents to manage the Company's business and to market the Company's share of Seabrook electricity. During the period between the Confirmation of the Plan and the Effective Date, those agents are to report to the Bondholders Committee and, to the extent actions are to be taken outside of the ordinary course of business, such actions shall be subject to the approval of the Bankruptcy Court and regulatory bodies with jurisdiction under applicable law. John R. Stevens, president of EUA, expects to resign as president and director of the Company on the Effective Date. The Bondholders Committee has disclosed the names of two individuals proposed to serve on the Board of Directors (the New Board) of the Company after the Effective Date. The proposed two members of the New Board are John A. Tillinghast and Walter H. Goodenough. The Bondholders Committee is also considering other candidates to serve as members of the New Board. The persons who will serve on the New Board will be finally determined before the Effective Date. The New Board will take office upon the Effective Date. The New Board will serve until its members resign or are replaced in accordance with New Hampshire corporate law and the requirements of the Company's charter and by-laws.

The effectiveness of the Plan is conditioned upon obtaining plan of reorganization financing and approvals from various regulatory agencies including the NRC. The Company has obtained the approval of the NRC, provided the Company obtains plan of reorganization financing. The Company cannot predict whether it will be able to obtain plan of reorganization financing or whether the plan, or any other plan if filled, will be approved by the various regulatory agencies having jurisdiction.

DIP Financing:

The Company is required under the JOA to pay its share of Seabrook Unit 1 and Seabrook Unit 2 expenses including, without limitation, operations and maintenance expenses, construction and nuclear fuel expenditures and decommissioning costs, regardless of Seabrook Unit 1's operations. Under certain circumstances, a failure by the Company to make its monthly payments under the JOA could adversely affect its entitlement in Unit 1. At current market prices, the cash generated by such electricity sales continues to be less than the Company's on-going cash requirements.

On August 29, 1991, the Bankruptcy Court approved a Stipulation and Consent Order (the First Stipulation) with respect to DIP Financing to be provided by certain joint owners of Seabrook for the benefit of the Company. The First Stipulation was entered into by the Company and CL&P and UI (the Participating Joint Owners), two of the other eleven joint owners of the Seabrook Project, as well as the Bondholders Committee. The First Stipulation was also approved by the NHPUC and the SEC under the 1935 Act.

On July 21, 1992, the Bankruptcy Court issued a procedural order permitting an extension of the First Stipulation. For the period after September 30, 1992 until March 5, 1993, the procedural order permitted continued debtor-in-possession financing on a month-to-month basis at the sole discretion of the Participating Joint Owners terminable on 30 days notice. The Bankruptcy Court issued a second procedural order on September 8, 1992 increasing to $22 million from $15 million the amount of advances outstanding at any one time permitted under the First Stipulation. The Participating Joint Owners continued to advance funds under the First Stipulation, as amended, until the amounts advanced thereunder were repaid with the proceeds of the Company's Settlement Agreement with EUA. The First Stipulation expired on March 5, 1993.

A second stipulation was entered into by the Company and the Participating Joint Owners and was approved by the Bankruptcy Court and various regulatory authorities. However, that stipulation did not become effective, and on March 5, 1993, the Company and the Participating Joint Owners entered into a third stipulation (the Third Stipulation) which was approved by the Bankruptcy Court.

The Third Stipulation provides that the Participating Joint Owners shall provide up to a maximum of $20 million in advances to the Company to enable the Company to pay its pro rata share of the Seabrook Project's operating expenses, expenses of the Company in connection with its Chapter 11 proceedings and certain other costs of operation of the Company. Pursuant to the Third Stipulation, the advances made by the Participating Joint Owners bear an interest rate equal to the prime rate of The First National Bank of Boston plus 7% per annum. The Third Stipulation provides the Participating Joint Owners with a priority lien on all the Company's assets, which lien has priority over the Bondholders' mortgage. The Third Stipulation further provides that in the event of a default thereunder, the Participating Joint Owners are entitled to purchase the Company's Seabrook Interest for 75% of the lesser of fair market value or book value and to apply all or part of the amounts owing under the Third Stipulation against the purchase price. The Third Stipulation terminates on the earliest to occur of (a) July 1, 1994, (b) the Effective Date or the closing of a sale of all or substantially all of the Company's assets or business, and (c) an event of default under the terms of the Third Stipulation. The Company is in default of the Third Stipulation for, among other reasons, failure to obtain financing for the Plan by the date required in the Third Stipulation. Although the Company has been in default since November 1, 1993, the Participating Joint Owners have continued to provide financing pursuant to the Third Stipulation. There is, however, no assurance that they will continue to do so. As of March 25, 1994, outstanding advances under the Third Stipulation were approximately $2.2 million in the aggregate.

