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CENG
a joint venture of
Constellation Energy EDF

June 24, 2011

U.S. Nuclear Regulatory Commission
Washington, DC 20555

ATTENTION: Document Control Desk

SUBJECT: **Calvert Cliffs Nuclear Power Plant**
Unit Nos. 1 & 2; Docket Nos. 50-317 & 50-318
Nine Mile Point Nuclear Station
Unit Nos. 1 & 2; Docket Nos. 50-220 & 50-410
R.E. Ginna Nuclear Power Plant
Docket No. 50-244

Response to Request for Additional Information: Status of Decommissioning Funding

REFERENCES:
(a) Letter from Mr. S. A. Mormann (CENG) to Document Control Desk (NRC), dated March 29, 2011, Biennial Report: Status of Decommissioning Funding
(b) Letter from Mr. R. V. Guzman (NRC) to S. A. Mormann (CENG) dated May 26, 2011, Request for Additional Information Regarding Decommission Funding Status Report for Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 & 2, R.E. Ginna Nuclear Power Plant, and Nine Mile Point Nuclear Station, Unit Nos. 1 & 2, (TAC Nos. ME5463, ME5464, ME5486, ME5504, and ME5505)

Pursuant to the requirements of Title 10 Code of Federal Regulations (CFR) 50.75(f)(1), Reference (a) submitted the 2011 report on the status of decommissioning funding for Calvert Cliffs Nuclear Power Plant and R.E. Ginna Nuclear Power Plant, which are wholly-owned subsidiaries of Constellation Energy Nuclear Group, LLC (CENG), and for Nine Mile Point Nuclear Station, which includes Unit 1 (wholly-owned by CENG) and Unit 2, 82% owned by CENG and 18% owned by the Long Island Power Authority. Title 10 CFR 50.75(f)(1) requires that each power reactor licensee report, on a calendar-year basis, to the U.S. Nuclear Regulatory Commission at least once every two years on the status of its decommissioning funding for each reactor or part of a reactor that it owns. Reference (a) and the associated attachments satisfied the requirement for reporting the status of decommissioning liability and funding as of December 31, 2010.

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Reference (b) requested information needed for the U.S. Nuclear Regulatory Commission review of Reference (a). The requested information is provided in Attachment (1). Please note the required information applicable to the Nine Mile Point Nuclear Power Station, Unit 2 reactor includes summary statements provided by the 18% co-owner, Long Island Power Authority. Constellation Energy Nuclear Group has not independently verified information provided by this co-owner.

There are no new regulatory commitments contained in this letter.

Should you have questions regarding the information in this submittal, please contact Bruce Montgomery at (410) 470-3777 or Bruce.Montgomery@cengllc.com.

Very truly yours,

Stephen A. Mormann

SAM/EMT/bjd

Attachment: (1) RAI Response

cc: D. V. Pickett, NRC
R. V. Guzman, NRC
W. M. Dean, NRC
Resident Inspector, NRC (Calvert Cliffs)
Resident Inspector, NRC (Ginna)
Resident Inspector, NRC (Nine Mile Point)
S. Gray, Maryland DNR
P. D. Eddy, New York State Department of Public Service
M. Padula, New York State Department of Public Service
A. L. Peterson, NYSERDA
M. D. Hervey, LIPA

ATTACHMENT (1)

RAI RESPONSE

RAI 1: Minimum Decommissioning Funding Assurance Calculation

Constellation Energy Nuclear Group (CENG) and Long Island Power Authority (LIPA):

Provide the labor, energy, and burial factors used in your calculation of the minimum requirement for decommissioning financial assurance and, if necessary, a corrected submittal for that part of the Decommissioning Funding Status (DFS) report.

On March 29, 2011, CENG reported the amounts of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c) that are less than the amount calculated by the NRC staff for the aforementioned plants. Also, LIPA reported the amount of decommissioning funds estimated under 10 CFR 50.75(b) and (c) that are less than the amount calculated by the NRC staff for its share of Nine Mile Point 2.

