

South Texas Project Electric: Generating Station P.O. Box 289 Wadsworth, Texas 77483

March 29, 1999
NOC-AE-000488
File No.: G02
10CFR50.75

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555-0001

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498, STN 50-499
Decommissioning Funding Status Report

Pursuant to 10CFR50.75(f), the South Texas Project submits the attached reports on the status of decommissioning funding available for the facility. The reports were prepared by the individual co-owners of the South Texas Project: Reliant Energy, Central Power and Light, City Public Service Board of San Antonio, and the City of Austin. The attached reports provide the following information for each co-owner:

- The amount of decommissioning funds estimated to be required pursuant to 10CFR50.75(b) and (c);
- The amount accumulated to the end of calendar year 1998;
- A schedule of the annual amounts remaining to be collected;
- The assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections;
- Source of revenues for external sinking fund;
- Contracts upon which the owners rely pursuant to paragraph (e)(1)(v) of 10CFR50.75; and
- Modifications to method of decommissioning funding assurance or material changes to trust agreements.

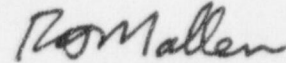
The co-owners did not use the same assumptions in determining the amount of funding expected to be required for decommissioning expenses. Disposal rates for Barnwell, South Carolina, were used by all; however, they were averaged with Hanford rates in the San Antonio and City of Austin results. Although the Hanford disposal rates are lower than those of Barnwell, this is

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acceptable at this time because of the margin of the amount accumulated over the amount required for South Texas Project decommissioning costs.

If there are any questions, please contact me at (512) 972-8085.



Frank H. Mallen
Manager,
Planning & Controls

PLW

Attachments:

- 1) 1999 Decommissioning Funding Status Report – Reliant Energy
- 2) 1999 Decommissioning Funding Status Report – Central Power and Light
- 3) 1999 Decommissioning Funding Status Report – City Public Service Board of San Antonio
- 4) 1999 Decommissioning Funding Status Report – City of Austin

Ellis W. Merschoff
Regional Administrator, Region IV
U. S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064

Thomas W. Alexion
Project Manager, Mail Code 13H3
U. S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Cornelius F. O'Keefe
Sr. Resident Inspector
c/o U. S. Nuclear Regulatory Commission
P. O. Box 910
Bay City, TX 77404-0910

J. R. Newman, Esquire
Morgan, Lewis & Bockius
1800 M. Street, N.W.
Washington, DC 20036-5869

M. T. Hardt/W. C. Gunst
City Public Service
P. O. Box 1771
San Antonio, TX 78296

A. Ramirez/C. M. Canady
City of Austin
Electric Utility Department
721 Barton Springs Road
Austin, TX 78704

Jon C. Wood
Matthews & Branscomb
One Alamo Center
106 S. St. Mary's Street, Suite 700
San Antonio, TX 78205-3692

Institute of Nuclear Power
Operations - Records Center
700 Galleria Parkway
Atlanta, GA 30339-5957

Richard A. Ratliff
Bureau of Radiation Control
Texas Department of Health
1100 West 49th Street
Austin, TX 78756-3189

D. G. Tees/R. L. Balcom
Houston Lighting & Power Co.
P. O. Box 1700
Houston, TX 77251

Central Power and Light Company
ATTN: G. E. Vaughn/C. A. Johnson
P. O. Box 289, Mail Code: N5012
Wadsworth, TX 77483

U. S. Nuclear Regulatory Commission
Attention: Robert Wood
Mail Stop 011-F1
Washington, D.C. 20555-0001

RELIANT ENERGY, INCORPORATED
30.8% Ownership of South Texas Project Unit-1
NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below and the attachment for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)¹:

Total Required	\$96,373,200
Required @ 12/31/98	\$20,837,449

2. The amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c):

\$54,285,518

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c):

Amount remaining	\$176,709,206
# of years to collect	28.5

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Escalation rate	5.52%
After-tax/fees earnings rate	6.28%

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c):

None

6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report:

None

7. Any material changes to trust agreements:

None

¹ The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

RELIANT ENERGY, INCORPORATED
30.8% Ownership of South Texas Project Unit-2
NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below and the attachment for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)¹:

