



414 Nicollet Mall – MP4  
Minneapolis, MN 55401

March 31, 2010

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

U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555-0001

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

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. 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 is current as of December 31, 2009.

Enclosure 1 provides the PINGP Unit 1 Decommissioning Funding Status Report. Enclosure 2 provides the PINGP Unit 2 Decommissioning Funding Status Report. Enclosure 3, the Xcel Energy Breakdown of Annual Contributions and Trust Fund Balance, provides the radiological decommissioning, spent fuel management, and site restoration costs for PINGP Units 1 and 2 in accordance with the guidance of Regulatory Issue Summary (RIS) 2001-07, Rev. 1.

If there are any questions or if additional information is needed, please contact Mr. Dale Vincent, P.E., at 651-388-1121.

Summary of Commitments

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

Gabor Salamon  
Director, Nuclear Licensing and Emergency Preparedness  
Northern States Power Company - Minnesota

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Enclosures (3)

cc: Administrator, Region III, USNRC  
Project Manager, PINGP, USNRC  
Resident Inspector, PINGP, USNRC

## ENCLOSURE 1

### Prairie Island Nuclear Generating Plant (PINGP), Unit 1 Docket No. 50-282 License No. DPR-42 Decommissioning Funding Status Report

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c), in 2009 dollars.

\$348,642,686
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2. The amount accumulated at the end of the calendar year preceding the date of the report.

<b><i>External Qualified</i></b>	\$314,645,565
<b><i>External Escrow</i></b>	\$44,985,801
<b><i>Internal</i></b>	\$826,742
<b><i>Total</i></b>	\$360,458,108

(Radiological only. Previous reports presented total Radiological, Spent Fuel, and Site Restoration Costs. For breakdown of all components see Enclosure 3)

3. A schedule of the annual amounts remaining to be collected through rates from customers.

**The external funding amount is on a prescribed schedule per North Dakota Public Utility Commission (NDPUC) Docket# PU-07-776 effective December 19, 2008.**

<b><i>Annual Annuity</i></b>	<b><i>Years to Collect</i></b>
\$0	3.8 yrs

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

<b>Plant Owner (% Ownership)</b>	<b><i>Rate of Earnings (Nominal Rate Of Return)</i></b>	<b><i>Escalation Factor (Inflation)</i></b>	<b><i>Real Rate of Return (Projected)</i></b>
Xcel Energy (100%) - PINGP Unit 1	6.30%	2.89%	3.41%

Basis for Allowance:

Xcel Energy files a triennial decommissioning study with the Minnesota Public Utilities Commission (MPUC) 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. The rate of earnings and escalation factors were approved by the MPUC in the most recent triennial decommissioning study completed by the company, MPUC Docket# E-002/M-08-1201, effective June 12, 2009.

- |   |      |
|---|------|
| 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 (PINGP), Unit 2  
Docket 50-306 License DPR-60  
Decommissioning Funding Status Report**

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c), in 2009 dollars.

\$348,642,686
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2. The amount accumulated at the end of the calendar year preceding the date of the report.

(Radiological only. Previous reports presented total Radiological, Spent Fuel, and Site Restoration Costs. For breakdown of all components see Enclosure 3)

<b>External Qualified</b>	\$327,814,306
<b>External Escrow</b>	\$56,118,044
<b>Internal</b>	\$1,107,303
<b>Total</b>	\$385,039,653

3. A schedule of the annual amounts remaining to be collected through rates from customers.

**The external funding amount is on a prescribed schedule per North Dakota Public Utilities Commission (NDPUC) Docket# PU-07-776 effective December 19, 2008.**

<b>Annual Annuity</b>	<b>Years to Collect</b>
\$0	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.

<b>Plant Owner (% Ownership)</b>	<b>Rate of Earnings (Nominal Rate Of Return)</b>	<b>Escalation Factor (Inflation)</b>	<b>Real Rate of Return (Projected)</b>
Xcel Energy (100%) - PINGP Unit 2	6.30%	2.89%	3.41%

**Basis for Allowance:**

Xcel Energy files a triennial decommissioning study with the Minnesota Public Utilities Commission (MPUC) 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. The rate of earnings and escalation factors were approved by the MPUC in the most recent triennial decommissioning study completed by the company, MPUC Docket# E-002/M-08-1201, effective June 12, 2009.

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|---|------|
| 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

**Prairie Island Nuclear Generating Plant (PINGP) Units 1 and 2**  
**Dockets 50-282 and 50-306**  
**License Nos. DPR-42 and DPR-60**  
**Xcel Energy Breakdown of Annual Contributions and Trust Fund Balance**

The following table is the radiological decommissioning, spent fuel management, and site restoration segmentation of the trust fund balances for PINGP Units 1 and 2. The internal fund is being transferred to the external fund on a prescribed schedule.

