



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

November 24, 2008

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: UNITS 2 AND 3 – BIENNIAL
DECOMMISSIONING FUND REPORT (TAC NOS. MD9352 AND MD9353)

Dear Mr. Christian:

By letter dated February 14, 2008 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML080460186), Dominion Nuclear Connecticut, Inc. (DNC) responded to the Nuclear Regulatory Commission (NRC) staff's request for additional information dated December 17, 2007 (ADAMS Accession No. ML073040092), regarding the 2006 biennial decommissioning funding status report. DNC, in discussing the apparent reduction from the amount reported in their 2006 biennial report (ADAMS Accession No. ML070930038), explained that DNC did not withdraw or otherwise receive a disbursement of funds from the Master Trust Fund, but made changes in accounting.

Title 10 of the *Code of Federal Regulations* (10 CFR), Section 50.75(f)(1), requires all nuclear power reactor licensees to submit decommissioning funding status reports every 2 years. Nothing in 10 CFR 50.75(f)(1) prohibits DNC, for internal use only, from estimating the cost of radiological decommissioning and maintaining its accounting for the other non-radiological costs. However, if DNC creates or has sub-accounts for non-radiological decommissioning, actual funding of the non-radiological costs may not come from amounts presently designated for radiological decommissioning.

According to the February 14, 2008, letter, "the total decommissioning fund remains available for radiological decommissioning [and] remains subject to NRC jurisdiction...." In light of this statement, DNC should report the entire decommissioning fund balance to the NRC in the next biennial report. Funds specifically earmarked or in sub-accounts for purposes other than radiological decommissioning and not available for radiological decommissioning should not be reported.

Based on your response, no further action is requested of you at this time and TAC Nos. MD9352 and MD9353 will be closed.

D. Christian

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If you have any questions regarding this letter, feel free to contact me at 301-415-1603.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carleen J. Sanders', written over a faint, larger version of the same signature.

Carleen J. Sanders, Project Manager
Plant Licensing Branch 1-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-336 and 50-423

cc: Distribution via Listserv

D. Christian

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If you have any questions regarding this letter, feel free to contact me at 301-415-1603.

Sincerely,

/ra/

Carleen J. Sanders, Project Manager
Plant Licensing Branch 1-2
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-336 and 50-423

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