



# The Yankee Companies

Maine Yankee Atomic Power Company  
321 Old Ferry Road  
Wiscasset, ME 04578

Connecticut Yankee Atomic Power Company  
362 Injun Hollow Road  
East Hampton, CT 06424

Yankee Atomic Electric Company  
79 Yankee Road  
Rowe, MA 01367

March 16, ~~2010~~ <sup>2011</sup>

U.S. Nuclear Regulatory Commission  
Document Control Desk  
Washington, D.C. 20555  
ATTN: John Goshen, P.E., Project Manager Licensing Branch, Division of Spent Fuel Storage  
and Transportation, Office of Nuclear Material Safety and Safeguards

Reference:

- (a) Letter, J. Goshen to W. Norton, First Request for Additional Information For Application For NRC Consent To Indirect License Transfer / Threshold Determination (TAC Nos. L24496, L24497, L24498), dated February 28, 2011
- (b) License No. DPR- 36 (Docket No. 50-309, 72-30) (Maine Yankee)
- (c) License No. DPR- 61 (Docket No. 50-213, 72-39) (Connecticut Yankee)
- (d) License No. DPR- 3 (Docket No. 50-029, 72-31) (Yankee Atomic)

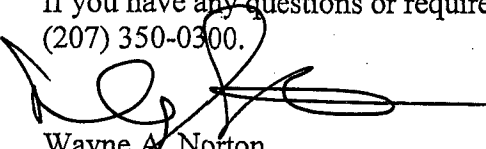
Subject: Application for NRC Consent to Indirect License Transfer / Threshold Determination that NRC Consent is Not Required in Connection With Merger of Northeast Utilities and NSTAR

Dear Mr. Goshen:

Maine Yankee Atomic Power Company ("Maine Yankee"), Connecticut Yankee Atomic Power Company ("Connecticut Yankee") and Yankee Atomic Electric Company ("Yankee Atomic"), acting on behalf of Northeast Utilities and NSTAR, hereby submit the enclosed responses to the referenced Request for Additional Information (RAI).

This communication contains no new or revised regulatory commitments.

If you have any questions or require additional information, please contact me or Joe Fay at (207) 350-0300.

  
Wayne A. Norton  
CEO and President of Yankee Atomic and Connecticut Yankee  
Chief Nuclear Officer of Maine Yankee

Enclosure 1: Response to RAI for Application for NRC Consent to Indirect License Transfer / Threshold Determination (TAC Nos. L24496, L24497, L24498)

cc: Susan Uttal, NRC Office of General Counsel

MMSS24



**ENCLOSURE 1**

ENCLOSURE 1  
RESPONSE TO FEBRUARY 28, 2011 FIRST REQUEST FOR  
ADDITIONAL INFORMATION RELATED  
TO APPLICATION FOR NRC CONSENT / THRESHOLD DETERMINATION  
FOR INDIRECT LICENSE TRANSFER RELATED TO MERGER OF  
NORTHEAST UTILITIES AND NSTAR, QUESTIONS 1- 8.

1. Please submit pre and post organization chart for both NU and N-Star that shows:
  - (a) The relationship between the entities involved in the merger and Maine Yankee and the other members of the Board of Directors of MY.
  - (b) As to Maine Yankee, the relationship between NU, N-Star and Emera, the Canadian parent company of Bangor Hydro-Electric and the Maine Public Service Company, co-owners of Maine Yankee.

### Response

- (a) Pre- and post-merger organizational charts that show the relationship among the entities involved in the merger (Northeast Utilities and NSTAR) and Maine Yankee are provided at pages 4 and 5. The several owners of Maine Yankee not affiliated with either Northeast Utilities or NSTAR also are shown.<sup>1</sup>

Pre- and post-merger organizational charts that show the relationship among Northeast Utilities and NSTAR and Connecticut Yankee are provided at pages 7 and 8. The several owners of Connecticut Yankee not affiliated with either Northeast Utilities or NSTAR also are shown.

Pre- and post-merger organizational charts that show the relationship among Northeast Utilities and NSTAR and Yankee Atomic are provided at pages 10 and 11. The several owners of Yankee Atomic not affiliated with either Northeast Utilities or NSTAR also are shown.

The abbreviations used on these organizational charts, and in the responses to the remainder of this RAI are as follows:

- Northeast Utilities – NU
- Connecticut Yankee Atomic Power Company – Connecticut Yankee
- Maine Yankee Atomic Power Company – Maine Yankee
- Yankee Atomic Electric Company – Yankee Atomic
- The Connecticut Light and Power Company – CL&P
- Public Service Company of New Hampshire – PSNH
- Western Massachusetts Electric Company – WMECO
- NSTAR Electric Company – NSTAR Elec. Co.
- Central Maine Power Company – CMP
- New England Power Company – NEP
- Central Vermont Public Service Corporation – CVPS

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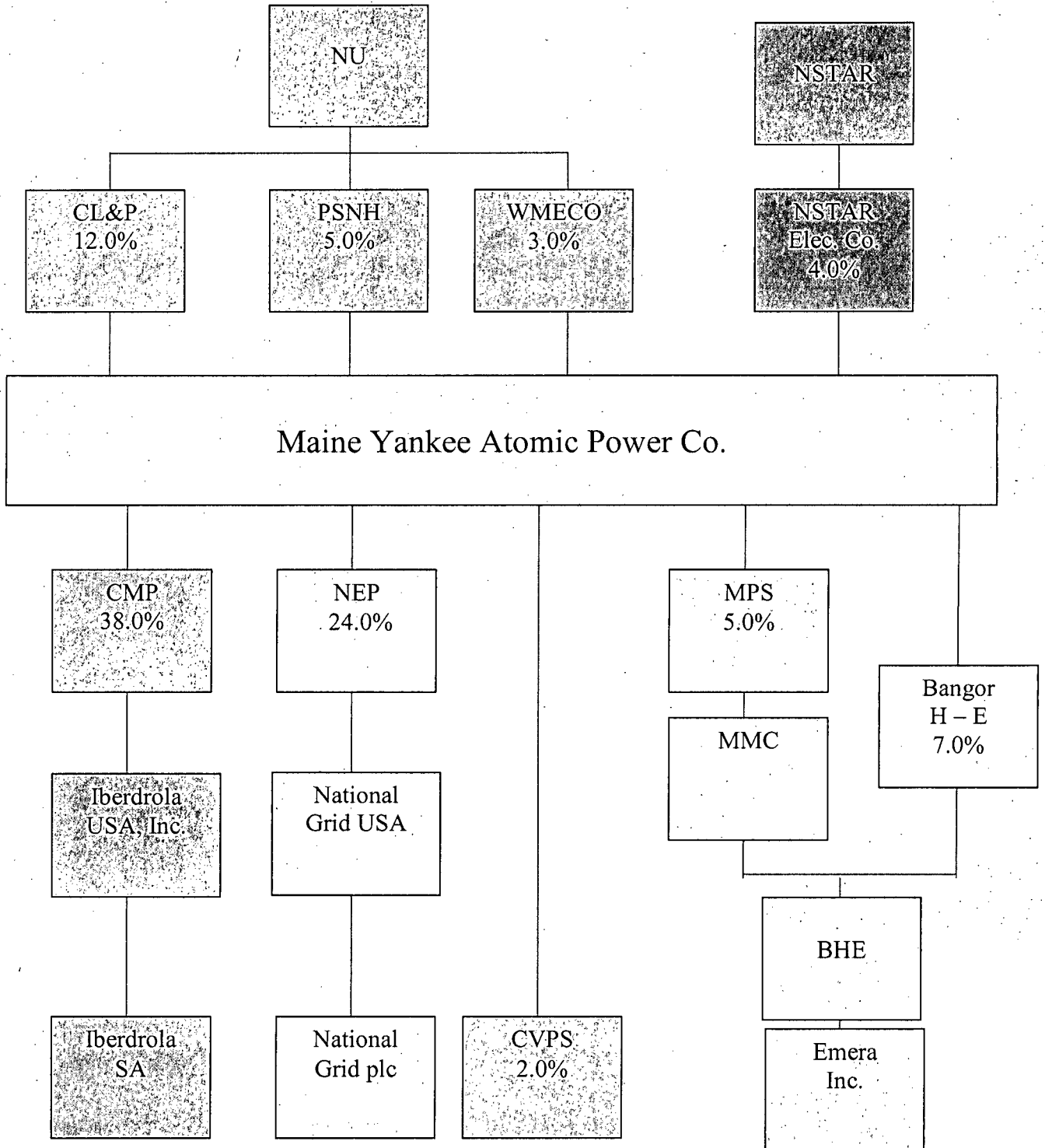
<sup>1</sup> The information relating to the ownership structure of the unaffiliated owners of the Yankee Companies reflects the corporate structure provided in the various company profiles as currently published in Capital IQ databases. Capital IQ is a Standard & Poor's business which provides, in part, information relating to the ownership structure of public and private companies around the world.

- Bangor Hydro Electric Company – Bangor H-E
- Maine & Maritimes Corporation – MMC
- BHE Holdings Inc. – BHE
- The United Illuminating Company – UI
- UIL Holdings Corporation – UIL Holdings
- Maine Public Service Company – MPS

