

Dominion Nuclear Connecticut, Inc.
Millstone Power Station
Rope Ferry Road
Waterford, CT 06385



Dominion™

August 17, 2001

Docket Nos. 50-245

50-336

50-423

B18464

RE: 10 CFR 50.80(a)
10 CFR 30.34(b)

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555

Nuclear Materials Safety Branch
U.S. Nuclear Regulatory Commission, Region I
475 Allendale Road
King of Prussia, PA 19406-1415

Millstone Nuclear Power Station, Unit Nos. 1, 2 and 3
Corporate Restructuring

Dominion Nuclear Connecticut, Inc. (DNC) hereby notifies the Nuclear Regulatory Commission (NRC) of certain changes that Dominion Resources, Inc. (DRI) is making to the corporate organization of its subsidiaries in connection with the Virginia Electric Utility Restructuring Act. Further, to the extent such corporate changes might be considered an indirect transfer of control of the licenses held by DNC, which include license nos. DPR-21, DPR-65, and NPF-49 for Millstone Nuclear Power Station, Unit Nos. 1, 2 and 3 (the Millstone Units), and Byproduct Materials License No. 06-13937-02 (a temporary job site license), DNC hereby requests NRC's consent pursuant to 10 CFR 50.80(a) and 10 CFR 30.34(b).

The changes to DRI's subsidiaries are described more fully in the Application for Order and Conforming License Amendments to Transfer Facility Operating Licenses DPR-32, DPR-37, NPF-4 and NPF-7, which Virginia Electric and Power Company (Virginia Power) filed on June 7, 2001, to obtain the necessary NRC consents for direct transfers of the operating licenses for the North Anna and Surry Power Stations. These changes will not result in any direct transfer or amendment of the facility licenses for the Millstone Units which are and will remain held by DNC and, in the case of Millstone Unit No. 3, certain unaffiliated co-owners, or any transfer or amendment of the materials license held by DNC. However, the restructuring will result in the creation of an additional holding company in the chain of DRI subsidiaries owning DNC. In this regard, DNC is currently an indirect, wholly-owned subsidiary of Dominion Energy, Inc., which in turn is a direct,

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wholly-owned subsidiary of DRI. In connection with the restructuring, Dominion Energy, Inc., will be converted to Dominion Energy, LLC. In addition, Dominion Energy, LLC will become a direct, wholly-owned subsidiary of Dominion Energy Holdings, Inc., which will be a newly-formed subsidiary directly and wholly owned by DRI. The subsidiaries below Dominion Energy, as depicted in Exhibit D of the Application for Order and Conforming License Amendments to Transfer Facility Operating Licenses DPR-21, DPR-65, and NPF-49,⁽¹⁾ previously submitted on August 31, 2000, and approved in connection with DNC's acquisition of the Millstone units, will not be changed by the restructuring.

The purpose of these corporate changes is to facilitate the restructuring of Virginia Power and is unrelated to the operation of the Millstone Units. Following the restructuring, DNC will continue to operate and (in conjunction with the unaffiliated co-owners of Unit No. 3) own the Millstone Units.

The formation of Dominion Energy Holdings, Inc., as an intermediate subsidiary in the chain of DRI subsidiaries owning DNC and the conversion of Dominion Energy, Inc., to Dominion Energy, LLC, will have no effect on the management or technical qualifications of DNC. The change will not alter DNC's organization, staff, officers, or directors, or any of DNC's programs, procedures, or conduct of operations. DNC's directors and principal officers are and will remain U.S. citizens. DNC is not now and will not after restructuring be owned, controlled, or dominated by an alien, foreign corporation, or foreign government.

