



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

March 31, 2021
NOC-AE-21003791
File No.: D57
10 CFR 50.75

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

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498, STN 50-499
Financial Assurance for Decommissioning – 2021 Update

Pursuant to 10 CFR 50.75(f)(1), STP Nuclear Operating Company (STPNOC) submits the attached status reports regarding funds available, effective December 31, 2020, for decommissioning South Texas Project Units 1 and 2. The data is assembled by the individual co-owners of the South Texas Project:

- NRG South Texas LP
- City Public Service Board of San Antonio
- City of Austin – Austin Energy.

The attached reports provide the following information for each co-owner:

- Estimated amount of decommissioning funds required
- Amount accumulated by December 31, 2020
- A schedule of the annual amounts remaining to be collected
- Assumptions for rates of escalation in decommissioning cost and for rates used in funding projections
- Contracts upon which the owners rely pursuant to 10 CFR 50.75(e)(1)(v)
- Modifications to method of providing financial fund assurance
- Material changes to trust agreements.

This letter contains no NRC commitments. If there are any questions, please contact either Tim Hammons at (361) 972-7347 or me at (361) 972-8074.

George Harrison
Executive Vice President and Chief
Financial Officer

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Attachments:

1. South Texas Project Financial Assurance for Decommissioning 2021 Update – NRG South Texas LP
2. South Texas Project Financial Assurance for Decommissioning 2021 Update – City Public Service Board of San Antonio
3. South Texas Project Financial Assurance for Decommissioning 2021 Update – City of Austin – Austin Energy

cc:

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
1600 E. Lamar Boulevard
Arlington, TX 76011-4511

ATTACHMENT 1

SOUTH TEXAS PROJECT

FINANCIAL ASSURANCE FOR DECOMMISSIONING

2021 UPDATE

NRG SOUTH TEXAS LP

**FINANCIAL ASSURANCE FOR DECOMMISSIONING
 NRG South Texas LP
 13.2% Ownership of South Texas Project Unit 1
 (Acquired from AEP)**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate pursuant to 10 CFR 50.75(b) and (c) ¹ :	Total Required:	\$53,393,601
2. 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):	Amount Accumulated²:	\$86,973,803
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):	Amount Remaining³:	\$0
	Number of Years to Collect:	26.65
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:	Escalation Rate⁴:	2.540%
	Earnings Rate:	3.628%
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):	None	
6. Modifications to a licensee's current method of providing financial assurance occurring since the last submitted report:	None	
7. Material changes to trust agreements:	None	

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1. The NRC formulas in section 10 CFR 50.75(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.
 2. By Order dated October 10, 2008, in PUCT Docket No. 35772, NRG South Texas was granted approval to establish a separate spent nuclear fuel management (SNF) subaccount. By Order dated July 13, 2009, in PUCT Docket No. 36796, NRG South Texas was granted approval to establish a separate subaccount for the pre-shutdown disposal of large components. By Order dated October 7, 2013, NRG South Texas was granted approval to establish a separate subaccount for amounts recovered pursuant to a litigation settlement agreement with the United States government for certain onsite spent fuel storage and management expenses it has incurred and will incur as a result of the failure of the Department of Energy to provide for the offsite disposal of spent nuclear fuel. The amounts allocable to the subaccounts are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.
 3. NRG estimates that the Trust is currently fully funded, based on the 2018 decommissioning cost study and updated escalation rates. Additional contributions ended December 31, 2008. If future estimates indicate that further funding may be required, NRG would be able to apply to the PUCT to seek further funding for NRC license termination costs through cost-of-service recovery authorized by Texas law.
 4. Escalation and earnings rates were established by the PUCT in PUCT Tariff Control No. 41970.

FINANCIAL ASSURANCE FOR DECOMMISSIONING
NRG South Texas LP
30.8% Ownership of South Texas Project Unit 1
(Acquired from CNP)

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate pursuant to 10 CFR 50.75(b) and (c) ¹ :	Total Required:	\$124,585,069
2. 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):	Amount Accumulated²:	\$217,298,220
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):	Amount Remaining³:	\$0
	Number of Years to Collect:	26.65
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:	Escalation Rate⁴:	2.540%
	Earnings Rate:	3.628%
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):	None	
6. Modifications to a licensee's current method of providing financial assurance occurring since the last submitted report:	None	
7. Material changes to trust agreements:	None	

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1. The NRC formulas in section 10 CFR 50.75(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.
 2. By Order dated October 10, 2008, in PUCT Docket No. 35772, NRG South Texas was granted approval to establish a separate spent nuclear fuel management (SNF) subaccount. By Order dated July 13, 2009, in PUCT Docket No. 36796, NRG South Texas was granted approval to establish a separate subaccount for the pre-shutdown disposal of large components. By Order dated October 7, 2013, NRG South Texas was granted approval to establish a separate subaccount for amounts recovered pursuant to a litigation settlement agreement with the United States government for certain onsite spent fuel storage and management expenses it has incurred and will incur as a result of the failure of the Department of Energy to provide for the offsite disposal of spent nuclear fuel. The amounts allocable to the subaccounts are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.
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 4. Escalation and earnings rates were established by the PUCT in PUCT Tariff Control No. 41970.