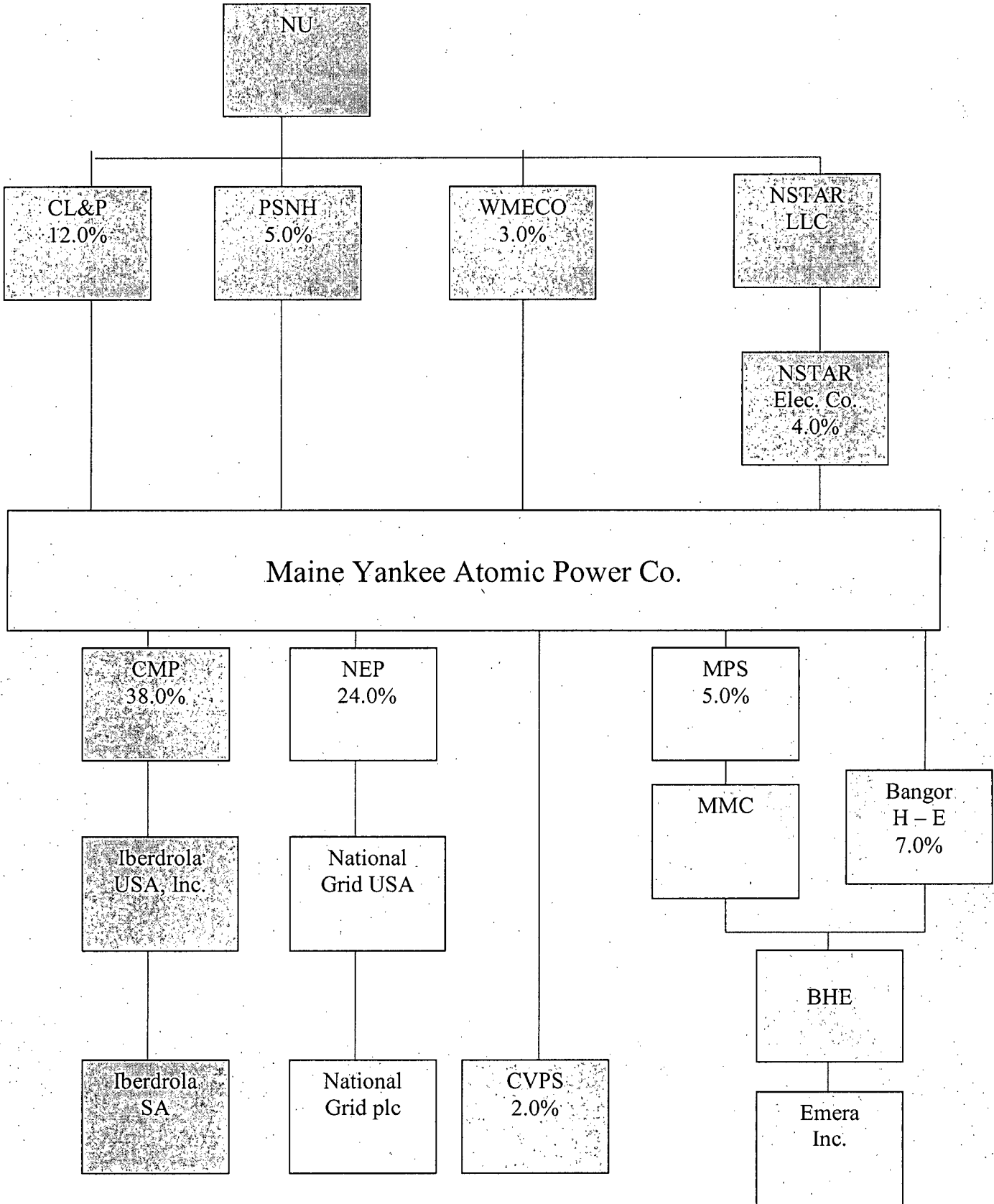
Maine Yankee, Connecticut Yankee and Yankee Atomic are each referred to herein as a “Yankee Company” and collectively as “the Yankee Companies.”

- (b) Pre- and post-merger organizational charts that show the relationship among Northeast Utilities, NSTAR and Emera Inc. are provided at pages 13 and 14.

# Maine Yankee – Pre Merger



# Maine Yankee – Post Merger

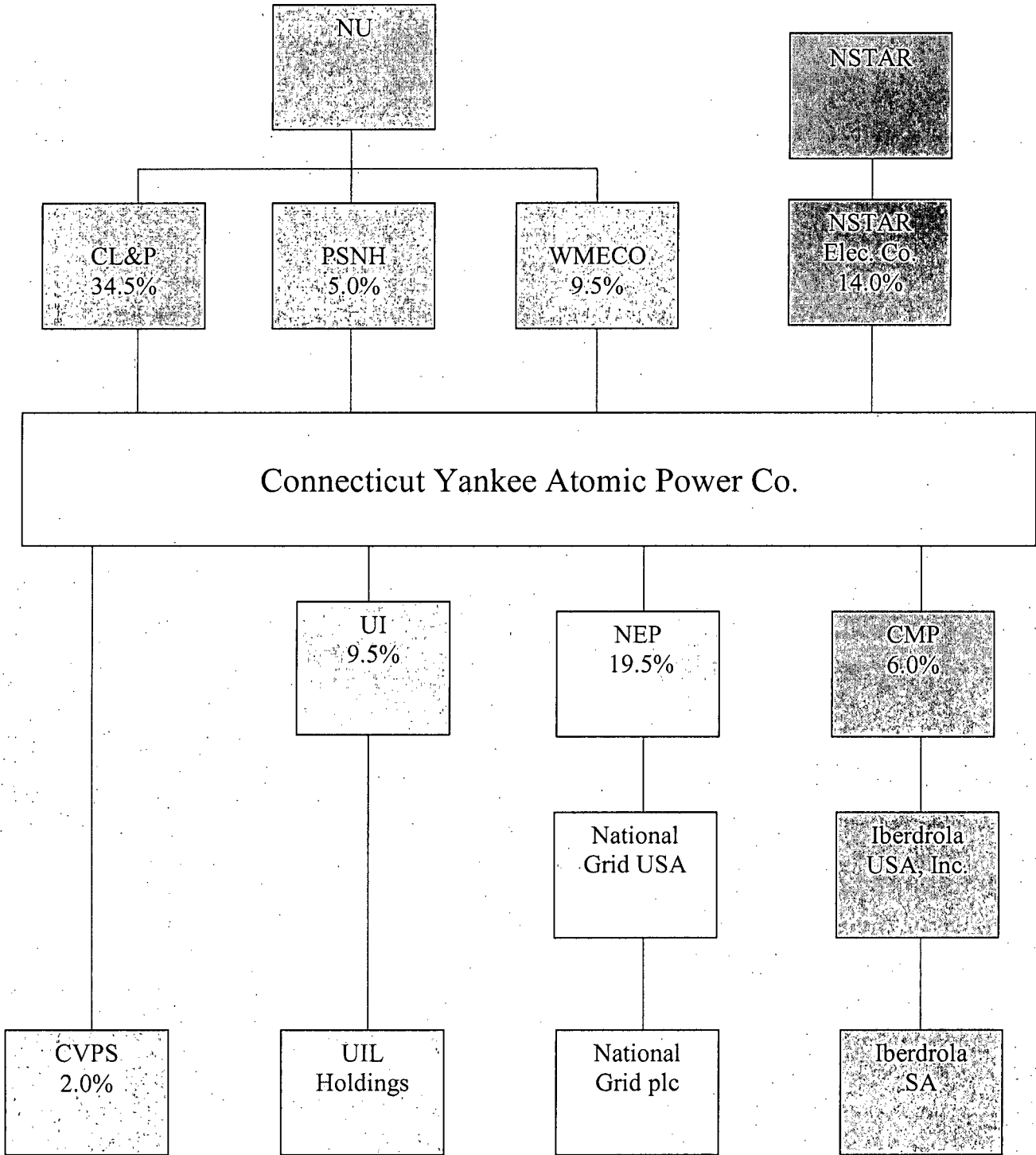




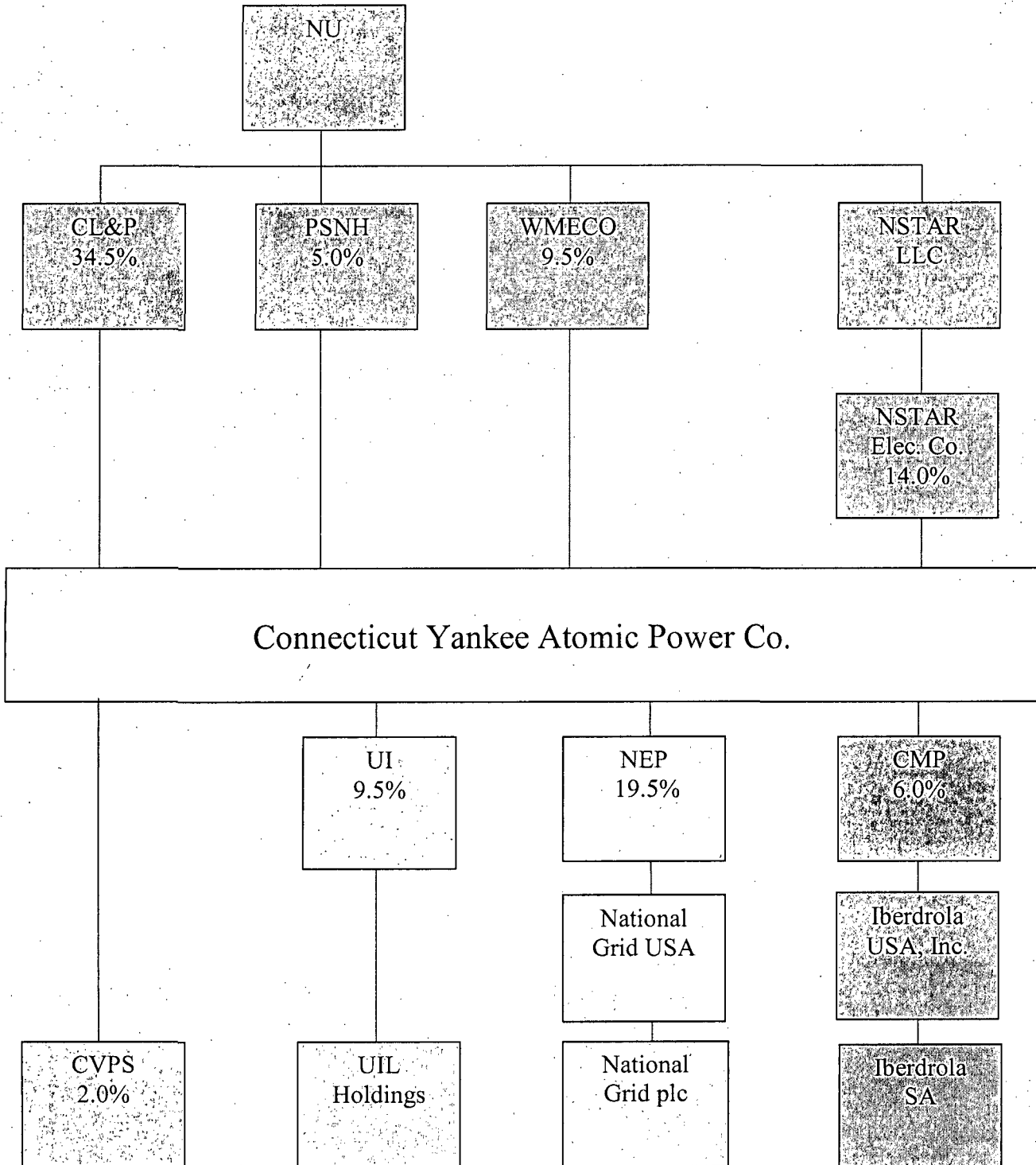
The several owners of Maine Yankee that are not affiliated with either Northeast Utilities or NSTAR are listed below, with their respective percentage ownership of Maine Yankee, and their ultimate corporate parent, if applicable. This information reflects the corporate structure as provided in the various company profiles as currently published in Capital IQ, a Standard & Poor publication that provides, in part, information relating to the ownership structure of public and private companies around the world. The organizational charts above depict this unaffiliated ownership. These companies own, in the aggregate, 76.0% of Maine Yankee.

1. Central Maine Power Co. (38%); Iberdrola SA.
2. New England Power Co. (24%); National Grid plc
3. Bangor Hydro-Electric (7%); Emera Inc.
4. Central Vermont Public Service Corp. (2%)
5. Maine Public Service Co. (5%); Emera Inc.

