



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

March 31, 2009  
NOC-AE-09002406  
File No.: D57, G25  
10 CFR 50.75

U. S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
One White Flint North  
11555 Rockville Pike  
Rockville, MD 20852-2738

South Texas Project  
Units 1 and 2  
Docket Nos. STN 50-498, STN 50-499  
2009 Decommissioning Funding Status Report

Pursuant to 10 CFR 50.75(f), the STP Nuclear Operating Company (STPNOC) submits the attached reports on the status of funds available for decommissioning South Texas Project Units 1 and 2 effective December 31, 2008. The data were assembled by the individual co-owners of the South Texas Project:

- NRG South Texas LP;
- 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 2008;
- 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 10 CFR 50.75(e)(1)(v);
- Modifications to method of providing financial fund assurance; and
- Material changes to trust agreements.

There are no commitments in this letter.

If there are any questions, please contact either Mr. Philip L. Walker at (361) 972-8392 or me at (361) 972-8074.

George Harrison  
Director, Finance

PLW

Attachments:

1. 2009 Decommissioning Funding Status Report – NRG South Texas LP
2. 2009 Decommissioning Funding Status Report – City Public Service Board of San Antonio
3. 2009 Decommissioning Funding Status Report – City of Austin – Austin Energy

STI: 32446669

A 001  
NRR

cc:  
(paper copy)

Regional Administrator, Region IV  
U. S. Nuclear Regulatory Commission  
612 East Lamar Blvd., Suite 400  
Arlington, Texas 76011-8064

Mohan C. Thadani  
Senior Project Manager  
U.S. Nuclear Regulatory Commission  
One White Flint North (MS 7 D1)  
11555 Rockville Pike  
Rockville, MD 20852

Richard A. Ratliff  
Department of State Health Services  
Inspection Unit – Radiation Branch  
P.O. Box 149347  
Austin, TX 78714-9347

C. M. Canady  
City of Austin  
Electric Utility Department  
721 Barton Springs Road  
Austin, TX 78704

Senior Resident Inspector  
U. S. Nuclear Regulatory Commission  
P. O. Box 289, Mail Code: MN116  
Wadsworth, TX 77483

(electronic copy)

Kevin Howell  
Catherine Callaway  
Jim von Suskil  
NRG South Texas LP

A. H. Gutterman, Esquire  
Morgan, Lewis & Bockius LLP

Mohan C. Thadani  
U. S. Nuclear Regulatory Commission

J. J. Nesrsta  
R. K. Temple  
E. Alarcon  
Kevin Pollo  
City Public Service

C. Mele  
City of Austin

Jon C. Wood  
Cox Smith Matthews

**ATTACHMENT 1**

**SOUTH TEXAS PROJECT**

**2009 DECOMMISSIONING FUNDING STATUS REPORT**

**NRG SOUTH TEXAS LP**

**2009 DECOMMISSIONING FUNDING STATUS REPORT**  
**NRG South Texas LP**  
**13.2% Ownership of South Texas Project Unit 1**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c)<sup>1</sup>:

<b>Total Required:</b>	<b>\$52,868,707</b>
------------------------	---------------------
  
2. Amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75(b) and (c):

<b>Balance:</b>	<b>\$28,237,190<sup>2</sup></b>
-----------------	---------------------------------
  
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):

<b>Amount Remaining:</b>	<b>\$17,858,926<sup>3</sup></b>
<b>Number of Years to Collect:</b>	<b>18.65</b>
  
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

<b>Escalation Rate:</b>	<b>2.71%</b>
<b>Assumed Earnings Rate:</b>	<b>4.47% - 6.82%</b>
  
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

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

**None**
  
7. Material changes to trust agreements:

**NRG South Texas LP has proposed changes to the trust agreement that would become effective as of April 1, 2009, upon approval by the Public Utility Commission of Texas (PUCT). These changes were submitted for NRC review by STPNOC correspondence dated March 3, 2009<sup>4</sup>.**

