



Nebraska Public Power District

COOPER NUCLEAR STATION
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NLS950136
June 16, 1995

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555

Subject: Annual Audit of the Decommissioning Trust Fund
Cooper Nuclear Station
NRC Docket No. 50-298, DPR-46

Reference: Letter from G. A. Trevors (NPPD) to U. S. Nuclear Regulatory Commission (NRC) dated June 13, 1990, "Decommissioning Funding Plan"

Gentlemen:

Nebraska Public Power District (NPPD) submitted the Decommissioning Funding Plan for Cooper Nuclear Station (CNS) in the above reference pursuant to 10CFR50.75. This submittal contained, in part, a trust fund agreement NPPD has entered into in order to ensure adequate funds will be available for the decommissioning of CNS. The NPPD Decommissioning Trust Fund Agreement requires an annual independent audit to be performed for each calendar year. Enclosed, is a copy of the independent audit report of the Decommissioning Trust Fund for the year ending December 31, 1994. This report includes the following information:

- 1) Report of independent accountants.
- 2) Statement of assets and fund balance as of December 31, 1994 and 1993.
- 3) Statement of changes in the fund balance for the years ending December 31, 1994, and 1993.
- 4) Notes - Description of Trust Fund and basis of accounting.
- 5) Schedule of investments (list of investments).

If you have any questions, please call.

Sincerely,

J. H. Mueller
Site Manager

Enclosure

cc: Regional Administrator
USNRC - Region IV

T. E. Trouba w/encl.
L. D. Linder w/o encl.
NPG Distribution w/o encl.

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Powerful Pride in Nebraska

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Correspondence No: NLS950136

The following table identifies those actions committed to by the District in this document. Any other actions discussed in the submittal represent intended or planned actions by the District. They are described to the NRC for the NRC's information 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 | COMMITTED DATE OR OUTAGE |
|------------|-----------------------------|
| None | |
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NEBRASKA PUBLIC POWER DISTRICT
NUCLEAR FACILITY DECOMMISSIONING
TRUST FUND

FINANCIAL STATEMENTS
for the years ended
December 31, 1994 and 1993

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
Nebraska Public Power District

We have audited the accompanying statements of assets and fund balance - modified cash basis of the Nebraska Public Power District Nuclear Facility Decommissioning Trust Fund (the "Trust") as of December 31, 1994 and 1993, and the related statements of changes in fund balance - modified cash basis for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and fund balance of Nebraska Public Power District Nuclear Facility Decommissioning Trust Fund at December 31, 1994 and 1993, and its changes in fund balance for the years then ended, on the basis of accounting described in Note 2.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of investments at December 31, 1994 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Omaha, Nebraska
April 20, 1995

Coopers & Lybrand L.L.P.

NEBRASKA PUBLIC POWER DISTRICT
NUCLEAR FACILITY DECOMMISSIONING TRUST FUND
STATEMENTS OF ASSETS AND FUND BALANCE - MODIFIED CASH BASIS
as of December 31, 1994 and 1993

| | <u>1994</u> | <u>1993</u> |
|---|---------------------|---------------------|
| Investments, at market value, cost of \$48,305,725 in 1994 and \$28,295,218 in 1993: | | |
| Cash equivalents | \$ 3,027,384 | \$ 856,257 |
| Government and government-guaranteed securities | <u>42,876,240</u> | <u>28,632,330</u> |
| Total assets | <u>\$45,903,624</u> | <u>\$29,488,587</u> |
| Fund balance | <u>\$45,903,624</u> | <u>\$29,488,587</u> |

The accompanying notes are an integral part
of the financial statements.

NEBRASKA PUBLIC POWER DISTRICT
NUCLEAR FACILITY DECOMMISSIONING TRUST FUND
STATEMENTS OF CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
for the years ended December 31, 1994 and 1993

| | <u>1994</u> | <u>1993</u> |
|--|---------------------|---------------------|
| Contributions: | | |
| Nebraska Public Power District | \$17,765,200 | \$ 6,537,600 |
| Investment income: | | |
| Interest | 2,250,800 | 1,449,551 |
| Gain on sale of investments | - | 1,250 |
| Increase (decrease) in unrealized appreciation of investments held at year end | <u>(3,595,470)</u> | <u>507,149</u> |
| Total additions | <u>16,420,530</u> | <u>8,495,550</u> |
| Miscellaneous transaction expenses | <u>5,493</u> | <u>4,557</u> |
| Net increase in fund balance | 16,415,037 | 8,490,993 |
| Fund balance: | | |
| Beginning of year | <u>29,488,587</u> | <u>20,997,594</u> |
| End of year | <u>\$45,903,624</u> | <u>\$29,488,587</u> |

The accompanying notes are an integral part
of the financial statements.

NEBRASKA PUBLIC POWER DISTRICT
NUCLEAR FACILITY DECOMMISSIONING TRUST FUND
NOTES TO FINANCIAL STATEMENTS

1. Description of Trust Fund:

(a) Fund Requirement:

The Nuclear Regulatory Commission (the "NRC") published in the Federal Register amendments to 10 CFR Part 50 (53 FR 24018) dated June 27, 1988, a final rule specifying the requirements for the decommissioning of electric utility nuclear generating facilities. Contained in this rule is a requirement to submit a decommissioning funding plan to the NRC no later than July 26, 1990. As a result of this requirement, the Nebraska Public Power District (the "District") prepared and submitted a Decommissioning Funding Plan (the "Plan") to the NRC for funding the decommissioning of the District's Cooper Nuclear Station (CNS), an 800 MW nuclear generating plant. The purpose of the Plan is to provide information on how reasonable assurance will be provided that funds will be available to decommission CNS.

