



South Texas Project Electric Generating Station PO Box 289 Wadsworth, Texas 77483

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File No.: G25
10CFR50.75

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

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 funds available for decommissioning Units 1 and 2. The reports were prepared by the individual co-owners of the South Texas Project:

- Texas Genco, LP;
- AEP Texas Central Company;
- City Public Service Board of San Antonio; and
- City of Austin – Austin Energy.

The attached reports provide the following information for each co-owner:

- Estimated amount of decommissioning funds required;
- Amount accumulated by the end of calendar year 2002;
- A schedule of the annual amounts remaining to be collected;
- Assumptions used regarding rates of escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections;
- Contracts upon which the owners rely pursuant to 10CFR50.75(e)(1)(v);
- Modifications to method of providing financial fund assurance; and
- Material changes to trust agreements.

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


Frank H. Mallen
General Manager,
Financial Support

Attachments:

1. 2002 Decommissioning Funding Status Report – Texas Genco, LP
2. 2002 Decommissioning Funding Status Report – AEP Texas Central Company
3. 2002 Decommissioning Funding Status Report - City Public Service Board of San Antonio
4. 2002 Decommissioning Funding Status Report - City of Austin – Austin Energy

A001
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ATTACHMENT 1

SOUTH TEXAS PROJECT

2002 DECOMMISSIONING FUNDING STATUS REPORT

TEXAS GENCO, LP

Texas Genco, LP

**30.8% Ownership of South Texas Project Unit 1
NRC Decommissioning Funding Status Report**

As provided in 10CFR50.75(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 for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10CFR50.75(b) and (c)¹:

Total Required:	\$109,632,600
Required by 12/31/2002:	\$35,556,519

2. 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):

	\$67,644,241
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3. A schedule of the annual amounts remaining to be collected for items in 10CFR50.75(b) and (c):

Amount remaining:	\$49,548,077
Number of years to collect:	24.6

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 assumption range:	4.64% to 5.20%

5. Any contracts upon which the licensee is relying pursuant to 10CFR50.75(e)(1)(v):

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

	None
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7. Any material changes to trust agreements:

	The trust agreement was assigned by Reliant Energy, Incorporated, to Texas Genco, LP. In connection with the assignment, the agreement was amended and restated.
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¹The 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.

Texas Genco, LP
30.8% Ownership of South Texas Project Unit 2
NRC Decommissioning Funding Status Report

As provided in 10CFR50.75(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 for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10CFR50.75(b) and (c)¹:

Total Required:	\$109,632,600
Required by 12/31/2002:	\$34,620,821

2. 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):

	\$92,092,412
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3. A schedule of the annual amounts remaining to be collected for items in 10CFR50.75(b) and (c):

Amount remaining:	\$23,134,590
Number of years to collect:	25.9

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 assumption range:	4.64%-5.20%

5. Any contracts upon which the licensee is relying pursuant to 10CFR50.75(e)(1)(v):

None

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

None

7. Any material changes to trust agreements:

The trust agreement was assigned by Reliant Energy, Incorporated, to Texas Genco, LP. In connection with the assignment, the agreement was amended and restated.

¹The 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.

ATTACHMENT 2

SOUTH TEXAS PROJECT

2002 DECOMMISSIONING FUNDING STATUS REPORT

AEP TEXAS CENTRAL COMPANY

AEP Texas Central Company
25.2% Ownership of South Texas Project Unit 1
NRC DECOMMISSIONING FUNDING STATUS REPORT

As provided in 10CFR50.75(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 for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10CFR50.75(b) and (c)¹:

Total Required:	\$89,831,700
Required by 12/31/2002:	\$29,134,605

2. 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):

	\$44,495,556
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3. A schedule of the annual amounts remaining to be collected for items in 10CFR50.75(b) and (c):

Amount remaining:	\$84,007,834
Number of years to collect:	25

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 factor:	4.18%
Net earnings rate (after taxes and fees):	5.76%
(These percentages are based upon AEP Texas Central's most recent rate case.)	

