



March 25, 2010

NG-10-0105  
10 CFR 50.75(f)(1)

U.S. Nuclear Regulatory Commission  
Attn: Document Control Desk  
Washington, DC 20555-0001

Duane Arnold Energy Center  
Docket No. 50-331  
License No. DPR-49

Decommissioning Funding Status Report

Pursuant to 10 CFR 50.75(f), enclosed is the annual Decommissioning Funding Status Report for the Duane Arnold Energy Center (DAEC). Attachment 1 provides the NRC minimum amount calculated under 10 CFR 50.75(c)(1). However, the amount stated in this report (Attachment 2) is based on a revised site-specific cost estimate using the SAFSTOR method. NextEra Energy Duane Arnold submitted the revised Decommissioning Cost Estimate Study for DAEC to the NRC on February 15, 2010 as Enclosure 3 to, "Response to Supplemental Request for Additional Information to Support the Review of the Duane Arnold Energy Center Spent Fuel Management Program and Preliminary Decommissioning Cost Estimate," (ML100540024). The revised Decommissioning Cost Estimate presents results in 2008 dollars. These results were converted into 2009 dollars by using an escalation factor. The amount stated in Attachment 2 is based on the site-specific estimate and is greater than that produced using the NRC's formula amount that is shown in Attachment 1.

NextEra Energy Duane Arnold, LLC, Central Iowa Power Cooperative (CIPCO), and Corn Belt Power Cooperative (Corn Belt) jointly own DAEC. This report provides the status of decommissioning funding for all three owners of the unit.

This letter contains no new commitments and no revisions to existing commitments.

ADD  
NRR

Should you have any questions, please contact Licensing Manager, Steve Catron,  
at (319) 851-7234.

A handwritten signature in black ink that reads "Christopher R. Costanzo". The signature is written in a cursive style with a large initial 'C'.

Christopher R. Costanzo  
Vice President, Duane Arnold Energy Center  
NextEra Energy Duane Arnold, LLC

Enclosure

**ENCLOSURE**

**Duane Arnold Energy Center  
NextEra Energy Duane Arnold, LLC (Next Era),  
Central Iowa Power Cooperative (CIPCO),  
Corn Belt Power Cooperative (Corn Belt)  
Decommissioning Funding Status Report**

1. The minimum decommissioning fund estimate pursuant to 10 CFR 50.75(b) and (c).

Plant Owner (% Ownership)	NRC Minimum (a)
NextEra (70%)	355,587,910
CIPCO (20%)	101,596,546
Corn Belt (10%)	50,798,273
<b>Total</b>	<b>507,982,729</b>

(a) Refer to Attachment 1 for calculation assumptions.

2. The amount accumulated at the end of the calendar year preceding the date of the report.

Plant Owner (% Ownership)	Total
NextEra (70%)	191,555,496
CIPCO (20%)	33,827,836
Corn Belt (10%)	16,825,491
<b>Total</b>	<b>242,208,823</b>

3. Schedule of the annual amounts remaining to be collected. (b)

Plant Owner (% Ownership)	<i>Annual Annuity</i>	<i>Projected Funds at Shutdown</i>
NextEra (70%)	\$0	
CIPCO (20%)	(c)	
Corn Belt (10%)	(c)	
<b>Total</b>		

(b) Refer to Attachment 2 for Decommissioning Funding Plan, SAFSTOR Alternative.

(c) Actual annual contributions to the external sinking fund will vary based upon reassessment of owner's decommissioning funding obligations in light of NRC requirements, actual inflation, actual fund earnings, and other factors. Attachment 3 provides the funding schedules applicable to each of the Duane Arnold Energy Center Owners.

4. Assumptions used regarding escalation in decommissioning costs, rate of earnings on decommissioning funds and rates of other factors used in funding projections.

Plant Owner (% Ownership)	Rate of Earnings (Nominal Rate Of Return)	Escalation Factor (Inflation)	Real Rate of Return (Projected)
NextEra (see note (d)) (70%)			2%
CIPCO (see note (e)) (20%)			4%
Corn Belt (see note (f)) (10%)			3%

**Basis for Allowance:**

(d) The real rate of return allowed by 10 CFR 50.75 is 2%.

