

*The United Illuminating Company
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*Nathaniel D. Woodson
Chairman, President & Chief Executive Officer*

April 24, 2000

U.S. Nuclear Regulatory Commission
Document Control Desk
Washington, D.C. 20555

Re: **Docket Numbers 50-423 and 50-443, Request by
The United Illuminating Company for Consent to
Corporate Reorganization, dated February 17, 2000**

Gentlemen:

The purposes of this letter are (1) to furnish certain supplemental information requested by Mr. Robert Pulsifer in connecting with the Request for Corporate Reorganization (the "Request") filed with the Nuclear Regulatory Commission ("Commission") by The United Illuminating Company ("UI") on February 17, 2000, and (2) to seek expedited action on the captioned request.

Decommissioning funding. New Hampshire has enacted a law requiring the creation of a government-managed fund to finance the decommissioning of nuclear generating units in the state. The New Hampshire Nuclear Decommissioning Financing Committee has established \$565 million (in 2000 dollars) as the decommissioning cost estimate for Seabrook Unit 1, of which UI's share would be approximately \$99 million. This estimate assumes the prompt removal and dismantling of the unit at the end of its estimated 36-year energy producing life. Monthly decommissioning payments are being made to the state-managed decommissioning trust fund. UI's share of the decommissioning payments made during 1999 was \$3.3 million. UI's share of the fund at December 31, 1999 was approximately \$20.5 million.

Decommissioning fund contributions, as well as post-retirement safe-shutdown and site-protection costs incurred in preparation for decommissioning, are provided for in Section 16-245l(9) and 16-245l(10) of the Connecticut General Statutes. In accordance with these statutes, the State of Connecticut Department of Public Utility Control

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("DPUC") has established collections of these amounts by UI in Docket No. 97-01-15RE01 "DPUC Review Of Electric Companies Cost Of Service And Unbilled Tariffs-Unbundled Bills And SBC." The current decommissioning cost estimate for Millstone Unit 3 is \$619 million (in year 2000 dollars), of which UI's share would be approximately \$23 million. This estimate assumes the prompt removal and dismantling of the unit at the end of its estimated 40-year energy producing life. Monthly decommissioning payments, based on these cost estimates, are being made to a decommissioning trust fund managed by Northeast Utilities (NU). UI's share of the Millstone Unit 3 decommissioning trust fund at December 31, 1999 was approximately \$7.8 million. The current decommissioning cost estimate of the Connecticut Yankee Unit, which is being removed and dismantled, is \$498 million. Through December 31, 1999, \$169 million had been expended for decommissioning; and the projected remaining decommissioning cost was \$329 million, of which UI's share would be \$31 million. UI's share of the Connecticut Yankee decommissioning trust fund, which is also managed by NU, at December 31, 1999 was \$17.7 million.

Names, addresses, and citizenship of directors and principal officers of UI and UIL Holdings Corporation. The directors of UIL Holdings Corporation will be the same as the directors of UI with the exception of one person who will reach retirement age and therefore will not be a director of the holding company. Two persons, Nathaniel D. Woodson and Robert L. Fiscus, will hold the offices of UIL Holdings Corporation, which will have fewer officers than UI. All such directors and principal officers are citizens of the United States of America. The names, titles, and addresses of such directors and principal officers are set forth in Attachment 1.

Timetable for action by NRC. For the reasons set out below, UI asks that its Request be approved by the Commission no later than June 30, 2000.

The Reorganization described in the Request is consistent with the restructuring of the electric industry in Connecticut, and facilitates the corporate unbundling and separation required by Public Act No. 98-28, "An Act Concerning Electric Restructuring (the "Act") Under the Act, electric companies such as UI have been required to unbundle their functions, separating "electric distribution companies" (§1(a)(29)) from their "generation entities or affiliates" (§1(a)(34)). One of the legislative findings in the Act is that it is in the best interest of Connecticut "to allow for the competitive generation of electricity while retaining a regulated distribution system to ensure

reliability." (§2(4)) Electric distribution functions remain subject to state regulation, while other sectors of the industry will be subject to lesser levels of state regulation or no state regulation.

The DPUC, the state's public service commission, approved UI's reorganization into a holding company structure by decision dated May 19, 1999 in Connecticut DPUC Docket No. 98-07-05. As described in the Request, the Reorganization will create a holding company, UIL Holdings Corporation, which will have as its direct subsidiaries UI and the unregulated companies that are presently subsidiaries of UI. This will achieve separation of the state-regulated electric distribution company from the other activities of UI.

UI plans to have the Reorganization become effective immediately following the payment of UI's July 1, 2000 dividend, and therefore requests that the Commission approve the Request by June 30, 2000.

The Reorganization has received all other necessary corporate and regulatory approvals, on the dates listed below:

UI Board of Directors, June 28, 1999;

Connecticut DPUC, May 19, 1999;

SEC registration statement for proxy statement and prospectus related to special meeting of UI shareowners, January 28, 2000;

UI shareowners, March 17, 2000; and

Federal Energy Regulatory Commission, March 31, 2000.

If you have any questions concerning the Request, please contact Barton Z. Cowan, Esq. at 412-566-6029, or by email at bzc@escm.com

Very truly yours,



Nathaniel D. Woodson
Chairman of the Board of Directors,
President and Chief Executive Officer


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Nathaniel D. Woodson
Chairman, President & Chief Executive Officer

AFFIRMATION

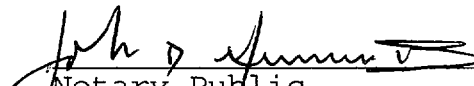
I, Nathaniel D. Woodson, do hereby affirm that (1) I am Chairman of the Board of Directors, President, and Chief Executive Officer of The United Illuminating Company, and (2) the statements set forth in the Request, in the supplemental letter of March 1, 2000 to the NRC from Barton Z. Cowan, and in the foregoing letter (including attachments) are true and correct to the best of my information, knowledge and belief.



Nathaniel D. Woodson

STATE OF CONNECTICUT)
) New Haven, April 24, 2000
COUNTY OF NEW HAVEN)

Subscribed and sworn to before me, this 24 day of April, 2000.



Notary Public
My commission expires
May 31, 2002