## Connecticut Yankee – Pre Merger



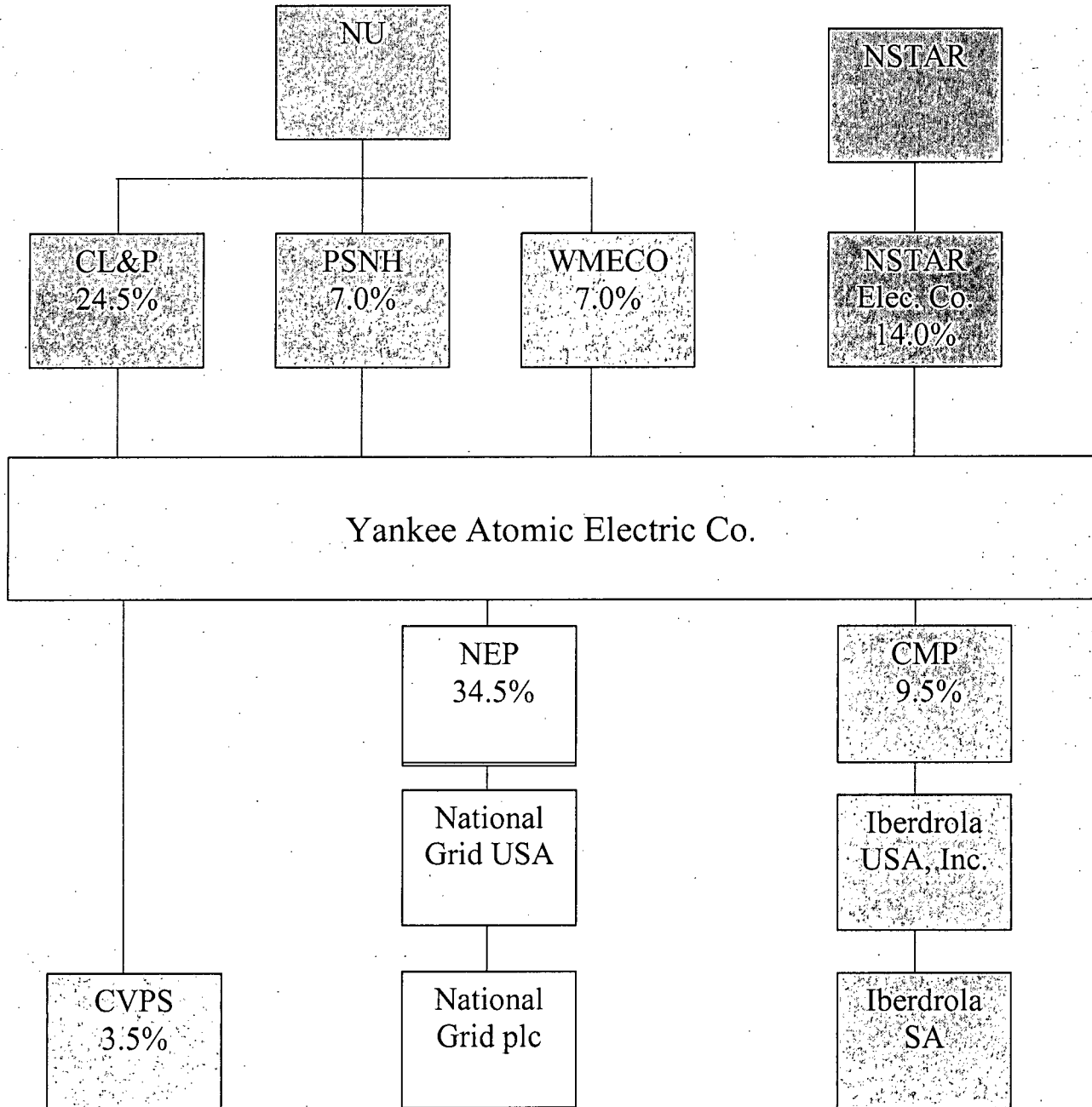
## Connecticut Yankee – Post Merger



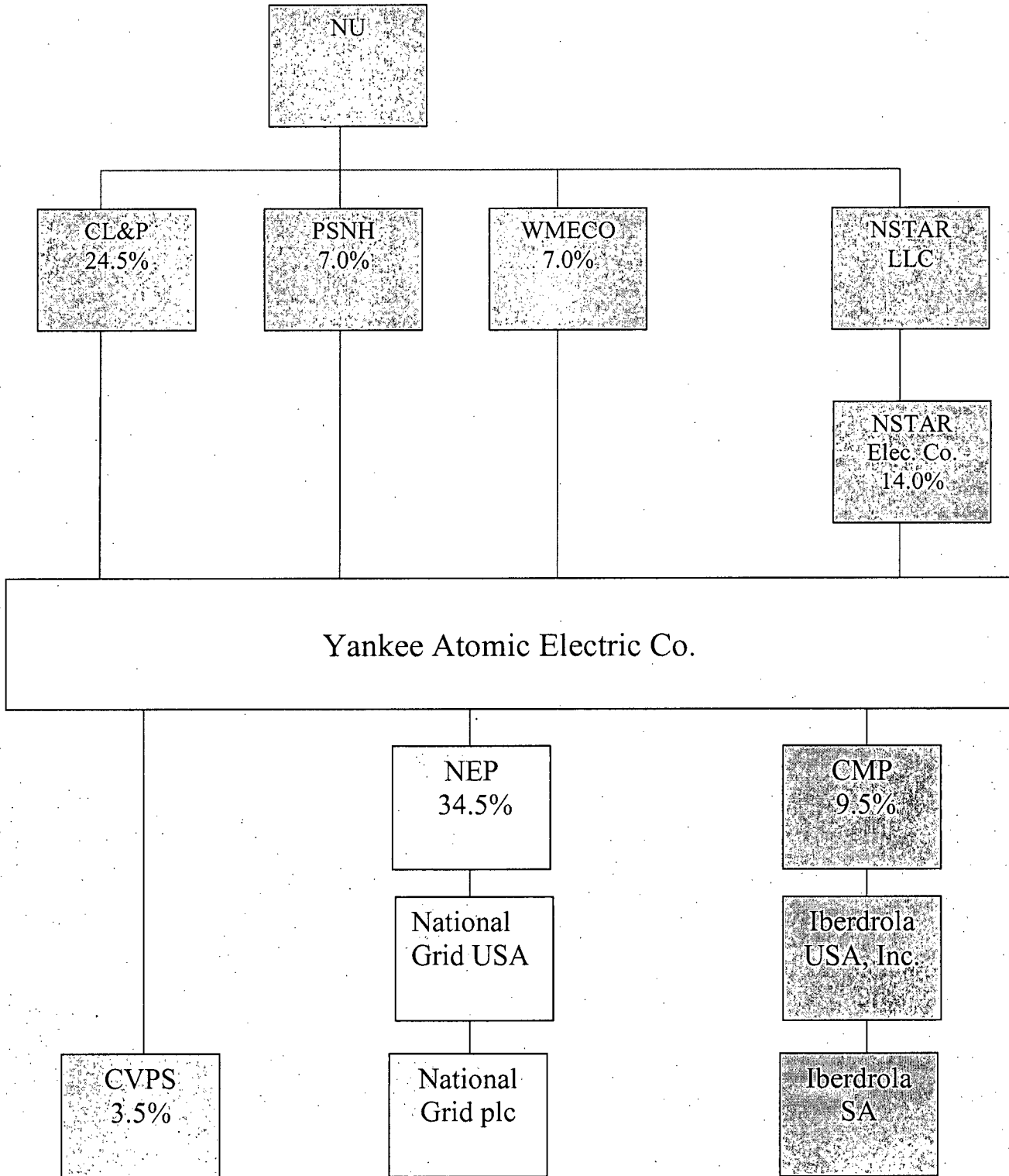
The several owners of Connecticut Yankee that are not affiliated with either Northeast Utilities or NSTAR are listed below, with their respective percentage ownership of Connecticut Yankee, and their ultimate corporate parent, if applicable. This information reflects the corporate structure as provided in the various company profiles as currently published in Capital IQ, a Standard & Poor publication that provides, in part, information relating to the ownership structure of public and private companies around the world. The organizational charts above depict this unaffiliated ownership. These companies own, in the aggregate, 37.0% of Connecticut Yankee.

1. New England Power Co. (19.5%); National Grid plc
2. The United Illuminating Co. (9.5%); UIL Holdings
3. Central Maine Power Co. (6.0%); Iberdrola SA
4. Central Vermont Public Service Corp. (2.0%)

### Yankee Atomic – Pre Merger



# Yankee Atomic— Post Merger

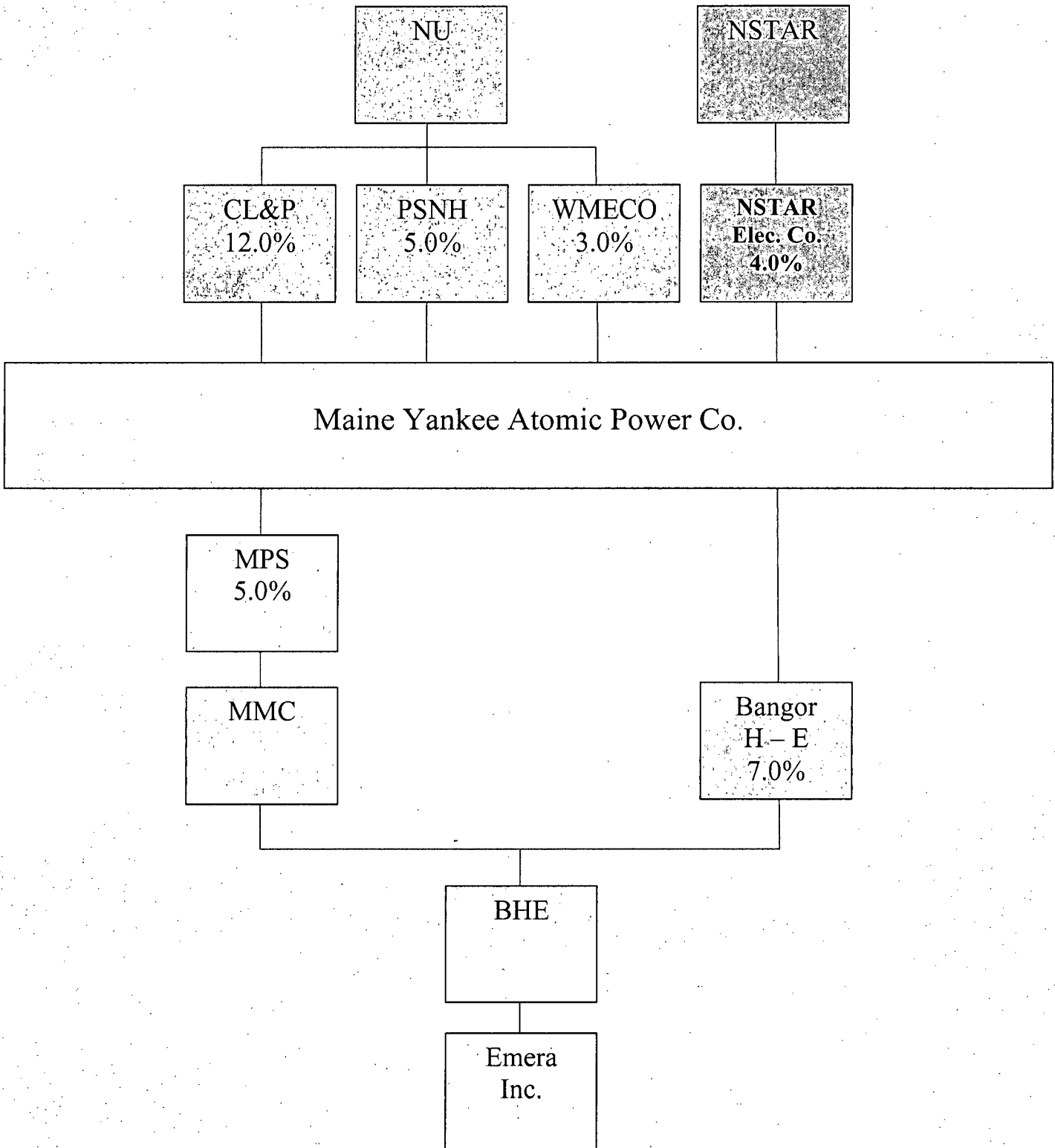


## **Yankee Atomic – Unaffiliated Owners**

The several owners of Yankee Atomic that are not affiliated with either Northeast Utilities or NSTAR are listed below, with their respective percentage ownership of Yankee Atomic, and their ultimate corporate parent, if applicable. This information reflects the corporate structure as provided in the various company profiles as currently published in Capital IQ, a Standard & Poor publication that provides, in part, information relating to the ownership structure of public and private companies around the world. The organizational charts above depict this unaffiliated ownership. These companies own, in the aggregate, 47.5% of Yankee Atomic.