- 
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.
  2. By Order dated October 10, 2008 in PUCT Docket No. 35772, NRG South Texas LP was granted approval to establish a separate spent fuel management subaccount. The amounts allocable to the spent fuel management subaccount are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.
  3. Target amounts to be collected were established by the PUCT-approved separate non-bypassable decommissioning charges established in PUCT Tariff Control No. 31271. Actual collections will vary but the separate non-bypassable decommissioning charges are intended to produce the targeted annual collection amounts established in PUCT Docket No. 35772.
  4. George R. Harrison, STP Nuclear Operating Company, to NRC Document Control Desk, "Notice Regarding Amendments to Nuclear Decommissioning Trust Agreements," (NOC-AE-09002401) (ML090680769)

**2009 DECOMMISSIONING FUNDING STATUS REPORT**  
**NRG South Texas LP**  
**30.8% Ownership of South Texas Project Unit 1**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c)<sup>1</sup>:

<b>Total Required:</b>	<b>\$123,360,316</b>
------------------------	----------------------
  
2. Amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75(b) and (c):

<b>Balance:</b>	<b>\$70,950,496<sup>2</sup></b>
-----------------	---------------------------------
  
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):

<b>Amount Remaining:</b>	<b>\$28,968,451<sup>3</sup></b>
<b>Number of Years to Collect:</b>	<b>18.65</b>
  
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

<b>Escalation Rate:</b>	<b>2.71%</b>
<b>Assumed Earnings Rate:</b>	<b>4.47% - 6.82%</b>
  
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

**The PUCT approved the Decommission Funds Collections Agreement by and between CenterPoint Energy Houston Electric, LLC (CNP) and Texas Genco, LP in which CNP collects the non-bypassable charges and deposits them directly into the trust.**
  
6. Modifications to a licensee's current method of providing financial assurance occurring since the last submitted report:

**None**
  
7. Material changes to trust agreements:

**NRG South Texas LP has proposed changes to the trust agreement that would become effective as of April 1, 2009, upon approval by the PUCT. These changes were submitted for NRC review by STPNOC letter dated March 3, 2009<sup>4</sup>.**

---

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.
2. By Order dated October 10, 2008 in PUCT Docket No. 35772, NRG South Texas LP was granted approval to establish a separate spent fuel management subaccount. The amounts allocable to the spent fuel management subaccount are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.
3. Target amounts to be collected were established by the PUCT-approved separate non-bypassable decommissioning charges established in PUCT Tariff Control No. 31271. Actual collections will vary but the separate non-bypassable decommissioning charges are intended to produce the targeted annual collection amounts established in PUCT Docket No. 35772.
4. George R. Harrison, STP Nuclear Operating Company, to NRC Document Control Desk, "Notice Regarding Amendments to Nuclear Decommissioning Trust Agreements," (NOC-AE-09002401) (ML090680769).

**2009 DECOMMISSIONING FUNDING STATUS REPORT**  
**NRG South Texas LP**  
**13.2% Ownership of South Texas Project Unit 2**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c)<sup>1</sup>:

<b>Total Required:</b>	<b>\$52,868,707</b>
------------------------	---------------------
  
2. Amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75(b) and (c):

<b>Balance:</b>	<b>\$35,549,487</b> <sup>2</sup>
-----------------	----------------------------------
  
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):

<b>Amount Remaining:</b>	<b>\$14,874,733</b> <sup>3</sup>
<b>Number of Years to Collect:</b>	<b>19.97</b>
  
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

<b>Escalation Rate:</b>	<b>2.71%</b>
<b>Assumed Earnings Rate:</b>	<b>4.47% - 6.82%</b>
  
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

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

**None**
  
7. Material changes to trust agreements:

**NRG South Texas LP has proposed changes to the trust agreement that would become effective as of April 1, 2009, upon approval by the PUCT. These changes were submitted for NRC review by STPNOC letter dated March 3, 2009<sup>4</sup>.**

- 
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.
  2. By Order dated October 10, 2008 in PUCT Docket No. 35772, NRG South Texas LP was granted approval to establish a separate spent fuel management subaccount. The amounts allocable to the spent fuel management subaccount are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.
  3. Target amounts to be collected were established by the PUCT-approved separate non-bypassable decommissioning charges established in PUCT Tariff Control No. 31271. Actual collections will vary but the separate non-bypassable decommissioning charges are intended to produce the targeted annual collection amounts established in PUCT Docket No. 35772.
  4. George R. Harrison, STP Nuclear Operating Company, to NRC Document Control Desk, "Notice Regarding Amendments to Nuclear Decommissioning Trust Agreements," (NOC-AE-09002401) (ML090680769)