**FINANCIAL ASSURANCE FOR DECOMMISSIONING
 NRG South Texas LP
 13.2% Ownership of South Texas Project Unit 2
 (Acquired from AEP)**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate pursuant to 10 CFR 50.75(b) and (c) ¹ :	Total Required:	\$53,393,601
2. 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):	Amount Accumulated²:	\$105,167,888
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):	Amount Remaining³:	\$0
	Number of Years to Collect:	27.98
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:	Escalation Rate⁴:	2.530%
	Earnings Rate:	3.628%
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):	None	
6. Modifications to a licensee's current method of providing financial assurance occurring since the last submitted report:	None	
7. Material changes to trust agreements:	None	

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1. The NRC formulas in section 10 CFR 50.75(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.
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 4. Escalation and earnings rates were established by the PUCT in PUCT Tariff Control No. 41970.

FINANCIAL ASSURANCE FOR DECOMMISSIONING
NRG South Texas LP
30.8% Ownership of South Texas Project Unit 2
(Acquired from CNP)

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate pursuant to 10 CFR 50.75(b) and (c) ¹ :	Total Required:	\$124,585,069
2. 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):	Amount Accumulated²:	\$275,120,383
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):	Amount Remaining³:	\$0
	Number of Years to Collect:	27.98
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:	Escalation Rate⁴:	2.530%
	Earnings Rate:	3.628%
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):	None	
6. Modifications to a licensee's current method of providing financial assurance occurring since the last submitted report:	None	
7. Material changes to trust agreements:	None	

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1. The NRC formulas in section 10 CFR 50.75(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.
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 4. Escalation and earnings rates were established by the PUCT in PUCT Tariff Control No. 41970.

ATTACHMENT 2

SOUTH TEXAS PROJECT

FINANCIAL ASSURANCE FOR DECOMMISSIONING

2021 UPDATE

CITY PUBLIC SERVICE BOARD OF SAN ANTONIO

**FINANCIAL ASSURANCE FOR DECOMMISSIONING
 City Public Service Board of San Antonio
 12% Ownership of South Texas Project Unit 1**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate pursuant to 10 CFR 50.75(b) and (c) ¹ :	Total Required:	\$48,571,702
2. 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):	Amount Accumulated²:	\$56,351,833
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):	Amount Remaining³:	\$0
	Number of Years to Collect:	27
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:	Escalation Rate:	2.540%
	Earnings Rate:	5.14%
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):	None	
6. Modifications to a licensee's current method of providing financial assurance occurring since the last submitted report:	None	
7. Material changes to trust agreements:	No changes since 2019 report was submitted.	

1. The NRC formulas in 10 CFR 50.75(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 NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to the Department of Energy are not included in the cost formulas.

2. By Order dated November 20, 2008, in PUCT Docket No. 35786, CPS Energy was granted approval to establish separate spent fuel management and pre-shutdown activities subaccounts. The amounts allocable to these subaccounts are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.

3. CPS Energy estimates that the Trust is currently fully funded, based on the 2018 decommissioning cost study and updated escalation rates. Additional contributions ended December 31, 2008. If future estimates indicate that further funding may be required, CPS Energy would be able to apply to the PUCT to seek further funding for NRC license termination costs through cost-of-service recovery authorized by Texas law.

**FINANCIAL ASSURANCE FOR DECOMMISSIONING
 City Public Service Board of San Antonio
 28% Ownership of South Texas Project Unit 1**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate pursuant to 10 CFR 50.75(b) and (c) ¹ :	Total Required:	\$113,333,972
2. 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):	Amount Accumulated²:	\$150,490,383
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):	Amount Remaining³:	\$0
	Number of Years to Collect:	27
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:	Escalation Rate:	2.540%
	Earnings Rate:	5.14%
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):	None	
6. Modifications to a licensee's current method of providing financial assurance occurring since the last submitted report:	None	
7. Material changes to trust agreements:	No changes since 2019 report was submitted.	

1. The NRC formulas in 10 CFR 50.75(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 NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to the Department of Energy are not included in the cost formulas.

2. Consistent with the approach taken for its 12% interest in the Order dated November 20, 2008, in PUCT Docket No. 35786, CPS Energy has established separate spent fuel management and pre-shutdown activity subaccounts. The amounts allocable to these subaccounts are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.

3. CPS Energy estimates that the Trust is currently fully funded, based on the 2018 decommissioning cost study and updated escalation rates. Additional contributions ended January 31, 2008. If future estimates indicate that further funding may be required, CPS Energy through the City of San Antonio, its rate setting authority, would be able to set rates to collect and accumulate further funds for NRC license termination costs.