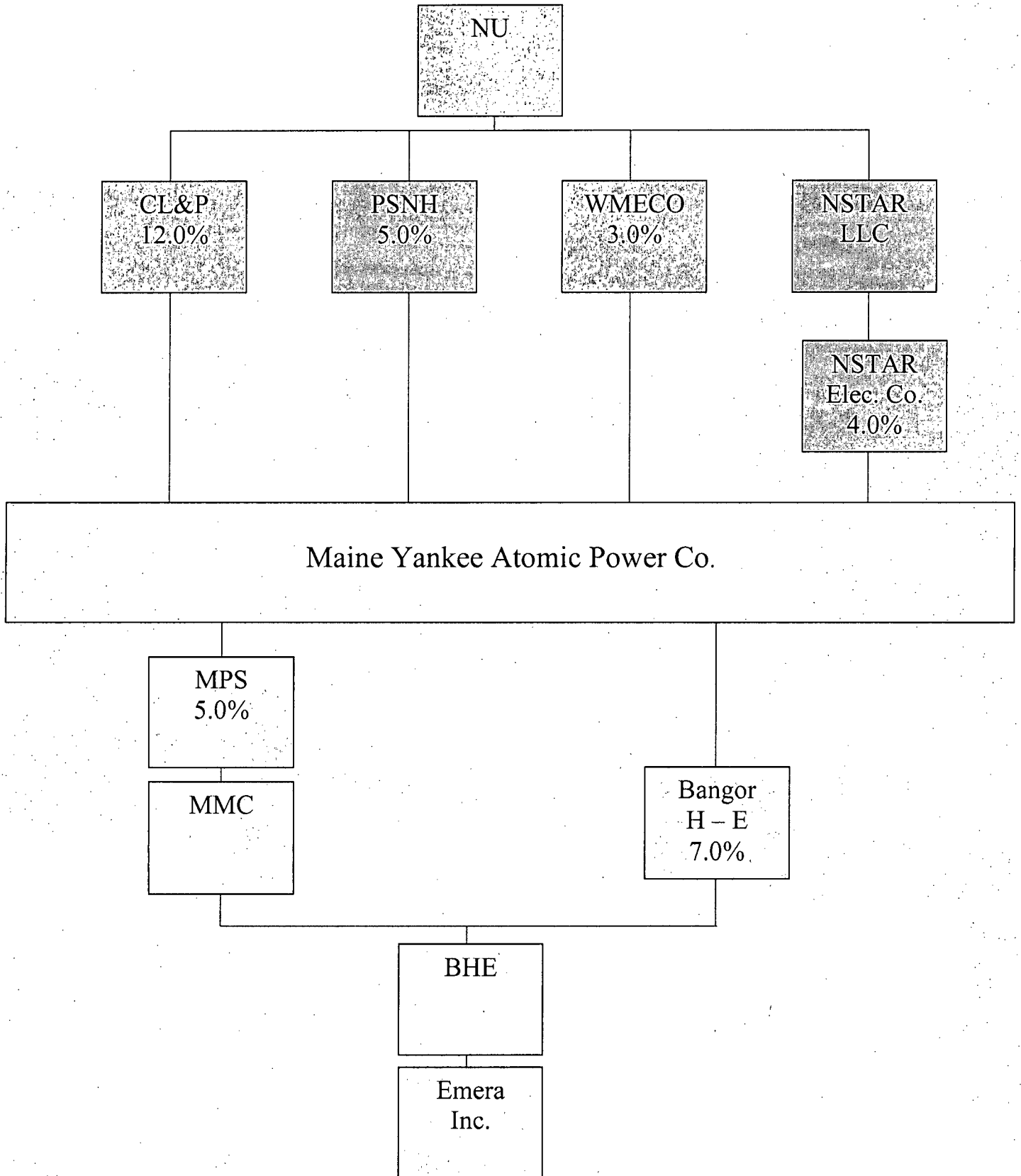
1. New England Power Co. (34.5%); National Grid plc
2. Central Maine Power Co. (9.5%); Iberdrola SA
3. Central Vermont Public Service Corp. (3.5%)

# Maine Yankee – Pre Merger: NU, NSTAR and Emera Inc.





# Maine Yankee – Post Merger: NU, NSTAR and Emera Inc.



2. Describe any unanimous consent issues or veto power as to the MY Board of Directors which would potentially include foreign board members, quorum provisions, and other pertinent operational issues which may be subject to foreign control, either indirect or direct, related to NRC licensed activities, nuclear safety and security, access to restricted data, or responsibility for special nuclear material.

### **Response**

Under Maine Yankee's NRC-approved ownership, the owner licensee is Maine Yankee. The owner participants are shareholders, not NRC-licensed owners. Maine Yankee is an electric utility under the NRC's definition at 10 CFR 50.2 in that it recovers its costs through FERC-approved tariffs. Maine Yankee's General License SFGL-14 under docket 72-30 was issued on August 24, 2002. Since that time, NRC has granted threshold determinations involving indirect transfers by Maine Yankee shareholders, including to entities with non-US ultimate parents.

A copy of the bylaws of Maine Yankee is provided as Attachment 1. Unanimous consent of the shareholders is required only for: (1) the amendment of Article V of the Maine Yankee bylaws (concerning the number, appointment, term, removal and powers of Maine Yankee Directors); and (2) the amendment of Article VI, Section 6 of the Maine Yankee bylaws (concerning board of director voting). There are no matters that require the unanimous consent of the Maine Yankee Board of Directors. Accordingly, there are no NRC licensed activities related to safety, security, access to restricted data or responsibility for nuclear material that are subject to foreign ownership, control or domination ("FOCD").

The proposed merger transaction of NU and NSTAR does not introduce any issues with respect to FOCD because the transaction involves the merger of two existing, U.S. indirect owners.

Nonetheless, to avoid even the perception of a FOCD issue, NU intends that all members of the Maine Yankee Board appointed by subsidiaries of the post-merger Northeast Utilities will be U.S. citizens.

3. State the number of Directors on the MY Board appointed by NU and N-STAR before the merger and the number that will be appointed by the merged company after the merger.

**Response**

Neither Northeast Utilities nor NSTAR directly appoints members of the boards of directors of the Yankee Companies. Rather, with regard to Maine Yankee and Connecticut Yankee, the individual shareholding subsidiaries of Northeast Utilities and NSTAR appoint such members in relation to their relative percentage ownership interests in each Yankee Company. As described below, the relative percentage ownership interests of these subsidiaries (CL&P, PSNH, WMECO and NSTAR Elec. Co.) will not change as a result of the merger.

Maine Yankee Board Composition

Each shareholder of Maine Yankee that owns less than a 15% interest in Maine Yankee is entitled to appoint one member of the Maine Yankee Board of Directors. Each shareholder of Maine Yankee that owns a 15%, or more, interest in Maine Yankee is entitled to appoint up to three members of the Maine Yankee Board of Directors. Regardless of the number of members that a shareholder may appoint, a shareholder may only vote its ownership interest. The table below depicts the number of members entitled to be appointed to the Maine Yankee Board of Directors by the several shareholders, as well as the ownership interest for each shareholder.

Shareholder	Potential Members Pre-Merger	Potential Members Post-Merger	Ownership Pre-Merger	Ownership Post-Merger
CL&P	1	1	12.0%	12.0%
PSNH	1	1	5.0%	5.0%
WMECO	1	1	3.0%	3.0%
NSTAR Elec. Co.	1	1	4.0%	4.0%
NEP	1-3	1-3	24.0%	24.0%
MPS	1	1	5.0 %	5.0 %
Bangor H-E	1	1	7.0%	7.0%
CMP	1-3	1-3	38.0%	38.0%
CVPS	1	1	2.0%	2.0%

Connecticut Yankee Board Composition

Each shareholder of Connecticut Yankee that owns less than a 14% interest in Connecticut Yankee is entitled to appoint one member of the Connecticut Yankee Board of Directors. Each shareholder of Connecticut Yankee that owns a 14%, or more, interest in Connecticut Yankee is entitled to appoint up to three members of the Connecticut Yankee Board of Directors. Regardless of the number of members that a shareholder may appoint, a shareholder may only vote its ownership interest. The table below depicts the number of members entitled to be appointed to the Connecticut Yankee Board of Directors by the several shareholders, as well as the ownership interest for each shareholder.

Shareholder	Potential Members Pre-Merger	Potential Members Post-Merger	Ownership Interest Pre-Merger	Ownership Interest Post-Merger
CL&P	1-3	1-3	34.5%	34.5%
PSNH	1	1	5.0%	5.0%
WMECO	1	1	9.5%	9.5%
NSTAR Elec. Co.	1-3	1-3	14.0%	14.0%
NEP	1-3	1-3	19.5%	19.5%
UIC	1	1	9.5%	9.5%
CMP	1	1	6.0%	6.0%
CVPS	1	1	2.0%	2.0%

#### Yankee Atomic Board Composition

The Yankee Atomic bylaws provide that "[a] board of not less than three directors shall be chosen by ballot at the annual meeting of the shareholders or at the special meeting held in place thereof." Post merger, the combined ownership interests of the Northeast Utilities subsidiary shareholders, 52.5%, will be sufficient to decide the number of directors and to elect all of the Yankee Atomic Board members. The table below shows the pre- and post-merger ownership interest for each shareholder.