If the Plan is confirmed by the Bankruptcy Court and the Omega Financing is obtained, the Company will repay amounts owing under the Third Stipulation out of the proceeds of the Omega Financing. The Company cannot predict whether the Plan will be confirmed or the Omega Financing obtained.

Other Matters:

The Company's reorganization expenses are subject to approval by the Bankruptcy Court. For the period March 1, 1991 through August 31, 1993, professionals have submitted fees and expenses in the amount of approximately $5.9 million to the Bankruptcy Court for its approval, and the Bankruptcy Court has provisionally authorized, subject to its review at the conclusion of the Chapter 11 proceeding, payments of approximately $4.5 million. The Company has paid amounts provisionally authorized by the Bankruptcy Court, and those are reflected on the Company's Statement of Loss during the period in which they have been paid. Other submitted, but not provisionally authorized, expenses have not been recorded.

Since August 31, 1993, no hearings on approval of reorganization expenses have been held and no requests for allowance for such expenses have been made. According to the Supplemental Disclosure Statement, the Bondholders Committee has budgeted reorganization expenses payable on closing of the Omega Financing and subject to Bankruptcy Court approval of $4.5 million.

Under Chapter 11, certain claims against the Company in existence prior to the filing of the petition for relief under the Bankruptcy Code are stayed while the Company continues business operations as debtor-in-possession. These claims are reflected in the Company's Balance Sheet as of December 31, 1993 as "Liabilities Subject to Compromise." Additional claims (Liabilities Subject to Compromise) may arise subsequent to the filing date resulting from rejection of executory contracts and from the determination by the Bankruptcy Court (or agreed to by parties in interest) of allowed contingent and disputed claims. Enforcement of claims secured by certain of the Company's assets (secured claims) also are stayed, although the holders of such claims have the right to move the court for relief from the stay. Secured claims, principally the Secured Notes, are secured by an interest in certain Seabrook Project assets of the Company, principally realty and personalty.

Note C - Summary of Significant Accounting Policies:

System of Accounts: The accounting policies and practices of the Company are subject to regulation by FERC with respect to its rates and accounting. The accounts of the Company are maintained in accordance with the uniform system of accounts prescribed by FERC.

Utility Plant and Depreciation: Utility plant is stated at original cost. The cost of additions to utility plant includes contracted work, direct labor and material, allocated overhead, allowance for funds used during construction and indirect charges for engineering and supervision. For financial statement purposes, depreciation is computed on the straight-line method based on the estimated useful life of Seabrook Unit 1. Since the commencement of commercial operation, the provision for depreciation for the Company has been calculated at 2.5%.

Operating Revenues: Revenues are based on billing rates authorized by FERC and are recognized when billed.

Income Taxes: The general policy of the Company with respect to accounting for federal income taxes is to reflect in income the estimated amount of taxes currently payable and to provide for deferred taxes on certain items subject to temporary differences to the extent permitted by the various regulatory commissions. It is the policy of the Company to defer the investment tax credits and to amortize these credits over the productive lives of the related assets.

Transactions with Affiliates: Prior to February 5, 1993, the Company was a wholly-owned subsidiary of EUA. EUA has interests in other retail and wholesale utility companies, a service corporation, and other non-utility companies.

