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Document Control Desk
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Subject: Virgil C. Summer Nuclear Station
Docket No. 50/395
Operating License No. NPF-12
Report on Status of Decommissioning Funding

Gentlemen:

The South Carolina Public Service Authority (Authority) and South Carolina Electric & Gas Company (SCE&G) have ownership interests of one-third and two-thirds, respectively, in the Virgil C. Summer Nuclear Station (VCSNS). As provided in 10 CFR § 50.75 (f)(1), each power reactor licensee is required to report to the Nuclear Regulatory Commission (NRC) on a calendar year basis, beginning March 31, 1999, and every two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The required information is shown in Attachment 1. SCE&G has advised the Authority that it will disclose the required information relative to its two-thirds ownership share in a separate submittal.

The Authority's one-third share of the NRC formula minimum funding requirement is approximately \$100 million in 2000 dollars. This liability is funded by payments to an external sinking fund as provided for in 10 CFR § 50.75. The escalated liability for these costs is expected to total \$324 million, stated in dollars of the year of expenditure. Funding is made on a levelized basis over the plant's remaining operating license. The market value of the external fund was approximately \$35.5 million as of December 31, 2000.

A site-specific decommissioning study completed in 2000 identified the Authority's share of decommissioning costs in excess of NRC formula minimum funding requirements in the approximate amount of \$44 million in 2000 dollars. The escalated liability for excess costs is expected to total approximately \$230 million, stated in dollars of the year of expenditure. This additional liability is funded on a levelized basis through an internal fund over the plant's remaining operating license. The market value of the internal fund was approximately \$40 million as of December 31, 2000.

If there are any questions concerning this report, please contact me at (843) 761-4093 or Michelle Leonard at (843) 761-8000 extension 5527.

Sincerely,


Maxie C. Chaplin
Senior Vice President
Generation

Attachment

cc: L. A. Reyes
K. R. Cotton
NRC Resident Inspector

ADD1

NRC DECOMMISSIONING FUNDING STATUS REPORT

1(a). The minimum decommissioning fund estimate,
pursuant to 10 CFR § 50.75 (b) and (c).

\$99,849,867

Base Amount for PWR between 1200 MWt and 3400 MWt

$$\begin{aligned} \text{Estimated Cost (Year X)} &= (1986 \text{ \$ Base Cost}) (A_{L_x} + B_{E_x} + C_{B_x}) \\ &= (\$100,520,000) \{(.65 \times 1.677) + (.13 \times 1.205) + (.22 \times 7.878)\} \\ &= \$299,549,600 \end{aligned}$$

Authority's one-third ownership share of 2000 Estimated Cost = \$99,849,867

Where:

$$\begin{aligned} p &= 2,900 \text{ MWt} \\ A &= .65 \text{ (NUREG 1307 Rev. 9)} \\ B &= .13 \text{ (NUREG 1307 Rev. 9)} \\ C &= .22 \text{ (NUREG 1307 Rev. 9)} \\ L_x &= 1.667 \text{ (Computed Below)} \\ E_x &= 1.205 \text{ (Computed Below)} \\ P_x &= 1.161 \text{ (Computed Below)} \\ F_x &= 1.265 \text{ (Computed Below)} \\ B_x &= 7.878 \text{ (NUREG 1307 Rev. 9)} \end{aligned}$$

$$\begin{aligned} 1986 \text{ \$ Base Cost} &= (\$75,000,000 + .0088 \text{ pmillion}) \\ &= (\$75,000,000 + 25,520,000) \\ &= \$100,520,000 \end{aligned}$$

$$\begin{aligned} L_x &= (148.6)_{\text{Base 1989}} \times (1.441)_{\text{Scaling Factor}} / (127.7)_{\text{Base 1981}} \\ &= 1.677 \end{aligned}$$

$$\begin{aligned} P_x &= 12/98 \text{ Value} / \text{January 1986 Value} \\ &= 132.6 / 114.2 \\ &= 1.161 \end{aligned}$$

$$\begin{aligned} F_x &= 12/98 \text{ Value} / \text{January 1986 Value} \\ &= 103.7 / 82 \\ &= 1.265 \end{aligned}$$

$$\begin{aligned} E_x &= \{(.58P_x) + (.42F_x)\} \\ &= \{(.58 \times 1.161) + (.42 \times 1.265)\} \\ &= 1.205 \end{aligned}$$