The external escrow fund is an accessible decommissioning fund. In the event that it is determined by the prevailing state commissions that the balance of the external qualified fund is sufficient to cover all decommissioning costs (radiological, spent fuel, and site restoration), the balance of the external escrow fund would be refunded to customers through rates. In the event this determination cannot be made before decommissioning activities begin at a site, the amount in the external escrow fund would be used to cover any shortfalls which may exist. At this time, the balance of the external qualified fund is not sufficient by itself to cover all decommissioning costs for PINGP Unit 1 or Unit 2. There are no current plans to initiate a refund of the external escrow funds to customers.

#### **Trust Fund Balances**

##### **Prairie Island Nuclear Generating Plant Unit 1**

<b><i>External Qualified Fund</i></b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	262,999,716	314,645,565
Spent Fuel Management	17,152,155	20,520,363
Site Restoration	5,717,385	6,840,121
<b>Total</b>	<b>285,869,256</b>	<b>342,006,049</b>

  

<b><i>External Escrow Fund</i></b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	41,371,787	44,985,801
Spent Fuel Management	2,698,160	2,933,857
Site Restoration	899,387	977,952
<b>Total</b>	<b>44,969,334</b>	<b>48,897,610</b>

  

<b><i>Internal</i></b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	1,007,688	826,742
Spent Fuel Management	65,719	53,918
Site Restoration	21,906	17,973
<b>Total</b>	<b>1,095,313</b>	<b>898,633</b>

  

<b><i>Total – All Factors</i></b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	305,379,191	360,458,108

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Contributions and Fund Balances

Spent Fuel Management	19,916,034	23,508,138
Site Restoration	6,638,678	7,836,046
<b>Total</b>	<b>331,933,903</b>	<b>391,802,292</b>

**Prairie Island Nuclear Generating Plant Unit 2**

<b>External Qualified Fund</b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	275,037,541	327,814,306
Spent Fuel Management	21,391,808	25,496,667
Site Restoration	9,167,918	10,927,144
<b>Total</b>	<b>305,597,267</b>	<b>364,238,117</b>

<b>External Escrow Fund</b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	51,510,481	56,118,044
Spent Fuel Management	4,006,371	4,364,737
Site Restoration	1,717,016	1,870,602
<b>Total</b>	<b>57,233,868</b>	<b>62,353,383</b>

<b>Internal</b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	1,282,479	1,107,303
Spent Fuel Management	99,748	86,124
Site Restoration	42,749	36,910
<b>Total</b>	<b>1,424,976</b>	<b>1,230,337</b>

<b>Total – All Factors</b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	327,830,501	385,039,653
Spent Fuel Management	25,497,927	29,947,528
Site Restoration	10,927,683	12,834,656
<b>Total</b>	<b>364,256,111</b>	<b>427,821,837</b>

**Total Contributions**

<b>External Qualified Fund</b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	538,037,258	642,459,872
Spent Fuel Management	38,543,963	46,017,030
Site Restoration	14,885,303	17,767,265
<b>Total</b>	<b>591,466,524</b>	<b>706,244,167</b>

<b>External Escrow Fund</b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	92,882,268	101,103,845
Spent Fuel Management	6,704,531	7,298,593
Site Restoration	2,616,403	2,848,554
<b>Total</b>	<b>102,203,202</b>	<b>111,250,992</b>

<b>Internal</b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	2,290,167	1,934,046



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 Contributions and Fund Balances

Spent Fuel Management	165,467	140,042
Site Restoration	64,656	54,883
<b>Total</b>	<b>2,520,290</b>	<b>2,128,971</b>

<b>Total – All Factors</b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	633,209,693	745,497,762
Spent Fuel Management	45,413,961	53,455,665
Site Restoration	17,566,362	20,670,702
<b>Total</b>	<b>696,190,016</b>	<b>819,624,129</b>

The following annual contributions table shows the approximate accrual segmentation for radiological decommissioning, spent fuel management, and site restoration for PINGP Units 1 and 2. **The internal fund is being transferred to the external fund on a prescribed schedule.**

**Annual Contributions**

<b><i>PINGP Unit 1</i></b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	0	0
Spent Fuel Management	650,534	227,205
Site Restoration	365,926	127,803
<b>Total</b>	<b>1,016,460</b>	<b>355,008</b>

<b><i>PINGP Unit 2</i></b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	0	0
Spent Fuel Management	947,421	394,046
Site Restoration	443,799	184,582
<b>Total</b>	<b>1,391,220</b>	<b>578,628</b>

<b><i>Total Contributions</i></b>	<b>2009</b>	<b>2010</b>
Radiological Decommissioning	0	0
Spent Fuel Management	1,597,955	621,251
Site Restoration	809,725	312,385
<b>Total</b>	<b>2,407,680</b>	<b>933,636</b>