According to 10 CFR 50.75(f)(1), the amount provided in the DFS report should be "the amount of decommissioning funds estimated to be required under 10 CFR 50.75(b) and (c)."

The formulas for the factors used by the staff can be found using NUREG-1307, Rev. 14, "Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low Level Waste Burial Facilities." For example, the calculations for the Labor and Energy Adjustment Factors can be found on pages 7 and 8 of NUREG-1307, Rev. 14.

CENG and LIPA Response to RAI 1:

In accordance with NUREG-1307, Revision 14, the factors used in the calculation of the NRC minimum in Reference 1 were the most current final published factors available at the time the report was prepared. NUREG-1307, Revision 14, does not describe which index to use when a final index has not yet been published. Because the power and fuel oil energy indices published by the Bureau of Labor Statistics (BLS) were only preliminary at that time, we selected the most current final power and fuel oil energy indices that would not change, which were as of September 2010. Accordingly, we believe that our report as submitted in Reference 1 is consistent with the guidance in NUREG-1307, Revision 14. Nonetheless, to facilitate the Nuclear Regulatory Commission (NRC) review and understanding of Reference 1, we are providing alternative calculations of the NRC minimum to demonstrate that the NRC minimum amounts for each unit, by our calculation as submitted in Reference 1 and by all of the alternative calculations below, are less than the respective costs according to the site-specific studies. These calculations, in fact, vary by less than one-half of one percent (<0.005).

Table RAI 1A contains the labor, energy, and burial factors used in our report as submitted in Reference 1 for the calculation of the minimum requirement for decommissioning financial assurance for each of our five units.

Table RAI 1A (with *Final September* 2010 Energy Indices) – AS SUBMITTED

NRC Minimum Factors	CCNPP Unit 1	CCNPP Unit 2	NMP Unit 1	NMP Unit 2	Ginna
Nuclear reactor unit type	PWR	PWR	BWR	BWR	PWR
[A] Total megawatt thermals (Mwt)	2,717	2,717	1,850	3,467	1,775
1986 base-year cost ($000s):					
[B] Cost per Mwt	$8.8	$8.8	$9.0	$9.0	$8.8
[C] Base cost	$75,000	$75,000	$104,000	$104,000	$75,000
[D] Cost ceiling	$105,000	$105,000	$135,000	$135,000	$105,000
[E] Total $^{Min\ (AB+C,D)}$	$98,909.6	$98,909.6	$120,650	$135,000	$90,620
Labor factors:					
[F] L_xWt (labor weight)	0.65	0.65	0.65	0.65	0.65
[G] $L_{Dec2005}$ (base labor)	1.98	1.98	2.16	2.16	2.16
[H] $L_{Dec2010}$ (employee cost index)	112.8	112.8	113.6	113.6	113.6
[I] L_x (labor escalation factor)$^{GH/100}$	2.23	2.23	2.45	2.45	2.45
Energy factors:					
[J] E_xWt (energy weight)	0.13	0.13	0.13	0.13	0.13
[K] P_xWt (power weight)	0.58	0.58	0.54	0.54	0.58
[L] $P_{Jan1986}$ (base power)	114.2	114.2	114.2	114.2	114.2
[M] $P_{SepFinal2010}$ (indexed power)	200.0	200.0	200.0	200.0	200.0
[N] P_x (power escalation factor)$^{M/L}$	1.751	1.751	1.751	1.751	1.751
[O] F_xWt (fuel oil weight)	0.42	0.42	0.46	0.46	0.42
[P] $F_{Jan1986}$ (base fuel oil)	82.0	82.0	82.0	82.0	82.0
[Q] $F_{SepFinal2010}$ (indexed fuel oil)	220.0	220.0	220.0	220.0	220.0
[R] F_x (fuel oil escalation factor)$^{Q/P}$	2.683	2.683	2.683	2.683	2.683
[T] E_x (energy escalation factor)$^{KN+OR}$	2.142	2.142	2.180	2.180	2.142
Burial factors:					
[U] B_xWt (burial weight)	0.22	0.22	0.22	0.22	0.22
[V] B_{2010} (burial cost index)	12.28	12.28	12.54	12.54	12.28
NRC minimum ($000s)$^{E(FI+JT+UV)}$	$438,126	$438,126	$559,177	$625,685	$414,365
Site-specific study prompt decommissioning cost escalated to year-end 2010 dollars ($000s)	$453,343	$451,291	$606,246	$655,944	$422,600
Site-specific study amount greater than NRC minimum	Yes	Yes	Yes	Yes	Yes

