

March 31, 2014

United States Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, D. C. 20555-0001

Serial No. 14-140
NL&OS/TJS Rev 0
Docket No. 50-245
License No. DPR-21

DOMINION NUCLEAR CONNECTICUT, INC.
MILLSTONE POWER STATION UNIT 1
DECOMMISSIONING FUNDING STATUS REPORT

Pursuant to 10 CFR 50.75(f)(1) and 10 CFR 50.82(a)(8)(v)-(vii), Dominion Nuclear Connecticut, Inc. (DNC) is providing this report on the status of decommissioning funding for Millstone Power Station Unit 1 (MPS1).

Attachment 1 provides the following information for MPS1:

Table I - Decommissioning Funding Status Report for MPS1; Summary Information as of December 31, 2013

Table II - Decommissioning Funding Status Report for MPS1; Annual Cash Flow Analysis Starting January 1, 2014 through End of Decommissioning

The following information is provided in support and as part of this filing:

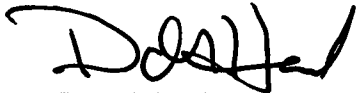
1. The escalation of decommissioning costs is held at 0% based on assuming 2% Real Rate of Return.
2. The growth rate on Trust Funds is held at the allowed 2% Real Rate of Return over the escalation rate.
3. No rate regulatory authority citation for MPS1 is referenced because MPS1 is a merchant unit.
4. There are no contracts upon which DNC is relying under paragraph 10 CFR 50.75(e)(1)(v) and there were no modifications to the current method of providing financial assurance since the last submitted report. DNC interprets the language of 50.75(e)(1)(v) to report only instances where there is a contract or instances where there is a change to the method of providing financial assurance.
5. There are no annual funding amounts for MPS1.
6. Trust Fund amounts shown in this report are market value and after-tax on realized gains and losses. The Trust Fund balances have not been adjusted for unrealized gain or loss positions not currently taxable.

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7. Since the previous annual submittal on March 28, 2013 (Serial No. 13-136) for MPS1 there have been no material changes to trust agreements established for nuclear decommissioning.

Please contact Mr. David A. Sommers at (804) 273-2823 if you have any questions or require additional information.

Sincerely,



David A. Heacock
President and Chief Nuclear Officer
Dominion Nuclear Connecticut, Inc.

Attachment:

1. MPS1 Decommissioning Funding Status Report as of December 31, 2013

Commitments made in this letter: None

cc: U. S. Nuclear Regulatory Commission
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ATTACHMENT 1

DECOMMISSIONING FUNDING STATUS AS OF DECEMBER 31, 2013

**MILLSTONE POWER STATION – UNIT1
DOMINION NUCLEAR CONNECTICUT, INC. (DNC)**

Millstone Power Station Unit 1
Decommissioning Funding Status Report as of December 31, 2013

