



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

February 14, 2012

Mr. Dale A. Rocheleau
Senior Vice President, General Counsel
& Corporate Secretary
Central Vermont Public Service Corporation
77 Grove St.
Rutland, VT 05701

SUBJECT: MILLSTONE POWER STATION, UNIT NO. 3 – PARTIAL ACCEPTANCE OF REQUESTED LICENSING ACTION RE: APPLICATION FOR CONSENT TO PROPOSED LICENSE TRANSFERS; REQUEST FOR THRESHOLD DETERMINATION (TAC NO. ME7127)

Dear Mr. Rocheleau:

By letter dated September 9, 2011,¹ Central Vermont Public Service Corporation (CVPS) submitted a license transfer request for Millstone Power Station, Unit No. 3 (MPS3) and a threshold determination request for Main Yankee, Connecticut Yankee, and Yankee Atomic (collectively, the Yankee Companies). The proposed license transfer and threshold determination would result in the following actions:

1. Issuance of an order consenting to the indirect license transfer related to the acquisition of CVPS by Gaz Métro Limited Partnership (Gaz Métro). CVPS owns 1.7303% of MPS3. Dominion Nuclear Connecticut, Inc. (DNC) is the majority owner and the operator. DNC is authorized to act as the agent and representative for CVPS and has exclusive responsibility and control over the physical operation and maintenance of MPS3. Massachusetts Municipal Wholesale Electric Company is also a minority owner of MPS3;
2. Issuance of an order consenting to the direct license transfer related to the consolidation of CVPS with Gaz Métro's existing U.S. subsidiary Green Mountain Power Corporation (the name of the consolidated company has not been determined);
3. Issuance of a conforming license amendment to reflect the new name of the consolidated company; and
4. Issuance of a threshold determination that no license transfer approval is required with respect to CVPS's shareholder interest in the Yankee Companies or if it is determined that NRC approval is needed, then an Order consenting to any license transfers associated with the acquisition of CVPS and the consolidated company are requested. CVPS owns, through equity investment, 2% of the outstanding common stock of Main Yankee Atomic Power Company, 2% outstanding stock of Connecticut Yankee Atomic Power Company, and 3.5% of the outstanding common stock of Yankee Atomic Electric Company.

¹ Agencywide Documents Access and Management System (ADAMS) Accession No. ML11256A051

At this time, CVPS and Gaz Métro have entered into an Agreement and Plan of Merger. However, a consolidation of CVPS and Green Mountain Power is scheduled to take place, but an Agreement and Plan of Merger has not been entered with regard to this consolidation. As such, the name of the consolidated company has not been determined and a conforming license amendment request has not been submitted. In order for the U.S. Nuclear Regulatory Commission (NRC) to complete its review of the direct license transfer related to the consolidation of CVPS with Gaz Métro's existing U.S. subsidiary Green Mountain Power Corporation, an Agreement and Plan of Merger and a license amendment request is needed.

On October 25, 2011, the NRC staff held a teleconference with CVPS representatives to discuss the need for additional information. By letter dated November 4, 2011,² CVPS provided a draft Agreement and Plan of Merger associated with the proposed combination of CVPS and Green Mountain Power.

The purpose of this letter is to provide the results of the NRC staff's acceptance review of these requests. The acceptance review was performed to determine if there is sufficient technical information in scope and depth to allow the NRC staff to complete its detailed technical review. The acceptance review is also intended to identify whether the application has any readily apparent information insufficiencies in its characterization of the regulatory requirements or the licensing basis of the plant.

Pursuant to Section 50.80 of Title 10 of the *Code of Federal Regulations* (10 CFR 50), no license for a production or utilization facility, or any rights thereunder, shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly, or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing.

The NRC staff has reviewed your application and concluded that it does provide technical information in sufficient detail to enable the NRC staff to complete its detailed technical review and make an independent assessment regarding the acceptability, in terms of regulatory requirements and the protection of public health and safety and the environment, of the following actions:

1. Issuance of an order consenting to the indirect license transfer related to the acquisition of CVPS by Gaz Métro.
2. Issuance of a threshold determination that no license transfer approval is required with respect to CVPS's shareholder interest in the Yankee Companies or if it is determined that NRC approval is needed, than an Order consenting to the indirect license transfers associated with the acquisition of CVPS.

However, with regard to the consolidation of CVPS and Green Mountain Power the NRC staff has reviewed the November 4, 2011, supplement and concluded that it did not provide technical information in sufficient detail to enable the NRC staff to complete its detailed review and make an independent assessment regarding the acceptability of the proposed transfer and

² ADAMS Accession No. ML11311A148

amendment in terms of regulatory requirements and the protection of public health and safety and the environment. Therefore, the NRC staff finds this part of the request for approval of the proposed action unacceptable for NRC review pursuant to 10 CFR 2.101.

In accordance with the September 9, 2011, letter, the NRC staff is separating the indirect license transfer and acquisition request from the direct license transfer and merger request. At this time, the NRC staff will only complete its detailed technical review and make an independent assessment regarding the acceptability of:

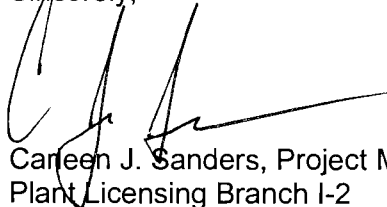
1. Issuance of an order consenting to the indirect license transfer related to the acquisition of CVPS by Gaz Métro.
2. Issuance of a threshold determination that no license transfer approval is required with respect to CVPS's shareholder interest in the Yankee Companies or if it is determined that NRC approval is needed, than an Order consenting to the indirect license transfers associated with the acquisition of CVPS.

This review does not preclude CVPS from requesting review of the merger and direct license transfer at a later date.

Given the lesser scope and depth of the acceptance review as compared to the detailed technical review, there may be instances in which issues that impact the NRC staff's ability to complete the detailed technical review are identified despite completion of an adequate acceptance review. You will be advised of any further information needed to support the NRC staff's detailed technical review by separate correspondence.

If you have any questions, please contact me at (301) 415-1603.

Sincerely,



Carleen J. Sanders, Project Manager
Plant Licensing Branch I-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-423

cc: see next page

D. Rocheleau

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Letter to Dale A. Rocheleau from Carleen J. Sanders dated

SUBJECT: MILLSTONE POWER STATION, UNIT NO. 3 – PARTIAL ACCEPTANCE OF
REQUESTED LICENSING ACTION RE: APPLICATION FOR CONSENT TO
PROPOSED LICENSE TRANSFERS; REQUEST FOR THRESHOLD
DETERMINATION (TAC NO. ME7127)

cc:

Daniel F. Stenger
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Thomas L. Cabbage, III
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