

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



November 7, 2003

RE: 10 C.F.R. § 50.80(a)

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

Serial No.:	03-563
	B19012
NL&OS/PRW	Rev 0
Docket Nos.:	50-245
	50-336
	50-423
License Nos.:	DPR-21
	DPR-65
	NPF-49

**DOMINION NUCLEAR CONNECTICUT, INC. (DNC)**  
**MILLSTONE POWER STATION, UNITS 1, 2 AND 3**  
**RESPONSE TO REQUEST FOR ADDITIONAL INFORMATION (RAI) REGARDING**  
**REALIGNMENT OF INTERMEDIATE SUBSIDIARIES**

In a letter dated October 8, 2003, Dominion Nuclear Connecticut, Inc. (DNC) notified the U. S. Nuclear Regulatory Commission (NRC) of planned changes to certain intermediate subsidiaries of Dominion Resources, Inc., affecting the chain of ownership of DNC. These changes reflect an internal realignment and consolidation of energy marketing functions within the Dominion companies. DNC will remain an indirect, wholly owned subsidiary of Dominion Resources, Inc. and of its directly owned subsidiary, Dominion Energy, Inc.. DNC requested the NRC's consent, to the extent necessary, for the indirect transfer of control of the licenses held by DNC for Millstone Power Station, Unit Nos. 1, 2, and 3 pursuant to the requirements of 10 CFR 50.80.

In a letter dated November 3, 2003, the NRC requested from DNC additional information required to complete the review.

Attachment 1 of this letter is the response to the request for additional information (RAI). Enclosure 1 of this letter is the financial information requested by question 1 of the RAI. Dominion considers Enclosure 1 to be proprietary. To conform with the requirements of 10 CFR 2.790 concerning the protection of proprietary information, the proprietary information provided in Enclosure 1 is contained within brackets. Enclosure 2 has been redacted to provide a non-proprietary version of the financial information. Where the proprietary information has been deleted in the non-proprietary version, only the brackets remain (i.e., the information that was contained within the brackets in the proprietary version has been redacted). The basis for redacting certain information as proprietary is provided in the application for withholding and affidavit provided in Attachment 2 pursuant to 10 CFR 2.790(b)(1).

There are no regulatory commitments made by this letter.

AP01

If you should have any questions regarding this submittal, please contact Mr. Paul R. Willoughby at (804) 273-3572.

Very truly yours,

A handwritten signature in black ink, appearing to read "Eugene S. Grecheck". The signature is fluid and cursive, with a large initial "E" and a long, sweeping underline.

Eugene S. Grecheck  
Vice President – Nuclear Support Services

cc: U. S. Nuclear Regulatory Commission  
Region I  
475 Allendale Road  
King of Prussia, PA 19406-1415

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Mr. J. R. Wray, NRC Region I Inspector  
NRC Inspector  
U. S. Nuclear Regulatory Commission  
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Mr. S. M. Schneider  
NRC Senior Resident Inspector  
Millstone Power Station

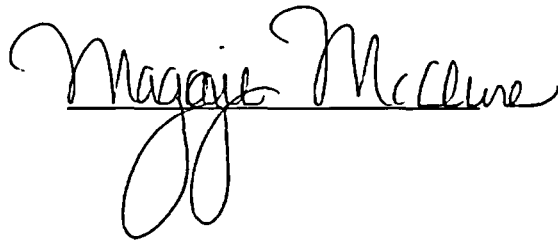
COMMONWEALTH OF VIRGINIA     )  
  )  
COUNTY OF HENRICO            )

The foregoing document was acknowledged before me, in and for the County and Commonwealth aforesaid, today by Eugene S. Grecheck who is Vice President - Nuclear Support Services of Dominion Nuclear Connecticut, Inc. He has affirmed before me that he is duly authorized to execute and file the foregoing document in behalf of that Company, and that the statements in the document are true to the best of his knowledge and belief.

Acknowledged before me this 7<sup>th</sup> day of November, 2003.

My Commission Expires: 3/31/04.

Notary Public



SEAL

Serial No. 03-563/B19012  
DNC RAI Response Regarding Realignment of Intermediate Subsidiaries

Attachment 1

DNC RAI Response Regarding Realignment of Intermediate Subsidiaries

In a letter dated October 8, 2003, Dominion Nuclear Connecticut, Inc. (DNC) notified the U. S. Nuclear Regulatory Commission (NRC) of planned changes to certain intermediate subsidiaries of Dominion Resources, Inc., affecting the chain of ownership of DNC. These changes reflect an internal realignment and consolidation of energy marketing functions within the Dominion companies. DNC will remain an indirect, wholly owned subsidiary of Dominion Resources, Inc. and of its directly owned subsidiary, Dominion Energy, Inc.. DNC requested the NRC's consent, to the extent necessary, for the indirect transfer of control of the licenses held by DNC for Millstone Power Station, Unit Nos. 1, 2, and 3 pursuant to the requirements of 10 CFR 50.80.

In a letter dated November 3, 2003, the NRC requested from DNC additional information required to complete the review.

Below is the response to the request for additional information:

**NRC Question 1)**

Provide five-year financial projections for DNC that cover the years 2004, 2005, 2006, 2007 and 2008. The elements of the five-year projections should include: total revenue, total operating expense, income before taxes and interest, taxes and interest, and net income.

**DNC Response**

See Enclosure 1 for DNC five year financial projections.

- 2) In order for the NRC staff to determine the sensitivity that any potential changes in revenue might have on net income, please provide the following financial projection scenarios:

**NRC Question 2)a)**

a five-year financial projection reflecting a ten-percent reduction in the price for a megawatt-hour of electricity; and

**DNC Response**

See Enclosure 1 for DNC five year financial projections.

