

WILLIAM L. BERG
President and CEO



DAIRYLAND POWER
COOPERATIVE

March 27, 2008

In reply, please refer to LAC-14033

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 DPR-45
Annual Report on the Status of Decommissioning Funding

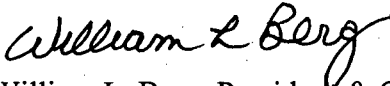
REFERENCES: (1) 10 CFR 50.75(f)(1)

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: two

Enclosures

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

A Touchstone Energy® Cooperative 

AMSS01

STATUS REPORT
Decommissioning Funding
for the
La Crosse Boiling Water Reactor
March 31, 2008

1. The amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c) is \$62,473,000 in 2007 dollars. Certain decommissioning activities in the amount of \$24,127,000 were completed in 2006 and 2007 for the removal of the LACBWR Reactor Pressure Vessel (RPV) and the permanent disposal of the RPV at the radioactive waste disposal site in Barnwell, South Carolina, as well as removal of additional Class B and Class C low-level radioactive waste. As of December 31, 2007, Dairyland has withdrawn \$18,154,000 from the Dairyland Power Cooperative Nuclear Decommissioning Trust (DPC-NDT) for this decommissioning work leaving \$5,973,000 to be withdrawn in 2008.
2. The amount accumulated in the DPC-NDT to the end of the calendar year preceding the date of this report (12/31/07) is \$68,596,000. Adjusting the DPC-NDT fund for the withdrawal of the \$5,973,000 for decommissioning work referenced in Paragraph 1, results in a balance of \$62,623,000 as compared to the estimated decommissioning cost of \$62,473,000.
3. No further annual amounts are currently scheduled to be collected. A separate reserve is available if future changes in the cost estimate or earnings performance necessitate additional collections. That reserve is also available to provide partial funding for the development of an on-site Independent Spent Fuel Storage Installation (ISFSI). The reserve fund balance as of 12/31/07 is \$14,463,000. During 2008, it is expected that no more than \$7,800,000 will be drawn from the reserve fund for the ISFSI. Dairyland assesses annually or more frequently whether additional amounts can be drawn from the reserve fund for the ISFSI project or should remain available for decommissioning as mentioned above.
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.

- Final 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 2007 dollars - \$62,473,000.
 - Escalation rates applied:

Labor	4.0%
Indirect	4.0%
Shipping	3.0%
Reprocessing	7.0%
Material	4.0%
Burial – Radwaste	3.0%
 - Earnings projections:
 - Equity Investments - 8.24% to 8.95%
 - Fixed Income Investments - 4.87% to 4.95%
 - 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.