MARCH 31, 1981

MILLSTONE NUCLEAR POWER STATION - UNIT NO. 3 WATERFORD, CONNECTICUT

QUARTERLY REPORT OF DESIGN & CONSTRUCTION STATUS

REPORT NO. 30

The Connecticut Light and Power Company The Hartford Electric Light Company Western Massachusetts Electric Company Northeast Nuclear Energy Company Fitchburg Gas and Electric Light Company Chicopee Electric Light Department Central Vermont Public Service Corporation Burlington Electric Light Department Eastern Utilities Associates Massachusetts Municipal Wholesale Electric Company New England Power Company The United Illuminating Company Public Service Company of New Hampshire Vermont Electric Cooperative, Inc. Central Maine Power Co. Lyndonville Electric Department

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I. SUMMARY

This report summarizes the status of Millstone Unit No. 3 Project as of March 31, 1981.

Construction progressed smoothly at an accelerated level during the first quarter of 1981. The scheduled commercial inservice date of the unit remains May 1986.

The site construction force was increased during the reporting period fr m 865 to 1,125 at the end of March. Site construction activity was cuncentrated in the following areas: structural, pipefitting, and cable tray work in the containment; completion of space frames and installation of steam generator temporary supports in cubicles A through D; fit-up and weld-out of the cold leg reactor coolant loop piping; structural and pipefitting work in the Engineered Safety Features Building; structural work in the Auxiliary Building and Intake Structure; prefabrication of the Spent Fuel Pool liner for the Fuel Building; structural work in Service Building and cable tray and HVAC work in Control Building.

II. LICENSING

A. Nuclear Regulatory Commission (NRC)

The drafting and review of Stone & Webster, Westinghouse, and NUSCO FSAR and ER sections continues. Final signoff of FSAR sections is scheduled for May 1982 with submittal to the NRC in November 1982.

Between January 26 and February 6, 1981 the NRC audited the Millstone site with a team of inspectors as part of their new team audit program. This audit was much more extensive than previous audits which averaged 5.3 mandays each. This audit consisted of 50 mandays by NRC inspectors. During the inspection seven items of apparent noncompliance were found:

- Frequency of QA audits by licensee (certain scheduled audits were missed).
- 2. Subvendor QA manual being used without approval.
- Licensee management review of QA program not carried out in 1978 and 1979.
- 4. Certification of QA inspectors qualification not in order.
- 5. Stone & Webster Specification 279 had eight engineering and design change requests outstanding against it without revision of specification. Procedure states revise after six E&DCR's.
- 6. Design change not properly transmitted to field for action (E&DCR #PS-2162 dated May 7, 1979).
- Design change E&DCR #PS-2337 apparently made without full consideration of ACI-318-71.

In addition to the above mentioned apparent noncompliances, five significant observations were noted. Northeast management is preparing a response for transmittal to the NRC on July 1, 1981. For the most part, all findings concern paperwork and paperwork systems and not the basic quality of the installed equipment/or structures. NRC inspection of installed equipment and interviews with craft personnel yielded findings of excellent workmanship and excellent knowledge of QA procedures and requirements. Physical material samples taken by the NRC for offsite independent testing all conformed to specifications.

On February 12, 1981, the NRC held an environmental inspection with no items of noncompliance noted.

III. ENGINEERING, DESIGN AND PURCHASING

The Stone & Webster production engineering effort continued in accordance with the present construction schedule for a May 1986 commercial inservice date. Production engineering effort continued in the areas of specification revision, preparation and release for bids, flow diagram updating and finalization, piping and instrument diagram issuance and system description preparation and review.

Mechanical production engineering effort centered on many activities including the following: further modifications to incorporate safety grade cold shutdown, including detailed work on the post accident sampling system, redesign of hydrogen recombiner building to account for Three Mile Island, further review of the steam generator blowdown isolation valve failure question, continued testing and delivery of containment recirculation spray pumps, continued layout and definition of Waste Disposal Building and the solid and liquid waste solidification systems; closed out piping order with TUBECo. with remaining work to go to Southwest Fab; continued analysis on auxiliary feedwater study and post accident environments; reviewed the use of tornado dampers and HVAC calculations for main steam valve building, containment and auxiliary building.

