

Robert G. Byram
Senior Vice President and
Chief Nuclear Officer

PPL Susquehanna, LLC
Two North Ninth Street
Allentown, PA 18101-1179
Tel. 610.774.7502 Fax 610.774.5019
rgbyram@pplweb.com



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U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Mail Station OP1-17
Washington, DC 20555

**SUSQUEHANNA STEAM ELECTRIC STATION
DECOMMISSIONING REPORT OF
FINANCIAL ASSURANCE
PLA-5282**

**Docket Nos. 50-387
and 50-388**

In accordance with 10 CFR 50.75(f)(1), attached please find the PPL Susquehanna, LLC decommissioning report of financial assurance for our ninety percent interest in Susquehanna Units 1 and 2.

If you have any questions regarding our decommissioning report, please direct them to Mr. R. R. Sgarro, Supervisor - Nuclear Licensing, at (610) 774-7552.

Sincerely,

A handwritten signature in black ink, appearing to be "R. G. Byram", with a long horizontal line extending to the right.

R. G. Byram

Attachment: Decommissioning report

copy: NRC Region I
Mr. S. Hansell, NRC Sr. Resident Inspector
Mr. R. G. Schaaf, NRC Project Manager
Mr. R. S. Wood, NRC - OWFN
Mr. D. J. Allard, Pa. DEP
Mr. R. Osborne, Allegheny Electric

A001

**NRC Decommissioning Funding Status Report
December 31, 2000**

**PPL Susquehanna, LLC
Susquehanna Steam Electric Station**

PPL Susquehanna, LLC hereby submits this Decommissioning Report in compliance with 10CFR50.75(f)(1) for its 90% share of Susquehanna Unit 1 & 2.

**Information is submitted to provide
Financial Assurance**

	<u>Unit # 1</u>	<u>Unit #2</u>
1. The minimum amount of decommissioning funds estimated to be required pursuant to 10CFR50.75 (b) and (c).		
At December 31, 2000	\$377,773,875	\$377,773,875
PPL Susquehanna LLC's calculation of the NRC minimum formula is reflected in Exhibit 1.		
2. The Amount accumulated at the end of the calendar year preceding the date of the report for items included in 10CFR50.75 (b) and (c).		
Market Value at Dec. 31, 2000	\$137,683,263	\$130,114,797
3. See Exhibit 2 for a schedule of the annual amounts remaining to be collected.		
4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections.		
Estimated Inflation rate for decommissioning costs	4%	4%
Estimated Earnings rates on decommissioning funds	7.5%	7.5%
Rates of other factors used in funding projections	None	None
The Inflation and Earnings Rate are based on an order entered by the Pennsylvania Public Utility Commission (Pa.PUC) on September 27, 1995 at Docket No. R-00943271.		
5. Any power sale contracts upon which licensee is relying to provide financial assurance.	None	None
6. Modifications to licensee's method of providing financial assurance since previous report.	None	None
7. Material changes to trust agreement.		

PPL Susquehanna, LLC's Amended and Restated Nuclear Decommissioning Master Trust Agreement dated July 1, 2000 was submitted to the NRC by letter (PLA-5224) dated August 16, 2000.

**Calculation of Escalation Factors
Used in Computation of Minimum Financial Assurance
Amount for Decommissioning
Susquehanna Steam Electric Station Units One And Two**

Boiling Water Reactor (BWR)
Escalation Factor

$$\text{Formula - } 0.65(L) + 0.13(E) + 0.22(B)$$

$$\text{Escalation} = (.65 \times 1.779) + (.13 \times 1.164) + (.22 \times 8.189)$$

$$\text{Escalation} = (1.15635 + 0.15132 + 1.80158) = 3.10925$$

(L) - Labor - (Bureau of Labor Statistics, Table 4, Compensation, Employment Cost Index, for total compensation, private industry workers, by bargaining status, region and area size

Northeast region - August 2000 Index Number	232.162
January 1986 Index Number	130.5

$$L = \frac{232.162}{130.5} \text{ equals } 1.779$$

(E) - ENERGY (Producer Price Index Commodities, Series ID: WPU0543 and WPU0573)

$$E = (.54P + .46F)$$

$$E = (.54 \times 1.203) + (.46 \times 1.117)$$

$$E = 0.64962 + 0.51382 = 1.164$$

P - Industrial Power, 500 KW demand - (Commodity 0543)

August 2000 Index Number	137.4
January 1986 Index Number	114.2 (1)

$$P = \frac{137.4}{114.2} \text{ equals } 1.203$$

F - Light fuel oils - (Commodity 0573)

August 2000 Index Number	91.6
January 1986 Index Number	82.0

$$F = \frac{91.6}{82.0} \text{ equals } 1.117$$

(B) Waste Burial

NUREG - 1307, REV.9, "NRC Report on Waste Burial Charges"
Table 2.1
South Carolina Factor 8.189

(1) Represents the national base value of P at January 1986. The base value of P is no longer determined on a regional basis.

PPL Susquehanna, LLC
Computation of Minimum Financial Assurance Amount for
Decommissioning Susquehanna Steam Electric Station
Units One and Two

	<u>Unit 1</u>	<u>Unit 2</u>
Base amount for BWR greater than 3,400 MWt=\$135 million The Power Level of Unit 1 and Unit 2 are = 3,441 MWt	135,000,000	135,000,000
Ownership percentage	90%	90%
Base amount per unit	121,500,000	121,500,000
Escalation Factor	3.10925	3.10925
Escalated Amount per Unit	377,773,875	377,773,875
Total Escalated Amount (Unit 1 + Unit 2)		755,547,750

**PPL Nuclear Decommissioning Trust
Expected Contributions**

	<u>Unit 1</u>	<u>Unit 2</u>	<u>Grand Total</u>
2001	\$10,769,307	\$16,740,724	\$27,510,031
2002	8,519,804	12,737,353	21,257,157
2003	8,080,012	11,976,903	20,056,915
2004	7,566,986	11,216,454	18,783,440
2005	7,053,960	10,456,005	17,509,965
2006	6,540,936	9,695,554	16,236,490
2007	6,027,912	8,935,104	14,963,016
2008	5,514,888	8,174,654	13,689,542
2009	5,001,834	7,414,154	12,415,988
2001-2009	\$65,075,639	\$97,346,905	\$162,422,544