



DAIRYLAND POWER
COOPERATIVE

March 23, 2009

In reply, please refer to LAC-14063

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

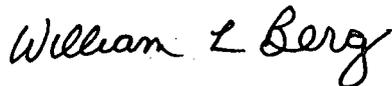
REFERENCES: (1) 10 CFR 50.75(f)(1)

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: two

Enclosures

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

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STATUS REPORT

Decommissioning Funding

for the

La Crosse Boiling Water Reactor

March 31, 2009

1. The amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c) is \$66,300,000 in 2008 dollars. Certain decommissioning activities in the amount of \$24,127,338 were completed in 2006, 2007, and 2008 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 As of December 31, 2008, Dairyland has withdrawn \$18,154,154 from the Dairyland Power Cooperative Nuclear Decommissioning Trust (DPC-NDT) for this decommissioning work with the last withdrawal occurring on April 16, 2007. While there have been additional expenditures for activities under the decommissioning plan for which Dairyland has not been reimbursed, there is no plan to withdraw any additional amounts in 2009 or before fund balances recover from the current market downturn.
2. The amount accumulated in the DPC-NDT to the end of the calendar year preceding the date of this report (12/31/08) is \$61,753,496. That investment balance fluctuates and may be impacted by macroeconomic factors outside Dairyland's control.
3. No further annual amounts are currently scheduled to be collected. Dairyland does reassess annually or more frequently whether future changes in the cost estimate or earnings performance necessitate additional collections, either through rates or through transfers from a separate reserve. That reserve is also available to provide partial funding for the development of an on-site Independent Spent Fuel Storage Installation (ISFSI). At year-end 2008, Dairyland determined that a transfer from the reserve to the DPC-NDT was appropriate, in the amount of \$6,000,000 (reflected in the fund balance shown in par. 2, above). Net of that transfer, the reserve fund balance as of 12/31/08 is \$11,334,316. Dairyland also 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 2008 dollars - \$63,580,169.
 - Escalation rates applied:

Labor	4.00%
Indirect	4.00%
Shipping	3.00%
Reprocessing	7.00%
Material	4.01%
Burial – Radwaste	3.00%
 - Earnings projections:
 - Equity Investments - 8.33% to 9.03%
 - Fixed Income Investments - 4.75% to 5.05%
 - Investment Asset Allocation Goal:
 - Equity Investments - 50%
 - Fixed Income Investments - 50%
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.