Transactions between the Company and EUA affiliated companies include the following: accounting, engineering and other services rendered by EUA Service of approximately $209,000, and $420,000, in 1993 and 1992 respectively. Transactions with other affiliated companies are subject to review by applicable regulatory commissions (See Note D - Income Taxes).

Cash and Temporary Cash Investments: The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.

Note D - Income Taxes:

Components of income tax expense for the years 1993 and 1992 are as follows:

(In Thousands)	1993	1992
Federal:		
Current	$	$ (22,453)
Deferred	(3,421)	42,246
Investment Tax Credit, Net	(630)	4,955
Total Charge to Operations	(4,051)	24,748
Charged to Other Income:		
Current		
Deferred	459	919
Total charged to Other Income	459	919
Total	$ (3,592)	$ 25,667

Total income tax expense (credit) was different from the amounts computed by applying federal income tax at statutory rates to book income subject to tax for the following reasons:

(In Thousands)	1993	1992
Federal Income Tax (FIT) Computed at Statutory Rates	$ (4,559)	$ (7,412)
Increases (Decreases) in Tax from:		
Depreciation of Equity AFUDC	548	819
Amortization of ITC	(630)	(269)
FIT Net Operating Loss Carryforward	926	
Reversal of carryforwards due to uncertainties of realization after reorganization		32,527
Nuclear Decommissioning Costs	313	277
Other	(190)	(275)
Total Income Tax Expense (Credit)	$ (3,592)	$ 25,667

The provision for deferred taxes resulting from temporary differences is comprised of the following:

(In Thousands)	1993	1992
Debt Component of AFUDC	$ (1,458)	$ (1,829)
Capitalized Overheads	(59)	(505)
Excess Tax Depreciation	7,181	8,069
Deferred Charges		
Net Operating Loss Carryforward	(8,724)	26,907
Provision for Estimated Loss on Seabrook Investment	459	919
Alternative Minimum Tax		9,985
Other	(361)	(382)
Total	$ (2,962)	$ 43,164

The Company adopted FAS96 in 1990 which requires the use of the liability method to record deferred income taxes for temporary differences that are reported in different years for financial reporting and tax purposes. Under the liability method adopted by FAS96, deferred tax liabilities or assets are computed using the tax rates that will be in effect when the temporary differences reverse. Generally, for regulated companies, the changes in tax rates applied to accumulated deferred income taxes may not be immediately recognized in operating results because of ratemaking treatment and provisions in the Tax Reform Act of 1986.

In February 1992, FASB issued Statement No. 109, "Accounting for Income Taxes," which essentially supersedes FAS96. As a result of the adoption of FAS96 in 1990, FAS109, adopted in the first quarter of 1993, had no significant impact. At January 1, 1993, total deferred tax assets for which no valuation allowance was deemed necessary were $ 17.7 million and total deferred tax liabilities were $ 72.1 million. At December 31, 1993 total deferred tax assets for which no valuation allowance was deemed necessary were $26.1 million and total deferred tax liabilities were $77.6 million. Total deferred tax assets and liabilities are comprised as follows:

	Deferred Tax Assets (000)		Deferred Tax Liabilities (000)
Plant Related Differences	$ 16,999	Plant Related Differences	$ 77,444
Other	9,073	Other	112
Total	$ 26,072	Total	$ 77,556

The Company has filed consolidated income tax returns together with EUA and other EUA affiliates. As a result of such consolidated filings, certain federal income tax benefits available to the Company have reduced the federal income tax obligations of EUA and such other EUA affiliates. Under a tax allocation agreement between EUA and its subsidiaries, EUA and its subsidiaries compensate each other for the use of the tax benefits.

As a result of the redemption of the Company's outstanding common stock, the Company was deconsolidated from the EUA tax group effective February 5, 1993. Under the terms of the Settlement Agreement, EUA is entitled to utilize the Company's tax credits to reduce EUA's 1993 consolidated tax liability without compensation (see Note B - Bankruptcy Proceeding). The Company will be included in EUA's consolidated tax return for the years 1992 and 1993. However, the Company's net operating losses of approximately $25 million arising from its post February 5, 1993 activities will not be included in the EUA consolidated tax return for 1993, and have been treated as available to the Company.

