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

March 25, 2021

AEP-NRC-2021-25
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

KMH/ml

Enclosure: Indiana Michigan Power Company, Donald C. Cook Nuclear Plant Units 1 and 2
2020 U. S. Nuclear Regulatory Commission Financial Assurance Requirements
Report for Decommissioning Nuclear Power Reactors

c: R. J. Ancona – MPSC
EGLE – RMD/RPS
J. B. Giessner – NRC Region III
D. L. Hille – AEP Ft. Wayne, w/o enclosure
NRC Resident Inspector
R. M. Sistevaris – AEP Ft. Wayne, w/o enclosure
S. P. Wall – NRC Washington, D.C.
A. J. Williamson – AEP Ft. Wayne, w/o enclosure

ENCLOSURE TO AEP-NRC-2021-25

Indiana Michigan Power Company, Donald C. Cook Nuclear Plant Units 1 and 2 2020 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 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):
 - a. Cook Unit 1 \$519,171,554
 - b. Cook Unit 2 \$523,784,851
 - c. Total \$1,042,956,405

These cost estimates were determined using the burial cost escalation values and the methods outlined in NUREG-1307, Revision 18, 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, 2020, net of all taxes currently due for items included in 10 CFR 50.75(b) and (c) are:
 - a. Cook Unit 1 \$869,981,945
 - b. Cook Unit 2 \$791,948,450
 - c. Total \$1,661,930,395

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. The Indiana and Michigan contributions reflect the most recent rate cases referenced below. The FERC contributions continue to reflect the expected decline as wholesale customer contracts expire.

The citations for the Orders that provide these rates are the State of Michigan Case Numbers U-20359 and U-18370 and the State of Indiana Cause Number 45235.

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 \$1.106 billion for Unit 1 and \$1.061 billion 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
12/31/2020				
2021	\$620,000	\$465,000	\$153,719	\$1,238,719
2022	\$620,000	\$465,000	\$153,719	\$1,238,719
2023	\$620,000	\$465,000	\$153,719	\$1,238,719
2024	\$620,000	\$465,000	\$153,719	\$1,238,719
2025	\$620,000	\$465,000	\$153,719	\$1,238,719
2026	\$620,000	\$465,000	\$150,249	\$1,235,249
2027	\$620,000	\$465,000	\$146,779	\$1,231,779
2028	\$620,000	\$465,000	\$146,779	\$1,231,779
2029	\$620,000	\$465,000	\$146,779	\$1,231,779
2030	\$620,000	\$465,000	\$146,779	\$1,231,779
2031	\$620,000	\$465,000	\$146,779	\$1,231,779
2032	\$620,000	\$465,000	\$146,779	\$1,231,779
2033	\$620,000	\$465,000	\$129,334	\$1,214,334
10/25/2034	\$516,667	\$387,500	\$71,922	\$976,088

Unit 2

Contributions				
	Indiana	Michigan	FERC	Total
12/31/2020				
2021	\$620,000	\$465,000	\$153,719	\$1,238,719
2022	\$620,000	\$465,000	\$153,719	\$1,238,719
2023	\$620,000	\$465,000	\$153,719	\$1,238,719
2024	\$620,000	\$465,000	\$153,719	\$1,238,719
2025	\$620,000	\$465,000	\$153,719	\$1,238,719
2026	\$620,000	\$465,000	\$150,249	\$1,235,249
2027	\$620,000	\$465,000	\$146,779	\$1,231,779
2028	\$620,000	\$465,000	\$146,779	\$1,231,779
2029	\$620,000	\$465,000	\$146,779	\$1,231,779
2030	\$620,000	\$465,000	\$146,779	\$1,231,779
2031	\$620,000	\$465,000	\$146,779	\$1,231,779
2032	\$620,000	\$465,000	\$146,779	\$1,231,779
2033	\$620,000	\$465,000	\$129,334	\$1,214,334
2034	\$620,000	\$465,000	\$86,306	\$1,171,306
2035	\$620,000	\$465,000	\$60,725	\$1,145,725
2036	\$620,000	\$465,000	\$60,725	\$1,145,725
12/23/2037	\$620,000	\$465,000	\$60,725	\$1,145,725