December 31, 2000 values in the following Bureau of Labor Statistics indices were used to compute NRC minimum requirements:

Employment Cost Index – South Region
Series ID: ecu13202I

Producer Price Index – Commodities
Series ID: wpu0543

Producer Price Index – Commodities
Series ID: wpu0573

NRC DECOMMISSIONING FUNDING STATUS REPORT (cont'd)

- 1(b). Escalation of the Authority's one-third share of the minimum funding requirement through the end of decommissioning.

Cost categories Labor, Materials & Equipment, Burial, and Other were estimated in a recent site-specific decommissioning study. These costs were escalated through the end of the decommissioning period based on various indices and estimates. Ultimate decommissioning costs to be funded from the external trust are estimated at \$324 million in escalated dollars. These costs are shown as payments in years 2022 through 2027 in Item 3 below.

2. Market value of the external trust fund at December 31, 2000 for items included in 10 CFR § 50.75. \$ 35,446,897
3. Schedule of annual amounts remaining to be collected for items in 10 CFR § 50.75.

Year	External Trust Beg. Balance - Book Value	Annual Deposits/(Pmts.)	Earnings	Ending Balance	
2001	31,797,474	4,153,800	2,302,137	38,253,411	Rate 2001
2002	38,253,411	4,153,800	2,295,205	44,702,416	0.07240
2003	44,702,416	4,153,800	2,682,145	51,538,361	
2004	51,538,361	4,153,800	3,092,302	58,784,462	Rate after 2002
2005	58,784,462	4,153,800	3,527,068	66,465,330	0.06000
2006	66,465,330	4,153,800	3,987,920	74,607,050	
2007	74,607,050	4,153,800	4,476,423	83,237,273	
2008	83,237,273	4,153,800	4,994,236	92,385,309	
2009	92,385,309	4,153,800	5,543,119	102,082,228	
2010	102,082,228	4,153,800	6,124,934	112,360,962	
2011	112,360,962	4,153,800	6,741,658	123,256,419	
2012	123,256,419	4,153,800	7,395,385	134,805,604	Monthly Deposit
2013	134,805,604	4,153,800	8,088,336	147,047,741	346,150
2014	147,047,741	4,153,800	8,822,864	160,024,405	
2015	160,024,405	4,153,800	9,601,464	173,779,669	
2016	173,779,669	4,153,800	10,426,780	188,360,250	Monthly Deposit
2017	188,360,250	4,153,800	11,301,615	203,815,665	After 2021
2018	203,815,665	4,153,800	12,228,940	220,198,404	0
2019	220,198,404	4,153,800	13,211,904	237,564,109	
2020	237,564,109	4,153,800	14,253,847	255,971,755	
2021	255,971,755	4,153,800	15,358,305	275,483,860	
2022	275,483,860	(18,403,234)	15,424,838	272,505,464	
2023	272,505,464	(51,850,829)	13,239,278	233,893,913	
2024	233,893,913	(64,163,366)	10,183,833	179,914,380	
2025	179,914,380	(67,919,500)	6,719,693	118,714,573	
2026	118,714,573	(70,691,581)	2,881,380	50,904,372	
2027	50,904,372	(50,897,397)	418	7,393	

NRC DECOMMISSIONING FUNDING STATUS REPORT (cont'd)

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections follow:
 - The plant will be decommissioned immediately upon license expiration (DECON alternative).
 - Costs will escalate in accordance with the predicted behavior of applicable indices for labor (4%), material and equipment (approximately 2%), waste burial (8.4%) and other (approximately 3.3%).
 - Waste vendors will be utilized.
 - The trust fund will accrue earnings in accordance with predicted effective yield (6% after 2002).
 - All necessary funds will be on deposit at the time the plant is shut down.
5. Contracts upon which the licensee is relying pursuant to 10 CFR § 50.75 (e) (1) (v).

None.
6. Modifications to the current funding assurance methods.

None.
7. Material changes to Trust Agreements.

None.