Niagara Mohawk

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March 30, 2001
NMP1L 1585

U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555

RE:	Nine Mile Point Unit 1 Docket No. 50-220 DPR-63	Nine Mile Point Unit 2 Docket No. 50-410 NPF-69

Subject: ***Decommissioning Funding Status Report***

Gentlemen:

Pursuant to the requirement of 10 CFR 50.75(f)(1), Niagara Mohawk Power Corporation (NMPC) provides the attached information relative to the status of the decommissioning funds for Nine Mile Point Units 1 and 2 (NMP1 and NMP2). Attachment 1 contains information for NMP1 and Attachment 2 contains information for NMP2. The NMP2 information includes a summary of information provided to NMPC by the other co-owners, Long Island Lighting Company (dba Long Island Power Authority), New York State Electric & Gas Corporation, Rochester Gas and Electric Corporation, and Central Hudson Gas & Electric Corporation. NMPC has not independently verified the information provided by these co-owners. The decommissioning funding estimates do not include the costs of dismantling non-radiological systems and structures or the cost of managing and storing spent fuel on site.

Sincerely,

John T. Conway
Vice President Nuclear Generation

JTC/JJD/mlg

Attachment 1: NMP1 Decommissioning Funding Status Report – 2 pages
Attachment 2: NMP2 Decommissioning Funding Status Report – 10 pages

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xc: Mr. H. J. Miller, NRC Regional Administrator, Region I
Mr. G. K. Hunegs, NRC Senior Resident Inspector
Ms. M. K. Gamberoni, Section Chief PD-I, Section 1, NRR
Mr. P. S. Tam, Senior Project Manager, NRR
Records Management

Attachment 1
NMP1L 1585

NRC - DECOMMISSIONING FUNDING STATUS REPORT
NIAGARA MOHAWK POWER CORPORATION (NMPC)
NINE MILE POINT UNIT 1
($ in Millions)
SUMMARY

			Ownership Share
		NMPC	100%
(1)	NRC Minimum Fund Estimate:	$376.90	
	Burial Method Used:	Waste Vendor	
(2)	Amount accumulated at end of 2000:	$242.40	
(3)	Amount remaining to be collected and years remaining to collect	See page 2	
(4)	Assumptions		
	Rate of Return on Fund:	6.3%	
	Inflation:	3.5%	
	Other Factors:	N/A	

(5) Long-Term Contracts relied upon for Decommissioning Funding Assurance

Explain: N/A

(6) Modifications to Method of Funding or Material Changes to Trust Agreements

Explain: "On November 1, 1999, the Nuclear Decommissioning fund's long term investments were liquidated and placed in short-term investments. Mellon Capital Management was hired to manage the short-term investments for both the qualified and non-qualified funds. This change in investment strategy was adopted because Niagara Mohawk Power Corporation had entered into a purchase agreement on the unit, and wanted to minimize market risk leading up to the closing."

NIAGARA MOHAWK POWER CORPORATION
NINE MILE POINT UNIT 1
SCHEDULE OF ANNUAL AMOUNTS TO BE COLLECTED
($ IN MILLIONS)

YEAR	$ [1]
2001	$ 23.2
2002	$ 23.2
2003	$ 23.2
2004	$ 23.2
2005	$ 23.2
2006	$ 23.2
2007	$ 23.2
2008	$ 23.2
2009	$ 16.3
TOTAL	**$202.1**

[1] Annual amounts are rounded and as a result the summation of the annual collections does not equal the total. The total accurately reflects the expected collection as currently planned.

NRC - DECOMMISSIONING FUNDING STATUS REPORT
NIAGARA MOHAWK POWER CORPORATION (NMPC)
NINE MILE POINT UNIT 2
($ in Millions)
SUMMARY

		NMPC	Ownership Share 41%
(1)	NRC Minimum Fund Estimate:	$172.86	
	Burial Method Used:	Waste Vendor	
(2)	Amount accumulated at end of 2000:	$78.53	
(3)	Amount remaining to be collected and years remaining to collect	See page 2	
(4)	Assumptions		
	Rate of Return on Fund:	6.9%	
	Inflation:	3.5%	
	Other Factors:	N/A	

(5) Long-Term Contracts relied upon for Decommissioning Funding Assurance

Explain: N/A

(6) Modifications to Method of Funding or Material Changes to Trust Agreements

Explain: "On November 1, 1999, the Nuclear Decommissioning fund's long term investments were liquidated and placed in short-term investments. Mellon Capital Management was hired to mange the short-term investments for both the qualified and non-qualified funds. This change in investment strategy was adopted because Niagara Mohawk Power Corporation had entered into a purchase agreement on the unit, and wanted to minimize market risk leading up to the closing."

