



414 Nicollet Mall – MP4
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31 March 2009

L-XE-09-005
10 CFR 50.75(f)(1)

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

Prairie Island Nuclear Generating Plant,
Units 1 and 2
Dockets 50-282, 50-306
License Nos. DPR-42 and DPR-60

Monticello Nuclear Generating Plant
Docket 50-263
Renewed License No. DPR-22

Prairie Island Independent Spent Fuel
Storage Installation
Docket 72-10
Materials License No. SNM-2506

Decommissioning Funding Status Reports

The enclosed decommissioning funding status reports are being submitted in accordance with 10 CFR 50.75, "Reporting and Recordkeeping for Decommissioning Planning," Paragraph (f)(1), for the aforementioned plants. Per Regulatory Issue Summary (RIS) 2001-07, Rev. 1 the radiological decommissioning, spent fuel management, and site restoration cost are addressed in Enclosure 4. As holder of the plant operating licenses, Northern States Power Company, a Minnesota corporation (NSPM) d/b/a Xcel Energy is submitting these reports on behalf of the plant owner identified in each respective report. The financial information presented herein, current as of December 31, 2008.

This letter contains no new commitments and no revisions to existing commitments.

A handwritten signature in cursive script, appearing to read 'Gabor Salamon', followed by a horizontal line.

Gabor Salamon
Acting Director, Nuclear Licensing and Emergency Preparedness
Northern States Power-Minnesota/Xcel Energy

4 Enclosures

cc: Administrator, Region III, USNRC
Project Managers, above listed plants, USNRC
NRC Resident Inspectors, above listed plants, USNRC

ENCLOSURES

Enclosure	Plant	Title
1	Prairie Island Nuclear Generating Plant, Unit 1 (PI1)	Decommissioning Funding Status Report
2	Prairie Island Nuclear Generating Plant, Unit 2 (PI2)	Decommissioning Funding Status Report
3	Monticello Nuclear Generating Plant (MNGP)	Decommissioning Funding Status Report
4	All	Xcel Energy Breakdown of Annual Contributions and Trust Fund Balance (RIS 2001-0, Rev. 1)

4 pages follows

ENCLOSURE 1

Prairie Island Nuclear Generating Plant, Unit 1 Docket No. 50-282 License No. DPR-42 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 March 31, 1999, and every two years thereafter on the status of its decommissioning funding for each reactor or share of reactor it owns.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c). \$345,720,472

2. The amount accumulated at the end of the calendar year preceding the date of the report.
The internal fund is being transferred to the external fund on a prescribed schedule.
(Radiological only. Previous reports presented total Radiological, Spent Fuel, and Site Restoration Costs. For Breakdown of all components see pages 4 and 5)
- | | |
|-----------------|---------------|
| External | \$304,371,503 |
| Internal | \$1,007,688 |
| Total | \$305,379,191 |

3. A schedule of the annual amounts remaining to be collected.
The external funding amount is on a prescribed schedule per MPUC Docket# E-002/M-05-1648 effective March 23, 2006.
- | | |
|-----------------------|-------------------------|
| Annual Annuity | Years to Collect |
| \$11,254,252 | 4.8 yrs |

4. Assumptions used regarding escalation in decommissioning costs, rate of earnings on decommissioning funds and rates of other factors used in funding projections.
- | Plant Owner (% Ownership) | Rate of Earnings
(Nominal Rate Of Return) | Escalation Factor
(Inflation) | Real Rate of Return
(Projected) |
|--------------------------------------|--|----------------------------------|------------------------------------|
| Xcel Energy (100%)- Prairie Island 1 | 5.40% | 3.61% | 1.79% |

Basis for Allowance:

Xcel Energy files a triennial decommissioning study with the Minnesota Public Utilities Commission for approval. A portion of the study is dedicated to an internal analysis of inflation factors surrounding the various components necessary to perform the decommissioning function. The analysis utilizes long-range inflation projections published by Global Insight, the Consumer Price Index, and the Chained Price Index for Gross Domestic Product, as well as other forecasted data. Note: These rates apply to external funds only.

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e) (1) (v). None
6. Any modifications to a licensee's method of providing financial assurance occurring since the last submitted report. None
7. Any material changes to trust agreements. None

ENCLOSURE 2

Prairie Island Nuclear Generating Plant, Unit 2 Docket 50-306 License DPR-60 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 March 31, 1999, and every two years thereafter on the status of its decommissioning funding for each reactor or share of reactor it owns.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c). \$345,720,472

2. The amount accumulated at the end of the calendar year preceding the date of the report.
The internal fund is being transferred to the external fund on a prescribed schedule.
(Radiological only. Previous reports presented total Radiological, Spent Fuel, and Site Restoration Costs. For Breakdown of all components see pages 4 and 5)
- | | |
|-----------------|---------------|
| External | \$326,548,023 |
| Internal | \$1,282,479 |
| Total | \$327,830,502 |

3. A schedule of the annual amounts remaining to be collected.
The external funding amount is on a prescribed schedule per MPUC Docket# E-002/M-05-1648 effective March 23, 2006.
- | | |
|-----------------------|-------------------------|
| Annual Annuity | Years to Collect |
| \$12,655,613 | 5.8 yrs |

4. Assumptions used regarding escalation in decommissioning costs, rate of earnings on decommissioning funds and rates of other factors used in funding projections.

