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In reply, please refer to LAC-13862

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 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

STATUS REPORT

Decommissioning Funding for the La Crosse Boiling Water Reactor 3/31/2005

1. The amount of decommissioning funds estimated to be required pursuant to 10 CFC 50.75(b) and (c) is \$79,522,409 in 2003 dollars.
2. The amount accumulated to the end of the calendar year preceding the date of this report is \$73,471,107 as of 12/31/04.
3. No further annual amounts are scheduled to be collected. A separate reserve of \$7,134,302 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 2003 dollars - \$79,522,409.
 - Escalation rates applied:

Labor	4.0%
Indirect	4.0%
Shipping	4.0%
Reprocessing	7.0%
Material	4.0%
Burial – Radwaste	3.0%
Burial – Reactor	6.0%

- Earnings projections:
 - Equity Investments - 7.5%
 - Fixed Income Investments - 4.0% through 2007; then 5.5%
 - 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.