To the extent that the Company's carryforwards of net operating losses, investment tax credits, alternative minimum tax credits, and deductions attributable to built in losses are available after the Company is no longer part of the consolidated return, the Company's ability to utilize these carryforwards will be significantly limited due to the impact of provisions of the tax law relating to the treatment of debt forgiveness in bankruptcy and the effect of changes in the ownership of the Company. The precise impact of these limitations cannot be determined until the Bankruptcy proceeding has concluded. In 1992, the Company reversed all accumulated tax benefits relating to carryforwards of net operating losses and alternative minimum tax credits to reflect the anticipated imposition of the limitations and the impact of the Settlement Agreement.

Note E - Capital Stock:

Common Stock: On December 31, 1993, the Company had issued and outstanding, no shares of its Common Stock, par value $.01.

Preferred Stock: At December 31, 1993, the Company had outstanding no shares of preferred stock.

Pursuant to the terms of the Settlement Agreements, on February 5, 1993 the Company redeemed all of its outstanding common and preferred stock, which were held by EUA, at no cost to the Company (See Note B - Bankruptcy Proceeding). The redemption has been classified as treasury stock on the Company's financial statements as of December 31, 1993.

Note F - Long-Term Debt:

As a result of the Bankruptcy filing, the Company is in default under the indenture pursuant to which the Secured Notes were issued. The current face amount of principal, and accrued interest to February 28, 1991, on the Company's Secured Notes is $279,597,200 and $14,126,174 respectively. The Secured Notes are collateralized in part principally with a security interest in the Company's 12.1% ownership interest in the realty and personalty of the Seabrook Project. As a result of the bankruptcy filing, the Company is in default under the indenture pursuant to which the Secured Notes were issued and ceased accruing interest expense as of February 28, 1991.

The contractual interest expense on the Secured Notes in both 1993 and 1992 was approximately $49 million. In 1993 and 1992, no interest was paid. The Company also had outstanding 180,000 CICs evidencing the right to receive additional payments contingent upon and measured by the Company's income in certain years following the commercial operation of Seabrook Unit 1. Under the Plan, the CICs have been extinguished. (See Note B - Bankruptcy Proceeding)

The Secured Notes and CICs are solely the obligation of the Company and are not guaranteed by EUA or any other person.

The Series B Secured Notes, which have a stated maturity date of May 15, 1993, are redeemable at 100.125% of principal amount. The Series C Secured Notes have a stated maturity date of November 15, 1992.

Note G - Fair Value of Financial Instruments:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate:

Cash and Temporary Cash Investments:

The carrying amount approximates fair value because of the short-term maturity of those instruments.

Long-Term Debt:

The fair value of the Company's long-term debt can not be determined at this time. See Note B - Bankruptcy Proceeding for a discussion of the Company's Bankruptcy Proceeding and Reorganization Plan.

Note H - Commitments and Contingencies:

Nuclear Power Issues

Like other nuclear generating facilities, the Seabrook Project is subject to extensive regulation by the NRC. The NRC is empowered to authorize the siting, construction and operation of nuclear reactors after consideration of public health, safety, environmental and anti-trust matters. The NRC has promulgated numerous requirements affecting safety systems, fire protection, emergency response planning and notification systems, and other aspects of nuclear plant construction, equipment and operation. The Company has been, and may be, affected to the extent of its proportionate share by the cost of any such modifications to Seabrook Unit 1.

Nuclear units in the United States have been subject to widespread criticism and opposition. Some nuclear projects have been canceled following substantial construction delays and cost overruns as the result of licensing problems, unanticipated construction defects and other difficulties. Various groups have by litigation, legislation and participation in administrative proceedings sought to prohibit the completion and operation of nuclear units and the disposal of nuclear waste. In the event of shutdown of any unit, NRC regulations require that it be completely decontaminated of any residual radioactivity. The cost of such decommissioning, depending on the circumstances, could substantially exceed the owners' investment at the time of cancellation.

