

March 24, 2016

United States Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, D. C. 20555-0001

Serial No. 16-107  
NL&OS/TJS Rev. 0  
Docket No. 50-245  
License No. DPR-21

**DOMINION NUCLEAR CONNECTICUT, INC.**  
**MILLSTONE POWER STATION UNIT 1**  
**DECOMMISSIONING FUNDING STATUS REPORT**

Pursuant to 10 CFR 50.75(f)(1) and 10 CFR 50.82(a)(8)(v)-(vii), Dominion Nuclear Connecticut, Inc. (DNC) is providing this report on the status of decommissioning funding for Millstone Power Station Unit 1 (MPS1).

Attachment 1 provides the following information for MPS1:

- Table I - Decommissioning Funding Status Report for MPS1  
Summary Information as of December 31, 2015
- Table II - Decommissioning Funding Status Report for MPS1  
Annual Cash Flow Analysis Starting January 1, 2016 through the  
End of Decommissioning

The following information is provided in support and as part of this filing:

1. The escalation of decommissioning costs from the Cost Study's 2014 dollars to 2016 dollars is 0.99% and is based upon the average of CPI-U rates for that period. The mnemonics are "FCPIU.US, CPI-U Not Seasonally Adjusted (NSA) All Urban Consumers, All Items US City Average (Index, 1982-84=100, SA)."
2. The escalation of decommissioning costs, shown in Table II is held at 0% based on assuming a 2% Real Rate of Return.
3. The growth rate on Trust Funds is held at the allowed 2% Real Rate of Return over the escalation rate.
4. No rate regulatory authority citation for MPS1 is referenced because MPS1 is a merchant unit.
5. There are no contracts upon which DNC is relying under paragraph 10 CFR 50.75(e)(1)(v) and there were no modifications to the current method of providing financial assurance since the last submitted report.
6. There are no annual funding amounts for MPS1.
7. Trust Fund balances shown in this report are market value and after-tax on realized gains and losses. The Trust Fund balances have not been adjusted for unrealized gain or loss positions that are not currently taxable.
8. Since the previous annual submittal on March 26, 2015 (Serial No. 15-099) for MPS1 there have been no material changes to the Trust agreements established for nuclear decommissioning.

NM5501

Please contact Mr. Craig D. Sly at (804) 273-2784 if you have any questions or require additional information.

Sincerely,



Mark D. Sartain  
Vice President – Nuclear Engineering  
Dominion Nuclear Connecticut, Inc.

Attachment:

1. Decommissioning Funding Status Report for MPS1 Summary Information as of December 31, 2015

Commitments made in this letter: None

cc: U. S. Nuclear Regulatory Commission  
Region I  
2100 Renaissance Blvd, Suite 100  
King of Prussia, PA 19406-2713

Mr. T. Carter  
NRC Senior Project Manager (MPS1)  
U. S. Nuclear Regulatory Commission  
Two White Flint North  
Mail Stop T-8 F5  
11545 Rockville Pike  
Rockville, MD 20852-2738

Ms. L. A. Kauffman  
U. S. Nuclear Regulatory Commission, Region 1  
2100 Renaissance Blvd  
Suite 100  
King of Prussia, PA 19406-2713