Table I

Decommissioning Funding Status Report for MPS1 Summary Information as of December 31, 2013 10 CFR 50.82 (a)(8)(v)-(vii) (In millions)						
Decommissioning Trust Fund Balances				10 CFR Reference	50.82(a)(8)(v)(A)	50.82(a)(8)(vii)(A)
Fund Balance	Type of Trusts			Comments		
\$ 418.538	Unit 1 qualified fund balance			As of:	12/31/2013	
\$ -	Unit 1 non-qualified fund balance			As of:	12/31/2013	
\$ 2.403	Less costs incurred in 2013 but not yet billed to Trust			Actual Cost in:	2013 Dollars	
\$ 416.135	Adjusted decommissioning fund balance			As of:	12/31/2013	
Other Financial Assurance Methods Being Relied Upon				10 CFR Reference	50.82(a)(8)(v)(A)	
None						
Prior Years Decommissioning Expenditures				10 CFR Reference	50.82(a)(8)(v)(A)	
Total	License Term	Spent Fuel Mgmt	Site Restoration	Comments		
\$ 4.330	\$ 0.549	\$ 3.781	\$ -	Actual Cost in:	2013 Dollars	For 2013 only
\$ 69.008	\$ 44.621	\$ 24.387	\$ -	Actual Cost in:	As spent dollars	For 2001 - 2012
\$ 73.338	\$ 45.170	\$ 28.168	\$ -	Total Prior Years	As spent dollars	
\$ 2.403	Less costs incurred in 2013 but not yet billed to Trust			Actual Cost in:	2013 Dollars	
Prior Year Decommissioning Expenditures Variance to Estimated Cost				10 CFR Reference	50.82(a)(8)(v)(B)	
Total	License Term	Spent Fuel Mgmt	Site Restoration	Comments		
\$ 4.330	\$ -	\$ -	\$ -	Actual Cost in	2013 Dollars	
\$ 5.744	\$ -	\$ -	\$ -	Estimated Cost in	2013 Dollars	
\$ (1.414)	\$ -	\$ -	\$ -			
Variance: Underrun to NRC Authorized Expenditures						
Remaining Decommissioning Estimated Cost				10 CFR Reference	50.82(a)(8)(v)(B)	50.82(a)(8)(vii)(B)
Total	License	Spent Fuel Mgmt	Site Restoration	Comments		
\$ 431.907	\$ 341.143	\$ 60.951	\$ 29.813	Estimate in :	2014 Dollars	
Decommissioning Criteria Upon Which the Estimate is Based				10 CFR Reference	50.82(a)(8)(v)(B)	
SAFSTOR						
Any Modification To Method of Providing Financial Assurance				10 CFR Reference	50.82(a)(8)(v)(C)	
None						
Any Material Changes To Trust Agreement Since Previous Report				10 CFR Reference	50.82(a)(8)(v)(D)	
None						
Need For Additional Financial Assurance				10 CFR Reference	50.82(a)(8)(vi)	50.82(a)(8)(vii)(C)
None				See Annual Cash Flow Analysis in Table II		
Inputs to Remaining Cost and Funding Analysis						
2014	Start year of Remaining Cost and Funding analysis					
1.84%	Escalate study dollars from 2011\$ to current year 2014\$ using an average of the CPI rates for 2011 to 2014					
0.00%	Escalation rate (2014 & beyond)					
2.00%	Fund growth rate (2014 & beyond - Reflects NRC allowed 2% Real Rate of Return)					
Annual expenditures	Projected annual expenditures - see Annual Cash Flow Annlysis in Table II					

Notes: Table I

1. Previous decommissioning expenditures represent the expenditures and withdrawals from the nuclear decommissioning trusts made by DNC. These expenditures do not include expenditures and withdrawals made by the former owners of MPS1.
2. These expenditures include withdrawals for irradiated fuel management, consistent with DNC's previous notices to the NRC, as well as allowed ordinary administrative costs.

