

March 23, 2005

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

Ladies and Gentlemen:

ULNRC-05130



**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 funding status report (as required by 10 CFR 50.75(f)(1)), and other required financial information associated with decommissioning the Callaway Nuclear Plant.

This letter does not contain any new commitments.

Very truly yours,

A handwritten signature in black ink that reads "Keith D. Young".

Keith D. Young
Manager, Regulatory Affairs

PMB/jdg

Attachment

A001

Mr. Bruce S. Mallett
Regional Administrator
U.S. Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-4005

Senior Resident Inspector
Callaway Resident Office
U.S. Nuclear Regulatory Commission
8201 NRC Road
Steedman, MO 65077

Mr. Jack N. Donohew (2 copies)
Licensing Project Manager, Callaway Plant
Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Mail Stop 7E1
Washington, DC 20555-2738

Missouri Public Service Commission
Governor Office Building
200 Madison Street
PO Box 360
Jefferson City, MO 65102-0360

Mr. Ron Reynolds
Director
Missouri State Emergency Management Agency
P.O. Box 116
Jefferson City, MO 65102

NRC Decommissioning Funding Status Report — 2005

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: \$375,300,000 using waste vendors and December 2004 escalation factors.
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): \$223,114,653 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): \$6,758,725 for year 2005 and \$6,758,605 per year for 2006 through year 2023. Only \$5,068,954 will be collected in 2024 as it is not a full year since our current operating license expires October 18, 2024. The collections in 2005 are slightly different than future years as we plan to transfer AmerenUE's Illinois customers to one of our Illinois operating companies and 2005 collections will be pro-rated accordingly.
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: 4.407% escalation of decommissioning costs, 9.5291% pre-tax and fee nominal rate of earning, and 20.000% 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: The Bank of New York was appointed successor to Bankers Trust Company as trustee of the tax-qualified and non-tax qualified decommissioning trusts, effective January 1, 2001. (Please note that non-tax qualified trust has never been funded.) The most recent trust agreement revision was made effective December 24, 2003 to comply with amendments that were made to 10CFR50.75 [67 FR 78332].

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.

Attachment to ULNRC-05130

8. The current annual real rate of return for Callaway's decommissioning fund is less than 2% based on the NRC required funding for Callaway. This decommissioning financial plan has been approved by the rate setting authorities for AmerenUE's service area.