

March 21, 2018



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

Serial No. 18-090
NRA/TJS Rev. 1
Docket No. 50-245
License No. DPR-21

DOMINION ENERGY 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 Energy Nuclear Connecticut, Inc. (DENC), 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, 2017
- Table II - Decommissioning Funding Status Report for MPS1
Annual Cash Flow Analysis Starting January 1, 2018 through
End of Decommissioning

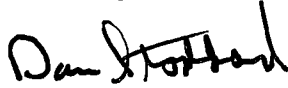
The following information is provided in support and as part of this filing:

1. The escalation of decommissioning costs from the Cost Study's 2014 dollars to 2018 dollars is 1.52% 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 DENC 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 30, 2017 (Serial No. 17-081, ADAMS Accession No. ML17094A518) for MPS1 there have been no material changes to the Trust agreements established for nuclear decommissioning.

ADD1
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 Energy Nuclear Connecticut, Inc.

Attachment:

1. Decommissioning Funding Status Report for MPS1, Summary Information as of December 31, 2017

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, 2017

Millstone Power Station - Unit 1
Dominion Energy Nuclear Connecticut, Inc. (DENC)

**Millstone Power Station Unit 1
Decommissioning Funding Status Report as of December 31, 2017
Table I**

Decommissioning Funding Status Report for MPS1 Summary Information as of December 31, 2017 10 CFR 50.82 (a)(8)(v)-(vii) (In millions)							
Decommissioning Trust Fund Balances							
Fund Balance	Type of Trusts				10 CFR Reference	50.82(a)(8)(v)(A)	50.82(a)(8)(vii)(A)
\$ 532.943	Unit 1 qualified fund balance				As of:	12/31/2017	
\$ -	Unit 1 non-qualified fund balance				As of:	12/31/2017	
\$ 0.889	Less costs incurred but not yet billed to Trust				Actual Cost in:	2017	Dollars
\$ 532.054	Adjusted decommissioning fund balance				As of:	12/31/2017	
Other Financial Assurance Methods Being Relied Upon							
None				10 CFR Reference	50.82(a)(8)(v)(A)		
Prior Years Decommissioning Expenditures							
Total	License Term	Spent Fuel Mgmt	Site Restoration	10 CFR Reference			50.82(a)(8)(v)(A)
\$ 3.874	\$ 0.495	\$ 3.379	\$ -	2017 Cost in:			2017 Dollars
\$ 87.106	\$ 47.801	\$ 39.305	\$ -	2001-2016 Cost in:			As-Spent Dollars
\$ 90.980	\$ 48.296	\$ 42.684	\$ -	Total Prior Year in:			As-Spent Dollars
Prior Year Decommissioning Expenditures Variance to Estimated Cost							
Total	License Term	Spent Fuel Mgmt	Site Restoration	10 CFR Reference			50.82(a)(8)(v)(B)
\$ 3.873	\$ -	\$ -	\$ -	Actual Cost in			2017 Dollars
\$ 4.968	\$ -	\$ -	\$ -	NRC Auth \$ in			2017 Dollars
\$ (1.094)	\$ -	\$ -	\$ -				
Variance: Underrun to NRC Authorized Expenditures							
Remaining Decommissioning Estimated Cost							
Total	License	Spent Fuel Mgmt	Site Restoration	10 CFR Reference			50.82(a)(8)(v)(B)
\$ 392.218	\$ 296.486	\$ 73.770	\$ 21.962	Estimate in:			2018 Dollars
Decommissioning Criteria Upon Which the Estimate is Based							
SAFSTOR				10 CFR Reference	50.82(a)(8)(v)(B)		
Any Modification To Method of Providing Financial Assurance							
None				10 CFR Reference	50.82(a)(8)(v)(C)		
Any Material Changes To Trust Agreement Since Previous Report							
None				10 CFR Reference	50.82(a)(8)(v)(D)		
Need For Additional Financial Assurance							
None				10 CFR Reference	50.82(a)(8)(vi)	50.82(a)(8)(vii)(C)	
See Annual Cash Flow Analysis in Table II							
Inputs to Remaining Cost and Funding Analysis							
2018	Start year of Remaining Cost and Funding analysis						
1.52%	Escalate study dollars from Study Year to Start Year of Analysis using an average of CPI rates						
0.00%	Escalation rate		2018	& Beyond			
2.00%	Fund growth rate		2018	& 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 Energy 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 DENC's previous notices to the NRC, as well as allowed ordinary administrative costs.
- 3) 2017 NRC Authorized expenditures of \$4.968 million are based on \$5 million (rounded) in 2017 dollars as described in DENC's submittal dated August 22, 2017 (ML17240A170).

