Nuclear Operating Company
South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

March 29, 2001
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File No.: G02
10CFR50.75
STI: 31265374

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

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498, STN 50-499
Decommissioning Funding Status Report

Pursuant to 10CFR50.75(f), the South Texas Project submits the attached reports on the status of decommissioning funding available for the facility. The reports were prepared by the individual co-owners of the South Texas Project: Reliant Energy, Central Power and Light, City Public Service Board of San Antonio, and the City of Austin. The attached reports provide the following information for each co-owner:

- The amount of decommissioning funds estimated to be required pursuant to 10CFR50.75(b) and (c);
- The amount accumulated to the end of calendar year 2000;
- A schedule of the annual amounts remaining to be collected;
- The assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections;
- Source of revenues for external sinking fund;
- Contracts upon which the owners rely pursuant to paragraph (e)(1)(v) of 10CFR50.75; and
- Modifications to method of decommissioning funding assurance or material changes to trust agreements.

If there are any questions, please contact me at (361) 972-8085.

George Harrison for
Frank H. Mallen
Manager,
Planning & Controls

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Attachments:

1) 2000 Decommissioning Funding Status Report – Reliant Energy
2) 2000 Decommissioning Funding Status Report – Central Power and Light
3) 2000 Decommissioning Funding Status Report – City Public Service Board of San Antonio
4) 2000 Decommissioning Funding Status Report – City of Austin

cc:

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

Reliant Energy, Incorporated
30.8 % Ownership of South Texas Project Unit 1

NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below and the attachment for the requested information:

1. The minimum decommissioning fund estimate, Pursuant to 10 CFR 50.75 (b) and (c)[1]

Total Required	**$ 97,666,800**
Required @ 12/31/00	**$ 26,396,432**

2. The amount accumulated at the end of the calendar year preceding The date of the report for items included in 10 CFR 50.75 (b) and (c).

$ 68,062,537

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c).

Amount remaining	**$ 35,625,224**
# of years to collect	**26.6**

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections;

Escalation rate	**3.01%**
Earnings rate assumptions range	**4.64%-5.20%**

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c);

None

6. Any modifications to a licensee's current method providing financial accurance occurring since the last submitted report.

None

7. Any material changes to trust agreements. **None**

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[1] The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

Reliant Energy, Incorporated
30.8 % Ownership of South Texas Project Unit 2

NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below and the attachment for the requested information:

1. The minimum decommissioning fund estimate, Pursuant to 10 CFR 50.75 (b) and (c)[1]

Total Required	**$ 97,666,800**
Required @ 12/31/00	**$ 25,701,789**

2. The amount accumulated at the end of the calendar year preceding The date of the report for items included in 10 CFR 50.75 (b) and (c).

$ 93,483,059

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c).

Amount remaining	**$ 16,270,134**
# of years to collect	**27.9**

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections;

Escalation rate	**3.01%**
Earnings rate assumptions range	**4.64%-5.20%**

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c);

None

6. Any modifications to a licensee's current method providing financial accurance occurring since the last submitted report.

None

7. Any material changes to trust agreements. **None**

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[1] The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

Central Power & Light Company
25.2 % Ownership of South Texas Project Unit-1

NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below and the attachment for the requested information:

1. The minimum decommissioning fund estimate, Pursuant to 10 CFR 50.75 (b) and (c)[1]

Total Required:	$79,882,740
Required on 12/31/00:	$21,589,930

2. The amount accumulated at the end of the calendar year preceding The date of the report for items included in 10 CFR 50.75 (b) and (c).

$43,028,860

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c).

Amount Remaining	$90,819,280
# of years to collect	27

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections; 4.18% escalation factor; 5.76% after tax/fee earnings (These percentages are based upon CP&L's most recent rate case).

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c); No contracts. The source of funds for the external decommissioning fund is cost-of-service regulation.

6. Any modifications to a licensee's current method providing financial accurance occurring since the last submitted report. None

7. Any material changes to trust agreements. None

[1] The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

Central Power & Light Company
25.2 % Ownership of South Texas Project Unit-2

NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below and the attachment for the requested information:

1. The minimum decommissioning fund estimate, Pursuant to 10 CFR 50.75 (b) and (c)[1]

Total Required:	$79,882,740
Required on 12/31/00:	$21,021,774

2. The amount accumulated at the end of the calendar year preceding The date of the report for items included in 10 CFR 50.75 (b) and (c).