It is our understanding that the NRC's calculation of the NRC minimum for year-end 2010 used the December 2010 preliminary energy indices published by the BLS (not the September 2010 final published energy indices reflected in Table RAI 1A) and the same labor and burial factors we used in Table RAI 1A. We have reflected the December 2010 preliminary energy indices in Table RAI 1B to demonstrate that the NRC minimum amounts, as we understand were calculated by the NRC, are also less than the site-specific study prompt decommissioning cost amounts for each of our units. The shaded rows in Table RAI 1B contain the numbers that are different from the corresponding rows in Table RAI 1A.

Table RAI 1B (with *Preliminary December* 2010 Energy Indices) – NRC CALCULATION

NRC Minimum Factors	CCNPP Unit 1	CCNPP Unit 2	NMP Unit 1	NMP Unit 2	Ginna
Nuclear reactor unit type	PWR	PWR	BWR	BWR	PWR
[A] Total megawatt thermals (Mwt)	2,717	2,717	1,850	3,467	1,775
1986 base-year cost ($000s):					
[B] Cost per Mwt	$8.8	$8.8	$9.0	$9.0	$8.8
[C] Base cost	$75,000	$75,000	$104,000	$104,000	$75,000
[D] Cost ceiling	$105,000	$105,000	$135,000	$135,000	$105,000
[E] Total $^{Min\ (AB+C,D)}$	$98,909.6	$98,909.6	$120,650	$135,000	$90,620
Labor factors:					
[F] L_xWt (labor weight)	0.65	0.65	0.65	0.65	0.65
[G] $L_{Dec2005}$ (base labor)	1.98	1.98	2.16	2.16	2.16
[H] $L_{Dec2010}$ (employee cost index)	112.8	112.8	113.6	113.6	113.6
[I] L_x (labor escalation factor)$^{GH/100}$	2.23	2.23	2.45	2.45	2.45
Energy factors:					
[J] E_xWt (energy weight)	0.13	0.13	0.13	0.13	0.13
[K] P_xWt (power weight)	0.58	0.58	0.54	0.54	0.58
[L] $P_{Jan1986}$ (base power)	114.2	114.2	114.2	114.2	114.2
[M] $P_{DecPrelim2010}$ (indexed power)	191.3	191.3	191.3	191.3	191.3
[N] P_x (power escalation factor)$^{M/L}$	1.675	1.675	1.675	1.675	1.675
[O] F_xWt (fuel oil weight)	0.42	0.42	0.46	0.46	0.42
[P] $F_{Jan1986}$ (base fuel oil)	82.0	82.0	82.0	82.0	82.0
[Q] $F_{DecPrelim2010}$ (indexed fuel oil)	252.1	252.1	252.1	252.1	252.1
[R] F_x (fuel oil escalation factor)$^{Q/P}$	3.074	3.074	3.074	3.074	3.074
[T] E_x (energy escalation factor)$^{KN+OR}$	2.263	2.263	2.319	2.319	2.263
Burial factors:					
[U] B_xWt (burial weight)	0.22	0.22	0.22	0.22	0.22
[V] B_{2010} (burial cost index)	12.28	12.28	12.54	12.54	12.28
NRC minimum ($000s)$^{E(FI+JT+UV)}$	$439,682	$439,682	$561,357	$628,124	$415,791
Site-specific study prompt decommissioning cost escalated to year-end 2010 dollars ($000s)	$453,343	$451,291	$606,246	$655,944	$422,600
Site-specific study amount greater than NRC minimum	Yes	Yes	Yes	Yes	Yes