**Millstone Power Station Unit 1
Decommissioning Funding Status Report as of December 31, 2017
Table II**

Decommissioning Funding Status Report for MPS1 Annual Cash Flow Analysis Starting January 1, 2018 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
2018	\$ 532.054	\$ 10.590	\$ 1.105	\$ 3.965	\$ -	\$ 5.070	\$ 537.574
2019	\$ 537.574	\$ 10.705	\$ 1.105	\$ 3.548	\$ -	\$ 4.653	\$ 543.626
2020	\$ 543.626	\$ 10.826	\$ 1.105	\$ 3.548	\$ -	\$ 4.653	\$ 549.799
2021	\$ 549.799	\$ 10.953	\$ 1.618	\$ 2.703	\$ -	\$ 4.321	\$ 556.431
2022	\$ 556.431	\$ 11.088	\$ 1.618	\$ 2.468	\$ -	\$ 4.086	\$ 563.433
2023	\$ 563.433	\$ 11.228	\$ 1.618	\$ 2.468	\$ -	\$ 4.086	\$ 570.575
2024	\$ 570.575	\$ 11.371	\$ 1.618	\$ 2.468	\$ -	\$ 4.086	\$ 577.860
2025	\$ 577.860	\$ 11.458	\$ 7.102	\$ 2.859	\$ -	\$ 9.961	\$ 579.356
2026	\$ 579.356	\$ 11.544	\$ 1.618	\$ 2.703	\$ -	\$ 4.321	\$ 586.579
2027	\$ 586.579	\$ 11.688	\$ 1.618	\$ 2.735	\$ -	\$ 4.353	\$ 593.914
2028	\$ 593.914	\$ 11.817	\$ 1.618	\$ 4.479	\$ -	\$ 6.097	\$ 599.635
2029	\$ 599.635	\$ 11.935	\$ 1.618	\$ 4.193	\$ -	\$ 5.811	\$ 605.758
2030	\$ 605.758	\$ 12.074	\$ 1.618	\$ 2.468	\$ -	\$ 4.086	\$ 613.747
2031	\$ 613.747	\$ 12.232	\$ 1.618	\$ 2.703	\$ -	\$ 4.321	\$ 621.657
2032	\$ 621.657	\$ 12.392	\$ 1.618	\$ 2.468	\$ -	\$ 4.086	\$ 629.964
2033	\$ 629.964	\$ 12.558	\$ 1.618	\$ 2.468	\$ -	\$ 4.086	\$ 638.437
2034	\$ 638.437	\$ 12.728	\$ 1.618	\$ 2.468	\$ -	\$ 4.086	\$ 647.079
2035	\$ 647.079	\$ 12.894	\$ 2.271	\$ 2.468	\$ -	\$ 4.739	\$ 655.234
2036	\$ 655.234	\$ 13.061	\$ 1.618	\$ 2.703	\$ -	\$ 4.321	\$ 663.975
2037	\$ 663.975	\$ 13.239	\$ 1.618	\$ 2.468	\$ -	\$ 4.086	\$ 673.128
2038	\$ 673.128	\$ 13.422	\$ 1.618	\$ 2.468	\$ -	\$ 4.086	\$ 682.464
2039	\$ 682.464	\$ 13.608	\$ 1.618	\$ 2.468	\$ -	\$ 4.086	\$ 691.986
2040	\$ 691.986	\$ 13.799	\$ 1.618	\$ 2.468	\$ -	\$ 4.086	\$ 701.699
2041	\$ 701.699	\$ 13.993	\$ 1.618	\$ 2.468	\$ -	\$ 4.086	\$ 711.607
2042	\$ 711.607	\$ 14.191	\$ 1.618	\$ 2.468	\$ -	\$ 4.086	\$ 721.712
2043	\$ 721.712	\$ 14.381	\$ 2.855	\$ 2.468	\$ -	\$ 5.323	\$ 730.771
2044	\$ 730.771	\$ 14.498	\$ 11.094	\$ 0.615	\$ -	\$ 11.709	\$ 733.560
