



PO Box 1551
411 Fayetteville Street Mall
Raleigh NC 27602

Serial: PE&RAS-03-060
May 30, 2003

United States Nuclear Regulatory Commission
ATTENTION: Document Control Desk
Washington, DC 20555

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT
DOCKET NO. 50-302 / LICENSE NO. DPR-72

BIENNIAL DECOMMISSIONING FUNDING STATUS REPORT

Ladies and Gentlemen:

As requested by the NRC, Progress Energy Florida, Inc. (PEF) (also known as Florida Power Corporation) submits this status report for funding the decommissioning of the Crystal River Unit 3 Nuclear Generating Plant (CR3). PEF had last submitted this report on March 28, 2002 and, pursuant to 10 CFR 50.75(f)(1), had not intended to submit this biennial report again until 2004. As a result of this requested submittal, PEF now plans to submit the next report prior to March 31, 2005.

As of December 31, 2002, the total PEF assets in the trust funds, qualified and non-qualified, were approximately allocated as 58%, 28%, and 14% for Domestic Fixed Income, Domestic Equity, and International Equity, respectively.

This document contains no new regulatory commitment.

The status report from each CR3 Participant is enclosed as a convenience to the NRC. However, none of the Participants assumes any responsibility for the information contained in any other Participants report.

Please contact me at (919) 546-6901 if you need additional information concerning this report.

Sincerely,

James W. Holt
Manager - Performance
Evaluation & Regulatory Affairs

HAS

Attachment:

Status of Financial Assurance Mechanism, Crystal River Unit 3 Nuclear Generating Plant

A-001

Enclosures:

- **City of Alachua** Status Report for Decommissioning Financial Assurance
- **City of Bushnell** Status Report for Decommissioning Financial Assurance
- **City of Gainesville** Status Report for Decommissioning Financial Assurance
- **City of Kissimmee** Status Report for Decommissioning Financial Assurance
- **City of Leesburg** Status Report for Decommissioning Financial Assurance
- **City of New Smyrna Beach** Status Report for Decommissioning Financial Assurance
- **City of Ocala** Status Report for Decommissioning Financial Assurance
- **Orlando Utilities Commission** Status Report for Decommissioning Financial Assurance
- **Seminole Electric Cooperative, Inc.** Status Report for Decommissioning Financial Assurance

c: L. A. Reyes, Regional Administrator – Region II
J. S. Stewart, USNRC Senior Resident Inspector – CR3
B. L. Mozafari, NRR Project Manager – CR3
E. L. Jacobs, Jr., Florida Public Service Commission

Attachment
Progress Energy Florida, Inc.
Status of Financial Assurance Mechanism

Crystal River Unit 3 Nuclear Generating Plant

Docket No. 50-302 / License No. DPR-72

- Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c)
\$326,444,217 at expiration of current license, December 3, 2016
Progress Energy Florida, Inc. share (91.7806%) = \$299,612,461
- Amount of decommissioning funds accumulated as of December 31, 2002
\$299,612,461 (This amount does not include additional funds collected for non-decommissioning activities, such as site restoration.)
- Schedule of the annual amounts remaining to be collected
None
- Assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections
Rate of escalation in decommissioning costs = 0%
Rate of earnings on decommissioning funds = 2%
- Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v)
None
- Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report
None
- Material changes to trust agreements
None

CITY OF ALACHUA
Status of Financial Assurance Mechanism
Crystal River Plant -- Docket No. 50-302 / License No. DPR-72

- 1) Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c) and NUREG-1307, Rev. 10.

\$326,444,217 at expiration of current license on December 3, 2016.
City of Alachua share (0.07779%) = \$254,300.

- 2) Fund Balance for the amount of funds accumulated in the decommissioning trust fund at the end of December 31, 2002:

\$254,300 (This amount does not include additional funds collected for non-decommissioning activities, such as site restoration)

- 3) Annual amounts remaining to be collected:

None

- 4) Assumptions:

The assumed Cost Escalation Rate is 5.3%.

The assumed earnings rate is 7.422% for the portion invested at a guaranteed fixed rate through 2016 (guaranteed by a forward delivery agreement) and 5.50% for the rest.

- 5) Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

None

- 6) Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report:

None

- 7) Material changes to trust agreements:

None

CITY OF BUSHNELL
Status of Financial Assurance Mechanism
Crystal River Plant -- Docket No. 50-302 / License No. DPR-72

- 1) Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c) and NUREG-1307, Rev. 10.

\$326,444,217 at expiration of current license on December 3, 2016.
City of Bushnell share (0.03880%) = \$126,660.

- 2) Fund Balance for the amount of funds accumulated in the decommissioning trust fund at the end of December 31, 2002:

\$126,660. (This amount does not include additional funds collected for non-decommissioning activities, such as site restoration)

- 3) Annual amounts remaining to be collected:

None

- 4) Assumptions:

The assumed Cost Escalation Rate is 5.3%.

The assumed earnings rate is 7.422% for the portion invested at a guaranteed fixed rate through 2016 (guaranteed by a forward delivery agreement) and 5.50% for the rest.

- 5) Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

None

- 6) Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report:

None

- 7) Material changes to trust agreements:

None

CITY OF GAINESVILLE
Status of Financial Assurance Mechanism
Crystal River Plant -- Docket No. 50-302 / License No. DPR-72

- 1) Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c) and NUREG-1307, Rev. 10.

\$326,444,217 at expiration of current license on December 3, 2016.
City of Gainesville share (1.04079%) = \$4,596,008.