The final December 2010 energy indices have since been published by the BLS. For completeness, we updated our NRC minimum calculation for each of our five units utilizing the final December 2010 energy indices as reflected in Table RAI 1C, and the revised NRC minimum amounts are still less than the site-specific study prompt decommissioning cost amounts for each unit. The shaded rows in Table RAI 1C contain the numbers that are different from the corresponding rows in Table RAI 1A.

Table RAI 1C (with *Final December* 2010 Energy Indices) – FINAL CALCULATION

NRC Minimum Factors	CCNPP Unit 1	CCNPP Unit 2	NMP Unit 1	NMP Unit 2	Ginna
Nuclear reactor unit type	PWR	PWR	BWR	BWR	PWR
[A] Total megawatt thermals (Mwt)	2,717	2,717	1,850	3,467	1,775
1986 base-year cost ($000s):					
[B] Cost per Mwt	$8.8	$8.8	$9.0	$9.0	$8.8
[C] Base cost	$75,000	$75,000	$104,000	$104,000	$75,000
[D] Cost ceiling	$105,000	$105,000	$135,000	$135,000	$105,000
[E] Total $^{Min\ (AB+C,D)}$	$98,909.6	$98,909.6	$120,650	$135,000	$90,620
Labor factors:					
[F] L_xWt (labor weight)	0.65	0.65	0.65	0.65	0.65
[G] $L_{Dec2005}$ (base labor)	1.98	1.98	2.16	2.16	2.16
[H] $L_{Dec2010}$ (employee cost index)	112.8	112.8	113.6	113.6	113.6
[I] L_x (labor escalation factor)$^{GH/100}$	2.23	2.23	2.45	2.45	2.45
Energy factors:					
[J] E_xWt (energy weight)	0.13	0.13	0.13	0.13	0.13
[K] P_xWt (power weight)	0.58	0.58	0.54	0.54	0.58
[L] $P_{Jan1986}$ (base power)	114.2	114.2	114.2	114.2	114.2
[M] $P_{DecFinal2010}$ (indexed power)	191.4	191.4	191.4	191.4	191.4
[N] P_x (power escalation factor)$^{M/L}$	1.676	1.676	1.676	1.676	1.676
[O] F_xWt (fuel oil weight)	0.42	0.42	0.46	0.46	0.42
[P] $F_{Jan1986}$ (base fuel oil)	82.0	82.0	82.0	82.0	82.0
[Q] $F_{DecFinal2010}$ (indexed fuel oil)	250.0	250.0	250.0	250.0	250.0
[R] F_x (fuel oil escalation factor)$^{Q/P}$	3.049	3.049	3.049	3.049	3.049
[T] E_x (energy escalation factor)$^{KN+OR}$	2.253	2.253	2.308	2.308	2.253
Burial factors:					
[U] B_xWt (burial weight)	0.22	0.22	0.22	0.22	0.22
[V] B_{2010} (burial cost index)	12.28	12.28	12.54	12.54	12.28
NRC minimum ($000s)$^{E(FI+JT+UV)}$	$439,553	$439,553	$561,184	$627,931	$415,673
Site-specific study prompt decommissioning cost escalated to year-end 2010 dollars ($000s)	$453,343	$451,291	$606,246	$655,944	$422,600
Site-specific study amount greater than NRC minimum	Yes	Yes	Yes	Yes	Yes

RAI 2: Basis for Real Rate of Returns

CENG:

Provide the basis for the assumptions used regarding rates of escalation in decommissioning costs, rate of earnings on decommissioning funds, and rates of other factors assumed in the DFS report.