5. Any contracts upon which the licensee is relying pursuant to 10CFR50.75(e)(1)(v):

**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 of providing financial assurance occurring since the last submitted report:

None

7. Any material changes to trust agreements:

None

¹The 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.

AEP Texas Central Company
25.2% Ownership of South Texas Project Unit 2
NRC DECOMMISSIONING FUNDING STATUS REPORT

As provided in 10CFR50.75(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 for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10CFR50.75(b) and (c)¹:

Total Required:	\$89,831,700
Required by 12/31/2002:	\$28,367,905

2. 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):

	\$53,941,428
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3. A schedule of the annual amounts remaining to be collected for items in 10CFR50.75(b) and (c):

Amount remaining:	\$120,195,738
Number of years to collect:	26

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 factor:	4.18%
Net earnings rate (after taxes and fees):	5.76%
(These percentages are based upon AEP Texas Central's most recent rate case).	

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

No contracts. The source of funds for the external decommissioning fund is cost-of-service regulation.	
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6. Any modifications to a licensee's current method of providing financial assurance occurring since the last submitted report:

	None
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7. Any material changes to trust agreements:

	None
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¹The 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.

ATTACHMENT 3

SOUTH TEXAS PROJECT

2002 DECOMMISSIONING FUNDING STATUS REPORT

CITY PUBLIC SERVICE OF SAN ANTONIO

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 for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10CFR50.75(b) and (c)¹:

Total Required:	\$107,898,000
Required by 12/31/2002:	\$34,993,946

2. 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):

	\$82,810,459
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3. A schedule of the annual amounts remaining to be collected for items in 10CFR50.75(b) and (c):

Amount remaining:	\$183,075,000
Number of years to collect:	25

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:	6.36%
Earning rate assumption range:	4.78% to 6.76%

5. Any contracts upon which the licensee is relying pursuant to 10CFR50.75(e)(1)(v):

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

	None
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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 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 for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10CFR50.75(b) and (c)¹:

Total Required:	\$107,898,000
Required by 12/31/2002:	\$34,073,053

2. 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):

	\$100,349,428
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3. A schedule of the annual amounts remaining to be collected for items in 10CFR50.75(b) and (c):

Amount remaining:	\$224,406,000
Number of years to collect:	26

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:	6.36%
Earning rate assumption range:	4.78% to 6.76%

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

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

	None
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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.

ATTACHMENT 4

SOUTH TEXAS PROJECT

2002 DECOMMISSIONING FUNDING STATUS REPORT

CITY OF AUSTIN – AUSTIN ENERGY

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

As provided in 10CFR50.75(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 for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10CFR50.75(b) and (c)¹:

Total Required:	\$57,078,542
Required by 12/31/2002:	\$18,511,960

2. 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):

	\$40,010,174
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3. A schedule of the annual amounts remaining to be collected for items in 10CFR50.75(b) and (c):

Amount remaining:	\$50,436,404
Number of years to collect:	24.5

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

Escalation rate:	5.17%
Earnings rate:	6.70%

5. Any contracts upon which the licensee is relying pursuant to 10CFR50.75(e)(1)(v):

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

	None
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7. Any material changes to trust agreements.

	No material changes, external trust agreement services have been extended through October 10, 2005.
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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 San Austin - Austin Energy
16% Ownership of South Texas Project Unit 2
NRC Decommissioning Funding Status Report

As provided in 10CFR50.75(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 for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10CFR50.75(b) and (c)¹:

Total Required:	\$57,078,542
Required by 12/31/2002:	\$18,024,803

2. 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):

	\$48,377,561
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3. A schedule of the annual amounts remaining to be collected for items in 10CFR50.75(b) and (c):

Amount remaining:	\$75,389,380
Number of years to collect:	26

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:	5.17%
Earnings rate:	6.70%

5. Any contracts upon which the licensee is relying pursuant to 10CFR50.75(e)(1)(v):

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

	None
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7. Any material changes to trust agreements:

	No material changes, external trust agreement services have been extended through October 10, 2005.
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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.