MPS1 Decommissioning Funding Status Report

Table II

Decommissioning Funding Status Report for MPS1 Annual Cash Flow Analysis Starting January 1, 2014 through End of Decommissioning 10 CFR 50.82 (a)(8)(v)-(vii) (In millions)							
Year	Column 1 Beginning of Year Balance	Column 2 Earnings on Trust Funds (Reflects 2% RROR)	Column 3 Remaining License Termination Expenditures (Reflects 0% Esc)	Column 4 Remaining Spent Fuel Mgmt Expenditures (Reflects 0% Esc)	Column 5 Remaining Site Restoration Expenditures (Reflects 0% Esc)	Column 6 Remaining SAFSTOR Expenditures (Reflects 0% Esc)	Column 7 End of Year Balance
2014	\$ 416.135	\$ 8.278	\$ 1.382	\$ 3.057	\$ -	\$ 4.439	\$ 419.974
2015	\$ 419.974	\$ 8.337	\$ 1.990	\$ 4.271	\$ -	\$ 6.261	\$ 422.050
2016	\$ 422.050	\$ 8.394	\$ 1.382	\$ 3.276	\$ -	\$ 4.658	\$ 425.787
2017	\$ 425.787	\$ 8.458	\$ 1.382	\$ 4.365	\$ -	\$ 5.747	\$ 428.498
2018	\$ 428.498	\$ 8.502	\$ 1.382	\$ 5.459	\$ -	\$ 6.842	\$ 430.158
2019	\$ 430.158	\$ 8.548	\$ 1.382	\$ 4.134	\$ -	\$ 5.516	\$ 433.189
2020	\$ 433.189	\$ 8.608	\$ 1.382	\$ 4.246	\$ -	\$ 5.629	\$ 436.168
2021	\$ 436.168	\$ 8.669	\$ 1.382	\$ 4.076	\$ -	\$ 5.458	\$ 439.379
2022	\$ 439.379	\$ 8.737	\$ 1.382	\$ 3.697	\$ -	\$ 5.079	\$ 443.036
2023	\$ 443.036	\$ 8.812	\$ 1.382	\$ 3.462	\$ -	\$ 4.845	\$ 447.004
2024	\$ 447.004	\$ 8.891	\$ 1.382	\$ 3.485	\$ -	\$ 4.867	\$ 451.028
2025	\$ 451.028	\$ 8.911	\$ 6.484	\$ 4.514	\$ -	\$ 10.998	\$ 448.941
2026	\$ 448.941	\$ 8.917	\$ 1.382	\$ 4.813	\$ -	\$ 6.196	\$ 451.662
2027	\$ 451.662	\$ 8.978	\$ 1.382	\$ 4.095	\$ -	\$ 5.477	\$ 455.163
2028	\$ 455.163	\$ 8.982	\$ 8.163	\$ 4.000	\$ -	\$ 12.163	\$ 451.982
2029	\$ 451.982	\$ 9.012	\$ 2.751	\$ -	\$ -	\$ 2.751	\$ 458.243
2030	\$ 458.243	\$ 9.152	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 466.120
2031	\$ 466.120	\$ 9.310	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 474.156
2032	\$ 474.156	\$ 9.470	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 482.351
2033	\$ 482.351	\$ 9.634	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 490.711
2034	\$ 490.711	\$ 9.801	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 499.238
2035	\$ 499.238	\$ 9.972	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 507.935
2036	\$ 507.935	\$ 10.146	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 516.807
2037	\$ 516.807	\$ 10.323	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 525.856
2038	\$ 525.856	\$ 10.504	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 535.085
2039	\$ 535.085	\$ 10.689	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 544.500
2040	\$ 544.500	\$ 10.877	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 554.102
2041	\$ 554.102	\$ 11.069	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 563.897
2042	\$ 563.897	\$ 11.265	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 573.888
2043	\$ 573.888	\$ 11.458	\$ 1.957	\$ -	\$ -	\$ 1.957	\$ 583.389
2044	\$ 583.389	\$ 11.618	\$ 4.979	\$ -	\$ -	\$ 4.979	\$ 590.028
2045	\$ 590.028	\$ 11.747	\$ 5.378	\$ -	\$ -	\$ 5.378	\$ 596.397
2046	\$ 596.397	\$ 11.915	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 607.037
2047	\$ 607.037	\$ 12.128	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 617.891
2048	\$ 617.891	\$ 12.345	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 628.961
2049	\$ 628.961	\$ 12.566	\$ 1.275	\$ -	\$ -	\$ 1.275	\$ 640.253
2050	\$ 640.253	\$ 12.741	\$ 6.413	\$ -	\$ -	\$ 6.413	\$ 646.581
2051	\$ 646.581	\$ 12.144	\$ 78.763	\$ -	\$ -	\$ 78.763	\$ 579.962
2052	\$ 579.962	\$ 10.459	\$ 112.402	\$ -	\$ 1.655	\$ 114.057	\$ 476.363
2053	\$ 476.363	\$ 8.996	\$ 47.101	\$ -	\$ 6.069	\$ 53.170	\$ 432.189
2054	\$ 432.189	\$ 8.227	\$ 24.331	\$ -	\$ 17.387	\$ 41.717	\$ 398.698
2055	\$ 398.698	\$ 7.931	\$ 2.175	\$ -	\$ 2.088	\$ 4.263	\$ 402.366
2056	\$ 402.366	\$ 8.024	\$ -	\$ -	\$ 2.295	\$ 2.295	\$ 408.096
2057	\$ 408.096	\$ 8.159	\$ -	\$ -	\$ 0.320	\$ 0.320	\$ 415.935
2058	\$ 415.935	\$ 8.319	\$ -	\$ -	\$ -	\$ -	\$ 424.254
2059	\$ 424.254	\$ 8.485	\$ -	\$ -	\$ -	\$ -	\$ 432.739
2060	\$ 432.739	\$ 8.655	\$ -	\$ -	\$ -	\$ -	\$ 441.393
Remaining Expenditures (in 2014 \$)			\$ 341.143	\$ 60.951	\$ 29.813	\$ 431.907	
Estimated Fund Balance - end of Decommissioning (in Future \$ escalated at 0.0% & 2.0% Real Rate of Return Fund Growth Rate)							\$ 415.935
Estimated Fund Balance - end of Decommissioning (Discounted to 2014 \$)					Discount Rate = 2.00%		\$ 177.508