Total Required	\$96,373,200
Required @ 12/31/98	\$20,289,095

2. The amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c):

\$69,079,060

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c):

Amount remaining	\$258,854,760
# of years to collect	30

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Escalation rate	5.52%
After-tax/fee earnings rate	6.28%

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c):

None

6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report:

None

7. Any material changes to trust agreements:

None

¹ The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

RELIANT ENERGY, INCORPORATED

NUCLEAR DECOMMISSIONING VERIFICATION OF FINANCIAL ASSURANCE
SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION UNITS 1 & 2

FOR YEAR END 1998

CONTENTS:

- A COMPARISON OF ACTUAL BALANCE TO REQUIREMENT
PURSUANT TO 10 CFR 50.75(B) AND (C)
- B AMOUNT OF DECOMMISSIONING FUNDS ESTIMATED TO BE
REQUIRED PURSUANT TO 10 CFR 50.75(B) AND (C)
- C COMPOSITE ESCALATION FACTOR
- D SCHEDULE OF ANNUAL AMOUNTS REMAINING TO BE
COLLECTED
- E DECOMMISSIONING COST INFORMATION AND ASSOCIATED
RATE ASSUMPTIONS

COMPARISON OF ACTUAL TRUST BALANCES TO NRC REQUIRED BALANCES
PURSUANT TO 10 CFR 50.75(B) AND (C)
AS OF DECEMBER 31, 1998

	<u>TRUST BALANCE</u>	<u>NRC REQUIREMENT</u>	<u>SURPLUS / (SHORTFALL)</u>
UNIT ONE	\$54,285,518	\$20,837,449	\$33,448,069
UNIT TWO	\$69,079,060	\$20,289,095	\$48,789,965

ACTUAL EXTERNAL TRUST FUND BALANCES
AS OF DECEMBER 31, 1998

UNIT ONE

QUALIFIED FUND ACCOUNT - LARGE-CAP EQUITY	26,553,037	A-1
QUALIFIED FUND ACCOUNT - SMALL-CAP EQUITY	4,162,346	A-2
QUALIFIED FUND ACCOUNT - FIXED INCOME	23,396,727	A-3
NON-QUALIFIED FUND ACCOUNT	<u>173,406</u>	A-4

TOTAL	<u><u>54,285,518</u></u>	
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UNIT TWO

QUALIFIED FUND ACCOUNT - LARGE-CAP EQUITY	34,713,740	A-5
QUALIFIED FUND ACCOUNT - SMALL-CAP EQUITY	5,792,403	A-6
QUALIFIED FUND ACCOUNT - FIXED INCOME	28,427,017	A-7
NON-QUALIFIED FUND ACCOUNT	<u>145,900</u>	A-8

TOTAL	<u><u>\$69,079,060</u></u>	
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Mellon Bank

MELLON BANK, N.A.

FACE VALUE OR NO. OF SHARES	NAME OF SECURITY	RATE	TAX COST		MARKET		INCOME	
			MTD UNIT	VALUE	PRICE	VALUE	EST. ANNUAL	ACCRUED
454,100	TOTAL FUND			16,070,828.81*		26,553,037.43*	302.130	
	SETTLED TAX COST			16,054,171.50*				

MARKET PRICES AND INCOME ARE FROM SOURCES WE BELIEVE ARE RELIABLE BUT ARE NOT GUARANTEED.

* TRADED POSITION

HOUSTON LIGHT & POWER-STP 1-Q-PHOENIX D&P
ACCOUNT 092-339

STATEMENT OF INVESTMENTS - ACCRUED
DECEMBER 31, 1998

PRODUCED ON 01-07-99
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Mellon Bank

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MELLON BANK, N.A.

