

DOMINION NUCLEAR CONNECTICUT, INC.

DOCKET NO. 50-336

(MILLSTONE POWER STATION, UNIT NO. 2)

RENEWED FACILITY OPERATING LICENSE

Renewed License No. DPR-65

1. The U.S. Nuclear Regulatory Commission (the Commission) having previously made the findings set forth in License No. DPR-65 issued on September 26, 1975 has now found that:
 - A. The application to renew License DPR-65 filed by Dominion Nuclear Connecticut, Inc. (DNC), complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Part 54 Chapter 1, and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the Millstone Power Station, Unit 2, (facility) has been substantially completed in conformity with Construction Permit No. CPPR-76 and the application, as amended, the provisions of the Act and the rules and regulations of the Commission;
 - C. Actions have been identified and have been or will be taken with respect to (1) managing the effects of aging during the period of extended operation on the functionality of structures and components that have been identified to require review under 10 CFR 54.21(a)(1), and (2) time-limited aging analyses that have been identified to require review under 10 CFR 54.21(c), such that there is reasonable assurance that the activities authorized by the renewed license will continue to be conducted in accordance with the current licensing basis, as defined in 10 CFR 54.3, for the facility, and that any changes made to the facility's current licensing basis in order to comply with 10 CFR 54.29(a) are in accord with the Act and the Commission's regulations;
 - D. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;
 - E. There is reasonable assurance: (i) that the activities authorized by this renewed operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the rules and regulations of the Commission;

- F. The licensee is technically and financially qualified to engage in the activities authorized by this renewed operating license in accordance with the rules and regulations of the Commission;
 - G. The licensee has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
 - H. The issuance of this renewed operating license will not be inimical to the common defense and security or to the health and safety of the public;
 - I. After weighing the environmental, economic, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of this Renewed Facility Operating License No. DPR-65, subject to the conditions for protection of the environment set forth herein, is in accordance with 10 CFR Part 51 (formerly Appendix D to Part 50), of the Commission's regulations and all applicable requirements have been satisfied; and
 - J. The receipt, possession, and use of source, byproduct, and special nuclear material as authorized by this renewed license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40, and 70, including 10 CFR Sections 30.33, 40.32, 70.23, and 70.31.
2. On the basis of the foregoing findings regarding this facility, Facility Operating License No. DPR-65, issued on September 26, 1975, is superceded by Renewed Facility Operating License No. DPR-65, which is hereby issued to Dominion Nuclear Connecticut, Inc. to read as follows:
- A. This renewed operating license applies to the Millstone Power Station (MPS), Unit No. 2, a pressurized water nuclear reactor and associated equipment (the facility), owned by DNC. The facility is located on the north shore of Long Island Sound and on the east side of Niantic Bay in the Town of Waterford, Connecticut, about three miles from New London, Connecticut, and is described in the "Final Safety Analysis Report" as supplemented and amended (Amendments 13 through 42), and the Environmental Report as amended (Amendments 1 through 5).
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses Dominion Nuclear Connecticut, Inc.:
 - (1) Pursuant to Section 104b of the Act and 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities," to possess, use, and operate the facility at the designated location on the north shore of Long Island Sound and on the east side of Niantic Bay, in the Town of Waterford, Connecticut, about three miles from New London,

Connecticut, in accordance with the procedures and limitations set forth in this renewed operating license;

- (2) Pursuant to the Act and 10 CFR Part 70, to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;
- (3) Pursuant to the Act and 10 CFR Parts 30, 40, and 70, to receive, possess and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
- (4) Pursuant to the Act and 10 CFR Parts 30, 40, and 70, to receive, possess and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form for sample analysis or instrument and equipment calibration or associated with radioactive apparatus or components;
- (5) Pursuant to the Act and 10 CFR Parts 30 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility.

C. This renewed operating license shall be deemed to contain and is subject to the conditions specified in the following Commission regulations in 10 CFR Chapter 1: Part 20, Section 30.34 of Part 30, Section 40.41 of Part 40, Sections 50.54 and 50.59 of Part 50, and Section 70.32 of Part 70; and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

The licensee is authorized to operate the facility at steady-state reactor core power levels not in excess of 2700 megawatts thermal.

(2) Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. 289, are hereby incorporated in the renewed license. The licensee shall operate the facility in accordance with the Technical Specifications.

(3) Fire Protection

The licensee shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report and as approved in the SER dated September 19, 1978, and supplements dated October 21, 1980, November 11, 1981, October 31, 1985, April 15, 1986, January 15, 1987, April 29, 1988, July 17, 1990, and November 3, 1995, subject to the following provision:

The licensee may make changes to the approved Fire Protection Program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

(4) Physical Protection

The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training, and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans, which contains Safeguards Information protected under 10 CFR 73.21, is entitled: "Millstone, North Anna and Surry Power Stations' Security Plan, Training, and Qualification Plan, Safeguards Contingency Plan, and Independent Spent Fuel Storage Installation Security Program, Revision 0" submitted by letter dated October 15, 2004.

