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March 21, 2003

U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Mail Stop P1-137
Washington, DC 20555-0001

Ladies and Gentlemen:

ULNRC-04829



**DOCKET NUMBER 50-483
CALLAWAY PLANT UNIT 1
UNION ELECTRIC CO.
FACILITY OPERATING LICENSE NPF-30
NUCLEAR DECOMMISSIONING PLANNING
10 CFR 50.75(F)(1)**

In accordance with established federal nuclear decommissioning planning reporting requirements (10 CFR 50.75, Reporting and Recordkeeping for Decommissioning Planning), the Attachment to this letter provides a decommissioning report (as required by 10 CFR 50.75(f)(1)), and other required financial information associated with decommissioning the Callaway Nuclear Plant.

Very truly yours,

A handwritten signature in black ink, appearing to read "Blosser", with a long horizontal flourish extending to the right.

John D. Blosser
Manager, Regulatory Affairs

PMB/mlo
Attachment

A001

Add: Michael Dusaniwskyj

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cc: U. S. Nuclear Regulatory Commission (Original and 1 copy)
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Mr. Jack N. Donohew (2 copies)
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U. S. Nuclear Regulatory Commission
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Manager, Electric Department
Missouri Public Service Commission
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NRC Decommissioning Funding Status Report — 2003

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.

1. The minimum decommissioning cost estimate, pursuant to 10 CFR 50.75 (b) and (c)¹: \$361,762,000 in January 2003 dollars using waste vendors. The decommissioning trust fund planning is based on a site specific cost estimate of \$515,339,000 for Callaway Plant in 2002 dollars. The site specific cost study was completed in August 2002 and uses the DECON method of decommissioning.
2. The amount accumulated in the decommissioning fund to the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c): \$167,407,035 after-tax liquidation value
3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c): \$6,758,965 per year for the remainder of the current operating license which expires October 18, 2024. Only \$5,069,224 will be collected in 2024 as it is not a full year.
4. 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: 3.855% escalation of decommissioning costs, 9.5016% pre-tax and fee nominal rate of earning, and 24.5283% effective federal and state composite income tax rate (These data are nominal averages; the Company evaluates a range of reasonable economic and financial assumptions to assure the future decommissioning liability is adequately funded.)
5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(v): none
6. Any modifications occurring to a licensee's current method of providing financial assurance since the last submitted report: none (The Company has used the "External Sinking Fund" method since 1985.)
7. Any material changes to trust agreements: none (The Bank of New York was appointed successor to Bankers Trust Company as trustee of the tax-qualified decommissioning trust, effective January 1, 2001. The previous trust agreement continues in place. There is a non-tax qualified trust, but that trust has never been funded.)

¹ The NRC formulas in section 10 CFR 50.75 (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