For purposes of this Plan, decommissioning of CNS is assumed to begin at the end of the existing Operating License. The current Operating License, which was issued in July 1974, is valid through January 18, 2014. The Plan indicates that the possibility exists that CNS may be decommissioned earlier because of contractual relationships or other reasons; in the event a decision is made for an early decommissioning of CNS, a new funding plan will be developed.

(b) Fund Establishment and Trustee Agreement:

The Plan required that the District select a method of providing reasonable assurance that funds would be available for decommissioning CNS. The District chose the external trust method to provide such assurance. In accordance with the Plan, an external trust fund was established for the purpose of accumulating monies which will be used for subsequent decommissioning costs related to CNS. A separate agreement entitled the Decommissioning Trust Fund Agreement (the "Agreement") was executed by the District and the Trustee, who is FirstTier Bank, N.A., of Lincoln, Nebraska. The Agreement provides specific guidelines regarding Trust Fund transactions and administration of the Trust Fund.

NEBRASKA PUBLIC POWER DISTRICT
NUCLEAR FACILITY DECOMMISSIONING TRUST FUND
NOTES TO FINANCIAL STATEMENTS, CONTINUED

1. Description of Trust Fund, Continued:

(c) Collection of Decommissioning Costs and Subsequent Deposit to the Decommissioning Trust Fund:

Estimated decommissioning costs are collected by the District through billings to Nuclear Facility participants. Each month as revenues are collected, the District transfers monies to the District's internal Decommissioning Fund account. The monies are held in the District's Decommissioning Fund account until such time that a transfer is required to be made to the Decommissioning Trust Fund. The transfer to the Decommissioning Trust Fund is calculated using the estimated minimum costs of labor, energy costs and waste burial over the remaining operating life of CNS as stipulated in the NRC regulations and in the Decommissioning Funding Plan submitted to the NRC. The transfer is to be made no later than June 1 following each year end. Deposits in the amount of \$17,765,200 and \$6,537,600 were made for the years 1994 and 1993, respectively. Any monies in excess of the required transfer amount are retained in the District's Decommissioning Fund account.

2. Basis of Accounting:

With the exception of the unrealized increase/decrease in market value of investments held at year end, the financial statements of the Trust Fund are prepared on the cash basis of accounting. Investments of the Trust Fund are recorded at market value as determined by the average of bid-and-asked quotations of national markets. District contributions are recorded when deposited into the Trust Fund. Interest income is recorded when received. Miscellaneous transaction expenses are recorded when paid.

3. Trustee Fees:

Beginning July 1, 1991, the District began paying all trustee fees for the Trust Fund. Fees of \$10,610 and \$6,938 were paid by the District for the Trust Fund for the years ended December 31, 1994 and 1993, respectively.

NEBRASKA PUBLIC POWER DISTRICT
NUCLEAR FACILITY DECOMMISSIONING TRUST FUND
SCHEDULE OF INVESTMENTS
December 31, 1994

| | Price 12/31/94 | Number of Shares or Principal Amount | Cost | Market Value 12/31/94 |
|---|-------------------|---|---------------------|-----------------------------|
| <u>Cash Equivalents</u> | | | | |
| Federated Trust for U.S. Treasury Obligations, 5.3% as of 12/31/94 | N/A | \$ 3,027,384 | \$ 3,027,384 | \$ 3,027,384 |
| Total cash equivalents | | <u>3,027,384</u> | <u>3,027,384</u> | <u>3,027,384</u> |
| <u>Bonds, Notes and Bills</u> | | | | |
| United States Treasury Note, dated 02/15/90 - 02/15/2000, 8.5% | 102.813 | 3,000,000 | 3,025,312 | 3,084,390 |
| United States Treasury Note, dated 04/30/91 - 04/30/96, 7.625% | 100.188 | 3,000,000 | 2,984,063 | 3,005,540 |
| United States Treasury Note, dated 10/15/91 - 10/15/98, 7.125% | 97.922 | 3,000,000 | 3,042,891 | 2,937,660 |
| United States Treasury Note, dated 7/31/92 - 7/31/97, 5.5% | 94.688 | 6,000,000 | 5,963,414 | 5,681,280 |
| United States Treasury Note, dated 04/15/92 - 4/15/99, 7.0% | 96.969 | 6,000,000 | 6,118,594 | 5,818,140 |
| United States Treasury Note, dated 11/16/92 - 11/15/95, 5.125% | 98.313 | 3,000,000 | 3,055,781 | 2,949,390 |
| United States Treasury Note, dated 8/15/92 - 8/15/2002, 6.375% | 91.625 | 6,000,000 | 5,926,406 | 5,497,500 |
| United States Treasury Note, dated 2/15/93 - 2/15/2003, 6.25% | 90.500 | 6,000,000 | 6,165,000 | 5,430,000 |
| United States Treasury Note, dated 5/15/94 - 4/06/2004, 6.67% | 96.032 | 3,000,000 | 3,075,000 | 2,880,960 |
| Federal Home Loan Bank dated 4/06/94 - 4/06/2001, 6.67% | 93.188 | <u>6,000,000</u> | <u>5,921,880</u> | <u>5,591,280</u> |
| Total bonds, notes and bills | | <u>45,000,000</u> | <u>45,278,341</u> | <u>42,876,240</u> |
| Total investments | | <u>\$18,027,384</u> | <u>\$48,305,725</u> | <u>\$45,903,624</u> |