On March 29, 2011, CENG reported the following:

> *6 percent rate of earnings on decommissioning funds, and*
> *4 percent rate of escalation in decommissioning costs.*

LIPA:

Provide the citation (e.g, an Order by the rate-regulatory authority) by the regulatory entity that allows for the assumptions used regarding rates of escalation in decommissioning costs, rate of earnings on decommissioning funds and rates of other factors assumed in the DFS report for LIPA's 18- percent ownership of Nine Mile 2.

On March 29, 2011, CENG reported the following for LIPA:

> *6 percent rate of earnings on decommissioning funds, and*
> *4 percent rate of escalation in decommissioning costs.*

As stated in 10 CFR 50.75(f)(1):

> *The information in [the DFS] report must include [. . .] the assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections. . .*

CENG Response to RAI 2:

A key component of our projected trust fund balances in Attachment (2) of Reference 1 is the 2 percent real rate of return spread on the funds authorized pursuant to 10 CFR 50.75. Accordingly, we calculated the assumed 6 percent rate of earnings on the trust funds by adding the 2 percent spread to the weighted average 4 percent rate of escalation in decommissioning costs described in the following paragraph. While we estimate that future earnings on our trust funds may exceed 6 percent, we have limited our assumption to 6 percent in Reference 1 in accordance with the allowed real rate of return authorized by 10 CFR 50.75. We believe the 6 percent assumption is reasonable based upon expected capital market returns and our projected asset allocations.

The assumed 4 percent rate of escalation in decommissioning costs is based upon historical cost escalation data, which we believe is a reasonable indicator of future cost escalation rates. The 4 percent rate of escalation in license termination decommissioning costs assumed in Reference 1 is the weighted average of the escalation rates for the various categories of decommissioning costs in Reference 1 for the most recent periods of up to 40 years, as described in Table RAI 2. We had also assumed a 4 percent rate of escalation in our 2009 DFS report.

Table RAI 2 – Cost Escalation Rates		
Cost Category	**Cost Descriptions (Based on BLS Indices and Barnwell Class B and Greater Waste Costs)**	**Rounded Escalation**
Labor	Combination of utilities labor and professional production labor over the past 30-40 years	3.75%
Materials and equipment	Combination of 1) industrial commodities less fuels, 2) construction machinery and equipment, and 3) general purpose materials and equipment over the past 40 years	3.25%
Disposal	Combination of 1) class B and greater waste based on historical Barnwell rates over the past 7 years, 2) CENG's contract for class A waste which is indexed to the CPI, for which we estimate that future changes in the CPI will reflect changes in the CPI over the past 40 years, and 3) waste transportation reflecting a combination of #2 diesel fuel, transportation production labor, transportation equipment, and heavy duty truck chassis manufacturing costs over the past 20-40 years	4.50%
Other	Combination of 1) energy represented by a combination of industrial electric power and fuels and related products and power over the past 40 years and 2) all other represented by the CPI over the past 40 years	3.75%
Contingency	Weighted average of above escalation rates	3.75%-4.00%
Overall total	Weighted average of the above, weighted based on the radiological decommissioning costs under Scenario 3 of the site-specific cost studies referred to in our 2011 DFS report (the weighted average is actually between 3.75% and 4.00%, but is presented as 4.00%.)	4.00%

The bases for the other assumptions in Reference 1 are described in Attachment (1) and Attachment (2) in Reference 1.