Shareholder	Ownership Interest Pre Merger	Ownership Interest Post Merger
CL&P	24.5%	24.5%
PSNH	7.0%	7.0%
WMECO	7.0%	7.0%
NSTAR Elec. Co.	14.0%	14.0%
NEP	34.5%	34.5%
CMP	9.5%	9.5%
CVPS	3.5%	3.5%

4. As to the merged companies, per the requirements of 10 CFR 50.33, please provide the names, addresses and citizenship of all board members and principal officers. Please include the board of directors for all parent and subsidiary companies.

**Response**

Below is the requested information for officers and directors of the licensed entities – the three Yankee Companies. The shareholder companies are not NRC-licensed entities. Nonetheless, also included below is the requested information for the relevant subsidiaries of the merged companies. These individuals do not change pre- and post-merger, except that the Board of Trustees for the post-merger NU will consist of Trustees from both of the merged companies, all of whom are and will be U.S. citizens. The names and citizenship of the post-merger NU Trustees will be provided when they have been identified.

- (1) The names, business addresses, and citizenship of the board members and principal officers of Maine Yankee are provided below:

Name	Position	Address	Citizenship
Gerald C. Poulin	Chairman of the Board of Directors and President	5681 Whispering Oaks Dr. North Port, FL 34287	U.S.
Wayne A. Norton	Chief Nuclear Officer	Maine Yankee Atomic Power Co., 321 Old Ferry Road Wiscasset, ME 04578	U.S.
Carla M. Pizzella	Treasurer	Maine Yankee Atomic Power Co., 321 Old Ferry Road Wiscasset, ME 04578	U.S.
Joseph D. Fay	Secretary	Maine Yankee Atomic Power Co., 321 Old Ferry Road Wiscasset, ME 04578	U.S.
Michael F. Ahern	Director	Northeast Utilities Service Company, 107 Selden Street Berlin CT 06037	U.S.
Brent M. Boyles	Director	Maine & Maritimes Corporation, 209 State Street PO Box 1209 Presque Isle, ME 04769	U.S.
Sara J. Burns	Director	Central Maine Power Company 83 Edison Drive Augusta, ME 04336	U.S.
Frederic E. Greenman	Director	42 Fuller Brook Road Wellesley, MA 02482	U.S.
Gerard Chasse	Director	Bangor Hydro-Electric Co. 970 Illinois Avenue, P.O. Box 932, Bangor, ME 04402	U.S.

Name	Position	Address	Citizenship
Terrence P. Kain	Director	National Grid 100 East Old Country Road Hicksville, NY 11801	U.S.
Bruce D. Kenyon	Director	16 Sandpiper Point Rd. Old Lyme, CT 06371	U.S.
Robert H. Martin	Director	NSTAR Elec. & Gas Corp. One NSTAR Way Westwood, MA 02090	U.S.
R. Scott Mahoney	Director	Iberdrola USA Management Corp. IUMC - Pineland New Gloucester, ME 04260	U.S.
Stephen W. Page	Director	Central Vermont Public Service Corp., 77 Grove Street Rutland, VT 05701	U.S.
John V. Vaughn	Director	National Grid 100 E. Old Country Rd. Hicksville, NY 11801	U.S.
Peter Dawes	Alternate Director	Bangor Hydro Electric Co. 970 Illinois Ave. P. O. Box 932 Bangor, ME 04402	U.S.
Neven Rabadjija	Alternate Director	NSTAR Electric & Gas Corp. 800 Boylston Street Boston, MA 02199	U.S.
Charles A. Watts	Alternate Director	Central Vermont Public Service Corp., 77 Grove Street Rutland, VT 05701	U.S.

(2) The names, business addresses, and citizenship of the board members and principal officers of Connecticut Yankee are provided below:

Name	Position	Address	Citizenship
James Caffary	Director	The United Illuminating Co. 157 Church Street New Haven, CT 06510	U.S.
Frederic E. Greenman	Director	42 Fuller Brook Road Wellesley, MA 02482	U.S.
Terrence P. Kain	Director	National Grid 100 East Old Country Road Hicksville, NY 11801	U.S.
Bruce D. Kenyon	Director	16 Sandpiper Point Rd. Old Lyme, CT 06371	U.S.
Duncan R. MacKay	Director	Northeast Utilities 107 Selden Street Berlin, CT 06037	U.S.
Robert H. Martin	Director	NSTAR One NSTAR Way Westwood, MA 02090	U.S.
Stephen W. Page	Director	Central Vermont Public Service Corp., 77 Grove Street Rutland, VT 05701	U.S.
Gerald C. Poulin	Director	5681 Whispering Oaks Dr. North Port, FL 34287	U.S.
William J. Quinlan	Director	CL&P 107 Selden Street Berlin, CT 06037	U.S.
Neven Rabadjija	Director	NSTAR Electric & Gas Corp. 800 Boylston Street Boston, MA 02199	U.S.
Randy A. Shoop	Director	Northeast Utilities 107 Selden Street Berlin, CT 06037	U.S.
John V. Vaughn	Director	National Grid USA Service Company, Inc. 100 E. Old Country Rd. Hicksville, NY 11801	U.S.
Michael F. Ahern	Alternate Director	Northeast Utilities Service Company, 107 Selden Street Berlin CT 06037	U.S.
Charles Watts	Alternate Director	Central Vermont Public Service Corp. 77 Grove Street Rutland, VT 05701	U.S.

Name	Position	Address	Citizenship
Wayne A. Norton	President and Chief Executive Officer	Maine Yankee Atomic Power Co., 321 Old Ferry Road Wiscasset, ME 04578	U.S.
Carla Pizzella	Treasurer	Maine Yankee Atomic Power Co., 321 Old Ferry Road Wiscasset, ME 04578	U.S.
Joseph D. Fay	Secretary	Maine Yankee Atomic Power Co., 321 Old Ferry Road Wiscasset, ME 04578	U.S.



(3) The names, business addresses, and citizenship of the board members and principal officers of Yankee Atomic are provided below:

Name	Position	Address	Citizenship
Michael F. Ahern	Director	Northeast Utilities Service Company, 107 Selden Street Berlin CT 06037	U.S.
Frederic E. Greenman	Director	42 Fuller Brook Road Wellesley, MA 02482	U.S.
Terrence P. Kain	Director	National Grid 100 East Old Country Road Hicksville, NY 11801	U.S.
Bruce D. Kenyon	Chairman of the Board of Directors	16 Sandpiper Point Rd. Old Lyme, CT 06371	U.S.
Robert H. Martin	Director	NSTAR Elec. & Gas Corp. One NSTAR Way Westwood, MA 02090	U.S.
Stephen W. Page	Director	Central Vermont Public Service Corp., 77 Grove Street Rutland, VT 05701	U.S.
Gerald C. Poulin	Director	5681 Whispering Oaks Dr. North Port, FL 34287	U.S.
Neven Rabadjija	Director	NSTAR Electric & Gas Corp. 800 Boylston Street Boston, MA 02199	U.S.
Randy Shoop	Director	Northeast Utilities Service Company, 107 Selden Street Berlin CT 06037	U.S.
John V. Vaughn	Director	National Grid 100 E. Old Country Rd. Hicksville, NY 11801	U.S.
Wayne A. Norton	President and Chief Executive Officer	Maine Yankee Atomic Power Co., 321 Old Ferry Road Wiscasset, ME 04578	U.S.
Carla M. Pizzella	Treasurer	Maine Yankee Atomic Power Co., 321 Old Ferry Road Wiscasset, ME 04578	U.S.
Joseph D. Fay	Clerk	Maine Yankee Atomic Power Co., 321 Old Ferry Road Wiscasset, ME 04578	U.S.

(4) The names, business addresses, and citizenship of the board members and principal officers of CL&P are provided below:

Name	Position	Address	Citizenship
Gregory B. Butler	Director	56 Prospect Street Hartford, CT 06103	U.S.
Jeffrey D. Butler	Director, President and Chief Operating Officer	107 Selden Street Berlin, CT 06037	U.S.
Jean M. LaVecchia	Director	107 Selden Street Berlin, CT 06037	U.S.
Samuel K. Lee	Secretary	56 Prospect Street Hartford, CT 06103	U.S.
David R. McHale	Director and Chief Financial Officer	56 Prospect Street Hartford, CT 06103	U.S.
Leon J. Olivier	Director and Chief Executive Officer	56 Prospect Street Hartford, CT 06103	U.S.
James B. Robb	Director	56 Prospect Street Hartford, CT 06103	U.S.
Charles W. Shivery	Director and Chairman	56 Prospect Street Hartford, CT 06103	U.S.
Randy A. Shoop	Treasurer	56 Prospect St. Hartford CT 06103	U.S.

(5) The names, business addresses, and citizenship of the board members and principal officers of PSNH are provided below:

Name	Position	Address	Citizenship
Gregory B. Butler	Director	56 Prospect Street Hartford, CT 06103	U.S.
Jean M. LaVecchia	Director	107 Selden Street Berlin, CT 06037	U.S.
Samuel K. Lee	Secretary	56 Prospect Street Hartford, CT 06103	U.S.
Gary A. Long	Director, President and Chief Operating Officer	780 N. Commercial St. Manchester, NH 03101	U.S.
David R. McHale	Director and Chief Financial Officer	56 Prospect Street Hartford, CT 06103	U.S.
Leon J. Olivier	Director and Chief Executive Officer	56 Prospect Street Hartford, CT 06103	U.S.
James B. Robb	Director	56 Prospect Street Hartford, CT 06103	U.S.
Charles W. Shivery	Director and Chairman	56 Prospect Street Hartford, CT 06103	U.S.
Randy A. Shoop	Treasurer	56 Prospect St. Hartford CT 06103	U.S.

(6) The names, business addresses, and citizenship of the board members and principal officers of WMECO are provided below:

Name	Position	Address	Citizenship
Gregory B. Butler	Director	56 Prospect Street Hartford, CT 06103	U.S.
Peter J. Clark	Director, President and Chief Operating Officer	One Federal St. Bld. 111-4 Springfield, MA 01105	U.S.
Jean M. LaVecchia	Director	107 Selden Street Berlin, CT 06037	U.S.
Samuel K. Lee	Secretary	56 Prospect Street Hartford, CT 06103	U.S.
David R. McHale	Director and Chief Financial Officer	56 Prospect Street Hartford, CT 06103	U.S.
Leon J. Olivier	Director and Chief Executive Officer	56 Prospect Street Hartford, CT 06103	U.S.
James B. Robb	Director	56 Prospect Street Hartford, CT 06103	U.S.
Charles W. Shivery	Director and Chairman	56 Prospect Street Hartford, CT 06103	U.S.
Randy A. Shoop	Treasurer	56 Prospect St. Hartford CT 06103	U.S.

(7) The names, business addresses, and citizenship of the board members and principal officers of NSTAR are provided below:

Name	Position	Address	Citizenship
Gary L. Countryman	Trustee	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
Thomas G. Dignan, Jr.	Trustee	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
James S. DiStasio	Trustee	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
Charles K. Gifford	Trustee	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
Matina S. Horner	Trustee	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
Paul A. La Camera	Trustee	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
William C. Van Faasen	Trustee	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
Gerald L. Wilson	Trustee	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
Thomas J. May	Chairman, President, Chief Executive Officer and Trustee	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
James J. Judge	Chief Financial Officer	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
Douglas S. Horan	Secretary	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
Philip J. Lembo	Treasurer	NSTAR 800 Boylston Street Boston, MA 02199	U.S.

