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**Charles R. Montgomery**  
Managing Senior Attorney

March 30, 2009

U.S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Mail Stop O-P1-17  
One White Flint North  
11555 Rockville Pike  
Rockville, MD 20852-2738

**Re : Decommissioning Funding Status Report Pursuant to 10 CFR  
§50.75(f)(1)**

Document Control Desk:

Enclosed is a signed original version of MidAmerican Energy Company's Decommissioning Funding Status Report for MidAmerican's twenty-five (25) percent share of the Quad Cities Nuclear Power Station, submitted pursuant to 10 CFR §50.75(f)(1).

If you have any questions regarding this submission, please contact the undersigned.

Respectfully submitted,

A handwritten signature in black ink that reads "Charles R. Montgomery". The signature is written in a cursive style with a long, sweeping tail that loops back under the name.

Cc: Steven R. Hom  
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A001  
NRK

**2008 DECOMMISSIONING FUNDING STATUS REPORT**

10 CFR 50.75(f)(1)

(For The Year Ending December 31, 2008)

**QUAD CITIES NUCLEAR POWER STATION, UNITS 1 & 2**

Submitted by

MidAmerican Energy Company

Dated: March 30, 2009

## **OVERVIEW**

This Decommissioning Funding Status Report is being submitted pursuant to 10 CFR 50.75(f)(1) by MidAmerican Energy Company (MEC), a twenty-five percent owner of Quad Cities Nuclear Power Station, Units 1 & 2 (Quad Cities).

## **ADDITIONAL INFORMATION**

### **1.) Amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75(b) and (c).**

Determined in accord with 10 CFR 50.75(b) and applicable formulas in 10 CFR 50.75(c) and reported in end of year 2008 dollars.

	NRC Minimum
Unit 1	\$135,712,452
Unit 2	\$135,712,452
Totals	\$271,424,905

	NRC Minimum (Amount Required for Prepayment)
Unit 1	\$78,725,418
Unit 2	\$78,725,418
Totals	\$157,450,836

### **2.) Amount accumulated to the end of the calendar year preceding the date of the report.**

As of December 31, 2008, MEC had accumulated: \$231,776,780.

	External Trust Fund Balance (Fair Market value)
Unit 1	\$115,853,027
Unit 2	\$115,923,753
Totals	\$231,776,780

### **3.) Schedule of the annual amount remaining to be collected.**

Within the meaning of 10 CFR 50.75(e)(1)(ii)(A), MEC collects the estimated total cost of decommissioning through rates established by "cost of service" or similar ratemaking regulation. On July 27, 2007, MidAmerican Energy Company received an Iowa Utilities Board (IUB) Order Approving Stipulation and Agreement which stated that MidAmerican's annual Iowa jurisdictional decommissioning cost included in the cost of

service is \$1,595,964 divided equally between the two Quad Cities Units, commencing January 1, 2007. MidAmerican plans to continue customer collections at that same level through the operating license period of the plant. On October 28, 2004, the NRC issued renewed facility operating licenses for Quad Cities Nuclear Power Station Unit 1 (License No. DPR-29) and Unit 2 (License No. DPR-30) effective as of the date of issuance and which shall expire at midnight on December 14, 2032, in effect extending the licenses an additional twenty years.

**4.) Assumptions used regarding rates of escalation in decommissioning costs, rates of earnings on decommissioning funds, and rates of other factors used in funding projections.**

In filings with the IUB, MEC periodically utilizes appropriate assumptions for decommissioning cost escalations and earnings rates. Solely for purposes of meeting NRC's minimum requirements, MEC has calculated that the current fund balances and annual funding levels, together with earnings at a 2 percent annual real rate of return as permitted by 10 CFR 50.75(e)(1)(ii), satisfy NRC's minimum funding assurance requirements. Given the current fund balances, anticipated earnings on the funds, and planned future contributions, MEC expects that fully adequate funding will be available for each unit at the time of decommissioning.

**5.) Any contracts upon which the licensee is relying pursuant to 10 CFR 50.75(e)(1)(v).**

MEC is not relying upon any contract for purposes of providing decommissioning funding within the meaning of 10 CFR 50.75(e)(1)(v).

**6.) Any modifications occurring to a licensee's current method of providing financial assurance since the last submitted report.**

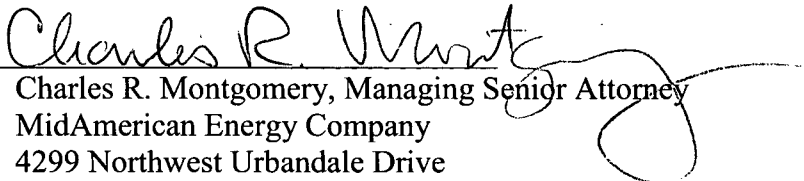
MEC continues to use the external sinking fund method of providing decommissioning funding assurance.

**7.) Any material changes to trust agreements.**

While not necessarily a material change, since MidAmerican's last Decommissioning Funding Status Report, in 2007, MidAmerican did amend its trust agreements in order to facilitate a special transfer, or "pour-over," of trust assets from the non-tax qualified to the tax qualified trust funds, as permitted under the December 2007, U.S. Department of Treasury regulations, section 1.468A-8T (Internal Revenue Code 468A(f)). These regulations permit the tax-free special transfer of such assets to the tax qualified trusts, thereby permitting MidAmerican to place trust assets in a context where earnings on those assets will be taxed at a lower rate than is possible in the non-tax qualified trusts (i.e., a 20% federal income tax rate vs. a 35% rate—the former being the federal income rate for the tax qualified trusts, and 35% being the rate for the non-tax qualified trusts). The following table identifies the current Trustee and Investment Manager for each fund.

<b>Trust</b>	<b>Trustee</b>	<b>Investment Manager</b>
Unit 1, Qualified	The Bank of New York Mellon	NISA Investment Advisors
Unit 1, Non-Qualified	The Bank of New York Mellon	NISA Investment Advisors
Unit 2, Qualified	The Bank of New York Mellon	NISA Investment Advisors
Unit 2, Non-Qualified	The Bank of New York Mellon	NISA Investment Advisors

MIDAMERICAN ENERGY COMPANY

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