LIPA Response to RAI 2:

Long Island Power Authority is a corporate municipal instrumentality of the State of New York, constituting a political subdivision of the State and is a not-for-profit municipal electric service provider. By its statute, LIPA's Board of Trustees sets LIPA's rates and, in accordance with New York State law, LIPA is not subject to rate setting oversight by the New York State Public Service Commission as investor-owned utilities are. Long Island Power Authority sets its rates, as approved by its Board of Trustees, at levels required to cover all of its expenses. Included in the assumptions for setting its annual budget, assumptions are made regarding the rates of escalation in decommissioning costs and rates of earnings on decommissioning funds. As the non-operating minority owner of Nine Mile Point Nuclear Station, Unit 2, LIPA relies upon the expertise of CENG as majority owner to develop the assumptions used each year in estimating the decommissioning costs. The assumptions used by LIPA for rates of escalation in decommissioning costs and rate of earnings on decommissioning funds mirror those as provided in CENG's response to question RAI 2.

RAI 3: After Tax Decommissioning Funds as of December 31, 2010

Clarify if the amounts of decommissioning funds in the CENG and LIPA trust funds are the after-tax amount of funds accumulated through December 31, 2010. If not, provide the after-tax amount of decommissioning funds accumulated through December 31, 2010.

CENG and LIPA reported the amounts of decommissioning funds accumulated as of December 31, 2010, but did not indicate if the amounts stated are the before or after-tax balances.

The provisions of 10 CFR 50.75(f)(1) and (2) require the licensee to report the amount of funds accumulated to the end of the calendar year preceding the report.

CENG Response to RAI 3:

As of the end of each calendar year, CENG's trust funds are essentially the after-tax amounts of funds accumulated through year end, subject to immaterial differences between the estimated tax payments made during the year and the actual tax liability for the year. As of December 31, 2010, CENG had made estimated tax payments for the year 2010 essentially consistent with our tax liability for the year 2010, resulting in the immaterial balances of current taxes receivable or payable as set forth in Table RAI 3 below.

Table RAI 3 – CENG Taxes Receivable (Payable) on Trust Funds at 12/31/10	
Unit	**Current Taxes Receivable (Payable) at 12/31/10 (in Thousands of Dollars)**
Calvert Cliffs Unit 1	$9
Calvert Cliffs Unit 2	$77
Nine Mile Point Unit 1	$(46)
Nine Mile Point Unit 2 (CENG Portion)	$(41)
Ginna	$4

LIPA Response to RAI 3:

Long Island Power Authority's trust funds, as included in Reference 1 submitted by CENG on behalf of LIPA, represent the after-tax amount of funds accumulated through December 31, 2010.

RAI 4: Past Contributions

CENG:

Provide the annual amount of contributions deposited in the trust funds for radiological decommissioning, as defined in 10 CFR 50.2, starting in 1999 for Calvert 1 and 2, Ginna, and Nine Mile 1 and 2.

In a July 29, 2009 letter from CENG to NRC (ADAMS Accession No. ML092160414), CENG stated "[t]hat for 2009, it contributed $18.7 million to the trust for the two CCNPP reactors." CENG also stated that "[s]ome degree of annual contributions will be needed through 2013."

LIPA:

Provide the annual amount deposited in the trust fund for decommissioning, as defined in 10 CFR 50.2, starting in 1999 for Nine Mile 2.

In a July 29, 2009 letter from CENG to NRC (ADAMS Accession No. ML092160414), CENG stated that, "... (LIPA) will contribute $616,000 annually to the NMPNS Unit 2 decommissioning trust."

Pursuant to 10 CFR 50.75(e)(2), the NRC reserves the right to review the accumulation of decommissioning funds.

CENG Response to RAI 4:

Nine Mile Point Nuclear Station and R.E. Ginna Nuclear Power Plant were not acquired until 2001 and 2004, respectively, and we do not have information concerning contributions to the trust funds for those plants prior to the acquisition. We have not made any contributions to the Nine Mile Point or Ginna trust funds since the acquisition of those plants. At the time that the Nine Mile Point and Ginna plants were acquired by CENG, the parties submitted decommissioning funding assurance information in the relevant license transfer applications and the NRC concluded in its license transfer Orders that the funding assurance was adequate.

