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Indian Point Units 1 and 2
Docket Nos. 50-3 and 50-247
NL-01-039

April 2, 2001

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Mail Station PI-137
Washington, D.C. 20555-0001

Subject: Decommissioning Funding Status Report - Indian Point Units 1 and 2

Gentlemen:

Pursuant to 10 CFR 50.75(f)(1), Consolidated Edison Company of New York, Inc. (Con Edison) submits the following report on the status of decommissioning funding for Con Edison's two nuclear units, Indian Point Units 1 and 2. Con Edison is the sole owner of both units. Con Edison originally submitted information to the NRC regarding decommissioning funding for these units by letter to the NRC dated July 17, 1990. The data presented herein is provided as of December 31, 2000, and reflects the best information available to Con Edison as of that time. Unless otherwise indicated, the amounts are set forth in 2000 dollars.

No new regulatory commitments are being made by Con Edison in this correspondence.

Should NRC staff have any questions regarding this matter, please contact Ms. Lori Posey, Accounting Manager, at (212) 460-6908.

Respectfully submitted,

A. Alan Blind

Attachments

A001

cc: Mr. Hubert J. Miller
Regional Administrator-Region I
U.S. Nuclear Regulatory Commission
475 Allendale Road
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Mr. Patrick D. Milano, Senior Project Manager, Section 1
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Division of Licensing Project Management
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Mr. John Minns, Project Manager – Indian Point Unit 1
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NRC DECOMMISSIONING FUNDING STATUS REPORT
of
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
for the
INDIAN POINT 1 AND INDIAN POINT 2
NUCLEAR POWER UNITS
as of
DECEMBER 31, 2000

1. The amount of decommissioning funds anticipated to be required in accordance with the NRC minimum certification funding amount formula 10 CFR 50.75(b) and (c) for nuclear decommissioning:¹

(a) Low Level Waste Direct Disposal		
<u>Indian Point 1</u>	<u>Indian Point 2</u>	<u>Total</u>
\$454.3 million	\$527.0 million	\$981.3 million

(b) Low Level Waste Disposition by Waste Vendors		
<u>Indian Point 1</u>	<u>Indian Point 2</u>	<u>Total</u>
\$264.6 million	\$306.9 million	\$571.5 million

2. The amount of funds (net of taxes) accumulated to the end of calendar year 2000 for nuclear decommissioning:

<u>Indian Point 1</u>	<u>Indian Point 2</u>	<u>Total</u>
\$113.6 million	\$217.0 million	\$330.6 million

3. Schedule of the annual amounts remaining to be collected:

<u>Year</u>	<u>Indian Point 1</u>	<u>Indian Point 2</u>	<u>Total</u>
2001-2005 ^{2,3}	\$6.8 million	\$14.5 million	\$21.3 million

¹ Costs associated with decommissioning as reported herein reflect the activities necessary to decommission the facility as defined in 10 CFR 50.2. The decommissioning costs are calculated based on the information provided in NUREG-1307, Revision No. 9, which is stated in 2000 dollars.

² Under a 1995 electric rate agreement, the New York State Public Service Commission ("PSC") approved an annual decommissioning expense allowance for the nuclear portion of the plants of \$21.3 million. The determination of the contribution amount was based on a 1994 site-specific decommissioning study. The site-specific study concluded that the total costs of nuclear decommissioning for Indian Point Units 1 and 2 amounted to \$657 million in 1993 dollars, \$252 million of which represented spent nuclear fuel storage costs after Indian Point 2's operating license expiration in September 2013. This study concluded that the costs of decommissioning Indian Point Units 1 & 2 excluding spent fuel storage costs amounted to \$405 million.

3. Schedule of the annual amounts remaining to be collected (continued):

<u>Year</u>	<u>Indian Point 1</u>	<u>Indian Point 2</u>	<u>Total</u>
2006-2013 ³	(See footnote 3)		

4. The assumptions used in settlement agreements between Con Edison and the PSC (see footnote 3) regarding escalation in decommissioning costs and rates of earnings on decommissioning funds are as follows:

Assumed decommissioning cost escalation rate	3.25%
Assumed rate of earnings on decommissioning funds (after taxes)	6.00%

5. Con Edison is not relying upon any contracts pursuant to 10 CFR 50.75(e)(1)(v).
6. Except as set forth herein (see footnotes 2 and 3), there have been no modifications to Con Edison's current method of providing nuclear decommissioning financial assurance since the July 17, 1990 report.
7. There have been no material changes pertaining to Indian Point Units 1 and 2 nuclear decommissioning trust agreements.

³ A September 23, 1997 settlement agreement approved by the PSC was amended by a global settlement agreement entered into by Con Edison extending through March 31, 2005. These agreements provide for the recovery of decommissioning costs for Indian Point Units 1 and 2, and reflect the rate recovery of site-specific decommissioning costs in 2000 dollars of \$822.0 million. The site-specific costs include certain costs that are not covered by the NRC minimum requirement. As set forth in items 1(a) and 1(b) herein, the current NRC minimum is between \$571.5 million and \$981.3 million in 2000 dollars for both units. At the end of the current PSC agreement, Con Edison would propose to the PSC to reflect a decommissioning cost allowance consistent with any site-specific study for Indian Point Units 1 and 2 and then-current NRC minimum decommissioning cost estimates. In November 2000, Con Edison entered into an agreement with Entergy for the sale of its Indian Point nuclear plant which provides for the transfer of \$430 million of decommissioning trust funds at closing. Under this agreement Entergy will assume full responsibility for the decommissioning of Indian Point 1 and 2 upon completion of the sale transaction.