FACE VALUE OR NO. OF SHARES	NAME OF SECURITY	RATE	TAX COST		PRICE	MARKET		INCOME	
			MTD UNIT	VALUE		VALUE	EST. ANNUAL	ACCRUED	
COLLECTIVE TRUST FUNDS									
4,522,210.046	HOUSTON INDUSTRIES - GLENMEDE MTU		.904	4,091,748.63	.920	4,162,346.23		0.00	0.00
4,522,210.046				4,091,748.63*		4,162,346.23*		0.00	0.00
4,522,210.046	TOTAL COLLECTIVE TRUST FUNDS			4,091,748.63*		4,162,346.23*		0.00	0.00
4,522,210.046	TOTAL INVESTMENTS			4,091,748.63*		4,162,346.23*		0.00	0.00
CASH									
				0.00		0.00			
4,522,210.046	TOTAL FUND			4,091,748.63*		4,162,346.23*			
SETTLED TAX COST									
				4,091,748.63*					

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* TRADED POSITION

MARKET PRICES AND INCOME ARE FROM SOURCES WE BELIEVE ARE RELIABLE BUT ARE NOT GUARANTEED.

* TRADED POSITION

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Mellon Bank

MELLON BANK, N.A.

FACE VALUE OR NO. OF SHARES	NAME OF SECUR	RATE	TAX COST		MARKET		INCOME	
			WTP UNIT	VALUE	PRICE	VALUE	EST. ANNUAL	ACCRUED
RECEIVABLES								

INCOME				361,790.99		361,790.99		361,790.99
				361,790.99*		361,790.99*		361,790.99
				361,790.99*		361,790.99*		361,790.99
TOTAL RECEIVABLES								

PAYABLES								

PURCHASES PENDING SETTLEMENT				222,187.50-		222,187.50-		
				222,187.50-		222,187.50-		
INCOME DEPOSITED AT INTEREST								
PRINCIPAL DEPOSITED AT INTEREST								
*** TOTAL ALL CASH ***								

21,905,000	TOTAL FUND			23,128,247.66*		23,596,727.31*	1,462,224	
SETTLED TAX COST								

				22,766,456.67*				

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TRADED POSITION

MARKET PRICES AND INCOME ARE FROM SOURCES WE
BELIEVE ARE RELIABLE BUT ARE NOT GUARANTEED.

* TRADED POSITION

HOUSTON LIGHT & POWER-STP UNIT 1-QUAL
ACCOUNT 092-025

STATEMENT OF INVESTMENTS - ACCRUED
DECEMBER 31, 1998

PRODUCED ON 01-20-99
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Mellon Bank

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MELLON BANK, N.A.

FACE VALUE OR NO. OF SHARES	NAME OF SECURITY	RATE	TAX COST		MARKET		INCOME	
			MTD UNIT	VALUE	PRICE	VALUE	EST. ANNUAL	ACCURED
PAYABLES								
	PURCHASES PENDING SETTLEMENT			222,187.50-		222,187.50-		
	SHORT TERM FUND INVESTMENT FEE			0.64-		0.64-		
				222,187.94-		222,187.94-		
	INCOME DEPOSITED AT INTEREST			0.00		0.00		
	PRINCIPAL DEPOSITED AT INTEREST			4,014.58		4,014.58		
	*** TOTAL ALL CASH ***			4,014.58		4,014.58		
370,000	TOTAL FUND			173,749.79*		173,406.29*	21,797	
	SETTLED TAX COST			172,548.38*				

MARKET PRICES AND INCOME ARE FROM SOURCES WE BELIEVE ARE RELIABLE BUT ARE NOT GUARANTEED.

* TRADED POSITION

MARKET PRICES AND INCOME ARE FROM SOURCES WE BELIEVE ARE RELIABLE BUT ARE NOT GUARANTEED.

* TRADED POSITION

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Mellon Bank

MELLON BANK, N.A.

FACE VALUE OR NO. OF SHARES	NAME OF SECURITY	RATE	TAX COST		MARKET		INCOME	
			MTD UNIT	VALUE	PRICE	VALUE	EST. ANNUAL	ACCRUED
557,013.331	TOTAL FUND			17,787,501.94*		34,713,739.67*	387,143	
	SETTLED TAX COST			17,706,050.09*				

MARKET PRICES AND INCOME ARE FROM SOURCE'S WE
BELIEVE ARE RELIABLE BUT ARE NOT GUARANTEED.

* TRADED POSITION

HOUSTON LIGHT & POWER-STP 2-GUAL-NISA
ACCOUNT 092-340

STATEMENT OF INVESTMENTS - ACCRUED
DECEMBER 31, 1998

PRODUCED ON 01-07-99
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Mellon Bank

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MELLON BANK, N.A.

