



Nebraska Public Power District

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NLS2007023
March 27, 2007

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

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

The purpose of this letter is to provide Nebraska Public Power District's Fifth Biennial Report on Financial Assurance for Decommissioning Planning for Cooper Nuclear Station in accordance with 10 CFR 50.75(f)(1), Reporting and Recordkeeping 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 at (402) 825-2774.

Sincerely,

Paul V. Fleming
Licensing Manager

/jk

Enclosure

cc: Regional Administrator w/enclosure
USNRC - Region IV

Cooper Project Manager w/enclosure
USNRC – NRR Project Directorate IV-1

Senior Resident Inspector w/enclosure
USNRC - CNS

NPG Distribution w/o enclosure

Records w/enclosure

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ATTACHMENT 3 LIST OF REGULATORY COMMITMENTS©

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Correspondence Number: NLS2007023

The following table identifies those actions committed to by Nebraska Public Power District (NPPD) in this document. Any other actions discussed in the submittal represent intended or planned actions by NPPD. They are described for information only and are not regulatory commitments. Please notify the Licensing Manager at Cooper Nuclear Station of any questions regarding this document or any associated regulatory commitments.

COMMITMENT	COMMITMENT NUMBER	COMMITTED DATE OR OUTAGE
None		

NEBRASKA PUBLIC POWER DISTRICT

Fifth Biennial Report on Financial Assurance for Decommissioning
in accordance with 10 CFR 50.75(f) (1)

Date: March 20, 2007

Station: Cooper Nuclear Station

Owner/licensee making the report: Nebraska Public Power District

Nebraska Public Power District (the "District") is a public corporation and political subdivision of the state of Nebraska. The District 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. The District is accordingly authorized to establish its own rates and other charges through which it can recover its cost of service. The District is governed by an 11-member Board of Directors who are popularly elected from the District's chartered territory. The Board of Directors is the rate making authority for the District.

Percentage Ownership: 100

10 CFR 50.75 (b) & (c) Decommissioning Estimate (2006 Dollars): \$450,186,000¹

Decommissioning Fund² Total as of 12/31/2006: \$379,851,499

Schedule of Future Annual Fund Earnings and Decommissioning Cost Escalation:³

Year	Beginning Balance	Funding Contribution	Funding Requirement In 2014 - 2020	Fund Interest	Ending Balance	NRC Minimum Escalated
2007	\$379,851,499	\$0		\$20,891,832	\$400,743,331	\$450,186,000
2008	400,743,331	0		22,040,883	422,784,215	463,691,580
2009	422,784,215	0		23,253,132	446,037,346	477,602,327
2010	446,037,346	0		24,532,054	470,569,401	491,930,397
2011	470,569,401	0		25,881,317	496,450,718	506,688,309
2012	496,450,718	0		27,304,789	523,755,507	521,888,958
2013	523,755,507	0		28,806,553	552,562,060	537,545,627
2014	552,562,060	0	\$81,468,880	25,910,125	497,003,305	\$553,671,996

¹ This updated estimate is based upon Nuclear Regulatory Commission (NRC) decommissioning minimum certification escalation requirements in 10 CFR 50.75(c) (1) and (2) and guidance per NUREG 1307 for a Boiling Water Reactor the size of Cooper Nuclear Station. The calculation utilizes the waste burial factor in Revision 11 of NUREG 1307 and Labor and Energy escalation factors derived from regional data of the U.S. Department of Labor Bureau of Labor Statistics.

² This is the total amount in the external sinking fund (as described in 10 CFR 50.75) to cover the costs of NRC-defined decommissioning.

³ These figures will be recalculated on an annual basis in accordance with 10 CFR 50.75 (b) and (c). The above amounts reflect the current projected annual contributions (including fund earnings) necessary to fully fund the decommissioning trust by the end of the operating license (license expiration January 18, 2014), and taking into account a pro rata credit during the dismantlement period (recognizing both cash expenditures and earnings) over the first seven years after shutdown (see 10 CFR 50.75(e) (1) (ii)).

Year	Beginning Balance	Funding Contribution	Funding Requirement In 2014 - 2020	Fund Interest	Ending Balance	NRC Minimum Escalated
2015	497,003,305	0	83,912,946	22,719,970	435,810,329	
2016	435,810,329	0	86,430,335	19,215,900	368,595,894	
2017	368,595,894	0	89,023,245	15,376,496	294,949,145	
2018	294,949,145	0	91,693,942	11,179,036	214,434,239	
2019	214,434,239	0	94,444,760	6,599,421	126,588,900	
2020	\$126,588,900	\$0	\$97,278,103	\$1,612,094	\$30,922,891	

Rate Assumptions

Rates of escalation used in estimating future decommissioning costs

- 3%

Rates of Earnings on Decommissioning Funds Post-tax ⁴

- 5.5%

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

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

Material Changes to Decommissioning Trust Agreement: None

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

⁴ The assumed annual real rate of return is 2.50 percent. The District's Board of Directors (as the licensee's rate setting authority) has approved this assumption for the decommissioning funding plan for Cooper Nuclear Station through the adoption of a Board Resolution as part of its official business.