



Nebraska Public Power District

"Always there when you need us"

NLS2010028
March 22, 2010

50.75(f)(1)

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

Dear Sir or Madam:

The purpose of this letter is to provide Nebraska Public Power District's 2010 Annual Report on Financial Assurance for Decommissioning 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) 825-2904.

Sincerely,

David Van Der Kamp
Licensing Manager

/jo

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

CNS Records w/enclosure

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Page 1 of 3

NEBRASKA PUBLIC POWER DISTRICT

2010 Annual Report on Financial Assurance for Decommissioning in Accordance
with 10 CFR 50.75(f)(1)

NEBRASKA PUBLIC POWER DISTRICT

2010 Annual Report on Financial Assurance for Decommissioning

In Accordance with 10 CFR 50.75(f)(1)

Date: March 22, 2010

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 (2009 Dollars): \$527,102,000¹

Decommissioning Fund² Total as of 12/31/2009: \$445,251,817

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

Year	Beginning Balance	Funding Contribution ⁴	Funding Requirement In 2014 - 2020	Fund Interest	Ending Balance	NRC Minimum Escalated
2010	445,251,817			24,488,850	469,740,667	\$527,102,000
2011	469,740,667			25,835,737	495,576,404	\$542,915,060
2012	495,576,404			27,256,702	522,833,106	\$559,202,512
2013	522,833,106	17,228,551		29,229,606	569,291,263	\$575,978,587
2014	569,291,263		87,293,669	26,509,868	508,507,462	\$593,257,945
2015	508,507,462		89,912,479	23,022,724	441,617,706	
2016	441,617,706		92,609,854	19,195,432	368,203,284	
2017	368,203,284		95,388,149	15,004,832	287,819,967	
2018	287,819,967		98,249,794	10,426,360	199,996,533	
2019	199,996,533		101,197,286	5,433,959	104,233,205	
2020	\$104,233,205		\$104,233,205	\$0	\$0	

¹ This updated estimate is based upon NRC decommissioning minimum certification escalation requirements in 10 CFR 50.75(c)(1) and (2) and guidance per NUREG 1307 for a BWR the size of Cooper Nuclear Station. The calculation utilizes the waste burial factor in Revision 13 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)).

⁴ This amount is an estimated contribution that would be required based on current calculations. In accordance with present plans, the Board of Directors will determine the actual contribution required in a future rate setting period.

Rate Assumptions

Rates of Escalation Used in Estimating Future Decommissioning Costs

- 3%

Rates of Earnings on Decommissioning Funds Post-tax ⁵

- 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.

NOTE 2: The District previously submitted to the NRC a preliminary site specific Decommissioning Cost Estimate pursuant to 50.75(f)(3), which is to be filed at or about five years prior to the current projected end of operations for Cooper Nuclear Station, on December 15, 2008. The District also submitted the Program for Maintenance of Irradiated Fuel (10 CFR 50.54(bb)) for Cooper Nuclear Station on December 23, 2008. Cooper Nuclear Station received a Safety Evaluation Report from the NRC approving both the 2008 Decommissioning Study and the Program for Maintenance of Irradiated Fuel for CNS (10 CFR 50.54(bb)) on September 25, 2009. In addition, in September, 2008, the District submitted a License Renewal application for Cooper Nuclear Station to extend the license period for 20 years, to 2034. The calculations in this document do not take credit for the potential additional 20 years of earnings on the decommissioning fund. Nor do these calculations take credit for the time value of money associated with the 60 year SAFSTOR decommissioning program.

⁵ 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, dated June 13, 2008, as part of its official business.

Correspondence Number: NLS2010028

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		