FACE VALUE OR NO. OF SHARES	NAME OF SECURITY	RATE	TAX COST		MARKET		INCOME	
			MTD UNIT	VALUE	PRICE	VALUE	EST. ANNUAL	ACCRUED
COLLECTIVE TRUST FUNDS								
6,293,196.887	HOUSTON INDUSTRIES - GLENMEUE MTU		.904	5,694,158.30	.920	5,792,403.30		0.00
6,293,196.887				5,694,158.30*		5,792,403.30*		0.00
6,293,196.887	TOTAL COLLECTIVE TRUST FUNDS			5,694,158.30*		5,792,403.30*		0.00
6,293,196.867	TOTAL INVESTMENTS			5,694,158.30*		5,792,403.30*		0.00
	CASH			0.00		0.00		
6,293,196.837	TOTAL FUND			5,694,158.30*		5,792,403.30*		
	SETTLED TAX COST			5,694,158.30*				

MARKET PRICES AND INCOME ARE FROM SOURCES WE BELIEVE ARE RELIABLE BUT ARE NOT GUARANTEED.

* TRADED POSITION

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MARKET PRICES AND INCOME ARE FROM SOURCES WE BELIEVE ARE RELIABLE BUT ARE NOT GUARANTEED.

* TRADED POSITION

HOUSTON LIGHT & POWER-QUAL-GLENMEDE-UN#2
ACCOUNT 092-701

STATEMENT OF INVESTMENTS - ACCRUED
DECEMBER 31, 1998

PRODUCED ON 01-07-99
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Mellon Bank

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MELLON BANK, N.A.

FACE VALUE OR NO. OF SHARES	NAME OF SECURITY	RATE	TAX COST		MARKET		INCOME	
			MTD UNIT	VALUE	PRICE	VALUE	EST. ANNUAL	ACCRUED
10,710,000	TOTAL CORPORATE OBLIGATIONS			10,945,162.65*		11,086,694.60*	695,925	157,373.06
26,560,000	TOTAL FIXED INTEREST OBLIGATIONS			27,620,389.16*		27,823,445.10*	1,803,299	452,755.51
26,560,000	TOTAL INVESTMENTS			27,620,389.16*		27,823,445.10*	1,803,299	452,755.51
RECEIVABLES								

	INCOME			452,755.51		452,755.51		452,755.51
				452,755.51*		452,755.51*		452,755.51
	TOTAL RECEIVABLES			452,755.51*		452,755.51*		452,755.51
	INCOME DEPOSITED AT INTEREST			1,219.29		1,219.29		
	PRINCIPAL DEPOSITED AT INTEREST			149,597.10		149,597.10		
	*** TOTAL ALL CASH ***			150,816.39		150,816.39		
26,560,000	TOTAL FUND			28,223,961.06*		28,427,017.00*	1,803,299	
	SETTLED TAX COST			27,771,205.55*				

MARKET PRICES AND INCOME ARE FROM SOURCES WE BELIEVE ARE RELIABLE BUT ARE NOT GUARANTEED.

* TRADED POSITION

HOUSTON LIGHT & POWER-STP UNIT 2-QUAL
ACCOUNT 092-027

STATEMENT OF INVESTMENTS - ACCRUED
DECEMBER 31, 1998

PRODUCED ON 01-20-99
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Mellon Bank

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MELLON BANK, N.A.

FACE VALUE OR NO. OF SHARES	NAME & SECURITY	RATE	TAX COST		MARKET		INCOME	
			MTD UNIT	VALUE	PRICE	VALUE	EST. ANNUAL	ACCRUED
150,000	TOTAL FUND			145,899.56*		145,899.56*	7,762	
	SETTLED TAX COST			144,856.08*				

MARKET PRICES AND INCOME ARE FROM SOURCES WE BELIEVE ARE RELIABLE BUT ARE NOT GUARANTEED.

