





**Wisconsin Public Service Corporation**  
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March 31, 1999

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

Ladies/Gentlemen:

Docket 50-305  
 Operating License DPR-43  
 Kewaunee Nuclear Power Plant  
Decommissioning Funding Status Report Per 10CFR 50.75

The attached information is being submitted in accordance with 10CFR 50.75 (f)(1), decommissioning funding status for the Kewaunee Nuclear Power Plant (KNPP). The KNPP is owned by three companies, Wisconsin Public Service Corporation (WPSC), Alliant Energy Company, and Madison Gas and Electric (MGE). The value of the decommissioning trust fund on December 31, 1998 was:

COMPANY (ownership percent)		BEFORE TAX BASIS
WPSC	41.2%	\$194,146,642
MGE	17.8%	\$ 79,104,105
ALLIANT	41.0%	\$146,854,950

If you should have any questions concerning the information contained in Attachment A, please contact David J. Molzahn (920) 433-1308.

Sincerely,

*Mark L. Marchi*

Mark L. Marchi  
 Vice President-Nuclear

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Attach. [unclear]  
 cc - US NRC - Region III  
 US NRC Senior Resident Inspector  
 Electric Division, PSCW.  
 Madison Gas & Electric - Paul Roehr  
 Alliant Energy - Craig Weiss

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ATTACHMENT A

KNPP Decommissioning Funding Status Report  
Per 10CFR 50.75

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)<sup>1</sup>. \$242,000,000
2. The amount accumulated at the end of the calendar year preceding the date of the report. Pre-Tax Amount \$ 420,105,697
3. A schedule of the annual amounts remaining to be collected:

WPSC Response

Amount remaining	\$0 based on \$242 million calculated in question #1 above.
# years to collect	Fully collected based on \$242 million calculated in question #1 above.

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections.

WPSC Response

The following assumptions are used regarding escalation in decommissioning cost:

	<u>WPSC</u>	<u>Alliant</u>	<u>MGE</u>
Rates of earnings on decommissioning funds (After-tax)	5.32%	6.21%	5.60%
Rates of escalation of decommissioning costs	Low Level Radwaste	9.16%	
	Labor	3.81%	
	Energy	2.82%	
	Other	8.00%	

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(ii)(c).

WPSC Response

There are no current contracts being relied upon pursuant to 10 CFR 50.75(c)(1)(ii)(c) to decommission the KNPP.

6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report.

WPSC Response

The KNPP currently recovers the estimated total cost of decommissioning through rates established by the Public Service Commission of Wisconsin and by FERC for the wholesale customers.

7. Any material changes to trust agreements.

WPSC Response

There have been no material changes to the trust agreements.