



CONNECTICUT YANKEE ATOMIC POWER COMPANY

HADDAM NECK PLANT
362 INJUN HOLLOW ROAD • EAST HAMPTON, CT 06424-3099
MAR 31 2004

Docket No. 50-213
CY-04-033

Re: 10 CFR 50.75(f)

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

Haddam Neck Plant
Decommissioning Funding Assurance

In accordance with 10 CFR 50.75(f), this letter provides information on the status of decommissioning funding for the Haddam Neck Plant. Attachment 1 provides the requested information.

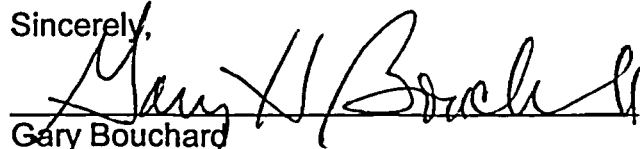
In December of 2003, Connecticut Yankee updated its site-specific decommissioning cost estimate to incorporate the most recent assumptions with respect to the remaining decommissioning activities and related costs. Connecticut Yankee expects to file a Federal Energy Regulatory Commission (FERC) rate case by July of 2004 to seek the required revenue.

The 2003 cost estimate will supercede the April, 2000 cost estimate that was filed with FERC on April 7, 2000, as supplemented April 27, 2000 (Docket No.ER97-913-001).

As of January 1, 2004, the remaining cost to complete NRC required decommissioning activities is \$175.1 million. The \$175.1 million is comprised of \$104.8 million for dismantlement and decontamination, \$56.8 million for radioactive waste, and \$13.5 million for Final Status Survey (FSS). The decommissioning cost estimate is in July 1, 2003 dollars.

If you should have any questions, please contact Mr. G. P. van Noordennen, Regulatory Affairs Manager, at (860) 267-3938.

Sincerely,


Gary Bouchard

Director, Nuclear Safety and Regulatory Affairs

3-31-04

Date

- cc: H. J. Miller, Region I Administrator
- T. B. Smith, NRC Senior Project Manager
- E. L. Wilds, Jr., Director, CT DEP Monitoring and Radiation Division

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Attachment 1 to CY-04-033 page 1 of 2
NRC Decommissioning Funding Status Report

Connecticut Yankee - Haddam Neck Plant
(status as of 12/31/03)

The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c). \$ 318.6 million⁽¹⁾

The amount accumulated at the end of the calendar year preceeding the date of the report for items included in 10 CFR 50.75 (b) and (c)⁽²⁾ \$ 159.0 million

A schedule of the annual amounts remaining to be collected; for items in 10 CFR 50.75 (b) and (c).

<i>amount remaining</i>	\$ 58.6 million ⁽³⁾
<i># years to collect</i>	3.5 years

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

As part of its April 7, 2000 filing as supplemented April 27, 2000, with FERC (Docket No.ER97-913-001), the Company, beginning September 1, 2000 under FERC Opinion 449 affirming its initial decision, has decreased its decommissioning accruals to an annual rate of \$16.7 million, continuing through mid-2007. This revised annual accrual is based on an annual 3.5 percent decommissioning cost escalation rate for costs subject to escalation and a 5.1 percent after-tax return on the trust funds.

Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(ii)(c);

Certification was provided in July 1990⁽⁴⁾ to certify the obligation of each wholesale purchaser from CYAPCO to be responsible for its share of the HNP decommissioning costs pursuant to the terms of the CYAPCO Power Contracts with each of its purchasers, which contracts have been filed as FERC approved rates.

⁽¹⁾ NUREG-1307 Revision 10, Report on Waste Burial Charges.

⁽²⁾ The amounts collected (market value) in the Trust are for all decommissioning costs including site restoration and long term spent fuel storage as well as decommissioning as defined in 10 CFR 50.2.

⁽³⁾ CYAPCO expects to file a FERC rate case by July 2004 to seek additional revenue.

⁽⁴⁾ CYAPCO Letter to USNRC, "Decommissioning Financial Assurance Certification Report," dated July 18, 1990.

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

There were no modifications to the current method of providing financial assurance since the last submitted report.

Any material changes to trust agreements.

There were no material changes to trust agreements in calendar year 2003.