The annual amount of contributions deposited in the trust funds for radiological decommissioning for Calvert Cliffs Units 1 and 2 by CENG (and, for convenience, for Nine Mile Point Unit 2 by LIPA) for the years 1999 through 2010 are listed in Table RAI 4:

Table RAI 4 – Trust Fund Contributions for Radiological Decommissioning

Calendar Year	Calvert 1 Trusts By CENG	Calvert 2 Trusts By CENG	Nine Mile 1 Trusts By CENG	Nine Mile 2 Trusts By CENG	Nine Mile 2 Trusts By LIPA	Ginna Trusts By CENG
1999	$6,886,854	$9,730,339	CENG	CENG	$ -	CENG
2000	$5,165,139	$7,297,755	Acquired	Acquired	$7,711,654	Acquired
2001	$8,608,567	$12,162,923	in 2001	in 2001	$2,618,000	in 2004
2002	$6,886,856	$9,730,339	$ -	$ -	$3,060,000	
2003	$5,165,140	$7,297,755	$ -	$ -	$2,238,714	
2004	$8,608,568	$12,162,925	$ -	$ -	$2,222,277	
2005	$6,886,854	$9,730,339	$ -	$ -	$2,202,144	$ -
2006	$3,443,427	$4,865,169	$ -	$ -	$2,831,461	$ -
2007	$3,443,428	$4,865,169	$ -	$ -	$1,094,408	$ -
2008	$7,807,980	$10,854,000	$ -	$ -	$780,208	$ -
2009	$7,807,980	$10,854,000	$ -	$ -	$ -	$ -
2010	$ -	$ -	$ -	$ -	$ -	$ -

With respect to Calvert Cliffs, in the July 29, 2009 letter referenced above from CENG to the NRC (ADAMS Accession No. ML092160414), CENG stated "...In the 2009 Decommissioning Funding Status Report, CENG reported that for 2009, it contributed $18.7 million to the trust for the two CCNPP reactors. The status of the decommissioning fund and the need for future contributions to the fund will be evaluated each year. It is anticipated that some degree of annual contributions will be needed through 2013."

Since the issuance of the July 29, 2009 letter referenced above, two factors have changed which have improved the funded status of the Calvert Cliffs trusts. First, the financial markets have recovered significantly, thus boosting the market values of the trust funds from those reported in our 2009 DFS report. Second, while the basis for our financial assurance for Calvert Cliffs in our 2009 DFS report was the NRC minimum calculation, the basis for our financial assurance in our 2011 DFS report was a site-specific study reflecting a degree of SAFSTOR, as allowed by the NRC, which also contributed to our improved funded status. Taking into account these improvements in the funded status, CENG evaluated the need for 2010 contributions to the Calvert Cliffs trust funds and determined that contributions to those trust funds were not needed for 2010. We will continue to periodically evaluate the status of the decommissioning funds and the need for future contributions for each of our units.

LIPA Response to RAI 4:

The amounts provided in Table RAI 4 for LIPA's 18% share of Nine Mile Point 2 include estimates for the period 1999 through 2002. Detailed records for the activity of the separate funds during this time period have been archived and are not readily available. In the July 29, 2009 letter to the NRC, LIPA had indicated that future contributions would be necessary. Since the date of the letter referenced above, the financial markets have recovered significantly and the market values of LIPA's trust funds for its 18% share of the decommissioning cost of this unit have increased. The current calculations, based on the current balances in the funds, the assumed future rates of return on those funds, and the assumed growth in decommissioning costs, indicate that no future contributions will be necessary. However, LIPA will continue to perform periodic evaluations of the funds and their sufficiency to cover the estimated costs of decommissioning. To the extent any future contributions may be necessary, LIPA will fund any required future amounts as needed.

REFERENCE:

1. Letter from Mr. S. A. Mormann (CENG) to Document Control Desk (NRC), dated March 29, 2011, Biennial Report: Status of Decommissioning Funding