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 EVERS,K.H. Wisconsin Public Service Corp.
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SUBJECT: Forwards trust agreements certifying that adequate decommissioning funds available for facility. Existence of viable plan to assure that funds necessary for safe decommissioning being considered for plant demonstrated.

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WISCONSIN PUBLIC SERVICE CORPORATION

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July 26, 1990

10 CFR 50.33(k)(2)

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

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Gentlemen:

Docket 50-305
Operating License DPR-43
Kewaunee Nuclear Power Plant
Assurance of Adequate Decommissioning Funds

On June 27, 1988, the Nuclear Regulatory Commission (NRC) published final rule-making on the general requirements for decommissioning nuclear facilities (53 FR 24018). The rulemaking amended existing regulations to set forth technical and financial criteria for decommissioning licensed nuclear facilities. Among these criteria the amended regulation specified the methods acceptable to provide reasonable assurance that funds will be available to decommission the facility in a safe and timely manner.

In accordance with 10 CFR 50.33(k) this submittal provides the information required by 10 CFR 50.75 regarding decommissioning funds for the Kewaunee Nuclear Power Plant (KNPP). Wisconsin Public Service Corporation, Wisconsin Power and Light Company, and Madison Gas and Electric Company (the licensees) have each established external sinking funds to assure adequate funds will be available at the time termination of operation is expected.

The external sinking funds are in the form of trust accounts which satisfy the requirements of 10 CFR 50.75(e)(1)(ii). In accordance with 10 CFR 50.75(b), photocopies of the financial assurance instruments, i.e. trust documents, obtained to satisfy the requirements of paragraph (e) are attached. Each is a photocopy of the trust documents, the original of which was signed by an individual authorized to represent their organization in this transaction.

The current decommissioning fund amount, funding method, and basis for decommissioning cost estimates have been agreed to by the Public Service Commission of Wisconsin (PSCW). The decommissioning cost estimate is based on a plant

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specific study which was last updated in 1988. The amount of money contributed to the funds is based on an established amortization schedule developed for rate-making purposes.

The present certification amount for performing the decommissioning activities as defined by 10CFR50.2 is in excess of the minimum NRC-required amount of \$99.03 million. The value of \$99.03 million is based on the formula provided in paragraph 10CFR50.75 (c)(1)(i) using the most recent data available for KNPP which is a 1650 Mwt, pressurized water reactor located in the midwest.

We will recalculate the NRC-required minimum amount on an annual basis and compare it to the plant specific amount. If in the future the NRC-minimum exceeds the plant specific amount, action will be taken to either submit an exemption request in accordance with guidance provided by the NRC, or to file a rate request with the PSCW to increase the decommissioning fund. The appropriate course will be evaluated at that time and action will be taken in a timely manner.

Based on the information contained in this submittal, we have demonstrated that a viable plan exists to assure that the funds necessary for a safe decommissioning are being considered and planned for over the life of the facility.

Sincerely,



K. H. Evers
Manager - Nuclear Power

SLB/cjt

Attach.

cc - Mr. Patrick Castleman, US NRC - w/o attach.
US NRC, Region III - w/o attach.

Attachment

To

Letter from K. H. Evers (WPSC) to Document Control Desk (NRC)

Assurance of Adequate Decommissioning Funds

Copies of Trust Documents For:

Wisconsin Public Service Corporation

Wisconsin Power and Light Company

Madison Gas and Electric Company