**2009 DECOMMISSIONING FUNDING STATUS REPORT**  
**NRG South Texas, LP**  
**30.8% Ownership of South Texas Project Unit 2**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c)<sup>1</sup>:

<b>Total Required:</b>	<b>\$123,360,316</b>
------------------------	----------------------
  
2. Amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75(b) and (c):

<b>Balance:</b>	<b>\$92,039,915</b> <sup>2</sup>
-----------------	----------------------------------
  
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):

<b>Amount Remaining:</b>	<b>\$9,533,460</b> <sup>3</sup>
<b>Number of Years to Collect:</b>	<b>19.97</b>
  
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

<b>Escalation Rate:</b>	<b>2.71%</b>
<b>Assumed Earnings Rate:</b>	<b>4.47% – 6.82%</b>
  
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

**The PUCT approved the Decommission Funds Collections Agreement by and between CenterPoint Energy Houston Electric, LLC (CNP) and Texas Genco, LP in which CNP collects the non-bypassable charges and deposits them directly into the trust.**
  
6. Modifications to a licensee's current method of providing financial assurance occurring since the last submitted report:

**None**
  
7. Material changes to trust agreements:

**NRG South Texas LP has proposed changes to the trust agreement that would become effective as of April 1, 2009, upon approval by the PUCT. These changes were submitted for NRC review by STPNOC letter dated March 3, 2009<sup>4</sup>.**

- 
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.
  2. By Order dated October 10, 2008 in PUCT Docket No. 35772, NRG South Texas LP was granted approval to establish a separate spent fuel management subaccount. The amounts allocable to the spent fuel management subaccount are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.
  3. Target amounts to be collected were established by the PUCT-approved separate non-bypassable decommissioning charges established in PUCT Tariff Control No. 31271. Actual collections will vary but the separate non-bypassable decommissioning charges are intended to produce the targeted annual collection amounts established in PUCT Docket No. 35772.
  4. George R. Harrison, STP Nuclear Operating Company, to NRC Document Control Desk, "Notice Regarding Amendments to Nuclear Decommissioning Trust Agreements," (NOC-AE-09002401) (ML090680769)

**ATTACHMENT 2**

**SOUTH TEXAS PROJECT**

**2009 DECOMMISSIONING FUNDING STATUS REPORT**

**CITY PUBLIC SERVICE BOARD OF SAN ANTONIO**



**2009 DECOMMISSIONING FUNDING STATUS REPORT**  
**City Public Service Board of San Antonio**  
**12% Ownership of South Texas Project Unit 1**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)<sup>1</sup>:

<b>Total Required:</b>	<b>\$48,062,264</b>
------------------------	---------------------
  
2. Amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c):

<b>Balance:</b>	<b>\$26,743,056<sup>2</sup></b>
-----------------	---------------------------------
  
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c) (in current year dollars):

<b>Amount Remaining:</b>	<b>\$0<sup>3</sup></b>
<b>Number of Years to Collect:</b>	<b>19</b>
  
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

<b>Escalation Rate:</b>	<b>2.72%</b>
<b>Earnings Rate:</b>	<b>7.3%</b>
  
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c):

**None**
  
6. Modifications to a licensee's current method providing financial assurance occurring since the last submitted report.

**None**
  
7. Material changes to trust agreements.

**The Master Trust Agreement was revised effective February 4, 2009, in accordance with a PUCT order that provides for the allocation of funds for Unit 1 into an NRC license termination subaccount for funds already accumulated that are to be used for NRC license termination costs, and a post-shutdown spent fuel management subaccount for funds already accumulated that are to be used for spent fuel management-related costs expected to be incurred after shutdown commences.**

**Additionally, the Master Trust Agreement was revised to create an account for pre-shutdown decommissioning costs to fund pre-shutdown large component disposal costs and pre-shutdown spent fuel management costs. Further funds are being accumulated in this subaccount.**

---

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.
2. By Order dated November 20, 2008 in PUCT Docket No. 35786, CPS was granted approval to establish a separate spent fuel management subaccount. The amounts allocable to the spent fuel management subaccount are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.

3. City Public Service Board of San Antonio (CPS) estimates that the Trust is currently fully funded, based on the 2008 decommissioning cost study and updated escalation rates. Additional contributions ended on January 31, 2008. If future estimates indicate that further funding may be required, CPS would be able to apply to the PUCT to seek further funding for NRC license termination costs through cost-of-service recovery authorized by Texas law.