The electrical production engineering activities for the quarter included: qualification and documentation of electrical equipment to IEEE 323-1974; the first issue of the equipment Qualification Procedure (NEAM-112) was implemented and wc k is progressing on a computerized documentation retrieval system to support IEEE 323-74 qualification and licensing; work continued on the detailed engineering for the 480V load centers, motor control centers, switchgear, main transformers, lighting panels, cathodic protection, ac and dc distribution panels, and main generator; a study recommending a main generator breaker was completed addressing a NRC requirement in the Safety Evaluation Report; the emergency bus load review was completed verifying the acceptability of the current diesel generators; work continued on cable scheduling and termination ticket punching in preparation for cable pulling due to start during the second quarter of 1981.

Instrumentation and control production effort this quarter involved the following: work continued on the ANSI and ASME instrument installation details (BK series), all design effort connected with the main control

boards is being finalized in preparation for final assembly and delivery during the third quarter of 1981; work is proceeding on all other Control Building equipment such as isolation cabinets, auxiliary shutdown panel, main ventilation panel and fire protection panel; a review was carried out of the Westinghouse instrument order prior to start of Lot Qualification; work is continuing to update the Instrument Bill of Material.

The structural engineering production effort involved resolving field construction problems and design of the Auxiliary Building, Circulating Water Pump House, Fuel Building, Service Building, Emergency Generator Enclosure, Control Building and revisions to the Discharge Tunnel and Yard. Design work was accomplished for platforms and supports in the containment. Major structural design of the Auxiliary Building was completed.

The Stone & Webster mechanical design effort is concentrating on pipe supports, ventilation duct and equipment supports and finalization of the Class 1 stress analysis. Design analysis continued on standard base plates for use with Richmond inserts and on elimination of integral attachment support pads on large thin wall piping. The installation procedure for instrument tube supports was issued. Design continued on HVAC supports, pipe supports, and cable tray supports.

IV. CONSTRUCTION

Construction was estimated to be 35.3 percent complete as of the end of March 1981.

Turbine Building

Installation of cable tray and conduit recommenced with the availability of increased manpower. Cable pulling will start in the Turbine Building later this year. Reaming of condenser B is complete; reaming of the A condenser started. Waterbox cladding overlay repairs and installation of tube sheets is complete. Steam cleaning and tubing of the condensers will get underway next quarter.

Containment Structure

Continued work on: platforms, surface preparation and painting, incore tubing, annulus piping, refueling cavity liner, piping penetrations, main steam line supports and cable tray. Completed welding C and D cold legs from reactor vessel to pump volute, worked on fit-up and welding of A and B cold legs. With the arrival and installation of all four steam generators next quarter the fit-up and welding of the hot legs will commence. Installation of residual heat removal piping and low pressure safety injection piping commenced and continued through the quarter. Worked on installation of containment dome reinforcing steel with good progress made. Completion will occur next quarter and placing of dome concrete will commence.

Auxiliary Building

Construction of walls to El. 66'6" and 24'6" north and south of the 51.3 line respectively continued. The structural fix work was completed and repair work on the reactor plant component cooling heat exchanger supports continued. A minor fire in formwork occurred March 21, 1981; however, the concrete pour was able to proceed after some clean-up and inspections were carried out. Installation of component cooling and service water piping continued at 24'6" elevation.

Control Building

Work continued at a rapid pace at elevation 47'6" (control room) in preparation for placing major equipment during the third quarter of 1981. Installation of seismic lighting conduit, cable tray supports, cable tray and conduit, HVAC supports and HVAC piping continued. The main control board termination cabinets and primary relay cabinets were delivered to the site.

Engineered Safety Features Building

Construction work continued on exterior and interior walls to 56'9". Two residual heat removal heat exchangers were set in place and work continued on: quench spray, auxiliary feed, low pressure safety injection, and containment recirculation piping. Installation of cable tray and supports continued.

Service Building

Construction of walls to elevation 19'6" continued.

Yard

Continued work on storm sewer north of the ESF building.

Emergency Generator Enclosure

The fuel oil tanks were set in their vaults this quarter.

Main Steam Valve Building

Installation of mat reinforcing steel and embedded conduit was begun and will continue.

Office Building

No activity took place this quarter.

Intake Structure (Pump House)

Continued construction of walls both interior and exterior to full height. Completed backfilling and began excavation for east sea wall.

Discharge Tunnel

Installed drains and pumping equipment in preparation for excavation of sections 1 and 2 of the discharge tunnel next quarter.

Fuel Building

Subasserily of the liner for the spent fuel pool, cask area and transfer canal and continued.