(5) Relocated Technical Specifications

The licensee shall relocate certain technical specification requirements to licensee-controlled documents as described below. The location of these requirements shall be retained by the licensee.

- a. This license condition approves the relocation of certain technical specification requirements to licensee-controlled documents (Technical Requirements Manual), as described in the licensee's application dated May 20, 1997, as supplemented on September 23, 1997. The approval is documented in the staff's safety evaluation dated November 19, 1997. This license condition is effective as of its date of issuance by Amendment No. 210 and shall be implemented 90 days from the date of issuance. Implementation shall include the relocation of technical specification requirements to the appropriate licensee-controlled document as identified in the licensee's application dated May 20, 1997, as supplemented on September 23, 1997.

- (6) DNC shall not take any action that would cause Dominion Resources, Inc. (DRI) or its parent companies to void, cancel, or diminish DNC's commitment to have sufficient funds available to fund an extended plant shutdown as represented in the application for approval of the transfer of the licenses for MPS Unit No. 2.
- (7) Immediately after the transfer of MPS Unit No. 2 to DNC, the amount in the decommissioning trust for MPS Unit No. 2 must, with respect to the interest in MPS Unit No. 2 that DNC would then hold, be at a level no less than the formula amount under 10 CFR 50.75.
- (8) The decommissioning trust agreement for MPS Unit No. 2 at the time the transfer of the unit to DNC is effected and thereafter is subject to the following:
 - (a) The decommissioning trust agreement must be in a form acceptable to the NRC.
 - (b) With respect to the decommissioning trust fund, investments in the securities or other obligations of DRI or its affiliates or subsidiaries, successors, or assigns are prohibited. Except for investments tied to market indexes or other non-nuclear-sector mutual funds, investments in any entity owning one or more nuclear power plants are prohibited.
 - (c) The decommissioning trust agreement for MPS Unit No. 2 must provide that no disbursements or payments from the trust, other than for ordinary administrative expenses, shall be made by the trustee until the trustee has first given the Director of the Office of Nuclear Reactor Regulation 30-days prior written notice of payment. The decommissioning trust agreement shall further contain a provision that no disbursements or payments from the trust shall be made if the trustee receives prior written notice of objection from the NRC.
 - (d) The decommissioning trust agreement must provide that the agreement can not be amended in any material respect without 30 days prior written notification to the Director of the Office of Nuclear Reactor Regulation.
 - (e) The appropriate section of the decommissioning trust agreement shall state that the trustee, investment advisor, or anyone else directing the investments made in the trusts shall adhere to a "prudent investor" standard, as specified in 18 CFR 35.32(a)(3) of the Federal Energy Regulatory Commission's regulations.

- (9) DNC shall take all necessary steps to ensure that the decommissioning trust is maintained in accordance with the application for approval of the transfer of the MPS Unit No. 2 license and the requirements of the Order approving the transfer, and consistent with the safety evaluation supporting the Order.
 - (10) The Final Safety Analysis Report (FSAR) supplement, as revised, submitted pursuant to 10 CFR 54.21(d), shall be included in the next scheduled update to the FSAR required by 10 CFR 50.71(e)(4) following the issuance of this renewed operating license. Until that update is complete, DNC may make changes to the programs and activities described in the supplement without prior Commission approval, provided that DNC evaluates such changes pursuant to the criteria set forth in 10 CFR 50.59 and otherwise complies with the requirements in that section.
 - (11) The FSAR supplement, as revised, describes certain future activities to be completed prior to the period of extended operation. DNC shall complete these activities no later than July 31, 2015, and shall notify the NRC in writing when implementation of these activities is complete and can be verified by NRC inspection.
 - (12) All capsules in the reactor vessel that are removed and tested must meet the test procedures and reporting requirements of American Society for Testing and Materials (ASTM) E 185-82 to the extent practicable for the configuration of the specimens in the capsule. Any changes to the capsule withdrawal schedule, including spare capsules, must be approved by the NRC prior to implementation. All capsules placed in storage must be maintained for future insertion. Any changes to storage requirements must be approved by the NRC, as required by 10 CFR Part 50, Appendix H.
- D. This renewed operating license is effective as of its date of issuance and shall expire at midnight July 31, 2035.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

J. E. Dyer, Director
Office of Nuclear Reactor Regulation

Attachment:

- 1. Appendix A - Technical Specifications

Date of Issuance: November 28, 2005

Renewed License No. DPR-65