

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
PUBLIC SERVICE CO. OF NEW HAMPSHIRE)
NORTHEAST UTILITIES) Docket No. 50-443
NORTH ATLANTIC ENERGY SERVICE CO.) (License No. NPF-86)
NORTH ATLANTIC ENERGY CO.)
)
(Seabrook Station Unit 1))

ORDER APPROVING TRANSFERS
AND NOTICE OF ISSUANCE
OF LICENSE AMENDMENTS

I.

On March 15, 1990, pursuant to 10 C.F.R. Part 50, License No. NPF-86 was issued, under which The Public Service Co. of New Hampshire (PSNH) is authorized to operate and hold a 35.6 percent ownership share in Seabrook Station, Unit 1 (Seabrook), which is located in Rockingham County, New Hampshire.

II.

On January 28, 1988, PSNH filed for bankruptcy protection from its creditors. As incident to that bankruptcy filing, a Third Amended Joint Plan of Reorganization was filed with The United States Bankruptcy Court for the District of New Hampshire on December 28, 1989, under which Northeast Utilities (NU) would acquire PSNH, including PSNH's ownership share in Seabrook, and would assume operation of

Seabrook. The acquisition would increase NU's ownership interest in Seabrook to about 39.6 percent. After approval of the plan by PSNH's shareholders, its creditors and the New Hampshire State Legislature, the Bankruptcy Court confirmed the plan and ordered its implementation on April 20, 1990.

III.

To implement the plan of reorganization, NU applied to the U.S. Nuclear Regulatory Commission (NRC) for two license amendments to license NPF-86, by two letters dated November 13, 1990, as supplemented by later filings. Under these requested license amendments the ownership share of PSNH in Seabrook would be transferred to the North Atlantic Energy Co. (NAEC), a wholly owned subsidiary of NU, and control over the operation of Seabrook would be transferred from the New Hampshire Yankee Division of PSNH to the North Atlantic Energy Service Co. (NAESCO), another wholly owned subsidiary of NU. Notice of these applications for transfers and proposed no significant hazards consideration determinations were published in the Federal Register on February 28, 1991, and March 6, 1991, respectively. 56 Fed. Reg. 8373; 56 Fed. Reg. 9384.

IV.

The transfer of rights under License No. NPF-86 is subject to the NRC's approval under 10 C.F.R. § 50.80. Based on information provided by the licensee and NU, and other information before the Commission, it is determined that the proposed transfer of the control of operations of Seabrook from PSNH to NAESCO, and the proposed transfer of ownership share of PSNH to NAEC, subject to the conditions set forth

herein, are in the public interest and are consistent with applicable provisions of law, regulations and orders issued by the Commission. These actions were evaluated by the staff as documented in Safety Evaluations, dated May 29, 1992, which contain final no significant hazards consideration determinations. The conditions of the transfers, to which the licensee has not objected, are:

- A. For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the licensee shall inform the Director, NRR, at least 60 days in advance, of any change in the senior site official for the Seabrook facility, or in the principal duties of such official, unless such change is due to unforeseen circumstances. In such circumstances, the licensee shall inform the Director, NRR, of such change as soon as it can reasonably do so.
- B. For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the Joint Owners shall provide to the Director, NRR, promptly any report of the Oversight Committee or any report of the Operator or of any contractor or consultant which has been provided to the Joint Owners relating to: plant design, equipment or personnel performance or plant operations that could have potentially adverse effects on facility safety; any substantive programmatic or procedural changes to the employee concerns program; any allegation of employee harassment, intimidation or discrimination; changes to any compensation incentive program which could

have potentially adverse effects on facility safety; and any changes to the annual operations and maintenance and capital expenditure budgets. These reporting requirements are in addition to other requirements of NRC regulations.

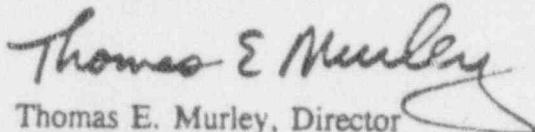
- C. The oversight reports in 2.C.(4)(b) [B. above] shall be followed promptly by a report to the Director, NRR, by the Operator, reflecting the Operator's assessment of such report and proposed corrective action, if any. Submission of the Operator's assessment and proposed corrective action shall not delay submission of the report called for by license condition 2.C.(4)(b). A review and assessment of the Operator's report by the Joint Owners shall be provided to the Director, NRR, together with any corrective actions and disposition of the Operator's report.
- D. For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the licensee shall inform the Director, NRR, of any changes to certain sections of the Joint Ownership Agreement and the Managing Agent Operating Agreement. These sections are: Sections 3.c, 7.a, 7.e, 8, 10, 11 and 16.b, as described in Appendix 1 of the Settlement Agreement dated as of July 19, 1990 between Northeast Utilities Service Company and New England Power Company.
- E. NAESCO is prohibited from marketing or brokering power or energy from the plant. In addition, all licensees other than NAESCO are responsible and

accountable for the actions of their agent to the extent said agent's actions effect the marketing or brokering of power and energy from Seabrook Station, Unit 1.

V.

Accordingly, pursuant to Sections 103, 105, 161b, 161i, 184, and 187 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2201 et seq. and 10 C.F.R. Part 50, IT IS HEREBY ORDERED that the transfers to North Atlantic Energy Co. and North Atlantic Energy Service Co., discussed above, are approved, and NOTICE IS GIVEN that license amendments providing for the transfer of control of operation of Seabrook to NAESCO, subject to license conditions set out and herein, and the transfer of the ownership share of PSNH in Seabrook to NAEC are issued, and both amendments being subject to the further conditions that should both of these transfers not be completed by November 30, 1992, this order will be null and void, except that for good cause shown, the date upon which the transfers are to be completed may be extended for a short period beyond November 30, 1992.

FOR THE NUCLEAR REGULATORY COMMISSION


Thomas E. Murley, Director

Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this 29th day of May 1992