Unit No. 3 Condensate Polishing Area/Auxiliary Boiler Building

The model constructed in Boston for use in resolving design and operational questions is now "complete" and will be shipped to the site for use by the site engineering office next quarter. It will be kept up-to-date as design changes occur.

V. SCHEDULE

The commercial inservice date remains May 1986. No critical areas are behind schedule more than a few weeks and many areas are slightly ahead of schedule.

VI. PROJECT ESTIMATE AND CASH FLOW

Attached is the Millstone Unit No. 3 Estimated Cash Expenditures Forecast for the quarter ending March 31, 1981 (attachment 1). The cash expenditures provide for a May 1986 commercial inservice date.

VII. NUCLEAR FUEL

The Estimated Nuclear Fuel Expenditures Report (attachment 2) has been updated to include actual expenditures through March 31, 1981 and includes estimated monthly expenditures for the next 12 months. The \$19,000 increase in total net cost is attributable to \$2,000 of management fees and a \$17,000 underestimate of the cost of uranium purchased in November and December, 1980.

The nuclear fuel expenditures reflect the recent settlement of the uranium litigation with Westinghouse Electric Corporation. The estimated credits from this settlement are shown separately and encompass fuel and plant services and equipment to be provided by Westinghouse for Millstone Unit 3 either at no cost or at a discount. Credits associated with nonfuel services and equipment are shown as a reduction in nuclear fuel cash flow. Additional credits are expected to extend into the early 1990's. It is expected that revised estimates for settlement credits will be included in the next quarterly report, which will reflect the recent adjustment in schedules due to a delay in some equipment and services to be provided under the Settlement Agreement.

Proposed Fuel Financing Arrangements

The Lead Participants are presently making arrangements to finance their 65% undivided interest in the fuel for Millstone Unit 3. It is expected that these arrangements will take the form of a Nuclear Fuel Lease Agreement between the three Lead Participants and a bank, acting as trustee of a special purpose trust. Under the Lease Agreement, the trustee will agree to make payments to fuel vendors for the Lead Participants' 65% interest in the fuel and/or to reimburse the Lead Participants for payments previously made by them to fuel vendors for their 65% interest in the fuel. The Lead Participants will be obligated under the Lease Agreement to make quarterly lease payments to the trustee which will be calculated so as to fully reimburse the trustee for all of its expenses with respect to their 65% interest in the fuel as it is burned up, including all payments to fuel vendors and/or the Lead Participants and all finance charges incurred by the trustee. The trustee will obtain the funds necessary to make payments to the Lead Participants and/or fuel vendors by selling control all paper of the trust which will be backed by an irrevocable laster of credit of one or more banks. The trust will also have the apility to borrow directly from the banks under a revolving credit loan arrangement. During the period that the Lead Participants' 65% interest in the fuel is being financed by the trust, the trust will hold title to that 65% interest and the associated interest of the Lead Participants in the nuclear fuel contract rights. The trust, in turn, will grant a security interest in the 65% interest in the fuel and contract rights to the banks and commercial paper noteholders. These arrangements will also cover Millstone Units 1 and 2. They will not cover the other Participants' share of the fuel expenses for Millstone 3.

In addition to the commercial paper and revolving credit loan sources of funding described above, the trust may also sell intermediate term (four to eight year) notes to institutional investors in order to raise funds. These notes would also be secured by a security interest in the Lead Participants' 65% interest in the fuel and contract rights.

The Lead Participants are presently evaluating proposals from banks for the letter-of-credit-backed commercial paper and revolving credit loan portion of this program. It is estimated that this phase of the financing will become effective during the third or fourth quarter of 1981 and that the intermediate term note portion of the program will be added in 1982.

Report Date: " Quarter Ending: 3/31/81

CUMULATIVE

Attachment 1

MILLSTONE UNIT NO. 3

ESTIMATED CASH EXPENDITURES FORECAST

EXCLUSIVE OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION

(Dollars X 1,000)

