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Indiana Michigan Power
Cook Nuclear Plant
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Bridgman, MI 49106
IndianaMichiganPower.com

March 27, 2019

AEP-NRC-2019-10
10 CFR 50.75(f)(1)

Docket Nos.: 50-315
50-316

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-001

Donald C. Cook Nuclear Plant Units 1 and 2
DECOMMISSIONING FUNDING STATUS REPORT

In accordance with the requirements of 10 CFR 50.75(f)(1), Indiana Michigan Power Company, the licensee for Donald C. Cook Nuclear Plant (CNP), Units 1 and 2, hereby submits the biennial report on the status of decommissioning funding. The recovery of decommissioning funds for the eventual decommissioning of CNP Units 1 and 2 is fully assured through cost of service regulation and the resulting contribution of funds into an external trust.

When projected to the current license expiration date for each unit, the Nuclear Decommissioning Trust balance is greater than the U. S. Nuclear Regulatory Commission calculated minimum cost of decommissioning pursuant to 10 CFR 50.75(b) and (c), confirming compliance with the financial assurance requirements of 10 CFR 50.75.

This letter contains no new commitments. If you have any questions regarding the report or decommissioning funding, please contact Mr. Michael K. Scarpello, Regulatory Affairs Director, at (269) 466-2649.

Sincerely,

Q. Shane Lies
Site Vice President

JMT/ml

Enclosure: Indiana Michigan Power Company, Donald C. Cook Nuclear Plant Units 1 and 2 2018
U. S. Nuclear Regulatory Commission Financial Assurance Requirements Report for
Decommissioning Nuclear Power Reactors

A001
NRR

c: R. J. Ancona – MPSC
R. F. Kuntz – NRC Washington DC
MDEQ – RMD/RPS
NRC Resident Inspector
D. J. Roberts – NRC Region III
A. J. Williamson – AEP Ft. Wayne, w/o enclosure

ENCLOSURE TO AEP-NRC-2019-10

Indiana Michigan Power Company, Donald C. Cook Nuclear Plant Units 1 and 2
2018 U. S. Nuclear Regulatory Commission Financial Assurance Requirements Report for
Decommissioning Nuclear Power Reactors

As provided in 10 CFR 50.75(f)(1), each power reactor licensee is required to report to the U. S. Nuclear Regulatory Commission (NRC) on a calendar year basis, beginning on March 31, 1999, and every two years thereafter, on the status of its decommissioning funding for each reactor or share of reactors it owns.

1. The minimum decommissioning cost estimate, pursuant to 10 CFR 50.75(b) and (c) is:
 - a. Cook Unit 1 \$512,446,094
 - b. Cook Unit 2 \$516,999,630
 - c. Total \$1,029,445,724

These cost estimates were determined using the burial cost escalation values and the methods outlined in NUREG-1307, Revision 17, to determine minimum values.

2. The amount accumulated in the fund allocated to radiological decommissioning reflects the market value of the funds accumulated through December 31, 2018, net of all taxes currently due for items included in 10 CFR 50.75(b) and (c) are:
 - a. Cook Unit 1 \$648,808,262
 - b. Cook Unit 2 \$590,864,127
 - c. Total \$1,239,672,390

3. A schedule of the annual amounts to be collected for items in 10 CFR 50.75(b) and (c) are as follows:

See Table 1 (attached) for schedule of contributions. While there are no changes for Indiana and Michigan, the FERC contributions are expected to decline in years 2019, 2020, 2021, 2026, 2027, and 2034 as wholesale customer's contracts expire.

The citations for the Orders that provide these rates are the State of Michigan Case Numbers U-15276 and U-18370 and the State of Indiana Cause Number 44967.

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 are as follows:

A two percent real rate of return is applied to the annual balance for future funding projections. Incorporating the two percent real rate of return on trust assets as well as future contributions to the trust results in projected trust fund balances of approximately \$871 million for Unit 1 and \$840 million for Unit 2 net of tax at the time those units are shut down. These amounts are above the NRC minimum decommissioning cost estimates shown in item 1 above.

5. Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v):
None

6. Any modifications occurring to a licensee's current method of providing financial assurances since the last submitted report:
None

7. Any material changes to trust agreements:
None

Table 1

Unit 1				
Contributions				
	Indiana	Michigan	FERC	Total
2019	\$620,000	\$930,000	\$726,099	\$2,276,099
2020	\$620,000	\$930,000	\$484,171	\$2,034,171
2021	\$620,000	\$930,000	\$318,707	\$1,868,707
2022	\$620,000	\$930,000	\$318,707	\$1,868,707
2023	\$620,000	\$930,000	\$318,707	\$1,868,707
2024	\$620,000	\$930,000	\$318,707	\$1,868,707
2025	\$620,000	\$930,000	\$318,707	\$1,868,707
2026	\$620,000	\$930,000	\$308,246	\$1,858,246
2027	\$620,000	\$930,000	\$300,773	\$1,850,773
2028	\$620,000	\$930,000	\$300,773	\$1,850,773
2029	\$620,000	\$930,000	\$300,773	\$1,850,773
2030	\$620,000	\$930,000	\$300,773	\$1,850,773
2031	\$620,000	\$930,000	\$300,773	\$1,850,773
2032	\$620,000	\$930,000	\$300,773	\$1,850,773
2033	\$620,000	\$930,000	\$300,773	\$1,850,773
10/25/2034	\$516,667	\$775,000	\$111,483	\$1,403,150

Unit 2				
Contributions				
	Indiana	Michigan	FERC	Total
2019	\$620,000	\$930,000	\$726,099	\$2,276,099
2020	\$620,000	\$930,000	\$484,171	\$2,034,171
2021	\$620,000	\$930,000	\$318,707	\$1,868,707
2022	\$620,000	\$930,000	\$318,707	\$1,868,707
2023	\$620,000	\$930,000	\$318,707	\$1,868,707
2024	\$620,000	\$930,000	\$318,707	\$1,868,707
2025	\$620,000	\$930,000	\$318,707	\$1,868,707
2026	\$620,000	\$930,000	\$308,246	\$1,858,246
2027	\$620,000	\$930,000	\$300,773	\$1,850,773
2028	\$620,000	\$930,000	\$300,773	\$1,850,773
2029	\$620,000	\$930,000	\$300,773	\$1,850,773
2030	\$620,000	\$930,000	\$300,773	\$1,850,773
2031	\$620,000	\$930,000	\$300,773	\$1,850,773
2032	\$620,000	\$930,000	\$300,773	\$1,850,773
2033	\$620,000	\$930,000	\$300,773	\$1,850,773
2034	\$620,000	\$930,000	\$133,780	\$1,683,780
2035	\$620,000	\$930,000	\$50,739	\$1,600,739
2036	\$620,000	\$930,000	\$50,739	\$1,600,739
12/23/2037	\$620,000	\$930,000	\$50,739	\$1,600,739