



March 30, 2017

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

Serial No. 17-081  
NRA/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, 2016
- Table II - Decommissioning Funding Status Report for MPS1  
Annual Cash Flow Analysis Starting January 1, 2017 through  
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 2017 dollars is 1.44% and is based upon the average of CPI-U rates for that period. The mnemonic is "FCPIU.US CPI: Urban Consumer - All Items, (Index 1982-84=100, SA)."
2. The escalation rate of decommissioning costs, shown in Table II is 0% based on assuming a 2% Real Rate of Return.
3. The growth rate on Trust Funds is 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 24, 2016 (Serial No. 16-107, ADAMS Accession No. ML16085A346) for MPS1 there have been no material changes to the Trust agreements established for nuclear decommissioning.

*ADD  
NRR*

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

Sincerely,



D. G. Stoddard  
Senior Vice President and Chief Nuclear Officer  
Dominion Nuclear Connecticut, Inc.

Attachment:

1. Decommissioning Funding Status Report for MPS1 Summary Information as of December 31, 2016

Commitments made in this letter: None

cc: U. S. Nuclear Regulatory Commission  
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**Attachment 1**

**Decommissioning Funding Status Report for MPS1**  
**Summary Information as of December 31, 2016**

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

**Millstone Power Station Unit 1  
Decommissioning Funding Status Report as of December 31, 2016  
Table I**

Decommissioning Funding Status Report for MPS1 Summary Information as of December 31, 2016 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>		
\$ 473.827	Unit 1 qualified fund balance			As of: 12/31/2016		
\$ -	Unit 1 non-qualified fund balance			As of: 12/31/2016		
\$ 3.064	Less costs incurred but not yet billed to Trust			Actual Cost in: 2016 Dollars		
\$ 470.763	Adjusted decommissioning fund balance			As of: 12/31/2016		
<b>Other Financial Assurance Methods Being Relied Upon</b>						
None		10 CFR Reference		50.82(a)(8)(v)(A)		
<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>		
\$ 5.208	\$ 1.248	\$ 3.960	\$ -	2016 Cost in: 2016 Dollars		
\$ 81.898	\$ 46.553	\$ 35.345	\$ -	2001-2015 Cost in: As-Spent Dollars		
\$ 87.106	\$ 47.801	\$ 39.305	\$ -	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>		
\$ 5.208	\$ -	\$ -	\$ -	Actual Cost in 2016 Dollars		
\$ 5.797	\$ -	\$ -	\$ -	NRC Auth \$ in 2016 Dollars		
\$ (0.589)	\$ -	\$ -	\$ -			
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</b>	<b>Spent Fuel Mgmt</b>	<b>Site Restoration</b>	<b>Comments</b>		
\$ 390.162	\$ 291.901	\$ 76.677	\$ 21.584	Estimate in: 2017 Dollars		
<b>Decommissioning Criteria Upon Which the Estimate is Based</b>						
SAFSTOR		10 CFR Reference		50.82(a)(8)(v)(B)		
<b>Any Modification To Method of Providing Financial Assurance</b>						
None		10 CFR Reference		50.82(a)(8)(v)(C)		
<b>Any Material Changes To Trust Agreement Since Previous Report</b>						
None		10 CFR Reference		50.82(a)(8)(v)(D)		
<b>Need For Additional Financial Assurance</b>						
None		10 CFR Reference		50.82(a)(8)(vi)		50.82(a)(8)(vii)(C)
See Annual Cash Flow Analysis in Table II						
<b>Inputs to Remaining Cost and Funding Analysis</b>						
2017	Start year of Remaining Cost and Funding analysis					
1.44%	Escalate study dollars from Study Year to Start Year of Analysis using an average of CPI rates					
0.00%	Escalation rate		2017 & Beyond			
2.00%	Fund growth rate		2017 & 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.
- 3) 2016 NRC Authorized expenditures of \$5.797 million are based on \$5.7 million (rounded) in 2015 dollars and escalated by 2.55% annually as described in DNC's submittal dated December 4, 2015 (ML15345A243).