| PERIOD | UNIT EXPENDITURES FOR PERIOD* | CUMULATIVE TOTAL OF UNIT EXPENDITURES THROUGH PERIOD* | SITE AND COMMON FACILITIES FOR PERIOD | CUMULATIVE TOTAL OF SITE & COMMON FACILITIES THROUGH PERIOD | NUCLEAR FUEL FOR PERIOD* | CUMULATIVE TOTAL NUCLEAR FUEL THROUGH PERIOD* | TOTAL OF PROJECT EXPENDITURES THROUGH PERIOD* |
|-----------------------|-------------------------------------|--|--|--|--------------------------------|--|--|
| Expended thru 3/31/81 | \$ 676,188 | \$ 676,188 | \$ 12,645 | \$ 12,646 | \$ 43,527 | \$ 43,527 | \$ 732,361 |
| | 43,801 | 719,989 | 1,043 | 13,689 | 0 | 43,527 | 777,205 |
| 4/01/81 - 6/30/81 | 50, 372 | 770,361 | 1,035 | 14,724 | (5,050) | 38,477 | 823,562 |
| 7/01/81 - 9/30/81 | 49,202 | 819,563 | 1,027 | 15,751 | (74) | 38,403 | 873,717 |
| 10/01/81 - 12/31/81 | 223,770 | 1,053,333 | 3,975 | 19,726 | 21,354 | 59,757 | 1,132,816 |
| 1982 | 237,283 | 1,290,616 | 3,837 | 23,563 | (5,899) | 53,858 | 1,368,037 |
| 1983 | | 1,502,856 | 3,703 | 27,266 | 13,588 | 67,446 | 1,597,568 |
| 1984 | 212,240 | 1,651,116 | 3,574 | 30,840 | 61,987 | 129,433 | 1,811,389 |
| 1985 | 148,260 | | | 34,289 | 3, 335 | 132,768 | 1,882,057 |
| 1986 | 63,884 | 1,715,000 | 3,449 | | | | |

* Included are adjustments for the Westinghouse Nuclear Fuel Settlement.

Quarter Ending: March 31, 1980

Attachment 2

MILLSTONE UNIT NO. 3 ESTIMATED NUCLEAR FUEL EXPENDITURES EXCLUSIVE OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (THOUSANDS OF DOLLARS)

| | | | Initial Core | | | Uranium For Reload | Total Nuclear | Management And Legal | Westinghouse Settlement | Net |
|--|----------|------------|--------------|-------------|-----------|-----------------------|------------------|-------------------------|---------------------------------------|--------------------------------------|
| | Uranium | Conversion | Enrichment | Fabrication | Total | Fuel | Fuel | Fees | Credits | Total |
| Expended Thru 3/31/81 | \$36,983 | \$ 147 | \$ 8,761 | \$ | \$ 45,891 | \$14,382 | \$ 60,273 | \$1,316 | \$(18,092) | \$ 43,527 |
| April, 1981 May June July August September October November December | | | | | | | | | (1,426) (3,595) (29) (74) | (1,426) (3,595) (29) (74) |
| TOTAL 4/1-12/31/81 | | | | | | | | | \$ (5,124) | \$ (5,124) |
| January, 1982 February March Remainder of 1982 | \$19,295 | | | | \$ 19,295 | \$ 7,501 | \$ 26,796 | | \$ (462) (342) (196) (4,442) | \$ (462) (342) (196) 22,354 |
| TOTAL 1982 | \$19,295 | | | | \$ 19,295 | \$ 7,501 | \$ 26,796 | | \$ (5,442) | \$ 21,354 |
| 1983 | | | | | | | | | (5,899) | (5,899) |
| 1984 | | | \$10,532 | \$ 9,506 | 20,038 | | 20,038 | | (6,450) | 13,588 |
| 1985 | | \$1,556 | 36,856 | 16,370 | 54,512 | 13,750 | 68,262 | | (6,275) | 61,987 |
| 1986 (Thru April) | | | | | | 3,585 | 3,585 | | (250) | 3,335 |
| TOTAL THRU APRIL, 1986 | \$56,278 | \$1,703 | \$55,879 | \$26,876 | \$139,736 | \$39,218 | \$178,954 | \$1,346 | \$(47,532) | \$132,768 |

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

.1.

MILLSTONE UNIT NO. 3

Waterford, Connecticut

Information furnished pursuant to Section 50.33 of Commission's Rules and Regulations as part of Reguest for Partial Transfer of Construction Permits

Sec. 1

I. ORGANIZATION AND CONTROL

Name of Applicant

Connecticut Municipal Electric Energy Cooperative (CMEEC)

Address of Applicant

268 Thomas Road Groton, Connecticut 06340 (203) 446-0620

Description of Business of Applicant

The Connecticut Municipal Electric Energy Cooperative (CMEEC) has its office located in Groton, Connecticut. Its principal business is the sale of electric power to the City of Norwich, Department of Public Utilities, the City of Groton, Department of Utilities and the Borough of Jewett City, Jewett City Electric Light Plant (collectively referred to herein as the Participants).