* TRADED POSITION

HOUSTON LIGHT & POWER-STP UNIT2-NON-QUAL
ACCOUNT 092-028

STATEMENT OF INVESTMENTS - ACCRUED
DECEMBER 31, 1998

PRODUCED ON 01-07-99
PAGE 2

COMPUTATION OF REQUIRED TRUST BALANCE
AS OF DECEMBER 31, 1998

$$\text{REQUIRED TRUST BALANCE} = [A \times B/C \times D \times (1 + E)] - F$$

A = OWNERSHIP % = 30.8%

B = YEARS ELAPSED FROM CERTIFICATE
= 1998 - 1990 = 8

C = TOTAL PERIOD = LICENSE EXPIRATION - CERTIFICATE YEAR
UNIT ONE: 2027-1990 = 37
UNIT TWO: 2028-1990 = 38

D = NRC MINIMUM PER UNIT = \$105,000,000

E = COMPOSITE ESCALATION FACTOR = 1.98
(SEE ATTACHMENT C)

F = AUTHORIZED EXPENDITURES = 0

$$\text{UNIT ONE REQUIREMENT} = 30.8\% \times 8/37 \times \$105.0 \times (1+1.98) - 0$$

REQUIRED TRUST BALANCE UNIT ONE = \$20,837,449

$$\text{UNIT TWO REQUIREMENT} = 30.8\% \times 8/38 \times \$105M \times (1+1.98) - 0$$

REQUIRED TRUST BALANCE UNIT TWO = \$20,289,095

COMPOSITE ESCALATION FACTOR
AS OF DECEMBER 31, 1998

	GROWTH FACTOR (1)	WEIGHT FACTOR (2)	COMPOSITE GROWTH (3)
LABOR	1.56	0.65	1.01
ENERGY	0.85	0.13	0.11
WASTE BURIAL	8.45	0.22	1.86
ENDING FACTOR			2.98
LESS BEGINNING FACTOR			<u>-1.00</u>
COMPOSITE ESCALATION FACTOR:			<u><u>1.98</u></u>

- (1) LABOR – ATTACHMENT C-1
ENERGY – ATTACHMENT C-1
WASTE BURIAL – SHOWN BELOW
(2) PER NRC REGULATORY GUIDE 1.159:
"ASSURING AVAILABILITY OF FUNDS"
(STP = "PWR")
(3) = (1) x (2)

WASTE BURIAL ESCALATION FACTOR AS OF DECEMBER 31, 1998	
SOUTH CAROLINA SITE PWR FACTOR	7.173 ATTACHMENT C-1
# OF YEARS (1/86 - 1/98)	<u>12</u>
ANNUAL GROWTH (12TH ROOT)	<u>1.178</u>
# OF YEARS (1/86 - 1/99)	<u>13</u>
GROWTH (1/86 - 1/98) (13TH POWER)	<u><u>8.453</u></u>

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New Reporting Requirements

Pursuant to a new rule of the NRC promulgated in September, 1998, a licensee is required to file a report with the NRC on the status of its decommissioning funding by March 31, 1999, and at least once every two years thereafter. See 10 C.F.R. § 50.75(f). Annual reporting is required for a plant that is within five years of the projected end of its operation, or where conditions have changed such that it will close within five years, or already has closed. Id. The information in the report must include (1) the amount of decommissioning funds estimated to be required pursuant to 10 C.F.R. § 50.75(b) and (c); (2) the amount accumulated to the end of the calendar year preceding the date of the report; (3) a schedule of the annual amounts remaining to be collected; (4) the assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections; (5) any contract the licensee is relying upon pursuant to 10 C.F.R. § 50.75(e)(1)(v) for collections of decommissioning monies from customers; (6) any modifications to the method of providing financial assurance since the last submitted report; and (7) any material changes to the decommissioning trust agreement(s). Id.

1999 Escalation Factors

In anticipation of the March 31, 1999 reporting deadline on the status of decommissioning funding, we have calculated the 1999 escalation factors as follows:

<u>LABOR</u>		<u>ENERGY</u>		<u>BURIAL</u>		
Northeast	1.66	PWR	85	Washington	PWR	BWR
South	1.56	BWR	63	Direct	3.165	14.403
Midwest	1.59			Waste Vendor	4.538	15.203
West	1.56			South Carolina		
				Direct	15.886	13.948
				Waste Vendor	7.173	6.968

The data supporting the calculation of these escalation factors are attached. In our calculations, we have used the most recently available data (4Q '98) from the U.S. Department of Labor, Bureau of Labor Statistics and from NRC NUREG-1307 (Revision 8).