**Millstone Power Station Unit 1  
Decommissioning Funding Status Report as of December 31, 2016  
Table II**

Decommissioning Funding Status Report for MPS1 Annual Cash Flow Analysis Starting January 1, 2017 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
2017	\$ 470.763	\$ 9.360	\$ 0.942	\$ 4.539	\$ -	\$ 5.481	\$ 474.642
2018	\$ 474.642	\$ 9.448	\$ 0.941	\$ 3.502	\$ -	\$ 4.443	\$ 479.647
2019	\$ 479.647	\$ 9.549	\$ 0.941	\$ 3.503	\$ -	\$ 4.444	\$ 484.752
2020	\$ 484.752	\$ 9.651	\$ 0.941	\$ 3.502	\$ -	\$ 4.443	\$ 489.959
2021	\$ 489.959	\$ 9.757	\$ 1.590	\$ 2.656	\$ -	\$ 4.247	\$ 495.470
2022	\$ 495.470	\$ 9.869	\$ 1.590	\$ 2.425	\$ -	\$ 4.016	\$ 501.323
2023	\$ 501.323	\$ 9.986	\$ 1.590	\$ 2.425	\$ -	\$ 4.016	\$ 507.294
2024	\$ 507.294	\$ 10.106	\$ 1.590	\$ 2.425	\$ -	\$ 4.016	\$ 513.384
2025	\$ 513.384	\$ 10.170	\$ 6.980	\$ 2.810	\$ -	\$ 9.790	\$ 513.764
2026	\$ 513.764	\$ 10.233	\$ 1.590	\$ 2.656	\$ -	\$ 4.247	\$ 519.750
2027	\$ 519.750	\$ 10.352	\$ 1.590	\$ 2.688	\$ -	\$ 4.278	\$ 525.824
2028	\$ 525.824	\$ 10.457	\$ 1.590	\$ 4.402	\$ -	\$ 5.992	\$ 530.288
2029	\$ 530.288	\$ 10.549	\$ 1.590	\$ 4.121	\$ -	\$ 5.711	\$ 535.126
2030	\$ 535.126	\$ 10.662	\$ 1.590	\$ 2.425	\$ -	\$ 4.016	\$ 541.772
2031	\$ 541.772	\$ 10.793	\$ 1.590	\$ 2.656	\$ -	\$ 4.247	\$ 548.319
2032	\$ 548.319	\$ 10.926	\$ 1.590	\$ 2.425	\$ -	\$ 4.016	\$ 555.229
2033	\$ 555.229	\$ 11.064	\$ 1.590	\$ 2.425	\$ -	\$ 4.016	\$ 562.278
2034	\$ 562.278	\$ 11.205	\$ 1.590	\$ 2.425	\$ -	\$ 4.016	\$ 569.468
2035	\$ 569.468	\$ 11.343	\$ 2.232	\$ 2.425	\$ -	\$ 4.657	\$ 576.154
2036	\$ 576.154	\$ 11.481	\$ 1.590	\$ 2.656	\$ -	\$ 4.247	\$ 583.388
2037	\$ 583.388	\$ 11.628	\$ 1.590	\$ 2.425	\$ -	\$ 4.016	\$ 591.000
2038	\$ 591.000	\$ 11.780	\$ 1.590	\$ 2.425	\$ -	\$ 4.016	\$ 598.764
2039	\$ 598.764	\$ 11.935	\$ 1.590	\$ 2.425	\$ -	\$ 4.016	\$ 606.683
2040	\$ 606.683	\$ 12.094	\$ 1.590	\$ 2.425	\$ -	\$ 4.016	\$ 614.761
2041	\$ 614.761	\$ 12.255	\$ 1.590	\$ 2.425	\$ -	\$ 4.016	\$ 623.001
2042	\$ 623.001	\$ 12.420	\$ 1.590	\$ 2.425	\$ -	\$ 4.016	\$ 631.405
2043	\$ 631.405	\$ 12.576	\$ 2.806	\$ 2.425	\$ -	\$ 5.231	\$ 638.750
2044	\$ 638.750	\$ 12.660	\$ 10.903	\$ 0.604	\$ -	\$ 11.507	\$ 639.902
2045	\$ 639.902	\$ 12.758	\$ 3.988	\$ -	\$ -	\$ 3.988	\$ 648.672