**Attachment 1**

**Decommissioning Funding Status Report for MPS1**  
**Summary Information as of December 31, 2015**

**Millstone Power Station - Unit 1**  
**Dominion Nuclear Connecticut, Inc. (DNC)**

**Millstone Power Station Unit 1  
Decommissioning Funding Status Report as of December 31, 2015  
Table I**

Decommissioning Funding Status Report for MPS1 Summary Information as of December 31, 2015 10 CFR 50.82 (a)(8)(v)-(vii) (In millions)						
<b>Decommissioning Trust Fund Balances</b>				10 CFR Reference	50.82(a)(8)(v)(A)	50.82(a)(8)(vii)(A)
<b>Fund Balance</b>	<b>Type of Trusts</b>			<b>Comments</b>		
\$ 444.104	Unit 1 qualified fund balance			As of:	12/31/2015	
\$ -	Unit 1 non-qualified fund balance			As of:	12/31/2015	
\$ 0.977	Less costs incurred but not yet billed to Trust			Actual Cost in:	2015	Dollars
\$ 443.128	Adjusted decommissioning fund balance			As of:	12/31/2015	
<b>Other Financial Assurance Methods Being Relied Upon</b>				10 CFR Reference	50.82(a)(8)(v)(A)	
None						
<b>Prior Years Decommissioning Expenditures</b>				10 CFR Reference	50.82(a)(8)(v)(A)	
<b>Total</b>	<b>License Term</b>	<b>Spent Fuel Mgmt</b>	<b>Site Restoration</b>	<b>Comments</b>		
\$ 4.837	\$ 0.941	\$ 3.896	\$ -	2015 Cost in:	2015	Dollars
\$ 77.062	\$ 45.612	\$ 31.449	\$ -	2001-2014 Cost in:	As-Spent	Dollars
\$ 81.898	\$ 46.553	\$ 35.345	\$ -	Total Prior Year in:	As-Spent	Dollars
<b>Prior Year Decommissioning Expenditures Variance to Estimated Cost</b>				10 CFR Reference	50.82(a)(8)(v)(B)	
<b>Total</b>	<b>License Term</b>	<b>Spent Fuel Mgmt</b>	<b>Site Restoration</b>	<b>Comments</b>		
\$ 4.837	\$ -	\$ -	\$ -	Actual Cost in	2015	Dollars
\$ 6.300	\$ -	\$ -	\$ -	NRC Auth \$ in	2015	Dollars
\$ (1.463)	\$ -	\$ -	\$ -			
Variance: Underrun to NRC Authorized Expenditures						
<b>Remaining Decommissioning Estimated Cost</b>				10 CFR Reference	50.82(a)(8)(v)(B)	50.82(a)(8)(vii)(B)
<b>Total</b>	<b>License Termination</b>	<b>Spent Fuel Mgmt</b>	<b>Site Restoration</b>	<b>Comments</b>		
\$ 387.025	\$ 286.288	\$ 79.647	\$ 21.091	Estimate in :	2016	Dollars
<b>Decommissioning Criteria Upon Which the Estimate is Based</b>				10 CFR Reference	50.82(a)(8)(v)(B)	
SAFSTOR						
<b>Any Modification To Method of Providing Financial Assurance</b>				10 CFR Reference	50.82(a)(8)(v)(C)	
None						
<b>Any Material Changes To Trust Agreement Since Previous Report</b>				10 CFR Reference	50.82(a)(8)(v)(D)	
None						
<b>Need For Additional Financial Assurance</b>				10 CFR Reference	50.82(a)(8)(vi)	50.82(a)(8)(vii)(C)
None See Annual Cash Flow Analysis in Table II						
<b>Inputs to Remaining Cost and Funding Analysis</b>						
2016	Start year of Remaining Cost and Funding analysis					
0.99%	Escalate study dollars from Study Year to Start Year of Analysis using an average of CPI rates					
0.00%	Escalation rate		2016	& Beyond		
2.00%	Fund growth rate		2016	& Beyond (Reflects NRC allowed 2% Real Rate of Return)		
Projected annual expenditures - see Annual Cash Flow Analysis in Table II						

**Notes: Table I**

- 1) Previous decommissioning expenditures represent the withdrawals from the nuclear decommissioning trusts made by Dominion Nuclear Connecticut, Inc. These expenditures do not include the withdrawals made by the former owners of MPS1.
- 2) Expenditures include withdrawals for spent fuel management, consistent with DNC's previous notices to the NRC, as well as allowed ordinary administrative costs.