(8) The names, business addresses, and citizenship of the board members and principal officers of NSTAR Elec. Co. are provided below:

Name	Position	Address	Citizenship
Thomas J. May	Chairman, President, Chief Executive Officer and Director	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
James J. Judge	Chief Financial Officer and Director	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
Douglas S. Horan	Director	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
Philip J. Lembo	Treasurer	NSTAR 800 Boylston Street Boston, MA 02199	U.S.
Richard J. Morrison	Secretary	NSTAR 800 Boylston Street Boston, MA 02199	U.S.

(9) The names, business addresses, and citizenship of the board members and principal officers of Northeast Utilities are provided below:

Name	Position	Address	Citizenship
Richard H. Booth	Trustee	Northeast Utilities One Federal St. Bld. 111-4 Springfield, MA 01105	U.S.
John S. Clarkson	Trustee	Northeast Utilities One Federal St. Bld. 111-4 Springfield, MA 01105	U.S.
Cotton M. Cleveland	Trustee	Northeast Utilities One Federal St. Bld. 111-4 Springfield, MA 01105	U.S.
John G. Graham	Trustee	Northeast Utilities One Federal St. Bld. 111-4 Springfield, MA 01105	U.S.
Elizabeth T. Kennan	Trustee	Northeast Utilities One Federal St. Bld. 111-4 Springfield, MA 01105	U.S.
Kenneth R. Liebler	Trustee	Northeast Utilities One Federal St. Bld. 111-4 Springfield, MA 01105	U.S.
Robert E. Patricelli	Trustee	Northeast Utilities One Federal St. Bld. 111-4 Springfield, MA 01105	U.S.
John F. Swope	Trustee	Northeast Utilities One Federal St. Bld. 111-4 Springfield, MA 01105	U.S.
Dennis R. Wraase	Trustee	Northeast Utilities One Federal St. Bld. 111-4 Springfield, MA 01105	U.S.
Charles W. Shivery	Trustee, Chairman, President and Chief Executive Officer	Northeast Utilities One Federal St. Bld. 111-4 Springfield, MA 01105	U.S.
David R. McHale	Chief Financial Officer	56 Prospect Street Hartford CT 06103	U.S.
Leon J. Oliver	Chief Operating Officer	56 Prospect Street, Hartford, CT 06103	U.S.
Randy A. Shoop	Treasurer	56 Prospect Street, Hartford, CT 06103	U.S.
Samuel K. Lee	Secretary	56 Prospect Street, Hartford, CT 06103	U.S.

5. If some or all members of the Board of Trustees are non-US citizens or if the appointment of non-US citizens is contemplated in the future, is there a provision in any governance document that requires that decisions relating to the security, safety and reliability of the NRC facilities be made by U.S. citizens? If so, please provide these documents.

**Response**

All members of the current Boards of Trustees of Northeast Utilities and of NSTAR are U.S. citizens. NU intends that, at the completion of the merger transactions, all members of the NU Board of Trustees will also be U.S. citizens. NU does not contemplate appointment of non-U.S. citizens to the Board of Trustees of Northeast Utilities.

6. Will any foreign person(s) have the power, direct or indirect, to control the election, appointment, or tenure of members of board of directors (or similar governing body) or other management positions of your organization following the merger? If so, please describe.

**Response**

Following the merger, no foreign person(s) will have the power, direct or indirect, to control the election, appointment, or tenure of members of the Board of Trustees or other management positions of Northeast Utilities or of any of the NU subsidiaries that are shareholders of the Yankee Companies.



7. Will any foreign person have the power to control, directly or indirectly, or cause the direction of any decisions related to activities licensed by the NRC of the merged companies, including decisions which would impact the financial status of the NRC licensed facilities?

**Response**

The merger applicants and their affiliates are not NRC licensees and are not engaged in activities licensed by the NRC. As noted in the response to question 6 above, no foreign entity will have the power to appoint personnel or control decisions of the post-merger Northeast Utilities or the NU shareholder subsidiaries of the Yankee Companies. The proposed merger transaction involves the merger of two indirect non-licensed Yankee shareholders, both of which are U.S. companies. The proposed merger transaction introduces no issues related to FOCD on the existing ownership structure.

8. In the FERC application (FERC Docket No. ER11-2377-000), the applicants state that the large capital expenditures required for the Northern Pass Transmission Line will result in significant negative cash flows during the construction period because the transmission service agreement does not provide for inclusion of construction work in progress in rate base. Please explain how the merged companies intend to mitigate any potential adverse financial impacts on the nuclear licensees.

## **Response**

### **Materiality of Operating Company Decommissioning Obligations**

1. The aggregate annual decommissioning obligations of NU's three operating companies (CL&P, PSNH and WMECO) to the Yankee Companies are approximately \$21.5 million (Connecticut Yankee), \$2.0 million (Maine Yankee) and \$4.8 million (Yankee Atomic) per annum, respectively, and are charged to and recovered from their customers as paid to the Yankee Companies. Similarly, the aggregate annual decommissioning obligations of NSTAR Electric Company to the Yankee Companies are approximately \$5.7-\$7.6 million (Connecticut Yankee), \$.3 million (Maine Yankee) and \$1.6 million (Yankee Atomic) per annum, respectively. The recovery of these amounts is not dependent in any way on funding received from NU.

The three Yankee Companies receive funds for fuel storage and decommissioning subject to FERC-approved tariffs. The licensed entities, the Yankee Companies, meet NRC's definition of electric utilities under 10 CFR 50.2, because they recover their costs through approved rates. Further, although not licensed, the affiliated shareholder companies also meet the definition of electric utilities because they recover their costs (including costs associated with their Yankee Company obligations) through rates set by their respective state public utility commissions.

2. Even if NU and NSTAR were to lose their entire investment in Northern Pass Transmission LLC ("NPT"), it would not affect the ability of the NU operating companies or NSTAR Electric Co. to meet their decommissioning obligations to the Yankee Companies because they would continue to have the ability to charge their customers on a current basis for such costs irrespective of access to the capital markets.

### **Funding of NPT Investment**

3. NPT will be funded during construction from two sources:

- (a) 50% of capital will be equity from NU/NSTAR; and

- (b) the other 50% will come from a construction loan agreement arranged specifically for the project.

4. During the 5-year construction period, all costs will be funded from these sources. NPT will not begin building the line unless the construction loan is fully committed to cover the entire debt portion of the project. No principal or interest payments will be due on the construction loans until commercial operation. NPT expects to refund the construction loans with long-term

borrowings upon commercial operation of the line. This arrangement is typical of "project financing" of large construction projects.

5. With respect to the Allowance for Funds Used During Construction ("AFUDC"), the AFUDC will accrue during the construction period and add to the total rate base of the project.

6. NU does not expect to have any difficulty providing its 50% share of the capital for the project nor does NSTAR. Neither NU nor NSTAR will be obligated to guarantee the construction loan.

### **Support of the Project by NU Companies**

7. Neither NU, the operating companies, nor NSTAR will be guarantors of NPT's debt nor committed to paying for the use of the line. A Hydro-Québec affiliate has contracted with NPT to take and pay for the entire capacity of the line for its useful life.

8. One or more operating companies and NSTAR Electric may contract from time to time to purchase energy delivered at the U. S. end of the line from another Hydro-Québec affiliate, but such agreements will be for energy delivered and not provide financial support of the line.

### **Materiality of NPT to NU System**

9. During the 2011-2015 period, NU's stand-alone capital expenditures are projected at \$6.6 billion, of which NPT comprises \$830 million, or approximately 13% of NU's construction budget for the period. NPT would be an even smaller proportion of the combined capital budgets of NU and NSTAR following the merger.

10. In general, all of the regulated utilities are capitalized at approximately 50 percent equity, 50 percent debt. NU's regulated utilities will obtain funding during this period primarily through internally generated cash, but also through issuing investment grade debt and infusions of equity from NU, as needed.

11. As noted above, NPT will also be funded at 50% equity, 50% debt.

12. If the NSTAR merger occurs, NU will be in a strong cash position and will not need to issue equity in the foreseeable future to execute its capital plan. Accordingly, NU's ability to fund equity into NPT through 2015 will not be dependent upon access to the common equity market.

### **Conclusion**

Thus, while the contractual and structural risks of the NPT transaction described in the FERC application are real, they are not material to NU as a whole, either stand-alone or combined with NSTAR, nor are they material to the NU operating companies or NSTAR Electric. As noted above, the three Yankee Companies receive funds for fuel storage and decommissioning subject to FERC-approved tariffs. The licensed entities, the Yankee Companies, recover their costs through approved rates and meet NRC's definition of electric utilities under 10 CFR 50.2. Thus,

to the extent that there are financial risks associated with the NPT Line project, the Yankee licensees are insulated from the impacts by state and federal regulators.

Accordingly, because the Yankee Companies are financially qualified as electric utilities, and because they and the affiliated shareholder companies are insulated from the potential downside risks through state and federal ratemaking, no additional financial mitigation measures are necessary or appropriate.

# **ATTACHMENT 1**

AMENDED AND RESTATED  
BYLAWS  
OF  
MAINE YANKEE ATOMIC POWER COMPANY

Adopted: June 13, 2006, effective July 1, 2006

ARTICLE I

Name

Section 1. Name. The name of this Corporation is stated in the Articles of Incorporation.

ARTICLE II

References, Locations and Seal

Section 1. References. References in these Bylaws to the Articles of Incorporation shall mean this Corporation's Articles of Incorporation as amended from time to time as on file with the Secretary of State of Maine. References in these Bylaws to the Maine Business Corporation Act (the "Act") and to particular sections of said Act are to said Act and said sections as amended from time to time. The headings of Articles and Sections in these Bylaws are for convenience only, and shall not be taken into account in construing these Bylaws.

Section 2. Office and Location. The registered office of this Corporation in Maine is set forth in the Articles of Incorporation. The principal office and place of business of this Corporation, within or without Maine, shall be at such place as the Board of Directors shall from time to time fix.

Section 3. Seal. The seal of this Corporation shall be circular in form with the name of the Corporation, the word "Maine" and the year of its incorporation so engraved on its face that it may be embossed on paper by pressure, provided that the Board of Directors may adopt a wafer seal in any form in respect of any particular document, in which case such wafer seal affixed to such document shall be the corporate seal of this Corporation thereon for all purposes provided by law.

ARTICLE III

Meetings of Shareholders

Section 1. Place. All meetings of shareholders shall be held at the registered office of the Corporation, or at such other place within or without the State of Maine as shall be fixed (i) by the Board of Directors, the Chairman of the Board or the President, or (ii) in waivers of notice of the meeting signed by all persons entitled to notice thereof.