If you have any questions concerning the NRC minimum financial assurance amount, please call Patricia M. Healy or Martha G. Pugh at 202-508-4000.

February 19, 1999

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RELIANT ENERGY, INCORPORATED

NUCLEAR DECOMMISSIONING VERIFICATION OF FINANCIAL ASSURANCE
SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION UNITS 1 & 2

FOR YEAR END 1998

Schedule of Annual Amounts Remaining to be Collected:

<u>Year</u>		<u>Unit 1</u>		<u>Unit 2</u>		<u>Combined</u>
1999	\$	6,200,323	\$	8,628,492	\$	14,828,815
2000		6,200,323		8,628,492		14,828,815
2001		6,200,323		8,628,492		14,828,815
2002		6,200,323		8,628,492		14,828,815
2003		6,200,323		8,628,492		14,828,815
2004		6,200,323		8,628,492		14,828,815
2005		6,200,323		8,628,492		14,828,815
2006		6,200,323		8,628,492		14,828,815
2007		6,200,323		8,628,492		14,828,815
2008		6,200,323		8,628,492		14,828,815
2009		6,200,323		8,628,492		14,828,815
2010		6,200,323		8,628,492		14,828,815
2011		6,200,323		8,628,492		14,828,815
2012		6,200,323		8,628,492		14,828,815
2013		6,200,323		8,628,492		14,828,815
2014		6,200,323		8,628,492		14,828,815
2015		6,200,323		8,628,492		14,828,815
2016		6,200,323		8,628,492		14,828,815
2017		6,200,323		8,628,492		14,828,815
2018		6,200,323		8,628,492		14,828,815
2019		6,200,323		8,628,492		14,828,815
2020		6,200,323		8,628,492		14,828,815
2021		6,200,323		8,628,492		14,828,815
2022		6,200,323		8,628,492		14,828,815
2023		6,200,323		8,628,492		14,828,815
2024		6,200,323		8,628,492		14,828,815
2025		6,200,323		8,628,492		14,828,815
2026		6,200,323		8,628,492		14,828,815
2027		3,100,162		8,628,492		11,728,654
2028		-		8,628,492		8,628,492
	\$	176,709,206	\$	258,854,760	\$	435,563,966

RELIANT ENERGY, INCORPORATED

NUCLEAR DECOMMISSIONING VERIFICATION OF FINANCIAL ASSURANCE
SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION UNITS 1 & 2

FOR YEAR END 1998

DECOMMISSIONING COST INFORMATION AND RATE ASSUMPTIONS

	<u>Unit 1</u>	<u>Unit 2</u>
Decommissioning Information:		
Expected year of decommissioning	2027	2028
Method of decommissioning	DECON	DECON
Financial assurance method	External sinking fund	External sinking fund
Modifications to method of providing financial assurance since the last submitted report	None	None
Contracts being relied upon pursuant to CFR 50.75(e) for collections of decommissioning monies from customers	None	None
Material changes to trust agreements	None	None
Company's share of decommissioning costs (1994 dollars - site specific study)	\$133 million	\$ 185 million
Escalation rate used for decommissioning costs:		
<u>Component</u>	<u>Weight</u>	<u>Rate</u>
Labor	65%	4.22%
Energy	13%	3.77%
Waste Burial	22%	10.40%
		<u>Total</u>
		2.74%
		0.49%
		2.29%
		Escalation Rate: 5.52%

Annual contribution to decommissioning costs approved in Texas
Public Utility Commission Docket No. 12065 Settlement Agreement:

Unit 1	\$ 6,200,323
Unit 2	\$ 8,628,492

After-tax rate of return assumed in calculating funding amount:
(Both units 1 and 2)

	<u>Pre-Tax</u>	<u>After-Tax</u>	<u>Asset</u>	<u>Weighted</u>
	<u>Yield</u>	<u>Yield</u>	<u>Allocation</u>	<u>After-Tax</u>
Treasuries	6.52%	5.22%	20%	1.0432%
Equities	10.00%	8.37%	40%	3.3484%
Municipals	5.61%	5.61%	40%	2.2440%
				6.6356%
Less fees and expenses (after-tax)				-0.3520%
				Net Investment Return: 6.2836%

CENTRAL POWER & LIGHT COMPANY
25.2 % Ownership of South Texas Project Unit-1
NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)¹:

Total Required	\$78,983,100
Required on 12/31/98	\$17,077,427

2. The amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c):

\$30,866,427

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c):

Amount remaining	\$98,765,967
# of years to collect	29

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Escalation factor	4.76%
After tax/fee earnings	5.6%

(These percentages are based upon CP&L's most recent rate case.)