Public controversy concerning nuclear power could adversely affect the operating license of Seabrook Unit 1. While the Company cannot predict the ultimate effect of such controversy, it is possible that it could result in a premature shutdown of the unit.

The Price-Anderson Act provides, among other things, that the liability for damages resulting from a nuclear incident would not exceed an amount which at present is about $9.2 billion. Under the Price-Anderson Act, prior to operation of a nuclear reactor, the licensee is required to insure against this liability by purchasing the maximum amount of insurance available from private sources (currently $200 million) and to maintain the insurance available under a mandatory industry-wide retrospective rating program. Should an individual licensee's liability for an incident exceed $200 million, the difference between such liability and the overall maximum liability, currently about $9.2 billion, will be made up by the retrospective rating program. Under such a program, each owner of an operating nuclear facility may be assessed a retrospective premium of up to a limit of $79.3 million (which shall be adjusted for inflation at least every five years) for each reactor owned in the event of any one nuclear incident occurring at any reactor in the United States, with provision for payment of such assessment to be made over time as necessary to limit the payment in any one year to no more than $10 million per reactor owned. The Company would be obligated to pay its proportionate share of any such assessment.

Joint owners of nuclear projects are also subject to the risk that one of their number may be unable or unwilling to finance its share of the project's costs, thus jeopardizing continuation of the project. On May 6, 1991, New Hampshire Electric Cooperative, Inc., a 2.2% owner of the Seabrook Project, announced that it had filed for Chapter 11 bankruptcy protection. A reorganization plan, filed by the New Hampshire Electric Cooperative with the Bankruptcy Court in September, 1991 and revised in January, 1992 was approved by the Bankruptcy Court in March 1992 and approved by the NHPUC on October 5, 1992. All appeals of the NHPUC order approving the reorganization have been resolved in NHEC's favor and the effective date of the plan occurred on December 1, 1993.

Nuclear Fuel and Nuclear Plant Decommissioning:

The Seabrook Project joint owners have made, or expect to make, various arrangements for the acquisition of uranium concentrate, the conversion, enrichment, fabrication and utilization of nuclear fuel and the disposition of that fuel after use. The owners and lead participants of United States nuclear units have entered into contracts with the DOE for disposal of spent nuclear fuel in accordance with the NWPA. The NWPA requires (subject to various contingencies) that the federal government design, license, construct and operate a permanent repository for high level radioactive wastes and spent nuclear fuel and establish prescribed fees for the disposal of such wastes and fuel. The NWPA specifies that the DOE provide for the disposal of such wastes and spent nuclear fuel starting in 1998. Objections on environmental and other grounds have been asserted against proposals for storage as well as disposal of spent fuel. The DOE anticipates that a permanent disposal site for spent fuel will be ready to accept fuel for storage on or before 2010. However, the NRC, which must license the site, stated only that a permanent repository will become available by the year 2025. At the Seabrook Project there is on-site storage capacity which, with minimal capital expenditures, should be sufficient for twenty years or until the year 2010. No near-term capital expenditures are anticipated to deal with any increase in storage requirements after 2010.

The estimated cost to decommission Seabrook Unit 1, based on a study by the New Hampshire Yankee Division of the Public Service Company of New Hampshire, is approximately $351 million in 1993 dollars. The Company's share of that amount is approximately $42.5 million, or 12.1%. In 1993, the Company paid approximately $895,000 in decommissioning expenses.

The agreements of purchase and sale under which the Company purchased its Seabrook interest required the Company to establish a fund of $10 million to secure payment of part of its share of decommissioning costs of Seabrook Unit 1 and any costs of cancellation of Seabrook Unit 1 or Unit 2. In May 1990, EUA guaranteed this obligation and the entire fund was released to EUA Power. Under the Settlement Agreement, EUA reaffirmed this guaranty.