Section 2. Date and Time of, and Business to be Conducted at, Annual Meeting. The annual meeting of shareholders shall be held annually for the transaction of such business as may properly come before the meeting, on any date and time fixed by the Board of Directors. If there shall be a failure for whatever reason to hold the annual meeting within the earlier of six (6) months after the end of the Corporation's fiscal year or fifteen (15) months after its last annual meeting, the annual meeting of shareholders may be called by any person or persons entitled to call a special meeting of shareholders.

Section 3. Call of Special Meetings. Special meetings of shareholders for any proper purpose or purposes may be called to be held at the date and time fixed in the call by the President, the Chairman of the Board (if any), any three (3) members of the Board of Directors, or a shareholder or shareholders holding at least ten percent (10%) of all the votes entitled to be cast on an issue proposed to be considered at the proposed special meeting. Each call of a special meeting shall state the place (subject to Section 5 of this Article III), date, hour and purposes of the meeting.

Section 4. Notice. Unless waived in the manner prescribed by law, written notice stating the place, day and time of the meeting and, in case of a special meeting or when otherwise required by the Act, the purpose or purposes for which the meeting is called, shall be delivered within the time period prescribed in Section 705 of the Act (but not less than seven (7) days prior to the meeting), by or at the direction of the Chairman of the Board, President, Secretary, Clerk, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting, and to shareholders of record not entitled to vote when required by the Act. Notice of any meeting shall be by any means authorized by, and shall be effective as provided in, Section 103 of the Act (including but not limited to mail, facsimile, electronic mail or delivery in person).

## ARTICLE IV

### Quorum and Voting of Shares

Section 1. Quorum. The holders of a majority of the votes entitled to be cast on a matter to be considered at a meeting of the shareholders shall constitute a quorum for such matter.

Section 2. Votes. Except as otherwise provided by the Articles of Incorporation or the Act, any corporate action shall be authorized if the votes cast within the voting group favoring the action exceed the votes cast opposing the action.

## ARTICLE V

### Directors

Section 1. Number, Appointment and Term. The number of directors shall consist of such number of directors as are appointed by the shareholders in accordance with this Article V. Each shareholder shall be entitled to appoint to the Board of

Directors as provided in this Article V, (a) one (1) director, in the case of a shareholder holding less than fifteen percent (15%) of the outstanding shares of common stock of the Corporation, or (b) up to three (3) directors, at such shareholder's option, in the case of a shareholder holding fifteen percent (15%) or more of the outstanding shares of common stock of the Corporation. Appointments of directors shall be made at any meeting of the shareholders, or may be effected by written notice to the Corporation's Chairman of the Board, President, Secretary or Clerk, and appointments shall be effective upon delivery of such notice, or at such later date as may be specified in the notice. Each director so appointed shall hold office until his or her resignation, removal from office, or death. This Article V constitutes a shareholders agreement as contemplated by Section 743(1)(C) of the Act, and has been unanimously approved by the shareholders of the Corporation in connection with the approval of these Amended and Restated Bylaws.

Section 2. Removal, Resignation and Vacancies. Any director appointed by a shareholder may be removed at any time by such shareholder, such removal to be effective upon delivery of a written notice of such removal to such director and to the Corporation's Chairman of the Board, President, Secretary or Clerk, or at such later date as may be specified in such notice. Any director may resign his or her office by delivering a written notice to the Corporation's Chairman of the Board, President, Secretary or Clerk, and to the shareholder who appointed such Director. Any director who is removed, resigns, or otherwise vacates his or her position as a director may be replaced by the shareholder who appointed such director, by the delivery of notice in accordance with Section 1 of this Article V.

Section 3. Powers. In the management and control of the business, property and affairs of the Corporation, the Board of Directors is hereby vested with the power to authorize any and all corporate action, except when shareholder action is specifically required by the Act, the Articles of Incorporation or these Bylaws, or except when otherwise required by a written agreement pursuant to Section 743 of the Act.

Section 4. Alternate Directors. Each shareholder shall be entitled to appoint a number of alternate directors equal to the number of directors appointed by it then serving on the Board of Directors. Such alternate directors shall be entitled to participate fully in any meeting of the Board of Directors in replacement of any director absent from that meeting who was appointed by the same shareholder. Alternate directors shall be appointed in the same manner as directors may be appointed in accordance with Section 1 of this Article V, and may be removed in the same manner as directors may be removed in accordance with Section 2 of this Article V.

## ARTICLE VI

### Meetings of the Board of Directors

Section 1. Annual Meeting. The Annual Meeting of the Board of Directors shall be held at the place of and immediately following the annual meeting of shareholders, or at such other time and place as shall be fixed by the shareholders. In either event, no notice of such meeting shall be necessary. Such meeting of the Board of Directors may



also convene at such place and time as shall be fixed by written notice to all directors as provided in Section 4 hereof, or by the consent in writing of all the directors.

Section 2. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall from time to time be fixed by the Board of Directors. Unless action is to be taken with respect to the Articles of Incorporation or Bylaws, no notice of such regular meetings shall be necessary.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board (if any), any two (2) directors, the President, the Treasurer or any other person or persons authorized by Section 823(3) of the Act. The person or persons calling the special meeting shall fix the time and place thereof.

Section 4. Notice; Generally. Notice of each special meeting of the Board of Directors shall be given to each director who has not signed a waiver of notice before or after the meeting. Notices of meetings of the Board of Directors shall be given by the Clerk or Secretary or the person or persons calling the meeting. Neither the business to be transacted at nor the purpose of the meeting need be specified in the notice unless the Act shall otherwise require. The giving of notice of a special meeting of the Board of Directors by or at the direction of the person or persons authorized to call the same shall constitute the call thereof.

Section 5. Notice; When and How Given. Notice of meetings of the Board of Directors may be given by any of the following methods within the time period specified for that method:

- A. by depositing a copy of the notice in the United States mail, first class postage prepaid, addressed to the director at his or her usual or last known business or residence address, at least seventy-two (72) hours before the meeting;
- B. by delivering a copy of the notice to a recognized overnight delivery or express service addressed to the director at his or her usual or last known business or residence address, including street or the like in the address, at least forty-eight (48) hours before the meeting;
- C. by delivering a copy of the notice in hand or by facsimile or electronic mail (at his or her usual or last known business or residence address, facsimile number or electronic mail address), to the director at least twenty-four (24) hours before the meeting; or
- D. by telephonic notice to the director at least twenty-four (24) hours before the meeting.

Notice to any director actually received by him or her at least twenty-four (24) hours before the meeting shall be deemed sufficient, notwithstanding the method or means of communication selected or the time when sent.

Section 6. Voting; Quorum and Vote Required. Directors shall be collectively entitled (irrespective of how many of such directors are present or voting at such meeting (or acting by written action in lieu thereof)) to cast a number of votes in all matters submitted to the Board of Directors equal to the number of shares of common stock of the Corporation held by the shareholder that appointed such director or, in the case of directors appointed by a shareholder under common control with another shareholder or shareholders, such directors shall be collectively entitled to cast the number of votes in such matters equal to the aggregate number of shares held by such shareholders under common control. In cases where more than one director appointed by a particular shareholder or controlling parent shall vote on a matter submitted to the Board of Directors, the aggregate voting entitlement of that shareholder or parent shall be divided equally among such directors. Except as otherwise required by the Act, at any meeting of the Board of Directors, directors entitled to cast a majority of the votes entitled to be cast by all of the directors then in office shall constitute a quorum for the transaction of business. If a quorum is present when a vote is taken, the affirmative vote of the directors entitled to cast a majority of the votes entitled to be cast by all of the directors present is the act of the Board of Directors. This Section 6 constitutes a shareholders agreement as contemplated by Section 743(1)(D) of the Act, and has been unanimously approved by the shareholders of the Corporation in connection with the approval of these Amended and Restated Bylaws.

## ARTICLE VII

### Executive and Other Committees

Section 1. Establishment; Authority. The Board of Directors, by the affirmative vote of the directors entitled to cast a majority of the votes entitled to be cast by all of the directors then in office, may designate from among its members an executive committee and other committees, each consisting of two (2) or more directors, and may delegate to such committee or committees any part or all of the authority of the Board of Directors, except as otherwise provided by § 826(5) of the Act relating to certain amendments, mergers, certain sales, dissolutions, certain distributions and the like.

Section 2. Procedures. Vacancies in the membership of a committee shall be filled by resolution adopted by the Board of Directors. Committees shall report their proceedings to the Board of Directors at each meeting of the Board of Directors (and between such meetings where appropriate). Members of a committee may be removed from the committee, with or without cause, by resolution adopted by the Board of Directors. Any person or persons authorized to call a meeting of the Board of Directors, as well as the chair of a committee or the committee itself, may call a meeting of a committee. Except as hereinbefore otherwise provided, so far as applicable, the provisions of these Bylaws relating to the calling, noticing and conduct of meetings of the Board of Directors shall govern the calling, noticing and conduct of meetings of committees.

## ARTICLE VIII

### Officers; Clerk

Section 1. Number. The officers of the Corporation shall be appointed by the Board of Directors and may include a Chairman of the Board, a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as may be determined by the Board of Directors.

Section 2. Term; Removal. Officers shall hold office until their successors are chosen and have qualified, or until their earlier death, resignation or removal from office. Any officer may be removed with or without cause by vote of directors holding a majority of the votes entitled to be cast by all directors then in office. An officer may, but need not, also be a director, and may simultaneously hold more than one office in the Corporation.

Section 3. Authority and Duties. Each officer shall have such authority and perform such duties as are set forth in the Act or in these Bylaws, and as shall be determined from time to time by the Board of Directors. Each officer shall also have such authority and perform such duties as are usually incumbent upon his or her office except as the same may be limited from time to time by the Board of Directors.

Section 4. Chairman of the Board. The Chairman of the Board shall have such duties and powers as are usually incident to such office, and such other duties and powers as may be prescribed from time to time by the Board of Directors.

Section 5. President. The President shall be subject to the control of the Board of Directors, and shall have general charge and supervision of the business of the Corporation. The Chairman of the Board or the President shall preside at all meetings of the shareholders and of the Board of Directors at which he or she is present, except as otherwise voted by the Board of Directors.

Section 6. Chief Executive Officer. The Board of Directors may designate either the Chairman of the Board or the President to be the Corporation's chief executive officer.

Section 7. Treasurer. The Treasurer shall be in charge of the funds of the Corporation and shall have such powers and duties as are usually incident to this office and such other powers and duties as may be designated from time to time by the Board of Directors or the President.

Section 8. Vice President. The Vice Presidents of the Corporation shall have such duties and responsibilities as the Board of Directors or the President may confer upon them from time to time.

Section 9. Secretary; Clerk. The Secretary or the Clerk shall attend all meetings of the Board of Directors and record all the proceedings of the Board of Directors in a book kept for that purpose. The Secretary shall perform like duties for the executive

committee. In case of the absence or disability of the Secretary, or if the Corporation shall have no Secretary, all of the powers of the Secretary may be exercised by the Clerk. The Clerk, Secretary or an Assistant Secretary may certify all votes, resolutions and actions of the shareholders and the Board of Directors and its committees.