(e) Central Iowa Power Cooperative (CIPCO) is a public corporation incorporated under Chapter 499 Iowa Code (2009). CIPCO has the authority and is required to fix, establish, and collect adequate rates and other charges for electrical energy or services sold or furnished by it. CIPCO is accordingly authorized to establish its own rates and other charges through which it can recover its cost of service. CIPCO is governed by a 13 member Board of Directors that are elected by the CIPCO members. The Board of Directors is the rate making authority for CIPCO. CIPCO rates are not regulated by any state or federal authority. In a Board Resolution dated October 27, 2009, the CIPCO Board of Directors resolved that the rates and other charges for electrical energy services and the decommissioning fund be established assuming a real rate of return on the decommissioning fund of four percent.

(f) Corn Belt Power Cooperative is a public corporation incorporated under Chapter 499 Iowa Code (2009). Corn Belt has the authority and is required to fix, establish, and collect adequate rates and other charges for electrical energy or services sold or furnished by it. Corn Belt is governed by an 11 member Board of Directors who are elected by its members. The Corn Belt Board of Directors is accordingly authorized to establish its own rates and other charges through which it can recover its cost of service and is the rate making authority for the Cooperative. The Cooperative's rates are not regulated by any state or federal authority. In a Board Resolution dated October 30, 2009, the Corn Belt Board of Directors resolved that the rates and other charges for electrical energy services and the decommissioning fund be established assuming a real rate of return on the decommissioning fund of three percent.

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v).

None

**6. Any modifications to a licensee's method of providing financial assurance occurring since the last submitted report.**

See response

As stated in NextEra's November 5, 2009 Request For Additional Information (RAI) Response (ML093130065), NextEra maintains a \$93 million parent guaranty as decommissioning funding assurance, although the parent guaranty is no longer necessary to demonstrate reasonable assurance of decommissioning funding when relying upon the site-specific decommissioning cost estimate.

**7. Any material changes to trust agreements.**

See response

Effective April 16, 2009, the name was changed on the qualified and non-qualified trusts from FPL Energy Duane Arnold, LLC to NextEra Energy Duane Arnold, LLC to reflect a corporate name change. Also, the name of the trustee was changed from, "Mellon Trust of Delaware, National Association," to, "BNY Mellon Trust of Delaware," to reflect a name change that followed the merger of Mellon Trust of Delaware with The Bank of New York (Delaware).

**ATTACHMENT 1  
DUANE ARNOLD ENERGY CENTER  
NRC Minimum Decommissioning Cost Determination**

NRC Minimum = \$121.2 million X (0.65L + 0.13E + 0.22B)

Where:

\$121.2 million is value for reference BWR<sup>1</sup> in 1986 dollars

L = Labor escalation factor to current year<sup>2</sup>

E = Energy escalation factor to current year<sup>3</sup>

B = LLRW escalation factor to most recent published year<sup>4</sup>

#	Item Description	Value
1	Labor escalation factor for Quarter 4, 2009 <sup>2</sup>	108.6
2	Base adjustment factor from NUREG-1307 <sup>1</sup>	2.08
3	Escalation factor from NUREG-1307	100
4	L = #1 times #2 divided by #3	2.26
5	Electric power escalation factor, 2009 <sup>5</sup>	187.1
6	Electric power escalation factor for Jan., 1986 from NUREG-1307	114.2
7	Fuel escalation factor for 2009 <sup>6</sup>	197.7
8	Fuel escalation factor for Jan., 1986 from NUREG-1307	82
9	P = #5 divided by #6	1.64
10	F = #7 divided by #8	2.41
11	E = 0.54P(#9) + 0.46F(#10) per NUREG-1307	1.99
12	Value of B from Table 2.1 of NUREG-1307 <sup>4</sup>	11.198
13	0.65L(#4) + 0.13E(#11) + 0.22B(#12)	4.19
14	1986 minimum-millions of dollars for BWR	121.2
15	2009 minimum-millions of dollars: #13 times #14	507.9

<sup>1</sup> NUREG 1307, Rev 13, Table 3.2

<sup>2</sup> NUREG 1307 specified that source is Bureau of Labor Statistics Data, Employment Cost Index, Series CIU201000000230I (Midwest Region).

