



MidAmerican Energy
666 Grand Avenue
P.O. Box 657
Des Moines, Iowa 50303-0657

March 29, 2001

VIA OVERNIGHT MAIL

50-254/265

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Mail Stop O-P1-17
One White Flint North
11555 Rockville Pike
Rockville, MD 20852-2738

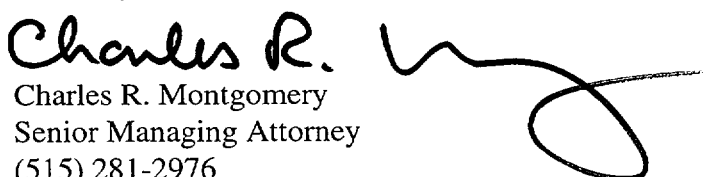
Re: Decommissioning Funding Status Report Pursuant to 10 CFR §50.75(f)(1)

Document Control Desk:

Enclosed is a signed original version of MidAmerican Energy Company's Decommissioning Funding Status Report for MidAmerican's share (25%) of the Quad Cities Nuclear Power Station, submitted pursuant to 10 CFR §50.75(f)(1).

If you have any questions regarding this submission, please contact the undersigned.

Sincerely,


Charles R. Montgomery
Senior Managing Attorney
(515) 281-2976
crmontgomery@midamerican.com

cc: Robert S. Wood
Mail Stop 11-F1
One White Flint North
11555 Rockville Pike
Rockville, MD 20852-2738

James L. Caldwell
Acting Regional Administrator
NRC Region 3
801 Warrenville Road
Lisle, IL 60532-4351

Robert M. Pulsifer
Mail Stop 13-D1
One White Flint North
11555 Rockville Pike
Rockville, MD 20852-2738

Christopher Miller
NRC Resident Inspector
22712 - 206th Avenue, North
Cordova, IL 61242-9740

A001

2000 DECOMMISSIONING FUNDING STATUS REPORT

10 CFR 50.75(f)(1)

(For The Year Ending December 31, 2000)

QUAD CITIES NUCLEAR POWER STATION, UNITS 1 & 2

Submitted by

MidAmerican Energy Company

Dated March 29, 2001

OVERVIEW

This Decommissioning Funding Status Report is being submitted pursuant to 10 CFR 50.75(f)(1) by MidAmerican Energy Company (MEC), a twenty-five percent owner of Quad Cities Nuclear Power Station, Units 1 & 2 (Quad Cities).

CERTIFICATION

MidAmerican Energy Company hereby certifies that financial assurance for decommissioning its 25% share of Unit One of Quad Cities is provided in the amount of \$102,605,730 in 2000 dollars. MidAmerican Energy Company hereby certifies that financial assurance for decommissioning its 25% share of Unit Two of Quad Cities is provided in the amount of \$163,646,141 in 2000 dollars. These amounts are based upon a site-specific decommissioning cost study the results of which exceed the Nuclear Regulatory Commission (NRC) minimum formula amount calculated in accordance with 10 CFR 50.75(c), NUREG-1307, Rev.9, and Regulatory Guide 1.159, MEC believes that the NRC minimum formula amount should be viewed as merely an assurance that minimum adequate funds will be available when needed.

ADDITIONAL INFORMATION

1.) Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c).

In a report dated January, 1997 a radiological estimate was performed by TLG Services, Inc. In October 1997, TLG Services, Inc. prepared additional information concerning the study of January, 1997, adding a non-radiological estimate for Quad Cities. This study includes cost estimates for basic NRC radiological decommissioning within the meaning of 10 CFR 50.75(b) & (c) (hereafter, Basic Radiological Decommissioning), as well as for spent fuel management and for non-radiological decommissioning activities. The site-specific decommissioning cost to which funds are being accumulated exceeds the NRC minimum formula amount calculated in accordance with 10 CFR 50.75(c), NUREG-1307, Rev.9, and Regulatory Guide 1.159. The 2000 total decommissioning costs and the Basic Radiological Decommissioning costs for MEC's 25% share of Quad Cities can be broken down as follows:

| | Total Site Specific | Basic Radiological |
|--------|---------------------|--------------------|
| Unit 1 | \$102,605,730 | \$97,657,128 |
| Unit 2 | \$163,646,141 | \$150,887,554 |
| Totals | \$266,251,871 | \$248,544,682 |

2.) Amount accumulated to the end of the calendar year preceding the date of the report.

