

DAIRYLAND Power

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March 9, 1999

In reply, please
refer to LAC-13675

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

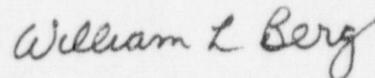
REFERENCES: (1) 10 CFR 50.75(f)(1)

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:MNJ:dh

Enclosures

cc/enc: Paul W. Harris, NRC Project Manager
James E. Dyer, NRC Region III Administrator
David Nelson, Decommissioning Branch, NRC Region III

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STATUS REPORT**Decommissioning Funding
for the
La Crosse Boiling Water Reactor**

- (1) The amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c) is:

\$98,700,000 in 1998 dollars

- (2) The amount accumulated to the end of the calendar year preceding the date of this report is:

\$66,875,352.68

- (3) The schedule of the annual amounts remaining to be collected is \$2.2 million per year through the year 2010.

- (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:

- Decommissioning cost updated every 5 years.
- Funding accomplished by 2010.
- Decommissioning starts in 2019 -- 6-year project.
- La Crosse Boiling Water Reactor placed in SAFSTOR status 5/1/87.
- Fuel removed by 2022.
- Projected decommissioning cost in 1998 dollars: \$98,700,000
- Decon escalation rate: 4.0%
- LLRW escalation rate: 6.0%

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- Earnings projections
 - Equity Investments 8%
 - Fixed Income Investments 6%

- Investment asset allocations
 - Equity Investments 40%
 - Fixed Income Investments 60%

In 1999, an evaluation of a 50/50 asset allocation strategy will be considered by the Dairyland Board's Investment Committee.

- Past earnings performance has exceeded projections.

(5) There are no contracts upon which Dairyland Power Cooperative is relying pursuant to paragraph (e)(1)(v) of 10 CFR 50.75.

(6) This is the first report of this type; therefore, there are no modifications since the last submitted report.

Dairyland funds the Nuclear Decommissioning Trust on an annual basis, based upon projected decommissioning cost, earnings projections, investment asset allocations, and past earnings performance.

(7) There have been no changes to Dairyland's trust agreement.