<sup>3</sup> NUREG 1307 specifies that source is a weighted calculation using Bureau of Labor Statistics Data, Producer Price Index-Commodities, Series wpu0573 (light fuel oils) and wpu0543 (industrial electric power).

<sup>4</sup> NUREG 1307 provides a value for B in Table 2.1 In the November 2008 revision (Rev. 13) of the NUREG the value is 11.198 for Generic LLW Disposal Site assuming the application of waste vendor services to reduce burial volumes. No value is provided for Envirocare.

<sup>5</sup> December 2009 value is 187.1. (See note #3) Information was preliminary as of 02/16/10

<sup>6</sup> December 2009 value 197.7 (See note #3) Information was preliminary as of 02/16/10

**Attachment 2**

**Duane Arnold Energy Center  
Decommissioning Funding Plan**

**Attachment 2**  
**Duane Arnold Energy Center**  
**Decommissioning Funding Plan**  
**Scenario 2: 2014 Shutdown, SAFSTOR Alternative**  
**(Thousands of Dollars)**

Basis Year 2009

Fund Balance as of 12/31/09: (Thousands of Dollars)

Next Era	191,555	70% ownership
CIPCO	33,828	20% ownership
Corn Belt	16,825	10% ownership
<b>Total Trust Fund Balance</b>	<b>242,208</b>	

Annual Escalation	2.7%
Annual Earnings - Next Era	2%
Annual Earnings - CIPCO	4%
Annual Earnings - Corn Belt	3%

