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L-XE-18-001
10 CFR 50.75(f)(1)

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

Prairie Island Nuclear Generating Plant
Units 1 and 2
Docket 50-282 and 50-306
Renewed Facility Operating License Nos.
DPR-42 and DPR-60

Monticello Nuclear Generating Plant
Docket 50-263
Renewed Facility Operating License
No. DPR-22

Corrected Decommissioning Funding Status Reports

On March 28, 2017, Northern States Power Company, a Minnesota corporation (NSPM) d/b/a Xcel Energy submitted biennial decommissioning funding reports for the Monticello Nuclear Generating Plant (MNGP) and Prairie Island Nuclear Generating Plant (PINGP) Units 1 and 2 in accordance with 10 CFR 50.75(f)(1) [ADAMS Accession No. ML17087A246]. As a result of discussions with NRC staff during a public conference call held on December 19, 2017, NSPM has determined that incorrect burial escalation factors had been used in calculating the minimum required decommissioning fund estimate. The attached enclosures provide corrected values for the minimum required decommissioning fund estimate for PINGP and MNGP and supersede Enclosures 1 through 3 of the March 28, 2017, letter.

It should be noted NSPM maintained funding that would meet or exceed the NRC minimum amount required at permanent plant shutdown.

Summary of Commitments

This letter makes no new commitments and no revisions to existing commitments.


Martin C. Murphy
Director, Nuclear Licensing and Regulatory Services
Northern States Power Company – Minnesota

Enclosures (3)

ENCLOSURE 1

Prairie Island Nuclear Generating Plant, Unit 1 Docket No. 50-282 License No. DPR-42 Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis beginning March 31, 1999, and every two years thereafter on the status of its decommissioning funding for each reactor or share of reactor it owns.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c), in 2016 dollars. \$420,553,052

2. The amount accumulated at the end of the calendar year preceding the date of the report.
(See Enclosure 4 for segmentation of Radiological Decommissioning, Spent Fuel Management, and Site Restoration Trust Funds Balances).

External Qualified	\$358,639,700
External Escrow	\$0
Total	\$358,639,700

3. A schedule of the annual amounts remaining to be collected for radiological costs through rates from customers.

Annual Annuity	Years to Collect
\$486,428	16.8 yrs

4. Assumptions used regarding escalation in decommissioning costs, rate of earnings on decommissioning funds and rates of other factors used in funding projections.

Plant Owner (% Ownership)	Rate of Earnings (Nominal Rate Of Return)	Escalation Factor (Inflation)	Real Rate of Return (Projected)
Xcel Energy (100%) - PINGP Unit 1 – During Operations (Radiological)	6.24%	4.36%	1.88%
Xcel Energy (100%) - PINGP Unit 1 – Post-Shutdown (Radiological)	5.35%	4.36%	0.99%

Basis for Allowance:

Xcel Energy files a triennial decommissioning study with the Minnesota Public Utilities Commission (MPUC) for approval. A portion of the study is dedicated to an analysis of inflation factors surrounding the various components necessary to perform the decommissioning function. Note: These rates apply to external funds only for radiological decommissioning. The rate of earnings and escalation factors were approved by the MPUC in the most recent triennial decommissioning study completed by the company, MPUC Docket No. E002/M-14-761, effective October 5, 2015. The projected real rate of return of 1.88% during operations and 0.99% post-shutdown would accumulate sufficient decommissioning funds by the current 2033 end of license date.