Power is secured through construction or joint ownership participation in, and/or acquisition of contracts for the purchase of electric power from electric generating facilities. CMEEC has signed Power Supply Contracts with its participating systems which obligate CMEEC to supply all power and energy requirements beyond the existing generating facilities of the Participants. The Participants are obligated to make payments to CMEEC for all costs associated with the delivery of such power on a "take-and-pay" basis. Each of the three (3) Participants owns and operates a municipal electric system and provides electric power and energy to residential, commercial, and industrial customers within their respective service areas, under Chapter 101 of the Connecticut General Statues.

Additional information pertaining to CMEEC is provided in its 1980 Annual Report attached as Exhibit 1. Additional information about the Participants is contained in their latest Annual Reports filed with the Public Utilities Control Authority of the State of Connecticut attached as Exhibits 2A, B, and C.

Corporate Organization

CMEEC is a public corporation, a public body corporate and a political subdivision of the State of Connecticut organized under Chapter 101a of the Connecticut General Statutes, Sections 7-233a et seg (attached as Exhibit 3).

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Corporate Directors and Officers

Board of Directors

Arthur F. Weeks, Jr. (Chairman of the Cooperative's Board of Directors) Commissioner, Groton Board of Utility Commissioners Groton, Connecticut

William W. Clinton Director of Utilities, Groton Board of Utility Commissioners Groton, Connecticut

Frederick C. Barrett, M.D. Chairman, Norwich Board of Public Utility Commissioners Norwich, Connecticut

Francis W. Brown Commissioner, Norwich Board of Public Utility Commission Norwich, Connecticut

Officers

Arthur F. Weeks, Jr., Chairman of the Board of Directors

Walter V. Truitt, Jr., Executive Director Connecticut Municipal Electric Energy Cooperative

Julio H. Leandri, Treasurer Groton Department of Utilities

Charles F. Rossoll, Secretary Norwich Department of Public Utilities

Joseph M. Dudek, Assistant Treasurer Jewett City Electric Light Plant

John F. Sawicki, Assistant Secretary Jewett City Electric Light Plant

Robert Naylor, Assistant Secretary Connecticut Municipal Electric Energy Cooperative

All of the Directors and Officers of CMEEC are citizens of the United States of America. CMEEC is a political subdivision of the State of Connecticut and is controlled by U. S. citizens.

II. FINANCIAL QUALIFICATIONS

CMEEC intends to obtain required funds for financing the facility (a 1.7391% ownership interest in the Millstone Point Nuclear Unit No. 3) through the issuance of power supply system electric revenue bonds pursuant to the authority of Chapter 101a of the Connecticut

II. FINANCIAL QUALIFICATIONS - continued

General Statutes, secured by Power Supply Contracts entered into with the Participants.

A copy of the form of Power Supply Contracts that has been executed by each of the respective municipal systems purchasing power from CMEEC is attached as Exhibit 4. Said Power Supply Contracts were entered into on December 1, 1979, and became effective as of October 1, 1980. The term of the Power Supply Contract is 50 years.

The source of funds for the repayment of interest and principal is the revenue to be derived by CMEEC pursuant to the Power Supply Contracts from the Participants. The Power Supply Contracts provide certain covenants which obligate the Participants to charge rates sufficient to pay all costs associated with operation and maintenance of its municipal electric utility system, including the cost of power purchased from CMEEC and debt service issued by CMEEC.

PLAN FOR FINANCING

CMEEC has entered into an agreement with the Public Service Compar of New Hampshire to purchase a 1.7391% ownership share (20 MW) of the Millstone Point Nuclear Unit No. 3 (attached as Exhibit 5). CMEEC also plans to finance other power supply resources to meet its power requirements.

CMEEC plans to issue electric system revenue bonds for approximately \$75,000,000 for this facility and certain other facilities, and said bonds are expected to be marketed in the next 3 to 6 months. As previously set out, the issuance of CMEEC revenue bonds is provided for under Chapter 101a of the Connecticut General Statutes. A substantial portion of the funds secured through bond issuance will be used to finance construction of CMEEC's portion of Millstone No. 3. In its first full year of operation, Millstone Unit No. 3 is projected to provide approximately 11% of the estimated power requirements of CMEEC.

