

December 17, 2007

Mr. David A. Christian  
President and Chief Nuclear Officer  
Virginia Electric and Power Company  
Innsbrook Technical Center  
5000 Dominion Boulevard  
Glen Allen, VA 23060-6711

SUBJECT: MILLSTONE POWER STATION: UNIT NOS. 2 AND 3 – REQUEST FOR  
INFORMATION CONCERNING BIENNIAL DECOMMISSIONING FUND  
REPORT (TAC NOS. MD5057 AND MD5058)

Dear Mr. Christian:

Upon review of the biennial decommissioning funding status report for the Millstone Power Station, Unit Nos. 2 and 3 (MPS2 and MPS3), the Nuclear Regulatory Commission (NRC) staff has become aware of a reduction in the reported balance of your radiological decommissioning funds set aside in an external trust to meet the requirements of Title 10 to the *Code of Federal Regulations* (10 CFR) Section 50.75. This observation was based on information filed by you this past March 2007 providing information as of December 31, 2006, and a comparison with the March 2005 biennial report providing information as of December 31, 2004.

During a follow-up telephone conversation, your staff provided the NRC staff information that such reductions were not the result of withdrawals from the trust, but were the result of changes in accounting for the funds in the trust. In particular, the NRC staff understands that you have adjusted your accounting to re-allocate funds in the decommissioning trust earmarked for radiological decommissioning to funds for non-radiological purposes and/or funds for spent fuel management.

Withdrawals or disbursements from trust funds for decommissioning established to meet NRC requirements in 10 CFR 50.75 are restricted under 10 CFR 50.82(a)(8) and trust agreement provisions that are required by the 2001 license transfer conditions. The reduction in the reported balance of your radiological decommissioning funds raises a question as to whether there has been full compliance with the foregoing restrictions.

Accordingly, pursuant to 10 CFR 50.33(f)(4), please provide, within 30 days of the date of this letter, a full written explanation as to whether the reduction in the reported balance of your radiological decommissioning funds from the balance previously reported constituted a withdrawal or disbursement within the scope of the NRC's restrictions on withdrawals or disbursements.

If you have any questions, please contact Mr. Michael Dusaniwskyj at (301) 415-1260.

Sincerely,  
*/ra/*

John D. Hughey, Project Manager  
Plant Licensing Branch I-2  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-336 and 50-423

If you have any questions, please contact Mr. Michael Dusaniwskyj at (301) 415-1260.

Sincerely,

*/ra/*

John D. Hughey, Project Manager  
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Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-336 and 50-423

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Millstone Power Station, Unit Nos. 2 and 3

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