$50,976,919

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c).

Amount Remaining	$129,441,564
# of years to collect	28

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections; 4.18% escalation factor; 5.76% after tax/fee earnings (These percentages are based upon CP&L's most recent rate case).

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c); No contracts. The source of funds for the external decommissioning fund is cost-of-service regulation.

6. Any modifications to a licensee's current method providing financial accurance occurring since the last submitted report. None

7. Any material changes to trust agreements. None

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[1] The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

City Public Service of San Antonio
28 % Ownership of South Texas Project Unit 1

NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below and the attachment for the requested information:

1. The minimum decommissioning fund estimate, Pursuant to 10 CFR 50.75 (b) and (c)[1]

Total Required	**$ 114,366,000**
Required @ 12/31/00	**$ 30,909,730**

2. The amount accumulated at the end of the calendar year preceding The date of the report for items included in 10 CFR 50.75 (b) and (c).

$ 52,649,177

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c).

Amount remaining	**$ 197,721,000**
# of years to collect	**27**

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections; **6.36% escalation rate; earning rate assumptions ranged from 4.78% to 6.76%**

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c);

None

6. Any modifications to a licensee's current method providing financial accurance occurring since the last submitted report.

None

7. Any material changes to trust agreements.
   Annual payments increased from $3,780,000 to $7,323,000

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[1] The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

City Public Service of San Antonio
28 % Ownership of South Texas Project Unit 2

NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below and the attachment for the requested information:

1. The minimum decommissioning fund estimate, Pursuant to 10 CFR 50.75 (b) and (c)[1]

Total Required	**$ 114,366,000**
Required @ 12/31/00	**$ 30,096,316**

2. The amount accumulated at the end of the calendar year preceding The date of the report for items included in 10 CFR 50.75 (b) and (c).

$ 64,242,386

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c).

Amount remaining	**$ 220,248,000**
# of years to collect	**28**

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections; **6.36% escalation rate; earning rate assumptions ranged from 4.78% to 6.76%**

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c);

None

6. Any modifications to a licensee's current method providing financial accurance occurring since the last submitted report.

None

7. Any material changes to trust agreements.
   Annual payments increased from $5,052,000 to $7,866,000

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[1] The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

City of Austin – Austin Energy
16- % Ownership of South Texas Project Unit-1
NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below and the attachment for the requested information:

1. The minimum decommissioning fund estimate,
   Pursuant to 10 CFR 50.75 (b) and (c)[1] Total Required **$50,725,920**
   Required @ 12/31/00 **$13,709,708**

2. The amount accumulated at the end of the calendar year preceding The date of the report for items included in 10 CFR 50.75 (b) and (c).

   $30,012,805

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c).

   Amount Remaining **$54,553,661**

   # of years to collect **26.5**

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections;

   Annual contribution to the decommissioning costs approved by the local regulatory authority; **5.17% escalation rate; 6.70% earnings rate**

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c)? **None**

6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report? **None**

7. Any material changes to trust agreements? **No material changes, external trust agreement services were extended with a new five-year compensation arrangement.**

[1] The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

City of Austin – Austin Energy
16- % Ownership of South Texas Project Unit-2
NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below and the attachment for the requested information:

1. The minimum decommissioning fund estimate,
   Pursuant to 10 CFR 50.75 (b) and (c)[1] Total Required **$50,725,920**
   Required @ 12/31/00 **$13,348,926**

2. The amount accumulated at the end of the calendar year preceding The date of the report for items included in 10 CFR 50.75 (b) and (c).

   $35,531,059

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c).

   Amount Remaining **$81,188,563**

   # of years to collect **28**

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections;

   Annual contribution to the decommissioning costs approved by the local regulatory authority; **5.17% escalation rate; 6.70% earnings rate**

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c); **None**

6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report? **None**

7. Any material changes to trust agreements? **No material changes, external trust agreement services were extended with a new five-year compensation arrangement.**

[1] The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.