- 2) Fund Balance for the amount of funds accumulated in the decommissioning trust fund at the end of December 31, 2002:

\$4,596,008 (This amount does not include additional funds collected for non-decommissioning activities, such as site restoration)

- 3) Annual amounts remaining to be collected:

None

- 4) Assumptions:

The assumed Cost Escalation Rate is 5.3%.

The assumed earnings rate is 7.422% for the portion invested at a guaranteed fixed rate through 2016 (guaranteed by a forward delivery agreement) and 5.50% for the rest.

- 5) Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

None

- 6) Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report:

None

- 7) Material changes to trust agreements:

None

CITY OF KISSIMMEE
Status of Financial Assurance Mechanism
Crystal River Plant -- Docket No. 50-302 / License No. DPR-72

- 1) Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c) and NUREG-1307, Rev. 10.

\$326,444,217 at expiration of current license on December 3, 2016.
City of Kissimmee share (0.6754%) = \$2,204,804.
- 2) Fund Balance for the amount of funds accumulated in the decommissioning trust fund at the end of December 31, 2002:

\$2,204,804. (This amount does not include additional funds collected for non-decommissioning activities, such as site restoration)
- 3) Annual amounts remaining to be collected:

None
- 4) Assumptions:

The assumed Cost Escalation Rate is 5.3%.

The assumed earnings rate is 7.422% for the portion invested at a guaranteed fixed rate through 2016 (guaranteed by a forward delivery agreement) and 5.50% for the rest.
- 5) Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

None
- 6) Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report:

None
- 7) Material changes to trust agreements:

None

CITY OF LEESBURG
Status of Financial Assurance Mechanism
Crystal River Plant -- Docket No. 50-302 / License No. DPR-72

- 1) Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c) and NUREG-1307, Rev. 10.

\$326,444,217 at expiration of current license on December 3, 2016.
City of Leesburg share (0.8244%) = \$2,691,206.

- 2) Fund Balance for the amount of funds accumulated in the decommissioning trust fund at the end of December 31, 2002:

\$2,691,206 (This amount does not include additional funds collected for non-decommissioning activities, such as site restoration)

- 3) Annual amounts remaining to be collected:

None

- 4) Assumptions:

The assumed Cost Escalation Rate is 5.3%.

The assumed earnings rate is 7.422% for the portion invested at a guaranteed fixed rate through 2016 (guaranteed by a forward delivery agreement) and 5.50% for the rest.

- 5) Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

None

- 6) Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report:

None

- 7) Material changes to trust agreements:

None

CITY OF NEW SMYRNA BEACH
Status of Financial Assurance Mechanism
Crystal River Plant -- Docket No. 50-302 / License No. DPR-72

- 1) Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c) and NUREG-1307, Rev. 10.

\$326,444,217 at expiration of current license on December 3, 2016.
City of New Smyrna Beach share (0.5608 %) = \$1,830,699.17.

- 2) Fund Balance for the amount of funds accumulated in the decommissioning trust fund at the end of December 31, 2002:

\$1,895,961 **(This amount does not include additional funds collected for non-decommissioning activities, such as site restoration)**

- 3) Annual amounts remaining to be collected:

None

- 4) Assumptions:

The assumed cost escalation rate is 4.00%.

The assumed earnings rate is 3.75%.

- 5) Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

None

- 6) Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report:

None

- 7) Material changes to trust agreements:

None

ORLANDO UTILITIES COMMISSION
Status of Financial Assurance Mechanism
Crystal River Plant -- Docket No. 50-302 / License No. DPR-72

- 1) Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c) and NUREG-1307, Rev. 10.

\$326,444,217 at expiration of current license on December 3, 2016.
Orlando Utilities Commission share (1.6020%) = \$5,229,636.

- 2) Fund Balance for the amount of funds accumulated in the decommissioning trust fund at the end of December 31, 2002:

\$5,229,636. (This amount does not include additional funds collected for non-decommissioning activities, such as site restoration)

- 3) Annual amounts remaining to be collected:

None

- 4) Assumptions:

The assumed cost escalation rate is 5.0%.

The assumed earnings rate is 5.5%.

- 5) Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

None

- 6) Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report:

None

- 7) Material changes to trust agreements:

None

SEMINOLE ELECTRIC COOPERATIVE, INC.
Status of Financial Assurance Mechanism
Crystal River Plant -- Docket No. 50-302 / License No. DPR-72

- 1) Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c) and NUREG-1307, Rev. 10.

\$326,444,217 at expiration of current license on December 3, 2016.
Seminole Electric Cooperative, Inc. share (1.6994%) = \$5,547,593.

- 2) Fund Balance for the amount of funds accumulated in the decommissioning trust fund at the end of December 31, 2002:

\$4,740,732 (This amount does not include additional funds collected for non-decommissioning activities, such as site restoration)

- 3) Annual amounts remaining to be collected (in 2000 \$):

2003	<u>\$62,067</u>
2004	<u>\$62,067</u>
2005	<u>\$62,067</u>
2006	<u>\$62,067</u>
2007	<u>\$62,067</u>
2008	<u>\$62,067</u>
2009	<u>\$62,067</u>
2010	<u>\$62,067</u>
2011	<u>\$62,067</u>
2012	<u>\$62,067</u>
2013	<u>\$62,067</u>
2014	<u>\$62,067</u>
2015	<u>\$62,067</u>
2016	<u>\$0</u>

- 4) Assumptions:

The assumed cost escalation rate is 5.27%.

The assumed earnings rate is 8.00%.

- 5) Contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):

None

- 6) Modifications occurring to a licensee's current method of providing financial assurance since the last submitted report:

None

- 7) Material changes to trust agreements:

None