



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

August 29, 2018

Mr. Daniel G. Stoddard
Senior Vice President and Chief Nuclear Officer
Innsbrook Technical Center
5000 Dominion Blvd.
Glen Allen, VA 23060-6711

SUBJECT: DOMINION NUCLEAR CONNECTICUT, INC. (MILLSTONE POWER STATION UNITS 1, 2, AND 3, AND ISFSI); VIRGINIA ELECTRIC AND POWER COMPANY (NORTH ANNA POWER STATION, UNITS 1 AND 2, ISFSIS, AND UNIT 3; SURRY POWER STATION UNITS 1 AND 2, AND ISFSIS); DOMINION ENERGY KEWAUNEE, INC. (KEWAUNEE POWER STATION AND ISFSI); REQUEST FOR THRESHOLD DETERMINATION UNDER 10 CFR 50.80 (EPID L-2018-LRO-0005)

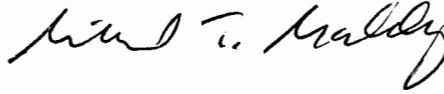
Dear Mr. Stoddard:

By letter dated January 31, 2018 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML18036A215), Dominion Energy, Inc. (Dominion Energy), and its subsidiaries, Dominion Nuclear Connecticut, Inc. (DNC), Virginia Electric and Power Company (VEPCO), and Dominion Energy Kewaunee, Inc. (DEK), submitted a request for a threshold determination by the U.S. Nuclear Regulatory Commission (NRC) that the proposed merger between Dominion Energy and SCANA Corporation (SCANA) would not result in a direct or indirect transfer of control of the NRC licenses held by the Dominion Energy subsidiaries that would require NRC approval pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Section 50.80, "Transfer of licenses."

The NRC staff has completed its review and concludes that the proposed transaction between Dominion Energy and SCANA will not constitute a direct or indirect transfer of control of the licenses held by DNC, VEPCO, or DEK. The enclosed Safety Evaluation documents the NRC staff's review and findings.

If you have any questions on this matter, please contact Randy Hall, Senior Project Manager, at (301) 415-4032 or Randy.Hall@nrc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael T. Markley". The signature is fluid and cursive, with the first name "Michael" and last name "Markley" clearly distinguishable.

Michael T. Markley, Branch Chief
Plant Licensing Branch II-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos.: 50-245, 50-336, 50-423,
50-338, 50-339, 50-280, 50-281, 50-305,
52-017, 72-2, 72-16, 72-47,
72-55, 72-56, and 72-64

Enclosure:
Safety Evaluation

cc: Listserv



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SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
THRESHOLD DETERMINATION DUE TO THE PROPOSED MERGER BETWEEN

DOMINION ENERGY, INC. AND SCANA CORPORATION

DOMINION NUCLEAR CONNECTICUT, INC.

MILLSTONE POWER STATION, UNITS 1, 2, 3 AND ISFSI

DOCKET NOS. 50-245, 50-336, 50-423, AND 72-47

VIRGINIA ELECTRIC AND POWER COMPANY

NORTH ANNA POWER STATION, UNITS 1, 2, 3 AND ISFSIS

DOCKET NOS. 50-338, 50-339, 52-17, 72-16 AND 72-56

SURRY POWER STATION, UNITS 1 AND 2 AND ISFSIS

DOCKET NOS. 50-280, 50-281, 72-2 AND 72-55

KEWAUNEE POWER STATION AND ISFSI

DOCKET NOS. 50-305 AND 72-64

1.0 INTRODUCTION

By letter dated January 31, 2018 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML18036A215), Dominion Energy, Inc. (Dominion Energy) requested the U.S. Nuclear Regulatory Commission (NRC) to make a threshold determination that the proposed merger between Dominion Energy and SCANA Corporation (SCANA) would not result in a direct or indirect transfer of control of the licenses held by Dominion Energy subsidiaries that would require NRC approval pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.80, "Transfer of licenses."

Dominion Energy is the owner and ultimate parent of Dominion Nuclear Connecticut, Inc. (DNC), Virginia Electric and Power Company (VEPCO), and Dominion Energy Kewaunee, Inc. (DEK). DNC is the licensee for the Millstone Power Station (MPS) Units 1, 2, and 3, and its Independent Spent Fuel Storage Installation (ISFSI). VEPCO is the licensee for the North Anna Power Station (NAPS), Units 1, 2, and 3, and its ISFSIs, and Surry Power Station (Surry), Units 1 and 2, and its ISFSIs. DEK is the licensee for the Kewaunee Power Station and its ISFSI. For the purpose of this Safety Evaluation (SE), the above listed facilities will be collectively referred to herein as the "licensed facilities."