Table II Definitions:

Column 1: Beginning of Year Balance

Reflects the beginning-of-year Trust Fund balance at a 0.0% cost escalation rate and 2.0% Real Rate of Return (RRoR) on fund growth.

Column 2: Earnings on Trust Funds

Reflects earnings on funds remaining in the trust. A 2.0% RRoR Fund growth rate is used for 2014 through 2059 which reflects the allowed 2.0% RRoR over a 0.0% cost escalation rate. The annual 2.0% RRoR earnings are calculated on the beginning balance plus 50% of the projected annual expenditure for each year.

Column 3: Remaining License Termination Expenditures

Reflects the annual License Termination Plan cost portion at a 0.0% escalation rate from the Site Specific Estimate.

Column 4: Remaining Spent Fuel Management Expenditures

Reflects the annual Irradiated Fuel Management Plan cost portion at a 0.0% escalation rate from the Site Specific Estimate. This column is intended to provide the report on the status of funding for managing irradiated fuel required by 10 CFR 50.82 (a)(8)(vii).

Column 5: Remaining Site Restoration Expenditures

Reflects the annual Site Restoration Plan cost portion at a 0.0% escalation rate from the Site Specific Estimate.

Column 6: Remaining SAFSTOR Expenditures

Reflects the annual SAFSTOR Decommissioning Plan cost at a 0.0% escalation rate from the Site Specific Cost Estimate.

Column 7: End of Year Balance

Reflects the end of year Trust Fund Balance after all projected earnings are added and all projected expenditures are deducted for the year specified at a 0.0% escalation rate and 2.0% RRoR on fund growth.

Table I and II General Notes:

1. Trust Fund Balance reflects market value on December 31, 2013, net of taxes on realized gains and losses.
2. The 2.0% RRoR is based on the rate allowed by 10 CFR 50.75(e)(1)(i) and 10 CFR 50.82(a)(8)(vi) and not on any order of rate setting authority.
3. The funding method for providing financial assurance for decommissioning MPS1 remains prepayment. This cash flow analysis demonstrates that the amounts accumulated in the Trust are sufficient; with credited earnings at a 2.0% RRoR, to cover the estimated cost of radiological decommissioning, irradiated fuel management and site restoration.
4. Items addressed under 10 CFR 50.75(f)(1) are not repeated.