2046	\$ 648.672	\$ 12.959	\$ 1.446	\$ -	\$ -	\$ 1.446	\$ 660.186
2047	\$ 660.186	\$ 13.189	\$ 1.446	\$ -	\$ -	\$ 1.446	\$ 671.929
2048	\$ 671.929	\$ 13.412	\$ 2.612	\$ -	\$ -	\$ 2.612	\$ 682.729
2049	\$ 682.729	\$ 13.070	\$ 58.483	\$ -	\$ -	\$ 58.483	\$ 637.315
2050	\$ 637.315	\$ 11.931	\$ 81.569	\$ -	\$ -	\$ 81.569	\$ 567.677
2051	\$ 567.677	\$ 10.594	\$ 75.944	\$ -	\$ -	\$ 75.944	\$ 502.328
2052	\$ 502.328	\$ 10.034	\$ 1.230	\$ -	\$ -	\$ 1.230	\$ 511.132
2053	\$ 511.132	\$ 10.010	\$ 0.106	\$ -	\$ 21.114	\$ 21.220	\$ 499.922
2054	\$ 499.922	\$ 9.994	\$ 0.040	\$ -	\$ 0.374	\$ 0.414	\$ 509.503
2055	\$ 509.503	\$ 10.189	\$ -	\$ -	\$ 0.096	\$ 0.096	\$ 519.596
2056	\$ 519.596	\$ 10.392	\$ -	\$ -	\$ -	\$ -	\$ 529.988
2057	\$ 529.988	\$ 10.600	\$ -	\$ -	\$ -	\$ -	\$ 540.587
2058	\$ 540.587	\$ 10.812	\$ -	\$ -	\$ -	\$ -	\$ 551.399
2059	\$ 551.399	\$ 11.028	\$ -	\$ -	\$ -	\$ -	\$ 562.427
2060	\$ 562.427	\$ 11.249	\$ -	\$ -	\$ -	\$ -	\$ 573.676
2061	\$ 573.676	\$ 11.474	\$ -	\$ -	\$ -	\$ -	\$ 585.149
2062	\$ 585.149	\$ 11.703	\$ -	\$ -	\$ -	\$ -	\$ 596.852
2063	\$ 596.852	\$ 11.937	\$ -	\$ -	\$ -	\$ -	\$ 608.789
2064	\$ 608.789	\$ 12.176	\$ -	\$ -	\$ -	\$ -	\$ 620.965
2065	\$ 620.965	\$ 12.419	\$ -	\$ -	\$ -	\$ -	\$ 633.384
2066	\$ 633.384	\$ 12.668	\$ -	\$ -	\$ -	\$ -	\$ 646.052
2067	\$ 646.052	\$ 12.921	\$ -	\$ -	\$ -	\$ -	\$ 658.973
2068	\$ 658.973	\$ 13.179	\$ -	\$ -	\$ -	\$ -	\$ 672.152
2069	\$ 672.152	\$ 13.443	\$ -	\$ -	\$ -	\$ -	\$ 685.595
2070	\$ 685.595	\$ 13.712	\$ -	\$ -	\$ -	\$ -	\$ 699.307
2071	\$ 699.307	\$ 13.921	\$ 6.546	\$ -	\$ -	\$ 6.546	\$ 706.682
Remaining \$ In	2017	Dollars	\$ 291,901	\$ 76,677	\$ 21,584	\$ 390,162	
Est. Fund Balance (end of Decommissioning) (in Future \$ escalated at 0.0% & 2.0% Real Rate of Return Fund Growth Rate)							\$ 706,682
Est. Fund Balance (end of Decommissioning) discounted to							\$ 242,558
			2017	Dollars	Discount Rate = 2.00%		

**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 2017 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 less 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, 2016, 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).
- 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.