Seabrook Unit 2:

The Company also has a 12.1% ownership interest in Seabrook Unit 2 in which it has assigned no value. On November 6, 1986, the joint owners of the Seabrook Project, recognizing that Seabrook Unit 2 had been canceled, voted to dispose of the Unit. Certain assets of Seabrook Unit 2 have been and are being sold from time to time to third parties. Plans regarding disposition of Seabrook Unit 2 are now under consideration, but have not been finalized and approved. The Company is unable, therefore, to estimate the costs for which it would be responsible in connection with the disposition of Seabrook Unit 2. Monthly charges are required to be paid by the Company with respect to Seabrook Unit 2 in order to preserve and protect its components and various warranties.

Construction Expenditures

Great Bay Power's cash construction expenditures, including nuclear fuel, are estimated to be approximately $4.3 million in 1994 and aggregate approximately $23.4 million for the years 1995 through 1998.

SEC Review

In January of 1991, the SEC's Division of Corporation Finance commenced a review of the Company's Annual Report on Form 10-K for the year ended December 31, 1989 and subsequent Quarterly Reports on Form 10-Q. The Company submitted written responses to all of the inquiries made by the Division of Corporate Finance. In May of 1991, the Company was informed by the SEC's Division of Enforcement that it would conduct an informal review with respect to certain issues addressed by the Division of Corporate Finance principally relating to the accounting for the capitalized financing costs related to the Company's investment in Seabrook Unit 1 and the effect which recording such amounts had on reported earnings for the three year period ended December 31, 1990. The Company informed the Division of Enforcement that it would cooperate with the informal inquiry and in July of 1991 the Company completed its responses to the Division of Enforcement's initial inquiries. The Company has received no communications from the Division of Enforcement since the Company completed its responses in July, 1991.

The Company restated its financial statements with respect to the amount of AFUDC recorded in 1988, 1989 and the first three quarters of 1990 which it believes addresses several issues raised by the SEC. The Company cannot predict the outcome of the SEC's review. The SEC could require that the Company further restate its financial statements for 1990, 1989 or 1988, or for any quarterly period during such years. The ultimate outcome of this matter cannot presently be determined and, accordingly, no provision for any adjustment that may result from its outcome has been made in the 1990 financial statements of the Company. The Company continues to believe that its financial statements (as previously restated) were prepared in accordance with generally accepted accounting principles and presented fairly the financial position and results of operations of the Company.

Other Proceedings

In June 1991, the State of New Hampshire imposed a Nuclear Station Property Tax applicable only to the Seabrook Project. The Company paid its share of the tax, aggregating $4.2 million through December 31, 1992. In October 1991 the Attorneys General of Connecticut, Massachusetts and Rhode Island petitioned the United States Supreme Court in an original jurisdiction case for a determination of the legality of the tax, and in January 1992 the Supreme Court agreed to take the case. The parties to the litigation and other Joint Owners of Seabrook entered into a Settlement Agreement on April 13, 1993. In general, the terms of the Settlement Agreement are expected to result in a significant reduction in annual state taxes paid by the Company. In addition, under the terms of the Settlement Agreement, certain of the prior payments of the tax by the Company will be permitted to be credited against future taxes due. The Bankruptcy Court has approved the Settlement Agreement with respect to the Company.

Note I - Subsequent Event

On November 23, 1994, the Company emerged from Bankruptcy and adopted a new basis of accounting as required by Statement of Position 90-7 "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code" issued by the American Institute of Certified Public Accountants. Accordingly, the information contained in these financial statements is not comparable to the financial statements for periods beginning on or after November 23, 1994. The accompanying financial statements are not indicative of the financial position or the expected results of operations for periods beginning on or after November 23, 1994.

No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or any Selling Stockholder. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy to any person in any jurisdiction in which such offer or solicitation would be unlawful. Neither the delivery of this Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or that the information contained herein is correct as of any date subsequent to the date hereof.

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GREAT BAY POWER CORPORATION

6,120,530 Shares
Common Stock

PROSPECTUS

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses payable in connection with the sale of Common Stock being registered. All amounts are estimates except the Securities and Exchange Commission (the "SEC") registration fee.

