

WILLIAM L. BERG
President and CEO



February 2, 2006

In reply, please refer to LAC-13896

DOCKET NO. 50-409

Document Control Desk
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 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:JBM:dh

Enclosures

cc/enc: Kristina Banovac, NRC Project Manager
James Caldwell, NRC Region III Administrator
Peter Lee, Decommissioning Branch, NRC Region III

A Touchstone Energy® Cooperative



Nm5501

STATUS REPORT
Decommissioning Funding
for the
La Crosse Boiling Water Reactor
March 31, 2006

1. The amount of decommissioning funds estimated to be required pursuant to 10 CFC 50.75(b) and (c) is \$84,637,823 in 2005 dollars.
2. The amount accumulated to the end of the calendar year preceding the date of this report is \$77,305,981 as of 12/31/05.
3. No further annual amounts are scheduled to be collected. A separate reserve of \$7,328,166 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 – 7-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 2005 dollars - \$84,637,823.
 - Escalation rates applied:

Labor	4.0%
Indirect	4.0%
Shipping	4.0%
Reprocessing	7.0%
Material	4.0%
Burial – Radwaste	3.0%

- Earnings projections:
 - Equity Investments - 7.31% to 8.13%
 - Fixed Income Investments - 5.30% to 5.48%
 - 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. There have been no modifications to Dairyland Power Cooperative's method of providing financial assurance since the last submitted report.
 7. There have been no changes to Dairyland Power Cooperative's trust agreement.