Enclosure

2.0 BACKGROUND

In a related application dated January 25, 2018 (ADAMS Accession No. ML18025C035), South Carolina Electric and Gas Company (SCE&G), acting for itself and its parent company, SCANA Corporation (SCANA), and Dominion Energy, requested written consent from the NRC to the indirect transfer of control of Renewed Facility Operating License No. NPF-12 and Combined License Nos. NPF-93 and NPF-94, Docket Nos. 50-395, 52-027, 52-028, and 72-1038, for the Virgil C. Summer Nuclear Station (VCSNS), Units 1, 2, and 3, and its ISFSI (together, the VCSNS Licenses) pursuant to 10 CFR 50.80. SCE&G is currently the licensed owner and operator of the VCSNS, Units 1, 2, and 3, and its ISFSI, with the South Carolina Public Service Authority (Santee Cooper) as joint owner, with each having ownership interests of two-thirds and one-third, respectively, in the VCSNS Licenses. The NRC staff's review of that application is ongoing, and, therefore, has not yet been acted upon as of the date of this SE.

3.0 EVALUATION

The NRC staff reviewed Dominion Energy's request for a threshold determination that the proposed merger between Dominion Energy and SCANA will not involve a direct or indirect transfer of control of Dominion Energy's licensed facilities that would require approval pursuant to 10 CFR 50.80. The regulation at 10 CFR 50.80(a) states, in part, that:

No license for a production or utilization facility ... or any right thereunder, shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing.

The merger transaction would be accomplished through the merger of SCANA with Sedona Corp. (Sedona), a South Carolina corporation and subsidiary of Dominion Energy formed for the sole purpose of merging with SCANA, with SCANA being the surviving corporation. Effective upon the merger, SCANA would be a direct wholly-owned subsidiary of Dominion Energy, and the former shareholders of SCANA would then become the shareholders of Dominion Energy. SCE&G would remain a wholly-owned subsidiary of SCANA, which would become a wholly-owned subsidiary of Dominion Energy. After the proposed indirect transfer, SCE&G would remain the licensed owner and operator of VCSNS, Units 1, 2, and 3, and the ISFSI.

The proposed merger is an all-stock transaction, in which each share of SCANA common stock will be cancelled and SCANA stockholders will receive in exchange for each share of SCANA common stock 0.669 shares of Dominion Energy common stock. After closing the proposed transaction, the Dominion shareholders will own an estimated 87 percent (%) of the combined company and the current SCANA shareholders will own an estimated 13%. Dominion Energy will indirectly own 100% of SCE&G through its wholly-owned subsidiary SCANA. The Dominion Energy Board of Directors will remain in place, but Dominion Energy intends to appoint a current member of SCANA's board of directors or executive management, mutually agreeable to Dominion Energy and SCANA, as a director to serve on its board of directors.

The proposed corporate structure that will exist after the merger will not change the existing chain of ownership of Dominion Energy's currently owned licensed facilities. There will be no changes in the operation or management of Dominion Energy's currently owned licensed facilities as a result of the proposed transaction and associated license transfer. The proposed transaction will not result in transfer of control with respect to Dominion Energy and the licenses currently held by DEK, DNC, or VEPCO.

The information contained within the January 31, 2018, threshold determination request demonstrates that Dominion Energy and its subsidiaries will continue to possess the requisite qualifications to own and operate the licensed facilities. The proposed transaction between Dominion Energy and SCANA will not result in any changes in the operation or management of the Dominion Energy licensed facilities as a result of the proposed merger and associated license transfers and will not result in any adverse effects to its financial qualifications and decommissioning funding assurance.

4.0 CONCLUSION

The NRC staff concludes that the proposed transaction between Dominion Energy and SCANA will not constitute a direct or indirect transfer of control of the licenses held by DEK, DNC, or VEPCO. Therefore, Dominion Energy, including its subsidiaries, does not require the NRC's approval under Section 184 of the Atomic Energy Act of 1954, as amended, and 10 CFR 50.80 with respect to the licenses currently held by DEK, DNC, and VEPCO in connection with the proposed merger between Dominion Energy and SCANA. The conclusions within this threshold determination SE have no effect on the evaluation of the transfers of control of the SCANA subsidiary licenses as a result of the proposed merger between Dominion Energy and SCANA.

Principal Contributor: Shawn W. Harwell

Date: August 29, 2018

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ADAMS Accession No. ML18225A020

*via memorandum **via e-mail

OFFICE	NRR/DORL/LPL2-1/PM	NRR/DORL/LPL2-1/LA	DLP/PFPB/BC
NAME	JHall	KGoldstein	ABowers*
DATE	8/15/18	8/13/18	7/26/18
OFFICE	OGC - NLO	NRR/DORL/LPL2-1/BC	NRR/DORL/LPL2-1/PM
NAME	AGhosh**	MMarkley	JHall
DATE	8/27/18	8/29/18	8/29/18

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