NIAGARA MOHAWK POWER CORPORATION
NINE MILE POINT UNIT 2
SCHEDULE OF ANNUAL AMOUNTS TO BE COLLECTED
($ IN MILLIONS)

YEAR	$ [1]
2001	$4.8
2002	$4.8
2003	$4.8
2004	$4.8
2005	$4.8
2006	$4.8
2007	$4.8
2008	$4.8
2009	$4.8
2010	$4.8
2011	$4.8
2012	$4.8
2013	$4.8
2014	$4.8
2015	$4.8
2016	$4.8
2017	$4.8
2018	$4.8
2019	$4.8
2020	$4.8
2021	$4.8
2022	$4.8
2023	$4.8
2024	$4.8
2025	$4.8
2026	$4.0
TOTAL	**$123.4**

1 Annual amounts are rounded and as a result the summation of the annual collections does not equal the total. The total accurately reflects the expected collection as currently planned.

NRC - DECOMMISSIONING FUNDING STATUS REPORT
LONG ISLAND POWER AUTHORITY (LIPA)
NINE MILE POINT UNIT 2
($ in Millions)
SUMMARY

			Ownership Share
		LIPA	18%
(1)	NRC Minimum Fund Estimate:	$ 75.9	
	Burial Method Used:	Waste Vendor	
(2)	Amount accumulated at end of 2000:	$29.28	
(3)	Amount remaining to be collected and years remaining to collect	See page 4	
(4)	Assumptions		
	Rate of Return on Fund:	6.0%	
	Inflation:	3.0%	
	Other Factors:	N/A	
(5)	Long-Term Contracts relied upon for Decommissioning Funding Assurance		
	Explain:	N/A	
(6)	Modifications to Method of Funding or Material Changes to Trust Agreements		
	Explain:	No material changes.	

LONG ISLAND POWER AUTHORITY
NINE MILE POINT UNIT 2
SCHEDULE OF ANNUAL AMOUNTS TO BE COLLECTED
($ IN MILLIONS)

YEAR	$ [1]
2001	$2.04
2002	$2.04
2003	$2.04
2004	$2.04
2005	$2.04
2006	$2.04
2007	$2.04
2008	$2.04
2009	$2.04
2010	$2.04
2011	$2.04
2012	$2.04
2013	$2.04
2014	$2.04
2015	$2.04
2016	$2.04
2017	$2.04
2018	$2.04
2019	$2.04
2020	$2.04
2021	$2.04
2022	$2.04
2023	$2.04
2024	$2.04
2025	$2.04
2026	$2.04
TOTAL	**$ 53.09**

1 Annual amounts are rounded and as a result the summation of the annual collections does not equal the total. The total accurately reflects the expected collection as currently planned.

NRC - DECOMMISSIONING FUNDING STATUS REPORT
NEW YORK STATE ELECTRIC & GAS (NYSEG)
NINE MILE POINT UNIT 2
($ in Millions)
SUMMARY

			Ownership Share
		NYSEG	18%
(1)	NRC Minimum Fund Estimate:	$75.86	
	Burial Method Used:	Waste Vendor	
(2)	Amount accumulated at end of 2000:	$31.6	
(3)	Amount remaining to be collected and years remaining to collect	See page 6	
(4)	Assumptions		
	Rate of Return on Fund:	6.3%	
	Inflation:	3.5%	
	Other Factors:	N/A	
(5)	Long-Term Contracts relied upon for Decommissioning Funding Assurance		
	Explain:	N/A	
(6)	Modifications to Method of Funding or Material Changes to Trust Agreements		
	Explain:	N/A	

NEW YORK STATE ELECTRIC & GAS
NINE MILE POINT UNIT 2
SCHEDULE OF ANNUAL AMOUNTS TO BE COLLECTED
($ IN MILLIONS)

