



Nebraska Public Power District

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NLS2003039

March 24, 2003

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

Subject: Decommissioning Funding
Cooper Nuclear Station, NRC Docket No. 50-298, DPR-46

The purpose of this letter is to provide the Nebraska Public Power District's Third Biennial Report on Financial Assurance for Decommissioning for Cooper Nuclear Station in accordance with 10 CFR 50.75(f)(1), Reporting and Record Keeping for Decommissioning Planning. The report contains the amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c), the amount accumulated to the end of the calendar year preceding the date of the report, a schedule of the annual amounts remaining to be collected, the assumptions used regarding rates of escalation in decommissioning costs, and the rate of earnings on decommissioning funds.

Should you have any questions concerning this matter, please contact me.

Clay C. Warren
Vice President-Nuclear and
Chief Nuclear Officer

/nr

Attachment

*Add Michael A. Dusznirskyj
1 Paper Copy
A 001*

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cc: Regional Administrator w/attachment
USNRC - Region IV

Senior Project Manager w/attachment
USNRC - NRR Project Directorate IV-1

Senior Resident Inspector w/attachment
USNRC

NPG Distribution w/o attachment

Records w/attachment

NEBRASKA PUBLIC POWER DISTRICT

Third Biennial Report on Financial Assurance for Decommissioning

In Accordance with 10 CFR 50.75(f)(1)

Date: March 17, 2003

Station: Cooper Nuclear Station

Owner/Licensee Making The Report: Nebraska Public Power District

Nebraska Public Power District (NPPD) is a public corporation and political subdivision of the state of Nebraska. NPPD has the power and is required to fix, establish and collect adequate rates and other charges for electrical energy and any and all commodities or services sold or furnished by it. NPPD is accordingly authorized to establish its own rates and other charges through which it can recover its cost of service. NPPD is governed by an 11-member Board of Directors who are popularly elected from the NPPD's chartered territory. The Board of Directors is the rate making authority for the NPPD.

Percentage Ownership: 100

10 CFR 50.75 (b) & (c) Decommissioning Estimate (2002 Dollars): \$413,820,000

Decommissioning Fund¹ Total as of 12/31/2002: \$312,832,994

Schedule of Future Annual Funding Contributions ²:

Year	Beginning Balance	Funding Contribution	Funding Requirement In 2014	Fund Interest	Ending Balance	NRC Minimum Escalated
2003	\$312,832,994	\$328,825		\$21,127,325	\$334,289,144	\$413,820,000
2004	334,289,144	0		22,564,517	356,853,661	430,372,800
2005	356,853,661	0		24,087,622	380,941,283	447,587,712

¹ This is the total amount in the external sinking fund (as described in 10 CFR 50.75) to cover the costs of Nuclear Regulatory Commission-defined decommissioning.

² This figure will be recalculated on an annual basis in accordance with 10 CFR 5 75 (b) and (c). The above amounts reflect the current projected annual contributions necessary to fully fund the decommissioning trust by the end of the operating license (license expiration January 18, 2014)

Year	Beginning Balance	Funding Contribution	Funding Requirement In 2014	Fund Interest	Ending Balance	NRC Minimum Escalated
2006	380,941,283	0		25,713,537	406,654,820	465,491,221
2007	406,654,820	0		27,449,200	434,104,020	484,110,870
2008	434,104,020	0		29,302,021	463,406,042	503,475,304
2009	463,406,042	0		31,279,908	494,685,949	523,614,317
2010	494,685,949	0		33,391,302	528,077,251	544,558,889
2011	528,077,251	0		35,645,214	563,722,465	566,341,245
2012	563,722,465	0		38,051,266	601,773,732	588,994,895
2013	601,773,732	0		40,619,727	642,393,459	612,554,690
2014	\$642,393,459	\$0	\$637,056,878	\$360,219	\$5,696,800	\$637,056,878

Rate Assumptions

Rates of escalation used in estimating future decommissioning costs

- 4%

Rates of Earnings on Decommissioning Funds Post-tax³

- 6.75%

³ The assumed annual real rate of return is 2.75 percent. The District's Board of Directors, as the licensee's rate setting authority, has approved the decommissioning funding budget for Cooper Nuclear Station that incorporates this assumption.

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Contracts relied Upon to Demonstrate Decommissioning Funding Assurance [50.75(e)(1)(v)]: Not applicable

Modifications to NPPD's Current Method of Providing Financial Assurance: None

Material Changes to Decommissioning Trust Agreement: None

NOTE 1: NPPD continues to maintain its Decommissioning Trust Fund investments in fixed income securities as required by Nebraska State Statutes.

NOTE 2: The 2003 transfer to the External Trust was made in January 2003.