**2009 DECOMMISSIONING FUNDING STATUS REPORT**  
**City Public Service Board of San Antonio**  
**28% Ownership of South Texas Project Unit 1**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below:

1. Minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)<sup>1</sup>:

<b>Total Required:</b>	<b>\$112,145,283</b>
------------------------	----------------------
  
2. Amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c):

<b>Balance:</b>	<b>\$69,534,200</b> <sup>2</sup>
-----------------	----------------------------------
  
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c) (in current year dollars):

<b>Amount Remaining:</b>	<b>\$0</b> <sup>3</sup>
<b>Number of Years to Collect:</b>	<b>19</b>
  
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

<b>Escalation Rate:</b>	<b>2.72%</b>
<b>Earnings Rate:</b>	<b>7.3%</b>
  
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c):

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

**None**
  
7. Material changes to trust agreements:

**The Master Trust Agreement is being revised effective March 31, 2009, consistent with the PUCT order for its 12% interest that provides for the allocation of funds for Unit 1 into an NRC license termination subaccount for funds already accumulated that are to be used for NRC license termination costs, and a post-shutdown spent fuel management subaccount for funds already accumulated that are to be used for spent fuel management-related costs expected to be incurred after shutdown commences.**

**Additionally, the Master Trust Agreement is being revised to create an account for pre-shutdown decommissioning costs to fund pre-shutdown large component disposal costs and pre-shutdown spent fuel management costs. Further funds are being accumulated in this subaccount.**

---

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.
2. Consistent with the approach taken for its 12% interest in the Order dated November 20, 2008 in PUCT Docket No. 35786, CPS is establishing a separate spent fuel management subaccount. The amounts allocable to the spent fuel management subaccount are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.

3. CPS estimates that the Trust is currently fully funded, based on the 2008 decommissioning cost study and updated escalation rates. Additional contributions ended on January 31, 2008. If future estimates indicate that further funding may be required, CPS would be able to exercise its rate-setting authority to collect and accumulate further funds for NRC license terminate costs.

**2009 DECOMMISSIONING FUNDING STATUS REPORT**  
**City Public Service Board of San Antonio**  
**12% Ownership of South Texas Project Unit 2**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)<sup>1</sup>:

<b>Total Required:</b>	<b>\$48,062,264</b>
------------------------	---------------------
  
2. Amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c):

<b>Balance:</b>	<b>\$27,642,497<sup>2</sup></b>
-----------------	---------------------------------
  
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c) (in current year dollars):

<b>Amount Remaining</b>	<b>\$0<sup>3</sup></b>
<b>Number of Years to Collect:</b>	<b>20</b>
  
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

<b>Escalation Rate:</b>	<b>2.72%</b>
<b>Earnings Rate Assumption:</b>	<b>7.3%</b>
  
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c):

**None**
  
6. Modifications to a licensee's current method providing financial assurance occurring since the last submitted report.

**None**
  
7. Material changes to trust agreements.

**The Master Trust Agreement was revised effective February 4, 2009, in accordance with a Public Utility Commission of Texas order that provides for the allocation of funds for Unit 1 into an NRC license termination subaccount for funds already accumulated that are to be used for NRC license termination costs, and a post-shutdown spent fuel management subaccount for funds already accumulated that are to be used for spent fuel management-related costs expected to be incurred after shutdown commences.**

**Additionally, the Master Trust Agreement was revised to create an account for pre-shutdown decommissioning costs to fund pre-shutdown large component disposal costs and pre-shutdown spent fuel management costs. Further funds are being accumulated in this subaccount.**

---

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.
2. By Order dated November 20, 2008 in PUCT Docket No. 35786, CPS was granted approval to establish a separate spent fuel management subaccount. The amounts allocable to the spent fuel management subaccount are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.

3. CPS estimates that the Trust is currently fully funded, based on the 2008 decommissioning cost study and updated escalation rates. Additional contributions ended on January 31, 2008. If future estimates indicate that further funding may be required, CPS would be able to apply to the PUCT to seek further funding for NRC license termination costs through cost-of-service recovery authorized by Texas law.