2045	\$ 733.560	\$ 14.631	\$ 4.057	\$ -	\$ -	\$ 4.057	\$ 744.134
2046	\$ 744.134	\$ 14.868	\$ 1.471	\$ -	\$ -	\$ 1.471	\$ 757.530
2047	\$ 757.530	\$ 15.136	\$ 1.471	\$ -	\$ -	\$ 1.471	\$ 771.195
2048	\$ 771.195	\$ 15.397	\$ 2.658	\$ -	\$ -	\$ 2.658	\$ 783.935
2049	\$ 783.935	\$ 15.084	\$ 59.505	\$ -	\$ -	\$ 59.505	\$ 739.513
2050	\$ 739.513	\$ 13.960	\$ 82.994	\$ -	\$ -	\$ 82.994	\$ 670.479
2051	\$ 670.479	\$ 12.637	\$ 77.271	\$ -	\$ -	\$ 77.271	\$ 605.844
2052	\$ 605.844	\$ 12.104	\$ 1.252	\$ -	\$ -	\$ 1.252	\$ 616.697
2053	\$ 616.697	\$ 12.118	\$ 0.108	\$ -	\$ 21.483	\$ 21.591	\$ 607.224
2054	\$ 607.224	\$ 12.140	\$ 0.040	\$ -	\$ 0.381	\$ 0.421	\$ 618.943
2055	\$ 618.943	\$ 12.378	\$ -	\$ -	\$ 0.098	\$ 0.098	\$ 631.223
2056	\$ 631.223	\$ 12.624	\$ -	\$ -	\$ -	\$ -	\$ 643.848
2057	\$ 643.848	\$ 12.877	\$ -	\$ -	\$ -	\$ -	\$ 656.725
2058	\$ 656.725	\$ 13.134	\$ -	\$ -	\$ -	\$ -	\$ 669.859
2059	\$ 669.859	\$ 13.397	\$ -	\$ -	\$ -	\$ -	\$ 683.257
2060	\$ 683.257	\$ 13.665	\$ -	\$ -	\$ -	\$ -	\$ 696.922
2061	\$ 696.922	\$ 13.938	\$ -	\$ -	\$ -	\$ -	\$ 710.860
2062	\$ 710.860	\$ 14.217	\$ -	\$ -	\$ -	\$ -	\$ 725.077
2063	\$ 725.077	\$ 14.502	\$ -	\$ -	\$ -	\$ -	\$ 739.579
2064	\$ 739.579	\$ 14.792	\$ -	\$ -	\$ -	\$ -	\$ 754.370
2065	\$ 754.370	\$ 15.087	\$ -	\$ -	\$ -	\$ -	\$ 769.458
2066	\$ 769.458	\$ 15.389	\$ -	\$ -	\$ -	\$ -	\$ 784.847
2067	\$ 784.847	\$ 15.697	\$ -	\$ -	\$ -	\$ -	\$ 800.544
2068	\$ 800.544	\$ 16.011	\$ -	\$ -	\$ -	\$ -	\$ 816.555
2069	\$ 816.555	\$ 16.331	\$ -	\$ -	\$ -	\$ -	\$ 832.886
2070	\$ 832.886	\$ 16.658	\$ -	\$ -	\$ -	\$ -	\$ 849.544
2071	\$ 849.544	\$ 16.924	\$ 6.660	\$ -	\$ -	\$ 6.660	\$ 859.808
Remaining \$ In	2018	Dollars	\$ 296.486	\$ 73.770	\$ 21.962	\$ 392.218	
Est. Fund Balance (end of Decommissioning) (In Future \$ escalated at 0.0% & 2.0% Real Rate of Return Fund Growth Rate)							\$ 859.808
Est. Fund Balance (end of Decommissioning) discounted to 2018 Dollars Discount Rate = 2.00%							\$ 301.018

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 2018 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, 2017, 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.