**Millstone Power Station Unit 1  
Decommissioning Funding Status Report as of December 31, 2015  
Table II**

Decommissioning Funding Status Report for MPS1 Annual Cash Flow Analysis Starting January 1, 2016 through End of Decommissioning 10 CFR 50.82 (a)(8)(v)-(vii) (In millions)							
Year	Column 1 Beginning of Year Balance	Column 2 Earnings on Trust Funds (Reflects 2% RRoR)	Column 3 Remaining License Termination Expenditures (Reflects 0% Esc)	Column 4 Remaining Spent Fuel Mgmt Expenditures (Reflects 0% Esc)	Column 5 Remaining Site Restoration Expenditures (Reflects 0% Esc)	Column 6 Remaining SAFSTOR Expenditures (Reflects 0% Esc)	Column 7 End of Year Balance
2016	\$ 443.128	\$ 8.805	\$ 1.050	\$ 4.659	\$ -	\$ 5.709	\$ 446.224
2017	\$ 446.224	\$ 8.871	\$ 0.925	\$ 4.455	\$ -	\$ 5.380	\$ 449.715
2018	\$ 449.715	\$ 8.951	\$ 0.923	\$ 3.437	\$ -	\$ 4.361	\$ 454.306
2019	\$ 454.306	\$ 9.042	\$ 0.923	\$ 3.438	\$ -	\$ 4.362	\$ 458.986
2020	\$ 458.986	\$ 9.136	\$ 0.923	\$ 3.437	\$ -	\$ 4.361	\$ 463.762
2021	\$ 463.762	\$ 9.234	\$ 1.554	\$ 2.596	\$ -	\$ 4.149	\$ 468.846
2022	\$ 468.846	\$ 9.338	\$ 1.554	\$ 2.370	\$ -	\$ 3.924	\$ 474.260
2023	\$ 474.260	\$ 9.446	\$ 1.554	\$ 2.370	\$ -	\$ 3.924	\$ 479.783
2024	\$ 479.783	\$ 9.556	\$ 1.554	\$ 2.370	\$ -	\$ 3.924	\$ 485.415
2025	\$ 485.415	\$ 9.613	\$ 6.820	\$ 2.746	\$ -	\$ 9.566	\$ 485.462
2026	\$ 485.462	\$ 9.668	\$ 1.554	\$ 2.596	\$ -	\$ 4.149	\$ 490.980
2027	\$ 490.980	\$ 9.778	\$ 1.554	\$ 2.626	\$ -	\$ 4.180	\$ 496.578
2028	\$ 496.578	\$ 9.873	\$ 1.554	\$ 4.301	\$ -	\$ 5.855	\$ 500.595
2029	\$ 500.595	\$ 9.956	\$ 1.554	\$ 4.027	\$ -	\$ 5.581	\$ 504.971
2030	\$ 504.971	\$ 10.060	\$ 1.554	\$ 2.370	\$ -	\$ 3.924	\$ 511.107
2031	\$ 511.107	\$ 10.181	\$ 1.554	\$ 2.596	\$ -	\$ 4.149	\$ 517.138
2032	\$ 517.138	\$ 10.304	\$ 1.554	\$ 2.370	\$ -	\$ 3.924	\$ 523.518
2033	\$ 523.518	\$ 10.431	\$ 1.554	\$ 2.370	\$ -	\$ 3.924	\$ 530.026
2034	\$ 530.026	\$ 10.561	\$ 1.554	\$ 2.370	\$ -	\$ 3.924	\$ 536.663
2035	\$ 536.663	\$ 10.688	\$ 2.181	\$ 2.370	\$ -	\$ 4.551	\$ 542.800
2036	\$ 542.800	\$ 10.815	\$ 1.554	\$ 2.596	\$ -	\$ 4.149	\$ 549.465
2037	\$ 549.465	\$ 10.950	\$ 1.554	\$ 2.370	\$ -	\$ 3.924	\$ 556.492
2038	\$ 556.492	\$ 11.091	\$ 1.554	\$ 2.370	\$ -	\$ 3.924	\$ 563.659
2039	\$ 563.659	\$ 11.234	\$ 1.554	\$ 2.370	\$ -	\$ 3.924	\$ 570.969
2040	\$ 570.969	\$ 11.380	\$ 1.554	\$ 2.370	\$ -	\$ 3.924	\$ 578.425
2041	\$ 578.425	\$ 11.529	\$ 1.554	\$ 2.370	\$ -	\$ 3.924	\$ 586.031
2042	\$ 586.031	\$ 11.681	\$ 1.554	\$ 2.370	\$ -	\$ 3.924	\$ 593.789
2043	\$ 593.789	\$ 11.825	\$ 2.742	\$ 2.370	\$ -	\$ 5.112	\$ 600.502
2044	\$ 600.502	\$ 11.898	\$ 10.654	\$ 0.590	\$ -	\$ 11.244	\$ 601.155
2045	\$ 601.155	\$ 11.984	\$ 3.896	\$ -	\$ -	\$ 3.896	\$ 609.243
2046	\$ 609.243	\$ 12.171	\$ 1.413	\$ -	\$ -	\$ 1.413	\$ 620.001
2047	\$ 620.001	\$ 12.386	\$ 1.413	\$ -	\$ -	\$ 1.413	\$ 630.974
2048	\$ 630.974	\$ 12.594	\$ 2.553	\$ -	\$ -	\$ 2.553	\$ 641.015
2049	\$ 641.015	\$ 12.249	\$ 57.145	\$ -	\$ -	\$ 57.145	\$ 596.119
2050	\$ 596.119	\$ 11.125	\$ 79.702	\$ -	\$ -	\$ 79.702	\$ 527.542
2051	\$ 527.542	\$ 9.809	\$ 74.206	\$ -	\$ -	\$ 74.206	\$ 463.145
2052	\$ 463.145	\$ 9.251	\$ 1.202	\$ -	\$ -	\$ 1.202	\$ 471.194
2053	\$ 471.194	\$ 9.217	\$ 0.104	\$ -	\$ 20.631	\$ 20.735	\$ 459.676
2054	\$ 459.676	\$ 9.189	\$ 0.039	\$ -	\$ 0.366	\$ 0.404	\$ 468.461
2055	\$ 468.461	\$ 9.368	\$ -	\$ -	\$ 0.094	\$ 0.094	\$ 477.735
2056	\$ 477.735	\$ 9.555	\$ -	\$ -	\$ -	\$ -	\$ 487.290
2057	\$ 487.290	\$ 9.746	\$ -	\$ -	\$ -	\$ -	\$ 497.035
2058	\$ 497.035	\$ 9.941	\$ -	\$ -	\$ -	\$ -	\$ 506.976
2059	\$ 506.976	\$ 10.140	\$ -	\$ -	\$ -	\$ -	\$ 517.116
2060	\$ 517.116	\$ 10.342	\$ -	\$ -	\$ -	\$ -	\$ 527.458
2061	\$ 527.458	\$ 10.549	\$ -	\$ -	\$ -	\$ -	\$ 538.007
2062	\$ 538.007	\$ 10.760	\$ -	\$ -	\$ -	\$ -	\$ 548.767
2063	\$ 548.767	\$ 10.975	\$ -	\$ -	\$ -	\$ -	\$ 559.743
2064	\$ 559.743	\$ 11.195	\$ -	\$ -	\$ -	\$ -	\$ 570.937
2065	\$ 570.937	\$ 11.419	\$ -	\$ -	\$ -	\$ -	\$ 582.356
2066	\$ 582.356	\$ 11.647	\$ -	\$ -	\$ -	\$ -	\$ 594.003
2067	\$ 594.003	\$ 11.880	\$ -	\$ -	\$ -	\$ -	\$ 605.883
2068	\$ 605.883	\$ 12.118	\$ -	\$ -	\$ -	\$ -	\$ 618.001
2069	\$ 618.001	\$ 12.360	\$ -	\$ -	\$ -	\$ -	\$ 630.361
2070	\$ 630.361	\$ 12.607	\$ -	\$ -	\$ -	\$ -	\$ 642.968
2071	\$ 642.968	\$ 12.795	\$ 6.396	\$ -	\$ -	\$ 6.396	\$ 649.368
Remaining \$ In	2016	Dollars	\$ 286.288	\$ 79.647	\$ 21.091	\$ 387.025	
Est. Fund Balance (end of Decommissioning) (In Future \$ escalated at 0.0% & 2.0% Real Rate of Return Fund Growth Rate)							\$ 649.368
Est. Fund Balance (end of Decommissioning) discounted to 2016 Dollars Discount Rate = 2.00%							\$ 218.515