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c): **None**

(The source of funds for the external decommissioning fund is cost-of-service regulation.)

6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report: **None**

7. Any material changes to trust agreements: **None**

¹ The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

CENTRAL POWER & LIGHT COMPANY
25.2 % Ownership of South Texas Project Unit-2
NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)¹:

Total Required \$78,983,100
Required on 12/31/98 \$16,628,021

2. The amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c):

\$35,105,946

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c):

Amount remaining \$138,687,390
of years to collect 30

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Escalation factor 4.76%
After tax/fee earnings 5.6%

(These percentages are based upon CP&L's most recent rate case.)

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c): **None**

(The source of funds for the external decommissioning fund is cost-of-service regulation.)

6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report: **None**

7. Any material changes to trust agreements: **None**

¹ The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

CITY PUBLIC SERVICE
28.0 % Ownership of South Texas Project Unit-1
NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)¹.

Total Required	\$107,310,000
Required @ 12/31/98	\$23,202,162

2. The amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c):

\$39,607,613

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c):
(Presented in current year dollars.)

Amount remaining \$109,620,000
of years to collect 29

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Escalation rate 5.52%
Earning rate assumptions
ranged from 4.94% to 8.41%

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c): **None**

6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report: **None**

7. Any material changes to trust agreements: None

¹ The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

CITY PUBLIC SERVICE
28.0 % Ownership of South Texas Project Unit-2
NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)¹:

Total Required \$107,310,000
Required @ 12/31/98 \$ 22,591,579

2. The amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c):

\$ 47,460,853

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c).
(Presented in current year dollars.)

Amount remaining \$151,560,000
of years to collect 30

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Escalation rate 5.52%
Earning rate assumptions
ranged from 4.94% to 8.41%

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c): **None**

6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report: **None**

7. Any material changes to trust agreements: **None**

¹ The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

CITY OF AUSTIN - AUSTIN ENERGY
16.0 % Ownership of South Texas Project Unit-1
NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. Please reference the information below for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)¹:

Total Required \$54,264,000
Required @ 12/31/98 \$11,660,108

2. The amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c):

\$22,835,915

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c):

Amount Remaining \$58,670,918
of years to collect 28.5

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Escalation rate 5.17%
Earnings rate 6.70%

(Annual contribution to the decommissioning costs approved by the local regulatory authority.)

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c): **None**

6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report: **None**

7. Any material changes to trust agreements: **None**

¹ The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.

CITY OF AUSTIN - AUSTIN ENERGY
16.0 % Ownership of South Texas Project Unit-2
NRC Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC calendar year basis, beginning on March 31, 1999, and every 2 years thereafter, on the status decommissioning funding for each reactor or share of reactor it owns. Please reference the information below for the requested information:

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75 (b) and (c)¹:

Total Required **\$54,264,000**
Required @ 12/31/98 **\$11,353,263**

2. The amount accumulated at the end of the calendar year preceding the date of the report for items included in 10 CFR 50.75 (b) and (c).

\$25,995,486

3. A schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75 (b) and (c):

Amount Remaining **\$86,987,746**
of years to collect **30**

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Escalation rate **5.17%**
Earnings rate **6.70%**

(Annual contribution to the decommissioning costs approved by the local regulatory authority.)

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(c): **None**

6. Any modifications to a licensee's current method providing financial assurance occurring since the last submitted report: **None**

7. Any material changes to trust agreements: **None**

¹ The NRC formulas in section 10CFR50.75(c) include only those decommissioning costs incurred by licensees to remove a facility or site safely from service, and reduce residual radioactivity to levels that permit: (1) release of the property for unrestricted use and termination of the license; or (2) release of the property under restricted conditions and termination of the license. The cost of dismantling or demolishing non-radiological systems and structures is not included in the NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to DOE are not included in the cost formulas.