

YANKEE ATOMIC ELECTRIC COMPANY

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U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555-0001

References: (a) License No. DPR-3 (Docket No. 50-29)

Subject: Decommissioning Funding Assurance - 10CFR50.75(f)

Pursuant to 10CFR50.75(f)(1) of the Commission's Rules and Regulations, Yankee Atomic Electric Company (YAEC) is providing information concerning the status of decommissioning funding for the Yankee Nuclear Power Station (YNPS). The required information is provided in Attachment 1.

As required by FERC, an updated cost estimate of "to-go" costs was filed in December 1999. Based on the 1999 estimate, the projected total cost to complete decommissioning, including prior expenditures of \$207.1 million from 1993 - 1998, was approximately \$453.1 million. From this filing, the estimate of the "to-go" costs remaining as of January 1, 1999 was \$246 million in constant value 1999 dollars. Of this amount, \$98.3 million was for activities other than those specifically included in 10CFR50.75.

The amount accumulated in the trust as of December 31, 2000 is \$150.2 million. Of this amount \$81.7 million is for activities other than those specifically included in 10CFR50.75. The withdrawal of trust funds for decommissioning expenses (1993 - 2000) has amounted to approximately \$270.8 million (not adjusted for inflation), including \$16.6 million for activities not specifically included in 10CFR50.75.

If you should have any questions, please contact Mr. James A. Kay (978) 568-2302.

Very truly yours,

YANKEE ATOMIC ELECTRIC COMPANY

James A. Kay
Manager of Regulatory affairs

Attachment

A001

c: H.J. Miller, NRC Region I Administrator
J.B. Hickman, NRC Project Manager, NRR

Attachment 1
NRC Decommissioning Funding Status Report

Yankee Nuclear Power Station (YNPS)
(Status as of 12/31/2000)

The minimum decommissioning fund estimate pursuant to 10CFR50.75(b) \$ 264.6 million

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) ⁽¹⁾ \$ 150.2 million

Schedule of the annual amounts remaining to be collected for items in 10CFR50.75(b) and (c) None ⁽²⁾

The assumptions used regarding escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

A 3.80% escalation rate was used for the 1999 FERC rate case. Earning rates, generated during the FERC case, are as follows: pre-tax (taxable) - 4.50-6.00%; pre-tax (tax-exempt) - 5.00%; and pre-tax equity - 10%. Other rate assumptions were: state tax rate, non-qualified trust - 6.5%; federal tax rate, qualified trust - 20%; and federal tax rate, non-qualified trust - 34%.

Any contracts upon which the licensee is relying pursuant to 10CFR50.75(e)(1)(ii)(c)?

The decommissioning of YNPS was funded through its Power Contracts which obligate the purchasers for the full cost of decommissioning YNPS including spent fuel storage and site restoration. The FERC orders received by YAEC acknowledge the continuing obligation of the purchasers with respect to the full cost of decommissioning YNPS.

⁽¹⁾ This market value balance includes amounts in the Trust for all decommissioning costs including site restoration and long term spent fuel storage as well as decommissioning as defined in 10CFR50.75.

⁽²⁾ The FERC approved collection period ended in June 2000. No further collections remain.

Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report?

No modifications have been made to the current financial assurance method in this reporting period.

Any material changes to trust agreements?

No material changes have been made to trust agreements in this reporting period.