A	B	C	D	E	F	G
Year	50.75 Cost	Total Cost Escalated at 2.7%	Next Era Decommissioning Trust Fund Balance escalated at 2% minus 70% of expenses	CIPCO Decommissioning Trust Fund Balance escalated at 4% minus 20% of expenses + Contributions	Corn Belt Decommissioning Trust Fund Balance escalated at 3% minus 10% of expenses + Contributions	Total Decommissioning Trust Fund minus expenses
2009	-	-	191,555	33,828	16,825	242,208
2010	-	-	195,386	36,181	17,580	249,147
2011	-	-	199,294	38,628	18,507	256,429
2012	\$90	92	203,215	41,155	19,603	263,973
2013	\$10,925	11,224	199,423	41,556	19,769	260,748
2014	\$44,630	45,850	171,316	35,049	16,627	222,992
2015	\$8,936	9,180	168,316	34,615	16,208	219,138
2016	\$1,790	1,839	170,395	35,631	16,510	222,537
2017	\$1,790	1,839	172,516	36,689	16,821	226,026
2018	\$1,790	1,839	174,679	37,789	17,142	229,610
2019	\$13,330	13,694	168,586	36,561	16,287	221,435
2020	\$3,795	3,899	169,229	37,244	16,386	222,859
2021	\$3,795	3,899	169,884	37,954	16,487	224,326
2022	\$3,795	3,899	170,553	38,692	16,592	225,837
2023	\$3,795	3,899	171,235	39,460	16,700	227,395
2024	\$3,795	3,899	171,930	40,259	16,811	229,001
2025	\$2,035	2,091	173,906	41,451	17,106	232,463
2026	\$1,448	1,488	176,342	42,812	17,471	236,625
2027	\$1,448	1,488	178,828	44,227	17,846	240,901
2028	\$1,448	1,488	181,363	45,698	18,233	245,294
2029	\$1,448	1,488	183,949	47,229	18,631	249,809
2030	\$1,448	1,488	186,587	48,820	19,041	254,448
2031	\$1,448	1,488	189,277	50,476	19,464	259,217
2032	\$1,448	1,488	192,022	52,197	19,899	264,117
2033	\$1,448	1,488	194,821	53,987	20,347	269,155
2034	\$1,448	1,488	197,676	55,849	20,809	274,334
2035	\$1,448	1,488	200,588	57,786	21,284	279,658
2036	\$1,448	1,488	203,558	59,800	21,774	285,132
2037	\$1,448	1,488	206,588	61,894	22,278	290,761
2038	\$1,448	1,488	209,679	64,073	22,798	296,549
2039	\$1,448	1,488	212,831	66,338	23,333	302,502
2040	\$1,448	1,488	216,046	68,694	23,885	308,625
2041	\$1,448	1,488	219,326	71,144	24,452	314,922
2042	\$1,448	1,488	222,671	73,692	25,037	321,401
2043	\$1,448	1,488	226,083	76,343	25,639	328,065
2044	\$1,448	1,488	229,564	79,099	26,260	334,922
2045	\$1,448	1,488	233,113	81,965	26,899	341,978
2046	\$1,448	1,488	236,734	84,946	27,557	349,238
2047	\$1,448	1,488	240,428	88,047	28,235	356,710
2048	\$1,448	1,488	244,195	91,271	28,933	364,399
2049	\$1,448	1,488	248,038	94,624	29,653	372,315
2050	\$1,448	1,488	251,957	98,112	30,393	380,462
2051	\$1,448	1,488	255,955	101,739	31,156	388,850
2052	\$1,448	1,488	260,033	105,511	31,942	397,486
2053	\$1,448	1,488	264,192	109,434	32,752	406,378
2054	\$1,620	1,664	268,311	113,478	33,568	415,357
2055	\$2,305	2,368	272,019	117,544	34,338	423,901
2056	\$2,305	2,368	275,802	121,772	35,132	432,706
2057	\$2,305	2,368	279,661	126,169	35,949	441,779
2058	\$2,305	2,368	283,596	130,742	36,790	451,129
2059	\$2,305	2,368	287,611	135,498	37,657	460,766
2060	\$2,305	2,368	291,705	140,445	38,550	470,700
2061	\$2,305	2,368	295,882	145,589	39,470	480,941
2062	\$2,305	2,368	300,142	150,939	40,417	491,498
2063	\$2,305	2,368	304,487	156,503	41,393	502,383
2064	\$2,305	2,368	308,919	162,289	42,398	513,606
2065	\$2,305	2,368	313,440	168,307	43,433	525,180
2066	\$8,156	8,379	313,843	173,364	43,898	531,105
2067	\$12,229	12,563	311,328	177,786	43,959	533,070
2068	\$63,483	65,219	271,899	171,853	38,756	482,508
2069	\$79,252	81,419	220,344	162,444	31,777	414,564
2070	\$96,018	98,643	155,701	149,213	22,866	327,779
2071	\$81,018	83,233	100,552	138,535	15,228	254,315
2072	\$47,704	49,008	68,257	134,274	10,784	213,316
2073	\$18,639	19,149	56,218	135,816	9,193	201,227
<b>Total</b>	<b>578,309</b>	<b>594,120</b>				

H	I
CIPCO Decommissioning Trust Fund Contributions	Corn Belt Decommissioning Trust Fund Contributions
1,000	250
1,000	400
1,000	550
1,000	700
1,000	850

**Calculations:**

Column D = (Column D (Previous year's fund balance) \* (1+.02)) - (Column C \* 0.70) (70% of current year's decommissioning expenditures)  
 Column E = (Column E (Previous year's fund balance) \* (1+.04)) - (Column C \* 0.20) (20% of current year's decommissioning expenditures) + Column H (current year's contributions)  
 Column F = (Column F (Previous year's fund balance) \* (1+.03)) - (Column C \* 0.10) (10% of current year's decommissioning expenditures) + Column I (current year's contributions)  
 Column G = Column D + Column E + Column F



### Attachment 3

#### CIPCO and Corn Belt Decommissioning Trust Fund Contributions

(In thousands of dollars)

Year	CIPCO Decommissioning Trust Fund Contributions	Corn Belt Decommissioning Trust Fund Contributions
2010	1,000	250
2011	1,000	400
2012	1,000	550
2013	1,000	700
2014	1,000	850