**FINANCIAL ASSURANCE FOR DECOMMISSIONING
 City Public Service Board of San Antonio
 12% Ownership of South Texas Project Unit 2**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate pursuant to 10 CFR 50.75(b) and (c) ¹ :	Total Required:	\$48,571,702
2. 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):	Amount Accumulated²:	\$75,054,049
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):	Amount Remaining³:	\$0
	Number of Years to Collect:	28
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:	Escalation Rate:	2.530%
	Earnings Rate:	5.14%
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):	None	
6. Modifications to a licensee's current method of providing financial assurance occurring since the last submitted report:	None	
7. Material changes to trust agreements:	No changes since 2019 report was submitted.	

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1. The NRC formulas in 10 CFR 50.75(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 NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to the Department of Energy are not included in the cost formulas.
 2. By Order dated November 20, 2008, in PUCT Docket No. 35786, CPS Energy was granted approval to establish separate spent fuel management and pre-shutdown activities subaccounts. The amounts allocable to these subaccounts are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.
 3. CPS Energy estimates that the Trust is currently fully funded, based on the 2018 decommissioning cost study and updated escalation rates. Additional contributions ended December 31, 2008. If future estimates indicate that further funding may be required, CPS Energy would be able to apply to the PUCT to seek further funding for NRC license termination costs through cost-of-service recovery authorized by Texas law.

**FINANCIAL ASSURANCE FOR DECOMMISSIONING
 City Public Service Board of San Antonio
 28% Ownership of South Texas Project Unit 2**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate pursuant to 10 CFR 50.75(b) and (c) ¹ :	Total Required:	\$113,333,972
2. 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):	Amount Accumulated²:	\$178,557,351
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):	Amount Remaining³:	\$0
	Number of Years to Collect:	28
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:	Escalation Rate:	2.530%
	Earnings Rate:	5.14%
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):	None	
6. Modifications to a licensee's current method of providing financial assurance occurring since the last submitted report:	None	
7. Material changes to trust agreements:	No changes since 2019 report was submitted.	

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 2. Consistent with the approach taken for its 12% interest in the Order dated November 20, 2008, in PUCT Docket No. 35786, CPS Energy has established separate spent fuel management and pre-shutdown activity subaccounts. The amounts allocable to these subaccounts are not included in the reported amount. The reported amount includes funds accumulated based upon a site-specific study that includes license termination and other costs.
 3. CPS Energy estimates that the Trust is currently fully funded, based on the 2018 decommissioning cost study and updated escalation rates. Additional contributions ended January 31, 2008. If future estimates indicate that further funding may be required, CPS Energy through the City of San Antonio, its rate setting authority, would be able to set rates to collect and accumulate further funds for NRC license termination costs.

ATTACHMENT 3

SOUTH TEXAS PROJECT

FINANCIAL ASSURANCE FOR DECOMMISSIONING

2021 UPDATE

CITY OF AUSTIN – AUSTIN ENERGY

**FINANCIAL ASSURANCE FOR DECOMMISSIONING
 City of Austin – Austin Energy
 16% Ownership of South Texas Project Unit 1**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate pursuant to 10 CFR 50.75(b) and (c) ¹ :	Total Required:	\$64,762,706
2. 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):	Amount Accumulated:	\$72,155,207
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):	Amount Remaining:	\$60,507,730
	Number of Years to Collect:	27
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:	Escalation Rate:	2.517%
	Earnings Rate:	2.5%
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):	None	
6. Modifications to a licensee's current method of providing financial assurance occurring since the last submitted report:	None	
7. Material changes to trust agreements:	None	

1. The NRC formulas in 10 CFR 50.75(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 NRC decommissioning cost estimates. The costs of managing and storing spent fuel on site until transfer to Department of Energy are not included in the cost formulas.

**FINANCIAL ASSURANCE FOR DECOMMISSIONING
 City of Austin – Austin Energy
 16% Ownership of South Texas Project Unit 2**

Pursuant to 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 two years thereafter, on the status of its decommissioning funding for each reactor or share of reactor it owns. The requested information is provided below.

1. Minimum decommissioning fund estimate pursuant to 10 CFR 50.75(b) and (c) ¹ :	Total Required:	\$64,762,706
2. 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):	Amount Accumulated:	\$79,094,135
3. Schedule of the annual amounts remaining to be collected for items in 10 CFR 50.75(b) and (c):	Amount Remaining:	\$50,801,980
	Number of Years to Collect:	28
4. Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:	Escalation Rate:	2.527%
	Earnings Rate:	2.5%
5. Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):	None	
6. Modifications to a licensee's current method of providing financial assurance occurring since the last submitted report:	None	
7. Material changes to trust agreements:	None	

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