

Plant name:Diablo Canyon Nuclear Power Plant, Unit 1

Docket Number:50-275

1The minimum financial assurance (MFA) estimate pursuant to 10 CFR 50.75(b) & (c):¹

\$580,300,000

Did the licensee identify the amount of estimated radiological funds? (Y/N)

Y

2The total amount of dollars accumulated at the end of the appropriate year: (see below)

Licensee:	% Owned:	Category:	Amount in Trust Fund:
Pacific Gas & Electric	100.00%	1	\$738,900,000

Total Trust Fund Balance\$738,900,000

3Schedule of the annual amounts remaining to be collected: (provided/none)

provided

4Assumptions used in determining rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections: (see below)

Rate of Return on Earnings	Escalation Rate	Rate(s) of Other Factors	Real Rate of Return	PUC Verified (Y/N)	Allowed through Decom (Y/N)	RAI Needed (Y/N)	Post-RAI		
							PUC Verified (Y/N)	Allowed through Decom (Y/N)	Rates Determined (Y/N)
variable ²	variable ²		variable ²	N	N	Y	Y	N	Y

5Any contracts upon which the licensee is relying? (Y/N)

N

6Any modifications to a licensee's method of providing decommissioning funding assurance? (Y/N)

N

7Any material changes to trust agreements? (Y/N)

N

If a change has occurred, the reviewer will document on this sheet that a change has occurred and identify the reviewer who will evaluate the change: (see below)

¹ Licensee calculated MFA higher than NRC calculations. Justification, including factors used, were provided to NRC for review.

² Rates provided are variable because the rates are not consistent throughout the licensee(s) and/or years of operation/decommission

Plant name:

Diablo Canyon Nuclear Power Plant, Unit 1

Docket Number:

50-275

Date of Operation:

Month: 12

Day: 31

Year: 2010

Termination of Operations:

11

2

2024

BWR/PWR	MWth	1986\$	ECI	Base Lx		Lx	Px	Latest Month Px	Base Px	Fx	Latest Month Fx	Base Fx		Ex		Bx
PWR	3411	\$105,000,000	112.5	2.06	0.65	2.32	1.676	191.4	114.2	3.049	250.0	82.0	0.13	2.253	0.22	12.28

NRC Minimum:

\$472,584,981

Site Specific:

\$583,900,000

Licensee:	% Owned:	Category	Amount of NRC Minimum/Site Specific:	Amount in Trust Fund:
Pacific Gas & Electric	100.00%	1	\$583,900,000	\$738,900,000
Total Fund Balance:			\$738,900,000	

Step 1:
Earnings Credit:

Trust Fund Balance:	Real Rate of Return per year	Years Left in License	Total Earnings:	Does Licensee Pass:
\$738,900,000	2%	13.84	\$971,825,049	YES

Step 2:
Accumulation:

Value of Annuity per year (amount/See Annuity Sheet)	Real Rate of Return per year	Number of Annual Payments:	Total Annuity:
See Annuity Sheet	See Annuity Sheet	2	See Total Step 2

Total Annuity	Real Rate of Return per year	Years remaining after annuity	Total Step 2:
See Total Step 2	See Annuity Sheet	N/A	\$12,242,362

Total Step 1 + Step 2	Does Licensee Pass:
\$984,067,411	YES

Step 3:
Decom Period:

Total Earnings:	Real Rate of Return per year	Decom Period:	Total Earnings for Decom:
\$984,067,411	2%	7	\$73,158,360

Total of Steps 1 thru 3:	Does Licensee Pass:	Shortfall:
\$1,057,225,771	YES	NO

Signature: Michael Purdie and Jo Ann Simpson
Date: 07/12/2011
Signature: Kosmas Lois
Date: 7/25/2011

Spreadsheet created by: Aaron Szabo, Shawn Harwell
Formulas verified by: Clayton Pittiglio

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If licensee is granted greater than 2% RRR

Step 4:
Earnings Credit:

Trust Fund Balance:	Real Rate of Return per year	Years Left in License	Total Earnings:	Does Licensee Pass:
\$738,900,000	See Step 4 Analysis Sheet	13.84	\$1,348,289,962	YES

Step 5:
Accumulation:

Value of Annuity per year	Real Rate of Return per year	Number of Annual Payments:	Total Annuity:
See Annuity Sheet	See Annuity Sheet	2	See Total Step 4

Total Annuity	Real Rate of Return per year	Years remaining after annuity	Total Step 5
See Total Step 4	See Annuity Sheet	N/A	\$15,040,190

Total Step 4 + Step 5	Does Licensee Pass:
\$1,363,330,152	YES

Step 6:
Decom Period:

Total Earnings:	Real Rate of Return per year	Decom Period:	Total Earnings for Decom:
\$1,363,330,152	2.95%	7	\$153,852,328

Total of Steps 4 thru 6:	Does Licensee Pass:	Shortfall:
\$1,517,182,480	YES	NO

Signature: Michael Purdie and Jo Ann Simpson
Date: 07/12/2011
Signature: Kosmas Lois
Date: 7/25/2011

Spreadsheet created by: Aaron Szabo, Shawn Harwell
Formulas verified by: Clayton Pittiglio

ANNUITY

Termination of Operations: 11 2 2024

Year	Annuity:	Real Rate of Return:	Total Accumulation
2011	\$4,700,000	2%	\$6,181,787
2012	\$4,700,000	2%	\$6,060,575

Total: \$12,242,362

Signature: Michael Purdie and Jo Ann Simpson

Date: 07/12/2011

Signature: Kosmas Lois

Date: 7/25/2011

Spreadsheet created by: Aaron Szabo, Shawn Harwell

Formulas verified by: Clayton Pittiglio

ANNUITY

Termination of Operations: 11 2 2024

If licensee is granted greater than 2% RRR

Year	Beginning year contributions	Real Rate of Return:	End of year contributions
2011	\$4,700,000	4.96%	\$4,933,120
2012	\$9,633,120	4.92%	\$10,107,070

Total: \$15,040,190

Signature: Michael Purdie and Jo Ann Simpson

Date: 07/12/2011

Signature: Kosmas Lois

Date: 7/25/2011

Spreadsheet created by: Aaron Szabo, Shawn Harwell

Formulas verified by: Clayton Pittiglio

Step 4 Analysis

DFS Report Year:	2010
Current Amount Reported in DTF:	\$738,900,000
RRR Applied During Operation:	Variable
License Termination:	11/2/2024
Years left in license:	13.84
Site-specific cost-estimate:	\$583,900,000

Year	Amount in Trust Fund at Beginning of Year	(Expenses)	Real Rate of Return	Projected Year-End Trust Fund Amount
2011	\$738,900,000	\$0	4.96%	\$775,549,440
2012	\$775,549,440	\$0	4.92%	\$813,706,472
2013	\$813,706,472	\$0	4.88%	\$853,415,348
2014	\$853,415,348	\$0	4.85%	\$894,805,993
2015	\$894,805,993	\$0	4.82%	\$937,935,642
2016	\$937,935,642	\$0	4.80%	\$982,956,552
2017	\$982,956,552	\$0	4.78%	\$1,029,941,876
2018	\$1,029,941,876	\$0	4.77%	\$1,079,070,103
2019	\$1,079,070,103	\$0	4.75%	\$1,130,325,933
2020	\$1,130,325,933	\$0	4.37%	\$1,179,721,176
2021	\$1,179,721,176	\$0	4.01%	\$1,227,027,995
2022	\$1,227,027,995	\$0	3.67%	\$1,272,059,923
2023	\$1,272,059,923	\$0	3.35%	\$1,314,673,930
2024	\$1,314,673,930	\$0	3.05%	\$1,348,289,962

DECON ANALYSIS

Name of Unit: **Diablo Canyon, Unit 1**
Name of Licensee: **Pacific Gas & Electric**
Operations Termination Date: **11 2 2024**
End of Operations Balance: **\$1,348,289,962**
Real Rate of Return: **2.00% Post-Shutdown Period**

Year	Beginning Trust Fund Balance	Expense Per Year		Real Rate of Return	End of Year Trust Fund Balance
		Plant	Spent Fuel		
2024	\$1,348,289,962	\$19,400,000	N/A	2.00%	\$1,355,661,761
2025	\$1,355,661,761	\$142,400,000	N/A	2.00%	\$1,238,950,996
2026	\$1,238,950,996	\$330,900,000	N/A	2.00%	\$929,521,016
2027	\$929,521,016	\$367,400,000	N/A	2.00%	\$577,037,437
2028	\$577,037,437	\$171,900,000	N/A	2.00%	\$414,959,185
2029	\$414,959,185	\$153,000,000	N/A	2.00%	\$268,728,369
2030	\$268,728,369	\$20,700,000	N/A	2.00%	\$262,712,991

Signature: Michael Purdie and Jo Ann Simpson

Date: 07/12/2011

Secondary Review: Kosmas Lois 7/25/2011