	Amount to be Paid
SEC registration fee	$ 15,575
Blue Sky fees and expenses	10,000
Transfer Agent and Registrar fees	2,000
Legal fees and expenses of the Registrant	130,000
Accounting fees and expenses	110,000
Miscellaneous	5,000
TOTAL	$272,575

Item 14. Indemnification of Directors and Officers

Chapter 293-A of the New Hampshire Revised Statutes Annotated provides that a corporation may indemnify its officers, directors, employees and agents against expenses (including attorneys fees) incurred in the defense or settlement of a proceeding, provided there was a determination by a quorum of disinterested directors, independent legal counsel or a majority vote of a quorum of the shareholders that the person seeking indemnification acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation. Without court approval, however, no indemnification may be made in respect of any derivative action in which such person is adjudged liable for negligence or misconduct in the performance of his duty to the corporation.

Article EIGHTH of the Restated Articles of Incorporation of the Registrant provides that the Directors and Officers of the Registrant shall be indemnified by the Registrant to the fullest extent permitted by New Hampshire law, as amended from time to time, against all liabilities and expenses reasonably incurred by reason of such service for or on behalf of the Registrant. Except for derivative claims as to which a Director or Officer has been adjudged liable to the corporation, the Registrant will indemnify Directors and Officers for claims arising out of actions taken on behalf of the Registrant so long as such action was taken in good faith and in the reasonable belief that such action was in the best interests of the Registrant, was not opposed to the Registrant's best interests, or with respect to a criminal action, was taken in the reasonable belief that such action was lawful.

The Company has a director and officer liability policy that insures the Company's directors and officers against certain liabilities which they may incur as directors or officers of the Company.

Item 15. Recent Sales of Unregistered Securities

In the three years preceding the filing of this Registration Statement, the Registrant has issued the following securities that were not registered under the Securities Act of 1933, as amended (the "Act"):

(i) As of November 23, 1994, the effective date of the Registrant's Reorganization Plan, distribution of 3,200,000 shares of the Registrant's Common Stock to former holders of secured notes of the Registrant in satisfaction of their bankruptcy claims, aggregating to approximately $294 million, against the Registrant commenced.

(ii) On November 23, 1994, the effective date of the Registrant's Reorganization Plan 4,800,000 shares of the Registrant's Common Stock were issued to the Selling Stockholders for $35,000,000. Also at that time, 480,000 escrow shares were deposited with a disbursing agent in an escrow fund for possible transfer to the Selling Stockholders or certain creditors of the Registrant.

No underwriters were engaged in connection with any of the foregoing sales of securities. The 3,200,000 shares issued to former holders of secured notes of the Registrant in satisfaction of their bankruptcy claims against the Registrant were exempt from registration under the Securities Act of 1933, as amended (the "Act") pursuant to Section 1145 of the United States Bankruptcy Code. The sale of the 4,800,000 shares referred to above was exempt from registration pursuant to Section 4(2) of the Act. The 480,000 shares of Common Stock currently held in escrow by a disbursing agent will be exempt from registration under the Act pursuant to either Section 1145 of the Bankruptcy Code or Section 4(2) of the Act.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits

	Exhibit No.		Description
†	2	-	First Modification to Bondholders' Committee's Fifth Amended Plan of Reorganization dated February 11, 1994 as amended by First Amendment to Modified Plan dated September 9, 1994.
†	3.1	-	Restated Articles of Incorporation of the Registrant dated November 23, 1994.
†	3.2	-	Amended and Restated By-laws of the Registrant adopted on November 23, 1994.
†	5	-	Form of Opinion of Hale and Dorr with respect to the validity of the securities being offered.
†	10.1	-	Agreement Between Bangor Hydro-Electric Company, Central Maine Power Company, Central Vermont Public Service Corporation, Fitchburg Gas and Electric Light Company, Maine Public Service Company and EUA Power Corporation relating to use of certain transmission facilities dated October 20, 1986.
†	10.2	-	Limited Guaranty by Eastern Utilities Associates of Decommissioning Costs in favor of Joint Owners of the Seabrook Project dated May 5, 1990.
†	10.3	-	Composite Agreement for Joint Ownership, Construction and Operation of New Hampshire Nuclear Units, as amended, dated November 1, 1990.