**Table II Definitions:**

- Column 1: Beginning of Year Balance:**  
Reflects the beginning-of-year Trust Fund balance at a 0.0% cost escalation rate and a 2.0% Real Rate of Return (RRoR) on fund growth.
- Column 2: Earnings on Trust Funds:**  
Reflects earnings on funds remaining in the trust. A 2.0% RRoR Fund growth rate is used for 2016 through 2071 which reflects the allowed 2.0% RRoR over a 0.0% cost escalation rate. The annual 2.0% RRoR earnings are calculated on the beginning balance plus 50% of the projected annual expenditure for each year.
- Column 3: Remaining License Termination Expenditures:**  
Reflects the annual License Termination Plan cost portion at a 0.0% escalation rate from the Site Specific Estimate.
- Column 4: Remaining Spent Fuel Management Expenditures:**  
Reflects the annual Irradiated Fuel Management Plan cost portion at a 0.0% escalation rate from the Site Specific Estimate. This column provides information on the status of funding for managing irradiated fuel as required by 10 CFR 50.82(a)(8)(vii).
- Column 5: Remaining Site Restoration Expenditures:**  
Reflects the annual Site Restoration Plan cost portion at a 0.0% escalation rate from the Site Specific Estimate.
- Column 6: Remaining SAFSTOR Expenditures:**  
Reflects the annual SAFSTOR Decommissioning Plan cost at a 0.0% escalation rate from the Site Specific Cost Estimate.
- Column 7: End of Year Balance:**  
Reflects the end of year Trust Fund balance after all projected earnings are added and all projected expenditures are deducted for the year specified at a 0.0% escalation rate and a 2.0% RRoR on fund growth.

**Tables I and II General Notes:** (Any minor differences in totals are due to rounding.)

- 1) Trust Fund balance reflects market value on December 31, 2015, net of taxes on realized gains and losses.
- 2) The 2.0% RRoR is based on the rate allowed by 10 CFR 50.75(e)(1)(i) and 10 CFR 50.82(a)(8)(vi) and not on any order of rate setting authority.
- 3) The funding method for providing financial assurance for decommissioning MPS1 remains prepayment. The cash flow analysis in Table II demonstrates that the amounts accumulated in the Trust are sufficient, with credited earnings at a 2.0% RRoR, to cover the estimated cost of radiological decommissioning, spent fuel management and site restoration.