Likewise, the formation of Dominion Energy Holdings, Inc., as an intermediate subsidiary in the chain of DRI subsidiaries owning DNC and the conversion of Dominion Energy, Inc., to Dominion Energy, LLC, will have no effect on the financial qualifications of DNC. This change will not alter DNC's costs, revenues, or decommissioning funding. The financial qualifications of DNC and the decommissioning funding assurance as described in DNC's August 31, 2000, application and the NRC's Safety Evaluation for the associated transfer of facility operating licenses to Dominion Nuclear Connecticut, Inc.⁽²⁾ will not be affected. The restructuring will not affect or alter the Parent Guaranty issued by DRI for decommissioning funding of Millstone Unit No. 1. Similarly, the restructuring will not affect or alter the support agreement between Dominion Resources, Inc., and Dominion Nuclear Connecticut, Inc. Both the guaranty and support agreements are provided by DRI, as the ultimate parent above the new holding company.

⁽¹⁾ James P. O'Hanlon and Bruce D. Kenyon letter to the U.S. Nuclear Regulatory Commission, "Application for Order and Conforming Amendments for License Transfer," dated August 31, 2000.

⁽²⁾ Daniel S. Collins, U.S. Nuclear Regulatory Commission letter to R. G. Lizotte, "Millstone Nuclear Power Station, Unit Nos. 1, 2 and 3 - Order Approving the Transfer of Licenses from Northeast Nuclear Energy Company, et. al., to Dominion Nuclear Connecticut, Inc., and Approving Conforming Amendments (TAC Nos. MA9876, MA9877, MA9899)," dated March 9, 2001.

The NRC has found that antitrust reviews of post-operating license transfer applications are neither required nor authorized by the Atomic Energy Act.⁽³⁾ Accordingly, no antitrust review is required with respect to any indirect transfer of control of DNC's licenses that may result from the corporate changes described in this letter.

Environmental Considerations

The corporate changes described in this letter do not involve any changes to the nuclear plant operations or equipment of the Millstone Units. Furthermore, the NRC has determined that direct or indirect license transfers are categorically exempt from environmental review in accordance with 10 CFR 51.22(c)(21). Therefore, NRC approval of the corporate change as an indirect transfer of control involves no significant environmental impact.

Schedule

DNC requests that the NRC consent by November 30, 2001, to any indirect transfer of control of DNC's licenses that the NRC may deem will occur as a result of the corporate changes described in this letter. Consent by November 30, 2001, coincides with the schedule requested in Virginia Power's applications for the direct transfer of its licenses, which schedule is in turn based on the requirement in Virginia Electric Utility Restructuring Act that the Virginia State Corporation Commission direct the functional separation of generation, retail transmission and distribution of incumbent electric utilities in Virginia to be completed by January 1, 2002.

There are no regulatory commitments contained within this letter.

If you have any questions concerning this submittal, please contact Mr. Ravi Joshi at (860) 440-2080.

Very truly yours,

DOMINION NUCLEAR CONNECTICUT, INC.



David A. Christian
Senior Vice President - Nuclear Operations
and Chief Nuclear Officer

cc: See next page

⁽³⁾ Kansas Gas and Electric Co, (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441, June 18, 1999.

cc: H. J. Miller, Region I Administrator
J. B. Hickman, NRC Project Manager, Millstone Unit No. 1
T. J. Jackson, NRC Inspector, Region I, Millstone Unit No. 1
J. T. Harrison, NRC Project Manager, Millstone Unit No. 2
NRC Senior Resident Inspector, Millstone Unit No. 2
V. Nerses, NRC Senior Project Manager, Millstone Unit No. 3
NRC Senior Resident Inspector, Millstone Unit No. 3
Director, Office of Nuclear Material Safety and Safeguards

Affirmation

I, David A. Christian, being duly sworn, state that I am Senior Vice President - Nuclear Operations and Chief Nuclear Officer of Dominion Nuclear Connecticut, Inc., and that the statements made and the matters set forth herein are true and correct to the best of my knowledge, information and belief.

DOMINION NUCLEAR CONNECTICUT, INC.



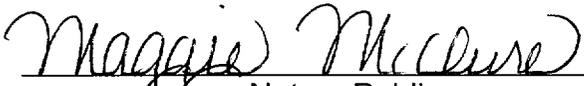
David A. Christian
Senior Vice President - Nuclear Operations
and Chief Nuclear Officer

State of Virginia

County of Henrico

Sworn to and subscribed before me

this 17th day of August, 2001



Notary Public

My Commission expires on 3-31-04