Section 10. Clerk. The Corporation shall have a Clerk, who shall not by reason of such position be an officer. The Clerk of the Corporation shall be a resident of the State of Maine. The Clerk shall be named in the Articles of Incorporation and shall serve until his or her death or resignation from office, or until a successor is appointed by the Board of Directors or, if so provided in the Articles of Incorporation, by the shareholders. The Clerk shall keep on file a list of all shareholders of the Corporation and shall keep, in a book kept for such purpose, the records of all meetings of the shareholders, including records of all votes and minutes of the meetings. These records may be kept by the Clerk at the registered office or another office of the Corporation to which the Clerk has ready access. The Clerk may certify votes and actions of the Board of Directors and its committees, and shall perform such other duties and have such powers as are prescribed by the Act. The Clerk shall have custody of the corporate seal and may affix the same on documents requiring it, and attest to the same.

## ARTICLE IX

### Indemnification

Section 1. Definitions. Unless the context otherwise requires, the following terms have the meanings assigned to them in Section 851 of the Act: "corporation," "director," "disinterested directors," "expenses," "liability," "officer," "official capacity," "party," and "proceeding;" for purposes of this Article IX, "director" includes alternate directors; and "officer" also includes the Clerk, solely for purposes of this Article IX, even though such person is not an officer under the Act. The terms "employee" and "agent" of the Corporation in this Article IX include any person who is or was serving at the request of the Corporation as a director, officer, trustee, partner, manager, member, fiduciary, employee or agent of another corporation, partnership, limited liability company, limited liability partnership, joint venture, trust, pension, or other employee benefit plan, or other enterprise.

Section 2. Mandatory Indemnification and Advances for Directors, Officers and Employees.

A. Indemnification. The Corporation shall in all cases indemnify, to the fullest extent permitted by law, any individual who is a party to a proceeding because that person is or was a director, officer or employee of the Corporation against liability incurred in the proceeding, subject to a determination that indemnification is permissible under Section 856 of the Act, but without the further requirement of an authorization of indemnification.

B. Advances. The Corporation shall in all cases, before final disposition of a proceeding, advance funds to pay for or reimburse the reasonable expenses incurred by a director, officer or employee who is a party to a proceeding because that

individual is a director, officer or employee of the Corporation, if the director, officer or employee delivers to the Corporation:

- (1) a written affirmation of the director's, officer's or employee's good faith belief that the director, officer or employee has met the relevant standard of conduct described in Section 852 or Section 857(1)(B) of the Act, as applicable, or that the proceeding involves conduct for which liability has been eliminated under Section 202(4) of the Act or a provision of the Corporation's Articles of Incorporation as authorized by Section 202(2)(D) of the Act; and
- (2) the director's, officer's or employee's written undertaking to repay any funds advanced if the director, officer or employee is not entitled to mandatory indemnification under Section 853 of the Act and it is ultimately determined that the director, officer or employee has not met the relevant standard of conduct described in Section 852 of the Act.

The undertaking required by paragraph (2) shall be an unlimited general obligation of the director, officer or employee seeking the advance, but need not be secured and may be accepted without reference to the financial ability of the director, officer or employee to make repayment.

C. Indemnification and Advances Regardless of Capacity. Indemnification and advances for directors, officers or employees of the Corporation under this Section 2 shall be required in all cases, regardless of the capacity in which such director, officer or employee is or was made a party to the proceeding.

Section 3. Limits on Indemnification: Derivative Actions, Etc. Notwithstanding any other provision of this Article IX, unless ordered by a court under Section 855(1)(C) of the Act, the Corporation (x) shall not indemnify one of its directors, officers, employees or agents:

A. in connection with a proceeding by or in the right of the Corporation, except for reasonable expenses incurred in connection with the proceeding if it is determined that the director, officer, employee or agent has met the relevant standard of conduct under Section 852(1) of the Act; or

B. in connection with any proceeding with respect to conduct for which the director, officer, employee or agent was adjudged liable on the basis that the individual received a financial benefit to which the individual was not entitled, whether or not involving action in the individual's official capacity; and

(y) shall not be required to advance funds before final disposition of a proceeding to pay for or reimburse reasonable expenses incurred by a director or officer who is a party to a proceeding brought directly, and not derivatively, by the Corporation against such director or officer.

Notwithstanding any other provision of these Bylaws, no indemnification may be provided under this Article IX for liability for:

- (1) receipt of a financial benefit to which an individual is not entitled;
- (2) an intentional infliction of harm on the Corporation or its shareholders;
- (3) a violation of Section 833 of the Act, relating to unlawful distributions; or
- (4) an intentional violation of criminal law.

Section 4. Mandatory Indemnification on Successful Defense. Any provisions of Section 2 hereof to the contrary notwithstanding, the Corporation shall indemnify a director, officer, employee or agent of the Corporation, to the extent that individual has been wholly successful, on the merits or otherwise, in the defense of any proceeding to which the individual was a party because the individual was a director, officer, employee or agent of the Corporation, against reasonable expenses incurred by the individual in connection with the proceeding.

Section 5. Enforceable by Separate Action. A right to indemnification or to advances of expenses required by, or established pursuant to the provisions of, this Article may be enforced by a separate action against the Corporation pursuant to Section 855 of the Act.

Section 6. Miscellaneous. The Corporation shall be deemed to have requested a person to serve an employee benefit plan whenever the performance by him or her of his or her duties to the Corporation also imposes duties on, or otherwise involves services by, him or her to the plan or participants or beneficiaries of the plan.

Section 7. Indemnification Not Exclusive; Limits. The indemnification and entitlement to advances of expenses provided by this Article shall not be deemed exclusive of any other rights to which an individual may be entitled under any agreement, vote of shareholders or disinterested directors or otherwise, both as to action in the individual's official capacity and as to action in another capacity while a director, officer, employee or agent of this Corporation, and shall continue as to an individual who has ceased to be a director, officer, employee, agent, trustee, partner, or fiduciary, and shall inure to the benefit of the heirs, personal representatives, executors and administrators of such a person; provided, however, that no indemnification or advances of expenses under this Article IX shall exceed the maximum indemnification or advances of expenses permissible under Sections 851-860 of the Act.

Section 8. Insurance. The Corporation may purchase and maintain insurance on behalf of an individual who is a director or officer of the Corporation or who, while a director or officer of the Corporation, serves at the Corporation's request as a director, officer, partner, trustee, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan or other entity against liability asserted against or incurred by that individual in that capacity or arising from the

individual's status as a director or officer, whether or not the Corporation would have power to indemnify or advance expenses to the individual against the same liability under Sections 851-860 of the Act.

Section 9. Amendment. No amendment, modification or repeal of this Article, in whole or in part, shall deny, diminish or otherwise limit the rights of any individual to indemnification or advances hereunder with respect to any action, suit or proceeding arising out of any conduct, act or omission occurring or allegedly occurring at any time prior to the date of such amendment, modification or repeal.

## ARTICLE X

### Fiscal Year

Section 1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year, unless otherwise determined by resolution of the Board of Directors.

## ARTICLE XI

### Restrictions on Transfers of Shares

Section 1. Restriction on Transfer. The consent of the shareholders holding a majority of the outstanding shares of this Corporation's common stock, evidenced either by a vote duly adopted at a meeting of the shareholders or by the written consents of the consenting shareholders, shall be required in the case of any sale, pledge, or other transfer of any shares of common stock heretofore or hereafter issued by the Corporation, except:

- (1) a transfer by a corporate shareholder incident to a merger, consolidation or transfer of all or substantially all its assets to a successor corporation which shall, as a part of succession, assume all the obligations of the corporate shareholder to this Corporation;
- (2) a transfer to secure indebtedness of a corporate shareholder, maturing not less than twelve months from the date thereof, whether to a pledgee, mortgagee, or trustee for the benefit of the holders of the securities representing such indebtedness; or
- (3) a lien or transfer arising by operation of law or by virtue of the decree or order of any court of competent jurisdiction.

If any shares are transferred or made subject to a lien in any transaction permitted by (2) or (3) above, the transferee or lien holder shall make a written offer of the shares to this Corporation for purchase prior to any further sale or other transfer thereof, and this Corporation or its designees shall have the right to purchase such shares if within 10 days of receipt of such offer it notifies the transferee or lien holder in writing that it or its designees elects to purchase such shares. If such notification is not given by this Corporation, such shares may be sold by the transferee or lien holder without regard to the restrictions upon sale or transfer imposed by this Section. If this Corporation or its

designees elects to purchase such shares, the price to be paid for the shares shall be the book value thereof as of the end of the month last preceding the date on which such offer is received by this Corporation.

For purposes of establishing the value of shares of common stock under this Section, book value shall be deemed to be the sum of the following:

- (a) Par or stated value of common stock
- (b) Capital or paid-in surplus
- (c) Retained earnings or earned surplus
- (d) Surplus reserves

after adjustments for (i) mathematical errors and omissions, (ii) any deferred or unapplied debits, and (iii) any other adjustments necessary to show assets and liabilities at amounts determined by and recording in the accounting records of this Corporation in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission for Public Utilities and Licensees subject to the provisions of the Federal Power Act (or, if said Commission does not have jurisdiction, then in accordance with the applicable accounting regulations prescribed by the regulatory body which has primary accounting jurisdiction at the time). The book value of each share of common stock shall be determined by dividing the total book value by the number of shares outstanding.

In the case of such sale, the sale shall be consummated at this Corporation's principal office on such business day (not later than 20 days after the price is determined) and at such hour during customary business hours as the purchaser may specify in a written notice given to the seller at least 10 days in advance of the specified date.

Any transfer made in violation of the foregoing restrictions shall be invalid. The restriction on transfer imposed by this Section shall be noted conspicuously on each certificate of the common stock.

Subject to the foregoing restrictions, shares of stock may be transferred on the books of this Corporation by the surrender to the Corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment and power of attorney properly executed, with any necessary transfer stamps affixed, and with such proof of the authenticity of signature as may reasonably be required. Except as may be otherwise required by law, this Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to receive notice and to vote with respect thereto, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of this Corporation in accordance with the requirements of these Bylaws.

It shall be the duty of each shareholder to notify the Corporation of its post office address.



## ARTICLE XII

### Amendments to Bylaws

Section 1. Amendments. The Board of Directors shall have the power to alter, amend or repeal these Bylaws, and to adopt new Bylaws, provided that, unless notice shall be duly waived, the notice of any regular or special meeting at which such action is to be taken shall either set out the text of the proposed new Bylaw or amendment or Bylaw to be repealed, or shall summarize the changes to be effected by such adoption, amendment or repeal, and provided further that the shareholders may amend or repeal a Bylaw provision adopted by the Board of Directors and in such case the Board of Directors may not, for two years thereafter, amend or readopt the Bylaw provision thus amended or repealed by the shareholders. Notwithstanding the foregoing, (a) Article V and Article VI, Section 6 of these Bylaws (and this clause (a)) may be amended or repealed only by the unanimous vote of the shareholders, and (b) Articles IX and XI (and this clause (b)) may be amended or repealed only by the vote of directors entitled to cast two thirds (2/3) of the votes entitled to be cast by all of the directors.