YEAR	$[1]
2001	$4.1
2002	$4.1
2003	$4.1
2004	$4.1
2005	$4.1
2006	$4.1
2007	$4.1
2008	$4.1
2009	$4.1
2010	$4.1
2011	$4.1
2012	$4.1
2013	$4.1
2014	$4.1
2015	$4.1
2016	$4.1
2017	$4.1
2018	$4.1
2019	$4.1
2020	$4.1
2021	$4.1
2022	$4.1
2023	$4.1
2024	$4.1
2025	$4.1
2026	$4.1
TOTAL	**$105.6**

1 Annual amounts are rounded and as a result that the summation of the annual collections does not equal the total. The total accurately reflects the expected collection as currently planned.

NRC - DECOMMISSIONING FUNDING STATUS REPORT
ROCHESTER GAS AND ELECTRIC (RG&E)
NINE MILE POINT UNIT 2
($ in Millions)
SUMMARY

		RG&E	Ownership Share 14%
(1)	NRC Minimum Fund Estimate:	$58.60	
	Burial Method Used:	Waste Vendor	
(2)	Amount accumulated at end of 2000:	$32.90	
(3)	Amount remaining to be collected and years remaining to collect	See page 8	
(4)	Assumptions		
	Rate of Return on Fund:	6.4%	
	Inflation:	4.0%	
	Other Factors:	N/A	
(5)	Long-Term Contracts relied upon for Decommissioning Funding Assurance		
	Explain:	N/A	
(6)	Modifications to Method of Funding or Material Changes to Trust Agreements		
	Explain:	N/A	

ROCHESTER GAS & ELECTRIC
NINE MILE POINT UNIT 2
SCHEDULE OF ANNUAL AMOUNTS TO BE COLLECTED
($ IN MILLIONS)

YEAR	$[1]
2001	$3.4
2002	$3.4
2003	$3.4
2004	$3.4
2005	$3.4
2006	$3.4
2007	$3.4
2008	$3.4
2009	$3.4
2010	$3.4
2011	$3.4
2012	$3.4
2013	$3.4
2014	$3.4
2015	$3.4
2016	$3.4
2017	$3.4
2018	$3.4
2019	$3.4
2020	$3.4
2021	$3.4
2022	$3.4
2023	$3.4
2024	$3.4
2025	$3.4
2026	$3.4
TOTAL	**$ 87.7**

1 Annual amounts are rounded and as a result the summation of the annual collections does not equal the total. The total accurately reflects the expected collection as currently planned.

NRC - DECOMMISSIONING FUNDING STATUS REPORT
CENTRAL HUDSON GAS & ELECTRIC (CHGEC)
NINE MILE POINT UNIT 2
($ in Millions)
SUMMARY

		CHGEC	Ownership Share 9%
(1)	NRC Minimum Fund Estimate:	$38.0	
	Burial Method Used:	Waste Vendor	
(2)	Amount accumulated at end of 2000:	$16.62	
(3)	Amount remaining to be collected and years remaining to collect	See page 10	
(4)	Assumptions		
	Rate of Return on Fund:	7.2%	
	Inflation:	3.5%	
	Other Factors:	N/A	
(5)	Long-Term Contracts relied upon for Decommissioning Funding Assurance		
	Explain:	N/A	
(6)	Modifications to Method of Funding or Material Changes to Trust Agreements		
	Explain:	N/A	

CENTRAL HUDSON GAS & ELECTRIC
NINE MILE POINT UNIT 2
SCHEDULE OF ANNUAL AMOUNTS TO BE COLLECTED
($ IN MILLIONS)

YEAR	$ [1]
2001	$3.1
2002	$3.1
2003	$3.1
2004	$3.1
2005	$3.1
2006	$3.1
2007	$3.1
2008	$3.1
2009	$3.1
2010	$3.1
2011	$3.1
2012	$3.1
2013	$3.1
2014	$3.1
2015	$3.1
2016	$3.1
2017	$3.1
2018	$3.1
2019	$3.1
2020	$3.1
2021	$3.1
2022	$3.1
2023	$3.1
2024	$3.1
2025	$3.1
2026	$3.1
TOTAL	**$80.6**

[1] Annual amounts are rounded and as a result the summation of the annual collections does not equal the total. The total accurately reflects the expected collection as currently planned.