CMEEC has a financial team responsible for the development of the required bond resolution, the official statement, and the eventual marketing of the bonds. This financial team includes:

Mudge Rose Guthrie & Alexander - Bond Counsel Lehman Brothers Kuhn Loeb, Inc. - Financial Advisor Lazard Freres & Co. - Lead Underwriter Smith Barney, Harris Upham & Co., Inc. - Co-Underwriter Blyth Eastman Paine Webber, Inc. - Co-Underwriter

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PLAN FOR FINANCING - continued

CMEEC intends to issue electric system revenue bonds through Lazard Freres & Co., and expects to obtain investment grade bond ratings from the major bond rating services, as advised by the financial adivsor to CMEEC, Lehman Brothers Kuhn Loeb, Inc., and Lazard Freres & Co. A statement from Lazard Freres & Co., as to CMEEC's ability to market the bonds is attached as Exhibit .6.

SOURCES OF CONSTRUCTION FUNDS

Construction funds will be provided by the proceeds of revenue bonds and investment income. Such revenue bonds are secured 100% with the "take-and-pay" Power Sales Contracts with the Participants. CMEEC also has the ability to provide construction funds from internal cash flow.

Presently, it is estimated that the monies required to finance CMEEC's share of the total capitalized cost of the facility will be derived from the proceeds of one or more issues of bonds sold in a timely fashion to meet CMEEC's share of construction cash flow requirements.

Proceeds of the 1981 Bonds are to be used to pay costs associated with the development, acquisition and implementation of CMEEC's presently contemplated Initial Facilities, which include (1) an ownership participation interest in the Millstone Point Nuclear Unit No. 3 which is operated by Northeast Utilities (NU), (2) interests in other projects, facilities and rights necessary for providing bulk power supply to CMEEC's Participants, which Initial Facilities include: (a) Long-Term Contract Package No. 1, consisting of 158,923 kilowatts (kW) of generating capacity secured under Life-of-Unit (L-O-U) take-or-pay power purchase contracts in 28 electric generating units located, owned and operated within the NU utility system; (b) CMEEC Generation Package No. 1, which consists of 18,380 kW of generating capacity secured under the Long-Term Unit Contract for the sale of Capacity and Associated Energy of the Norwich Combustion Turbine Unit for like capacity and energy, under an Exchange Agreement with the NU companies, from 9 similar units owned and operated by NU; (d) the Transmission Package, which gives CMEEC, under a Transmission Service Agreement with NU, rights to use the transmission facilities and local facilities of the Connecticut Light & Power Company, an NU operating company; and (c) the CMEEC Research and Development Project, which establishes a fund for the development of conventional power resources.

The estimated capital costs and cash flow requirements for CMEEC's share of Millstone 3 are shown on Exhibits 7 and 8 respectively. In addition to these capital costs, the total estimated financing for CMEEC will include certain capital costs associated with other

SOURCES OF CONSTRUCTION FUNDS - continued

aforementioned facilities, as well as allowances for a reserve account in the Bond Fund; funded interest through the construction period and for one year beyond commercial operation of Millstone 3; a reserve and contingency fund; and miscellaneous financing and underwriting expenses. It is presently estimated that in excess of 85% of the total bond issue will be for costs associated with CMEEC's share of Millstone Unit No. 3.

FINANCIAL STATEMENTS

Incorporated within CMEEC's 1980 Annual Report (attached as Exhibit 1) are the Audited Financial Statements and other financial information for CMEEC for the Year Ending December 31, 1980.

III. REGULATORY AGENCIES AND PUBLICATIONS

Regulatory Agencies

Financing by CMEEC is not subject to the approval of the Connecticut Department of Public Utility Control (DPUC). The Cooperative's Board of Directors approves forecasts of projected power requirements, which is then submitted annually to the Connecticut Power Facilities Evaluation Council (PFEC) pursuant to statutory mandate. There is no applicable agency exercising regulatory powers over the rates to be charged to Participants by CMEEC for power delivered. The Board of Directors, made up of representatives of the participant systems, has final approval of budgets, projected expenses and revenues, and establishes electric rates to be charged for bulk power provided by CMEEC.

The participant municipal electric systems are governed by Chapter 101, Sections 7-213 et seq of the Connecticut General Statutes (attached as Exhibit 9) which provides for regulation of these systems by the DPUC for limited purposes.

Publications

The following publications are used by CMEEC for official notifications and/or are otherwise appropriate for notices regarding this generating unit:

The Norwich Bulletin 66 Franklin Street Norwich, CT 06360

The New London Day 47 Eugene O'Neill Drive New London, CT 06320

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EXHIBIT 1