



December 5, 2000
LIC-00-0112

U. S. Nuclear Regulatory Commission
Attn: Mr. Robert S. Wood
Mail Stop: OWFN 11F1
Washington, D.C. 20555-0001

- References:
1. Docket No. 50-285
 2. Letter from OPPD (C. P. Moriarty) to NRC (R. S. