

Plant name:Diablo Canyon Nuclear Power Plant, Unit 2

Docket Number:50-323

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

\$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	\$989,600,000

Total Trust Fund Balance\$989,600,000

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 <sup>2</sup>	variable <sup>2</sup>		variable <sup>2</sup>	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)

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

<sup>2</sup> 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 2

Docket Number:

50-323

Date of Operation:

Month:12Day:31Year:2010

Termination of Operations:

8262025

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:

\$546,500,000

Licensee:	% Owned:	Category	Amount of NRC Minimum/Site Specific:	Amount in Trust Fund:
Pacific Gas & Electric	100.00%	1	\$546,500,000	\$989,600,000
Total Fund Balance:			\$989,600,000	

Step 1:  
Earnings Credit:

Trust Fund Balance:	Real Rate of Return per year	Years Left in License	Total Earnings:	Does Licensee Pass:
\$989,600,000	2%	14.65	\$1,322,749,873	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	\$11,647,579

Total Step 1 + Step 2	Does Licensee Pass:
\$1,334,397,452	YES

Step 3:  
Decom Period:

Total Earnings:	Real Rate of Return per year	Decom Period:	Total Earnings for Decom:
\$1,334,397,452	2%	7	\$99,202,888

Total of Steps 1 thru 3:	Does Licensee Pass:	Shortfall:
\$1,433,600,340	YES	NO

Plant name:

Diablo Canyon Nuclear Power Plant, Unit 2

Docket Number:

50-323

Date of Operation:

Month:12Day:31Year:2010

Termination of Operations:

8262025

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:
\$989,600,000	See Step 4 Analysis Sheet	14.65	\$1,805,576,637	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	\$14,079,276

Total Step 4 + Step 5	Does Licensee Pass:
\$1,819,655,912	YES

Step 6:  
Decom Period:

Total Earnings:	Real Rate of Return per year	Decom Period:	Total Earnings for Decom:
\$1,819,655,912	2.00%	7	\$135,278,377

Total of Steps 4 thru 6:	Does Licensee Pass:	Shortfall:
\$1,954,934,289	YES	NO

# ANNUITY

**Termination of Operations:** 8 26 2025

Year	Annuity:	Real Rate of Return:	Total Accumulation
2011	\$4,400,000	2%	\$5,881,451
2012	\$4,400,000	2%	\$5,766,128

**Total: \$11,647,579**

# ANNUITY

**Termination of Operations:** 8 26 2025

If licensee is granted greater than 2% RRR

Year	Beginning year contributions	Real Rate of Return:	End of year contributions
2011	\$4,400,000	4.96%	\$4,618,240
2012	\$9,018,240	4.91%	\$9,461,036

**Total: \$14,079,276**

## Step 4 Analysis

DFS Report Year:	2010
Current Amount Reported in DTF:	\$989,600,000
RRR Applied During Operation:	Variable
License Termination:	11/2/2024
Years left in license:	14.65
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	\$989,600,000	\$0	4.96%	\$1,038,684,160
2012	\$1,038,684,160	\$0	4.91%	\$1,089,683,552
2013	\$1,089,683,552	\$0	4.88%	\$1,142,860,110
2014	\$1,142,860,110	\$0	4.85%	\$1,198,288,825
2015	\$1,198,288,825	\$0	4.82%	\$1,256,046,346
2016	\$1,256,046,346	\$0	4.80%	\$1,316,336,571
2017	\$1,316,336,571	\$0	4.78%	\$1,379,257,459
2018	\$1,379,257,459	\$0	4.77%	\$1,445,048,040
2019	\$1,445,048,040	\$0	4.75%	\$1,513,687,822
2020	\$1,513,687,822	\$0	4.37%	\$1,579,835,979
2021	\$1,579,835,979	\$0	4.01%	\$1,643,187,402
2022	\$1,643,187,402	\$0	3.67%	\$1,703,492,380
2023	\$1,703,492,380	\$0	3.35%	\$1,760,559,375
2024	\$1,760,559,375	\$0	3.05%	\$1,805,576,637

## DECON ANALYSIS

Name of Unit: **Diablo Canyon, Unit 2**  
Name of Licensee: **Pacific Gas & Electric**  
Operations Termination Date: **8 26 2025**  
End of Operations Balance: **\$1,805,576,637**  
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		
2025	\$1,805,576,637	\$41,900,000	N/A	2.00%	\$1,799,369,170
2026	\$1,799,369,170	\$164,100,000	N/A	2.00%	\$1,669,615,553
2027	\$1,669,615,553	\$384,200,000	N/A	2.00%	\$1,314,965,864
2028	\$1,314,965,864	\$367,200,000	N/A	2.00%	\$970,393,181
2029	\$970,393,181	\$222,600,000	N/A	2.00%	\$764,975,045
2030	\$764,975,045	\$168,200,000	N/A	2.00%	\$610,392,546
2031	\$610,392,546	\$51,800,000	N/A	2.00%	\$592,144,327

Signature: Michael Purdie and Jo Ann Simpson

Date: 07/12/2011

Secondary Review: Kosmas Lois 7/25/2011