As of December 31, 2000, MEC had accumulated: \$155,089,936.

| | External Trust Fund Balance (Fair Market value) |
|--------|--|
| Unit 1 | \$77,512,724 |
| Unit 2 | \$77,577,212 |
| Totals | \$155,089,936 |

3.) Schedule of the annual amount remaining to be collected.

Within the meaning of 10 CFR 50.75(e)(1)(ii)(A), MEC collects the estimated total cost of decommissioning through rates established by "cost of service" or similar ratemaking regulation. The Iowa Utilities Board (IUB) has currently approved the collections of \$4.147 million per year in decommissioning funds for each unit, by order dated June 27, 1997, in Docket No. APP-96-1, RPU-96-8. The Illinois Commerce Commission (ICC) had approved the collection of \$1.555 million per year in decommissioning funds for each unit, by order dated October 22, 1997 in Docket No. 96-0577. This remained in effect until September 1, 1999, at which time MEC ceased further collections from Illinois customers, pursuant to an ICC order in Docket No. 97-0569, issued July 8, 1999. MEC plans to continue making annual collections until fully funded for decommissioning. The licenses for both units will expire in 2012.

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

The following assumptions for 1997 were reviewed and approved by the ICC by Order dated October 22, 1997 in Docket No. 96-0577. The same assumptions have been utilized in proceedings before the Iowa Utilities Board.

| | |
|--------------------------------------|-------|
| Decommissioning Cost Escalation Rate | 5.30% |
| Earnings rate approved | 6.49% |

The earnings rate approved by the ICC by Order dated July 8, 1999, in Docket No. 97-0569, is 7.11%.

In addition, the following annual decommissioning cost escalation rates have been filed with the ICC and are pending.

| | 1998 | 1999 | 2000 |
|--------------------------------------|------|------|------|
| Decommissioning Cost Escalation Rate | 5.0% | 5.0% | 4.5% |

The earnings rate for 1998 – 2000 filed with the ICC is 6.93%.

5.) Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v).

MEC is not relying upon any contract for purposes of providing decommissioning funding within the meaning of 10 CFR 50.75(e)(1)(v).

6.) Any modifications occurring to a licensee's current method of providing financial assurance since the last submitted report.


MEC continues to use the external sinking fund method of providing decommissioning funding assurance.

7.) Any material changes to trust agreements.

There have been no material changes to the trust agreements since MidAmerican's last Decommissioning Funding Status Report, in 1999. Harris Trust and Savings Bank was appointed the original trustee of the Quad Cities trusts on March 15, 1989. Harris Trust and Savings Bank was succeeded by The Northern Trust Company, effective December 29, 1995 and The Northern Trust Company was also subsequently succeeded by The Bank of New York effective February 1, 1999. In addition, the following table identifies the current Investment Managers.

| Trust | Trustee | Investment Manager(s) |
|-----------------------|----------------------|---|
| Unit 1, Qualified | The Bank of New York | Harris Investment Mgmt. NISA Investment Advisors |
| Unit 1, Non-Qualified | The Bank of New York | Harris Investment Mgmt. NISA Investment Advisors |
| Unit 2, Qualified | The Bank of New York | Harris Investment Mgmt. NISA Investment Advisors |
| Unit 2, Non-Qualified | The Bank of New York | Harris Investment Mgmt. NISA Investment Advisors |

MIDAMERICAN ENERGY COMPANY

By: Charles R. 

Charles R. Montgomery, Senior Managing Attorney
MidAmerican Energy Company
666 Grand Avenue, Suite 800
Des Moines, Iowa 50309
(515) 281-2976