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e) (1) (v). None
6. Any modifications to a licensee's method of providing financial assurance occurring since the last submitted report. None
7. Any material changes to trust agreements. None

ENCLOSURE 2

Prairie Island Nuclear Generating Plant, Unit 2 Docket 50-306 License DPR-60 Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis beginning March 31, 1999, and every two years thereafter on the status of its decommissioning funding for each reactor or share of reactor it owns.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c), in 2016 dollars. \$420,553,052

2. The amount accumulated at the end of the calendar year preceding the date of the report.
(See Enclosure 4 for segmentation of Radiological Decommissioning, Spent Fuel Management, and Site Restoration Trust Funds Balances).
- | | |
|---------------------------|---------------|
| External Qualified | \$395,626,640 |
| External Escrow | \$0 |
| Total | \$395,626,640 |

3. A schedule of the annual amounts remaining to be collected for radiological costs through rates on customers.
- | | |
|-----------------------|-------------------------|
| Annual Annuity | Years to Collect |
| \$1,535,107 | 17.8 yrs |

4. Assumptions used regarding escalation in decommissioning costs, rate of earnings on decommissioning funds and rates of other factors used in funding projections.

Plant Owner (% Ownership)	Rate of Earnings (Nominal Rate Of Return)	Escalation Factor (Inflation)	Real Rate of Return (Projected)
Xcel Energy (100%)- PINGP Unit 2 – During Operations (Radiological)	6.30%	4.36%	1.94%
Xcel Energy (100%)- PINGP Unit 2 – Post-Shutdown (Radiological)	5.23%	4.36%	0.87%

Basis for Allowance:

Xcel Energy files a triennial decommissioning study with the Minnesota Public Utilities Commission (MPUC) for approval. A portion of the study is dedicated to an analysis of inflation factors surrounding the various components necessary to perform the decommissioning function. Note: These rates apply to external funds only for radiological decommissioning. The rate of earnings and escalation factors were approved by the MPUC in the most recent triennial decommissioning study completed by the company, MPUC Docket No. E002/M-14-761, effective October 5, 2015. The projected real rate of return of 1.94% during operations and 0.87% post-shutdown would accumulate sufficient decommissioning funds by the current 2034 end of license date.

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e) (1) (v). None
6. Any modifications to a licensee's method of providing financial assurance occurring since the last submitted report. None
7. Any material changes to trust agreements. None

ENCLOSURE 3

Monticello Nuclear Generating Plant Docket No. 50-263 License No. DPR-22 Decommissioning Funding Status Report

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the NRC on a calendar year basis beginning March 31, 1999, and every two years thereafter on the status of its decommissioning funding for each reactor or share of reactor it owns.

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c), in 2016 dollars. \$589,519,342

2. The amount accumulated for Radiological Decommissioning at the end of the calendar year preceding the date of the report. (See Enclosure 4 for segmentation of Radiological Decommissioning, Spent Fuel Management, and Site Restoration Trust Funds Balances).

External Qualified	\$498,602,413
External Escrow	\$0
Total	\$498,602,413

3. A schedule of the annual amounts remaining to be collected for radiological costs through rates from customers.

Annual Annuity	Years to Collect
\$6,030,008	13.75 yrs

4. Assumptions used regarding escalation in decommissioning costs, rate of earnings on decommissioning funds and rates of other factors used in funding projections.

Plant Owner (% Ownership)	Rate of Earnings (Nominal Rate Of Return)	Escalation Factor (Inflation)	Real Rate of Return (Projected)
Xcel Energy (100%)- Monticello – During Operations (Radiological)	6.20%	4.36%	1.84%
Xcel Energy (100%)- Monticello – Post-Shutdown (Radiological)	5.51%	4.36%	1.15%

Basis for Allowance:

Xcel Energy files a triennial decommissioning study with the Minnesota Public Utilities Commission (MPUC) for approval. A portion of the study is dedicated to an analysis of inflation factors surrounding the various components necessary to perform the decommissioning function. Note: These rates apply to external funds only for radiological decommissioning. The rate of earnings and escalation factors were approved by the MPUC in the most recent triennial decommissioning study completed by the company, MPUC Docket No. E002/M-14-761, effective October 5, 2015. The projected real rate of return of 1.84% during operations and 1.15% post-shutdown would accumulate sufficient decommissioning funds by the current 2030 end of license date.

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e) (1) (v). None

6. Any modifications to a licensee's method of providing financial assurance occurring since the last submitted report. None

7. Any material changes to trust agreements. None