Plant Owner (% Ownership)	Rate of Earnings (Nominal Rate Of Return)	Escalation Factor (Inflation)	Real Rate of Return (Projected)
Xcel Energy (100%)- Prairie Island 2	5.40%	3.61%	1.79%

Basis for Allowance:

Xcel Energy files a triennial decommissioning study with the Minnesota Public Utilities Commission for approval. A portion of the study is dedicated to an internal analysis of inflation factors surrounding the various components necessary to perform the decommissioning function. The analysis utilizes long-range inflation projections published by Global Insight, the Consumer Price Index, and the Chained Price Index for Gross Domestic Product, as well as other forecasted data. Note: These rates apply to external funds only.

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e) (1) (v). None
6. Any modifications to a licensee's method of providing financial assurance occurring since the last submitted report. None
7. Any material changes to trust agreements. None

ENCLOSURE 3

**Monticello Nuclear Generating Plant
Docket No. 50-263 License No. DPR-22
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 March 31, 1999, and every two years thereafter on the status of its decommissioning funding for each reactor or share of reactor it owns.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c). \$498,552,739

2. The amount accumulated at the end of the calendar year preceding the date of the report.
The internal fund is being transferred to the external fund on a prescribed schedule.
(Radiological only. Previous reports presented total Radiological, Spent Fuel, and Site Restoration Costs. For Breakdown of all components see pages 4 and 5)

External	\$347,349,209
Internal	\$804,193
Total	\$348,153,402

3. A schedule of the annual amounts remaining to be collected.
The external funding amount is on a prescribed schedule per MPUC Docket# E-002/M-05-1648 effective March 23, 2006.

Annual Annuity	Years to Collect
\$6,217,024	11.75 yrs

4. Assumptions used regarding escalation in decommissioning costs, rate of earnings on decommissioning funds and rates of other factors used in funding projections.

Plant Owner (% Ownership)	Rate of Earnings (Nominal Rate Of Return)	Escalation Factor (Inflation)	Real Rate of Return (Projected)
Xcel Energy (100%)- Monticello	5.40%	3.61%	1.79%

Basis for Allowance:

Xcel Energy files a triennial decommissioning study with the Minnesota Public Utilities Commission for approval. A portion of the study is dedicated to an internal analysis of inflation factors surrounding the various components necessary to perform the decommissioning function. The analysis utilizes long-range inflation projections published by Global Insight, the Consumer Price Index, and the Chained Price Index for Gross Domestic Product, as well as other forecasted data. Note: These rates apply to external funds only.

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e) (1) (v). None

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

7. Any material changes to trust agreements. None

ENCLOSURE 4

The following table is the radiological decommissioning, spent fuel management, and site restoration segmentation of the trust fund balances for PI1 and PI2 and MNGP.

Trust Fund Balances

<i>Prairie Island Unit 1</i>	2008	2009
Radiological Decommissioning	370,245,731	305,379,191
Spent Fuel Management	24,146,461	19,916,034
Site Restoration	8,048,820	6,638,678
Total	402,441,012	331,933,904
<i>Prairie Island Unit 2</i>	2008	2009
Radiological Decommissioning	387,142,205	327,830,502
Spent Fuel Management	30,111,059	25,497,927
Site Restoration	12,904,741	10,927,684
Total	430,158,005	364,256,113
<i>Monticello</i>	2008	2009
Radiological Decommissioning	445,161,360	348,153,402
Spent Fuel Management	31,797,240	24,868,100
Site Restoration	12,229,708	9,564,654
Total	489,188,308	382,586,156

The following annual contributions table shows the approximate accrual segmentation for radiological decommissioning, spent fuel management, and site restoration for PI1 and PI2 and MNGP.

Annual Contributions

<i>Prairie Island Unit 1</i>	2008/2009	
Radiological Decommissioning	11,254,252	76.1%
Spent Fuel Management	2,262,688	15.3%
Site Restoration	1,279,421	8.6%
Total	14,796,361	100.0%
<i>Prairie Island Unit 2</i>	2008/2009	
Radiological Decommissioning	12,655,613	67.1%
Spent Fuel Management	4,218,637	22.4%
Site Restoration	1,972,830	10.5%
Total	18,847,080	100.0%
<i>Monticello Unit 1</i>	2008/2009	
Radiological Decommissioning	6,217,024	71.2%
Spent Fuel Management	1,687,552	19.3%
Site Restoration	821,901	9.4%
Total	8,726,477	100.0%