**NRC Question 2)b)**

if your projected capacity factor is higher than your historical capacity factor for the past five years, provide a five-year financial projection reflecting the historical capacity factor

(if the projected capacity factor is equal or lower than your historical capacity factor, then no additional sensitivity analysis is necessary).

**DNC Response**

See Enclosure 1 for DNC five year financial projections.

- 3) For the new entity, Dominion Energy Marketing, Inc., provide the following information required by 10 CFR 50.33(d)(3):

**NRC Question 3)a)**

the state where it is incorporated or organized and the principal location where it does business;

**DNC Response**

Dominion Energy Marketing, Inc. (DEMI) is incorporated in the state of Delaware. Its principal place of business is:  
120 Tredegar Street  
Richmond, Virginia 23219.

**NRC Question 3)b)**

the names, addresses, and citizenship of its directors and of its principal officers; and

**DNC Response**

**Dominion Energy Marketing, Inc.**

**Directors and Officers**

<b><u>Name</u></b>	<b><u>Title</u></b>
Farrell, II, Thomas F.	Director
Koonce, Paul D.	Chief Executive Officer - Transmission
Howell, Kevin T.	President
Hetzer, G. Scott	Senior Vice President and Treasurer
Martin, James K.	Vice President - Business Development
Wilkerson, Patricia A.	Vice President and Secretary
McCann, Joseph C.	Controller
Carney, James P.	Assistant Treasurer
Marks, III, E. J.	Assistant Secretary

The address for each Director and Officer is:

120 Tredegar Street  
Richmond, VA 23219.

All Directors and Officers are US citizens.

**NRC Question 3)c)**

whether it is owned, controlled, or dominated by an alien, a foreign corporation, or foreign government, and if so, give details.

**DNC Response**

DEMI is not owned, controlled, or dominated by an alien, a foreign corporation, or foreign government. DEMI is 100% owned by Dominion Energy, Inc., a wholly-owned subsidiary of Dominion Resources, Inc.

Enclosure 2

DNC RAI Response Regarding Realignment of Intermediate Subsidiaries  
DNC 5 Year Financial Projection

**REDACTED**

# REDACTED

## Dominion Nuclear Connecticut Projected Income Statement 2004-2008 (\$ in Millions)

### Revenue Based on Market Prices

	Total 2004	Total 2005	Total 2006	Total 2007	Total 2008
Total Revenue *					
Total Operating Expenses					
Income Before Taxes & Interest					
Total Taxes & Interest					
Net Income					

\* Note: Revenue shown above is based on projected market prices.

5 Yr. Avg.

Projected Market Prices

Projected Capacity Factor

### Revenue Based on Market Prices Dropping by 10%

	Total 2004	Total 2005	Total 2006	Total 2007	Total 2008
Total Revenue					
Total Operating Expenses					
Income Before Taxes & Interest					
Total Taxes & Interest					
Net Income					

### Revenue Based on Historical Capacity Factor

	Total 2004	Total 2005	Total 2006	Total 2007	Total 2008
Total Revenue *					
Total Operating Expenses					
Income Before Taxes & Interest					
Total Taxes & Interest					
Net Income					

\* Note: Unit 2 historical capacity factor is based on May, 1999 to July, 2003.

Unit 2 did not return to operation from Regulatory Shutdown until May, 1999

Unit 3 historical capacity factor is for five years thru July, 2003.

Average Historical Capacity Factor -

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DNC RAI Response Regarding Realignment of Intermediate Subsidiaries

Attachment 2

DNC RAI Response Regarding Realignment of Intermediate Subsidiaries  
Application for Withholding and Affidavit of Eugene S. Grecheck

10 CFR § 2.790

**APPLICATION FOR WITHHOLDING**  
**AND**  
**AFFIDAVIT OF EUGENE S. GRECHECK**

**I, Eugene S. Grecheck, Vice President – Nuclear Support Services, state that:**

1. I am authorized to execute this affidavit on behalf of Dominion Nuclear Connecticut, Inc. (DNC).
2. Dominion Nuclear Connecticut, Inc. (DNC) is submitting Dominion Nuclear Connecticut Preliminary Income Statement 2004-2008 for NRC review. The proprietary version of the Preliminary Income Statement 2004-2008 contains proprietary commercial information that should be held in confidence by the NRC pursuant to the policy reflected in 10 CFR §§ 2.790(a)(4) because:
  - a. This information is being held in confidence by DNC.
  - b. This information is of a type that is held in confidence by DNC, and there is a rational basis for doing so because the information contains sensitive commercial information concerning DNC's financial information and capacity factor.
  - c. This information is being transmitted to the NRC in confidence.
  - d. This information is not available in public sources and could not be gathered readily from other publicly available information.
  - e. Public disclosure of this information would create substantial harm to the competitive position of DNC by disclosing confidential DNC internal financial information to other parties whose commercial interests may be adverse to those of DNC. Furthermore, DNC has expended significant resources in the development of the information. Therefore, the use of this confidential information by competitors would permit them to use the information developed by DNC without the expenditure of similar resources, thus giving them a competitive advantage.

3. Accordingly, DNC requests that the designated document be withheld from public disclosure pursuant to the policy reflected in 10 CFR §§ 2.790(a)(4).


Dominion Nuclear Connecticut, Inc.



Eugene S. Grecheck  
Vice President – Nuclear Support Services

STATE OF Virginia  
COUNTY OF Henrico

Subscribed and sworn to me, a Notary Public, in and for the County and State above named, this 7<sup>th</sup> day of November, 2003.

  
My Commission Expires: 3/31/04

SEAL