



March 30, 2017

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

Serial No. 17-082
NRA/TJS R0
Docket Nos. 50-336, 423
License Nos. DPR-65
NPF-49

DOMINION NUCLEAR CONNECTICUT, INC.
MILLSTONE POWER STATION UNITS 2 AND 3
DECOMMISSIONING FUNDING STATUS REPORT

Pursuant to 10 CFR 50.75(f)(1), Dominion Nuclear Connecticut, Inc. (DNC) is providing this report on the status of decommissioning funding for Millstone Power Station Unit 2 (MPS2) and Unit 3 (MPS3).

Attachment 1 provides the following information for MPS2 and MPS3:

- Table I - NRC Minimum Financial Assurance Amount as of 12/31/2016
- Table II - Funds Held in External Trusts as of 12/31/2016
- Table III - Current Annual Funding Levels
- Table IV - NRC Minimum Financial Assurance Summary Table

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

1. Preliminary December 2016 Bureau of Labor Statistics indices values are used because the final December 2016 indices values were not available at the time of this filing.
2. The escalation rate of decommissioning costs is held at 0% based on assuming 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 MPS2 and MPS3 is referenced because the 2% Real Rate of Return allowed by 50.75(e)(1)(i) is used in the calculations and MPS2 and MPS3 are merchant units.
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 licensee's current method of providing financial assurance since the last submitted report.
6. There are no annual funding amounts for MPS2 and MPS3.
7. Trust Fund amounts shown for each of the units 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 not currently taxable.
8. Since the previous biennial submittal on March 26, 2015 (Serial No. 15-100, ADAMS Accession No. ML15093A103) for MPS2 and MPS3 there have been no material changes to trust agreements established for nuclear decommissioning for MPS2 and MPS3.

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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: Nuclear Decommissioning Financial Assurance as of 12/31/2016

Commitments made in this letter: None

cc: U. S. Nuclear Regulatory Commission
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Attachment 1

Nuclear Decommissioning Financial Assurance as of 12/31/2016

**Millstone Power Station Units 2 and 3
Dominion Nuclear Connecticut, Inc. (DNC)**

DOMINION NUCLEAR CONNECTICUT, INC.
Nuclear Decommissioning Financial Assurance as of 12/31/2016

Dominion Nuclear Connecticut, Inc.						
Nuclear Decommissioning Financial Assurance as of: 12/31/2016						
Table I:						
NRC Minimum Financial Assurance Amount as of: 12/31/2016						
10 CFR 50.75 (f)(1)						
(Millions of Dollars)						
		(See Note 5)		(See Notes 1&6)		
		MPS		MPS		
		Unit 2		Unit 3		
Ownership		DPR-65		NPF-49	Total	
				U2 & U3	U3	
					Ownership %	
Dominion Nuclear Connecticut, Inc.	\$	440.8	\$	438.1	\$ 878.9	93.47%
Green Mountain Power Corporation		n/a	\$	8.1	\$ 8.1	1.73%
Massachusetts Municipal WEC		n/a	\$	22.5	\$ 22.5	4.80%
Total	\$	440.8	\$	468.7	\$ 909.5	100.00%
Table II:						
Funds Held in External Trusts as of: 12/31/2016						
10 CFR 50.75 (f)(1)						
(Millions of Dollars, differences due to rounding)						
				(See Note 1)		
		MPS		MPS		
		Unit 2		Unit 3		
Ownership		DPR-65		NPF-49	Total	
				U2 & U3	U3	
					Ownership %	
Dominion Nuclear Connecticut, Inc.	\$	614.0	\$	603.8	\$ 1,217.8	93.47%
Green Mountain Power Corporation		n/a	\$	10.2	\$ 10.2	1.73%
Massachusetts Municipal WEC		n/a	\$	27.2	\$ 27.2	4.80%
Total (see Note 2)	\$	614.0	\$	641.1	\$ 1,255.2	100.00%
Table III:						
Current Annual Funding Levels						
10 CFR 50.75 (f)(1)						
(Millions of Dollars)						
				(See Note 1)		
		MPS		MPS		
		Unit 2		Unit 3		
Ownership		DPR-65		NPF-49	Total	
				U2 & U3	U3	
					Ownership %	
Dominion Nuclear Connecticut, Inc.	\$	-	\$	-	\$ -	93.47%
Green Mountain Power Corporation	\$	-	\$	-	\$ -	1.73%
Massachusetts Municipal WEC	\$	-	\$	-	\$ -	4.80%
Total	\$	-	\$	-	\$ -	100.00%

**DOMINION NUCLEAR CONNECTICUT, INC.
Nuclear Decommissioning Financial Assurance as of 12/31/2016**

Table IV:		NRC Minimum Financial Assurance Summary Table 10 CFR 50.75 (f)(1)		
		(Millions of Dollars - except percentage and years)		
		(See Note 5)	(See Notes 1&5)	
		MPS	MPS	
		Unit 2	Unit 3	Total
		DPR-65	NPF-49	U2 & U3
Method for Providing Financial Assurance		Pre-payment	Pre-payment	
NRC Minimum Amounts as of:	12/31/2016	\$ 440.8	\$ 468.7	\$ 909.5
Funds in External Trusts as of:	12/31/2016	\$ 614.0	\$ 641.1	\$ 1,255.2
(See Note 2)				
Funds in External Trusts as of:	12/31/2016			
Minus NRC Minimum Amounts as of:	12/31/2016	\$ 173.2	\$ 172.5	\$ 345.6
(See Notes 2 & 3)				
Projected Annual Escalation Factor		0.00%	0.00%	
Annual Trust Funds Earnings Rate		2.00%	2.00%	
(After Tax & Fees - assumes 2% Real Rate of Return)				
Year That Operating License Expires		2035	2045	
(Reflects License Renewal for Unit 2 and Unit 3)				
NRC Minimum Financial Assurance Amount				
3.5 years after start of Decommissioning		\$ 440.8	\$ 468.7	\$ 909.5
Estimated Funds in External Trusts				
3.5 Years after start of Decommissioning		\$ 950.9	\$ 1,194.4	\$ 2,145.3
(See Note 2)				
Estimated Funds in excess or (underfunded) to NRC Minimum				
3.5 years after start of Decommissioning in Future Value \$		\$ 510.0	\$ 725.8	\$ 1,235.8
Estimated funds in excess or (underfunded) to NRC Minimum				
Discounted using Annual Trust Funds Earnings Rate to 12/31/2016 \$		\$ 329.4	\$ 389.6	\$ 718.9
(See Notes 3 & 4)				

Notes: Tables I through IV (Any minor differences in totals are due to rounding.)

1. MPS3 is jointly owned by Dominion Nuclear Connecticut, Inc. (93.4707%), Green Mountain Power Corporation (1.7303%) and Massachusetts Municipal WEC (4.7990%).
2. The External Trust Funds shown reflect the total amount of funds in the Trusts including MPS3 Minority Owners, all of which are available for Radiological Decommissioning.
3. Negative amounts (if any) indicate that the value of the Trust Funds are less than the value of the NRC Minimum.
4. The Future Value calculation for MPS2 and MPS3 reflects 2% Real Rate of Return applied 1/1/2017 to 3.5 years after start of Decommissioning assuming a 0.00% Esc Rate.
5. Adjustment Factors used in calculating NRC Minimum Values are based on preliminary December 2016 BLS Producer Price Indexes, as final December 2016 indexes were not available at time of calculation.