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to 10 CFR 50.75

March 29, 2021

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

SUSQUEHANNA STEAM ELECTRIC STATION
NRC DECOMMISSIONING FUNDING STATUS REPORT

Docket Nos. 50-387
and 50-388

This letter provides decommissioning information for the Allegheny Electric Cooperative, Inc. (AEC) ten percent interest in Susquehanna Unit 1 and Unit 2 (SSES) as required by 10 CFR 50.75 "Reporting and Recordkeeping for Decommissioning Planning," section (f)(1).

Attachment 1 contains the AEC decommissioning funding status report at December 31, 2020, submitted biennially to comply with 10 CFR 50.75(f)(1).

If you have any questions regarding the decommissioning report, please direct them to the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Simpson", is written over a horizontal line.

L. Katrice Simpson
Vice President - Finance & Accounting

Attachment 1: NRC Decommissioning Funding Status Report December 31, 2020

Copy:
NRC Region I
Ms. S. Goetz, NRC Project Manager
Mr. Chris Highley, NRC Sr. Resident Inspector
Mr. M. Shields, PA DEP/BRP

ADD
NRR

**Attachment 1 to
NRC Decommissioning Funding Status Report
December 31, 2020**

NRC Decommissioning Funding Status Report

December 31, 2020

**Allegheny Electric Cooperative, Inc.
Susquehanna Steam Electric Station**

Allegheny Electric Cooperative, Inc. (AEC) hereby submits this Decommissioning Report in compliance with 10 CFR 50.75(f)(1) for its 10% share of Susquehanna (SSES) Unit 1 and Unit 2.

AEC has analyzed its current funding levels for both SSES units and concluded that these funding levels plus net earnings from trust investments will be sufficient to pay for the decommissioning costs of each unit at the time permanent termination of operations is expected for each unit, consistent with the NRC prescribed minimum set forth in 10 CFR 50.75(c).

**Information is submitted to provide
Financial Assurance**

	<u>Unit # 1</u>	<u>Unit #2</u>
1. The minimum amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c) at December 31, 2020.	\$69,417,000	\$69,417,000
Allegheny Electric Cooperative, Inc.'s (AEC) calculation of the NRC minimum formula is reflected in Exhibit 1 (behind this Attachment).		
2. The amount accumulated at the end of the calendar year preceding the date of the report, net of taxes paid on realized gains and losses, for items included in 10 CFR 50.75 (b) and (c).		
Market Value at December 31, 2020	\$95,006,664	\$95,006,664
3. Annual amounts remaining to be collected. (See Exhibit 2)	\$0	\$0
4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections.		
Estimated inflation rate for decommissioning costs	5.0%	5.0%
Estimated earnings rate on decommissioning funds per 10 CFR 50.75(e)(1)(ii) which are credited up to the time of permanent termination of operations along with a pro-rata credit during the dismantlement period.	7.0%	7.0%
Rates of other factors used in funding projections	None	None
5. Any power sale contracts upon which licensee is relying to provide financial assurance.	(see below)	(see below)

AEC is the wholesale power supplier for the 14 rural electric cooperatives in Pennsylvania and New Jersey. AEC has wholesale power contracts with its 14 member distribution cooperatives, which is the source for funding the Trust Fund.

**Information is submitted to provide
Financial Assurance**

	<u>Unit # 1</u>	<u>Unit #2</u>
6. Modifications to licensee's method of providing financial assurance since previous report.	None	None
7. Material changes to trust agreement.	None	None

Calculation of Escalation Factors

**Used in Computation of Minimum Financial Assurance
 Amount for Decommissioning
 Susquehanna Steam Electric Station Units 1 and 2**

Boiling Water Reactor (BWR)
 Escalation Factor

Formula - $0.65(L) + 0.13(E) + 0.22(B)$

Escalation = $(.65 \times 3.110) + (.13 \times 2.278) + (.22 \times 12.837)$

Escalation = $(2.022 + .296 + 2.824) = 5.142$

(L) - Labor - (Bureau of Labor Statistics, Table 6, Compensation, Employment Cost Index, for total compensation, private industry workers, by bargaining status, region and area size)

Northeast region - December 2020 Index Number	144.0
December 2005 Index Number	100.0
December 2005 Base	2.16

$L = \frac{144.0}{100.0} \text{ times } 2.16 \text{ Equals } 3.110$

(E) - Energy - (Producer Price Index Commodities, Series ID: WPU0543 and WPU0573)

$E = (.54P + .46F)$

$E = (.54 \times 2.038) + (.46 \times 2.559)$

$E = 1.101 + 1.177 = 2.278$

P - Industrial Power, 500 kW Demand - (Commodity 0543)

December 2020 Index Number	232.7
January 1986 Index Number	114.2 (1)

$P = \frac{232.7}{114.2} \text{ equals } 2.038$

F - Light Fuel Oils - (Commodity 0573)
December 2020 Index Number 209.8
January 1986 Index Number 82.0

$$F = \frac{209.8}{82.0} \text{ equals } 2.559$$

(B) Waste Burial

NUREG - 1307, Rev. 18, "NRC Report on Waste Burial Charges"
Table 2.1- Generators Located in Unaffiliated States and those in Compact
States having No Disposal Facility 12.837

- (1) Represents the national base value of P at January 1986. The base value of P is no longer determined on a regional basis.

Allegheny Electric Cooperative, Inc.
Computation of Minimum Financial Assurance Amount for Decommissioning
Susquehanna Steam Electric Station
Units 1 and 2

	<u>Unit 1</u>	<u>Unit 2</u>
Base amount for BWR greater than 3,400 MWt = \$135 million The Power Level of Unit 1 = 3,952 MWt and Unit 2 = 3,952 MWt	\$135,000,000	\$135,000,000
Ownership Percentage	10%	10%
Base Amount per Unit	\$13,500,000	\$13,500,000
Escalation Factor	5.142	5.142
Escalated Amount per Unit	\$69,417,000	\$69,417,000
Total Escalated Amount (Unit 1 + Unit 2)	\$138,834,000	

Based on current funding and projected earnings, the Trust is considered to be sufficiently funded. AEC reviews the actual cost inflation and earnings performance periodically and adjusts the future funding schedule accordingly.