



Nebraska Public Power District

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NLS2011031
March 29, 2011

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 Seventh Biennial 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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NEBRASKA PUBLIC POWER DISTRICT

Seventh Biennial Report on Financial Assurance for Decommissioning
In Accordance with 10 CFR 50.75(f)(1)

NEBRASKA PUBLIC POWER DISTRICT

Seventh Biennial Report on Financial Assurance for Decommissioning

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

Date: March 29, 2011

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 (2010 Dollars): \$574,906,000¹

Decommissioning Fund² Total as of 12/31/2010: \$484,130,065

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

Year	Beginning	Funding	Funding Requirement	Fund	Ending	NRC
	Balance	Contribution	Year-Beginning 2034 \$	Interest	Balance	Minimum Escalated
2011	\$484,130,065	-		\$26,627,154	\$510,757,219	\$574,906,000
2012	\$510,757,219	-		\$28,091,647	\$538,848,866	\$592,153,180
2013	\$538,848,866	-		\$29,636,688	\$568,485,553	\$609,917,775
2014	\$568,485,553	-		\$31,266,705	\$599,752,259	\$628,215,309
2015	\$599,752,259	-		\$32,986,374	\$632,738,633	\$647,061,768
2016	\$632,738,633	-		\$34,800,625	\$667,539,258	\$666,473,621
2017	\$667,539,258	-		\$36,714,659	\$704,253,917	\$686,467,830
2018	\$704,253,917	-		\$38,733,965	\$742,987,882	\$707,061,864

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 vendor waste burial factor in Revision 14 of NUREG 1307 and Labor and Energy escalation factors derived from December 2010 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 anticipated annual contributions (none presently anticipated), and annual fund earnings that demonstrate full funding of the decommissioning trust by the end of the operating license (license expiration January 18, 2034), 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 assuming immediate dismantlement decommissioning (see 10 CFR 50.75(e)(1)(ii)).

Year	Beginning Balance	Funding Contribution	Funding Requirement		Ending Balance	NRC Minimum Escalated
			Year-Beginning 2034 \$	Fund Interest		
2019	\$742,987,882	-		\$40,864,334	\$783,852,216	\$728,273,720
2020	\$783,852,216	-		\$43,111,872	\$826,964,088	\$750,121,932
2021	\$826,964,088	-		\$45,483,025	\$872,447,112	\$772,625,590
2022	\$872,447,112	-		\$47,984,591	\$920,431,704	\$795,804,358
2023	\$920,431,704	-		\$50,623,744	\$971,055,447	\$819,678,488
2024	\$971,055,447	-		\$53,408,050	\$1,024,463,497	\$844,268,843
2025	\$1,024,463,497	-		\$56,345,492	\$1,080,808,989	\$869,596,908
2026	\$1,080,808,989	-		\$59,444,494	\$1,140,253,484	\$895,684,816
2027	\$1,140,253,484	-		\$62,713,942	\$1,202,967,425	\$922,555,360
2028	\$1,202,967,425	-		\$66,163,208	\$1,269,130,634	\$950,232,021
2029	\$1,269,130,634	-		\$69,802,185	\$1,338,932,819	\$978,738,982
2030	\$1,338,932,819	-		\$73,641,305	\$1,412,574,124	\$1,008,101,151
2031	\$1,412,574,124	-		\$77,691,577	\$1,490,265,700	\$1,038,344,185
2032	\$1,490,265,700	-		\$81,964,614	\$1,572,230,314	\$1,069,494,511
2033	\$1,572,230,314	-		\$86,472,667	\$1,658,702,981	\$1,101,579,346
2034	\$1,658,702,981	-	\$166,952,217	\$82,046,292	\$1,573,797,056	
2035	\$1,573,797,056	-	\$171,960,786	\$77,100,995	\$1,478,937,265	
2036	\$1,478,937,265	-	\$177,119,609	\$71,599,971	\$1,373,417,627	
2037	\$1,373,417,627	-	\$182,433,195	\$65,504,144	\$1,256,488,575	
2038	\$1,256,488,575	-	\$187,906,194	\$58,772,031	\$1,127,354,412	
2039	\$1,127,354,412	-	\$193,543,377	\$51,359,607	\$985,170,642	
2040	\$985,170,642	-	\$199,349,681	\$43,220,153	\$829,041,114	

Rate Assumptions

Rates of escalation used in estimating future decommissioning costs

- 3%

Rates of Earnings on Decommissioning Funds Post-tax ⁴

- 5.5%

⁴ 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.

Contracts Relied Upon to Demonstrate Decommissioning Funding Assurance [50.75(e)(1)(v)]:
None

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 Management 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 Cooper Nuclear Station (10 CFR 50.54(bb)) on September 25, 2009. The NRC issued a renewed operating license No. DPR-46 for Cooper Nuclear Station on November 29, 2010, extending the operating license expiration date until January 18, 2034. These calculations do not take credit for the time value of money associated with the 60 year SAFSTOR decommissioning program that was included as an assumption in the District's submittal that was subject to the referenced Safety Evaluation Report.

0. ATTACHMENT 3 LIST OF REGULATORY COMMITMENTS⁴

Correspondence Number: NLS2011031

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		