



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005**

March 4, 2004

Northern States Power Company
dba Xcel Energy
ATTN: Charles R. Bomberger
GM, Nuclear Asset Management
414 Nicollet Mall (Ren. Sq. 8)
Minneapolis, MN 55401

SUBJECT: DECOMMISSIONING FINANCIAL ASSURANCE

Dear Mr. Bomberger:

We have reviewed your decommissioning funding plan dated October 15, 2003. Based on our review, we have no further comments on your decommissioning funding plan.

We also received Amendment Number 1 dated October 21, 2003, to your letter of credit, which increased your letter of credit to \$3 million. In reviewing your letter of credit (#SB9934 - Norwest) and the amendment, it was noted that the amendment identified a new credit number assigned by Wells Fargo (#NZS336111).

We recommend that you request the financial institution to issue a revised irrevocable letter of credit to ensure there is only one credit number for your financial assurance instrument. Secondly, please update the beneficiary address to reflect the U.S. NRC Region IV office in lieu of the Headquarter's office, which is currently on the letter of credit and amendment. Finally, we request that the financial institution include a statement of the licensee's regulatory obligations as reason for the letter of credit.

The NRC has issued decommissioning guidance under NUREG-1757, of which, Volume 3, "Financial Assurance, Recordkeeping, and Timeliness" contains guidance for submitting financial assurance. NUREG-1757, Volume 3, also contains examples of financial assurance instruments, which includes a sample letter of credit. I have included the sample letter of credit for your information.

Should you have any further questions or need additional information, please contact me at (817) 276-6552. Thank you for your cooperation.

Sincerely,

/RA/

Rachel S. Browder, Health Physicist
Nuclear Materials Licensing Branch

Docket: 030-05004
License: 22-08799-02
Control: 469687

Northern States Power Co.

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Enclosure: As stated

cc:

Joel Beres, P.E.
Project Manager
Utility Engineering
901 Marquette Avenue, Suite 2900
Minneapolis, MN 55402

Sharon Babcock
Corporate Accounts
Xcel Energy
800 Nicollet Mall
29th Floor
Minneapolis, MN 55402