†	10.4	-	Seventh Amendment to and Restated Agreement for Seabrook Project Disbursing Agent as amended through and including the Second Amendment, by and among North Atlantic Energy Service Corporation, the Registrant and other Seabrook Project owners dated November 1, 1990.
†	10.5	-	Seabrook Project Managing Agent Operating Agreement by and among the North Atlantic Energy Service Corporation, the Registrant and parties to the Joint Ownership Agreement, dated June 29, 1992.
†	10.6	-	Settlement Agreement by and among EUA Power Corporation, Eastern Utilities Associates and the Official Bondholders' Committee dated November 18, 1992.
†	10.7	-	Marketing Agent Agreement between UNITIL Corporation and the Registrant dated April 1, 1993.
†	10.8	-	Purchased Power Agreement between UNITIL Power Corporation and the Registrant dated April 26, 1993.
†	10.9	-	Power Purchase Option Agreement between UNITIL Power Corporation and the Registrant dated April 26, 1993.
†	10.10	-	Second Mortgage and Security Agreement between UNITIL Power Corporation and the Registrant dated December 22, 1993.
†	10.11	-	Third Mortgage and Security Agreement between UNITIL Power Corporation and the Registrant dated December 22, 1993.
†	10.12	-	Registration Rights Agreement between the Registrant and the Selling Stockholders dated April 7, 1994 (the "Registration Rights Agreement").
†	10.13	-	Amendment to Registration Rights Agreement between the Registrant and the Selling Stockholders dated November 23, 1994.
†	10.14	-	Stock and Subscription Agreement among the Registrant and the Selling Stockholders dated April 7, 1994.
†	10.15	-	Acknowledgment and Amendment to Stock and Subscription Agreement, dated November 23, 1994.
†	10.16	-	Settlement Agreement by and among the Registrant, the Official Bondholders' Committee and the Selling Stockholders dated September 9, 1994.
†	10.17	-	Management and Administrative Services Agreement between UNITIL Resources, Inc. and the Registrant dated November 23, 1994.
†	10.18	-	Employment Agreement between John A. Tillinghast and the Registrant dated November 23, 1994.
†	10.19	-	Expense Sharing Agreement between Tillinghast Technology Interests, Inc. and the Registrant dated November 23, 1994.
*	10.20	-	Purchased Power Agreement between Freedom Electric Power Company and the Registrant dated March 2, 1995.

*	10.21	-	Letter Agreement, dated December 20, 1994, between the Registrant and the Selling Stockholders amending Registration Rights Agreement, as previously amended on November 23, 1994.
*	10.22	-	Letter Agreement, dated March 28, 1995, between the Registrant and the Selling Stockholders amending Registration Rights Agreement, as previously amended on November 23, 1994 and December 20, 1994.
*	16	-	Letter regarding Change in Certifying Accountant dated March 29, 1995.
*	23.1	-	Consent of Arthur Andersen LLP, Independent Auditors.
*	23.2	-	Consent of Coopers & Lybrand L.L.P., Independent Accountants.
†	23.3	-	Consent of Hale and Dorr (included in Exhibit 5).
†	24	-	Power of Attorney.

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* Filed herewith.

† Previously filed.

(b) Financial Statement Schedules

None.

Item 17. Undertakings

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to New Hampshire law, the Articles of Incorporation or the Bylaws of the Registrant, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act, and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Portsmouth, State of New Hampshire this 30th day of March, 1995.

GREAT BAY POWER CORPORATION

By: /s/ John A. Tillinghast
John A. Tillinghast
President

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title(s)	Date
/s/ John A. Tillinghast John A. Tillinghast	President, Secretary Treasurer and Director (principal executive officer, principal financial officer and principal accounting officer)	March 30, 1995
Walter H. Goodenough * Walter H. Goodenough	Director	March 30, 1995
Kenneth A. Buckfire * Kenneth A. Buckfire	Director	March 30, 1995

* By: /s/ John A. Tillinghast
John A. Tillinghast
Attorney-in-fact