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WILLIAM L. BERG
President and CEO

March 28, 2003

In reply, please refer to LAC-13798

DOCKET NO. 50-409

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U. S. Nuclear Regulatory Commission
Washington, DC 20555

SUBJECT: Dairyland Power Cooperative
La Crosse Boiling Water Reactor (LACBWR)
Possession-Only License No. DPR-45
Annual Report on the Status of Decommissioning Funding

REFERENCES: (1) 10 CFR 50.75(f)(1)

In accordance with Reference 1, we are submitting our annual March 31 report on the status of decommissioning funding for the La Crosse Boiling Water Reactor.

If there are any questions concerning this report, please contact us.

Sincerely,

DAIRYLAND POWER COOPERATIVE

William L. Berg, President & CEO

WLB:MNJ:dh

Enclosures

cc/enc: William Huffman, NRC Project Manager
James E. Dyer, NRC Region III Administrator
Peter Lee, Decommissioning Branch, NRC Region III

A001



Add: Michael
Dusaniewskys

STATUS REPORT

Decommissioning Funding For the La Crosse Boiling Water Reactor 3/31/2003

1. The amount of decommissioning funds estimated to be required pursuant to 10 CFC 50.75(b) and (c) is \$79,186,122 in 2000 dollars.
2. The amount accumulated to the end of the calendar year preceding the date of this report is \$63,141,027 as of 12/31/02.
3. No further annual amounts are scheduled to be collected. A separate reserve of \$6,797,098 is available if future changes in the cost estimate or earnings performance necessitate additional collections.
4. The assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections.
 - ◆ La Crosse Boiling Water Reactor placed in SAFSTOR status 5/1/87.
 - ◆ Decommissioning starts in 2019 – 6-year project.
 - ◆ Fuel removed by 2022.
 - ◆ Decommissioning cost updated every five years.
 - ◆ Funding accomplished by 2000, subject to additional collections if necessitated by future changes in the cost estimate or earnings performance.
 - ◆ Projected decommissioning cost in 2000 dollars - \$79,186,122.
 - ◆ Decon escalation rate - 4.0%.
 - ◆ LLRW escalation rate - 6.0%.
 - ◆ Earnings projections.
 - ◆ Equity Investments - 8.9%.
 - ◆ Fixed Income Investments - 5.7%.

- ◆ Investment Asset Allocation Goal.
 - ◆ Equity Investments - 40%.
 - ◆ Fixed Income Investments - 60%.
- 5. There are no contracts upon which Dairyland Power Cooperative is relying pursuant to paragraph (e)(1)(v) of 10 CFR 50.75.
- 6. A revision to the cost estimate was completed in November 2000 and reflected in the March 31, 2001 report; there are no future changes in the cost estimate reflected in this report. Changes in radioactive waste burial costs, as well as lessons learned on decontamination factors, decontamination methods, and other factors were considered in this revision.

Based upon projected decommissioning costs, earnings projections, investment asset allocations, and past earnings performance, no further annual amounts are scheduled to be collected. Dairyland will continue to monitor investment performance and decommissioning costs, and if necessary collect further amounts from rates or reserves. The Board of Directors has specifically authorized transfers from a separate reserve of \$6,797,098 for that purpose.

- 7. There have been no changes to Dairyland's trust agreement.