**2009 DECOMMISSIONING FUNDING STATUS REPORT**  
**City Public Service Board of San Antonio**  
**28% Ownership of South Texas Project Unit 2**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)<sup>1</sup>:

<b>Total Required:</b>	<b>\$112,145,283</b>
------------------------	----------------------
  
2. Amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c).

<b>Balance:</b>	<b>\$84,399,677<sup>2</sup></b>
-----------------	---------------------------------
  
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c) (in current year dollars):

<b>Amount Remaining:</b>	<b>\$0<sup>3</sup></b>
<b>Number of Years to Collect:</b>	<b>20</b>
  
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections;

<b>Escalation Rate:</b>	<b>2.72%</b>
<b>Earnings Rate:</b>	<b>7.3%</b>
  
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(ii)(c);

**None**
  
6. Modifications to a licensee's current method providing financial assurance occurring since the last submitted report.

**None**
  
7. Material changes to trust agreements.

**The Master Trust Agreement is being revised effective March 31, 2009, consistent with the Public Utility Commission of Texas order for its 12% interest that provides for the allocation of funds for Unit 2 into an NRC license termination subaccount for funds already accumulated that are to be used for NRC license termination costs, and a post-shutdown spent fuel management subaccount for funds already accumulated that are to be used for spent fuel management-related costs expected to be incurred after shutdown commences.**

**Additionally, the Master Trust Agreement is being revised to create an account for pre-shutdown decommissioning costs to fund pre-shutdown large component disposal costs and pre-shutdown spent fuel management costs. Further funds are being accumulated in this subaccount.**

---

<sup>1</sup>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.

2. Consistent with the approach taken for its 12% interest in the Order dated November 200, 2008 in PUCT Docket No. 35786, CPS is establishing a separate spent fuel management subaccount. The amounts allocable to the spent fuel management subaccount are not included in the reported amount. The reported amount includes funds accumulated based upon a site specific study that includes license termination and other costs.

3. CPS estimates that the Trust is currently fully funded, based on the 2008 TLG cost study and updated escalation rates. Additional contributions ended on January 31, 2008. If future estimates indicate that further funding may be required, CPS would be able to exercise its rate-setting authority to collect and accumulate further funds for NRC license termination costs.



**ATTACHMENT 3**

**SOUTH TEXAS PROJECT**

**2009 DECOMMISSIONING FUNDING STATUS REPORT**

**CITY OF AUSTIN – AUSTIN ENERGY**

**2009 DECOMMISSIONING FUNDING STATUS REPORT**  
**City of Austin – Austin Energy**  
**16% Ownership of South Texas Project Unit 1**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)<sup>1</sup>:

<b>Total Required:</b>	<b>\$64,084,810</b>
------------------------	---------------------
  
2. Amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c):

<b>Balance:</b>	<b>\$45,332,160<sup>2</sup></b>
-----------------	---------------------------------
  
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c):

<b>Amount Remaining:</b>	<b>\$33,502,748</b>
<b>Number of Years to Collect:</b>	<b>19</b>
  
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

<b>Escalation Rate:</b>	<b>4.47%</b>
<b>Earnings Rate:</b>	<b>5.05%</b>
  
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c)?

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

**None**
  
7. Material changes to trust agreements:

**None**

- 
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.
  2. Austin Energy has established a separate spent fuel management subaccount. The amounts allocable to the spent fuel management subaccount are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.

**2009 DECOMMISSIONING FUNDING STATUS REPORT**  
**City of Austin – Austin Energy**  
**16% Ownership of South Texas Project Unit 2**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c)<sup>1</sup>:

<b>Total Required:</b>	<b>\$64,084,810</b>
------------------------	---------------------
  
2. Amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75(b) and (c):

<b>Balance:</b>	<b>\$54,779,645<sup>2</sup></b>
-----------------	---------------------------------
  
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):

<b>Amount Remaining:</b>	<b>\$28,777,325</b>
<b>Number of Years to Collect:</b>	<b>20</b>
  
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

<b>Escalation Rate:</b>	<b>4.47%</b>
<b>Earnings Rate:</b>	<b>5.05%</b>
  
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c):

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

**None**
  
7. Material changes to trust agreements:

**None**

- 
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.
  2. Austin Energy has established a separate spent fuel management subaccount. The amounts allocable to the spent fuel management subaccount are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.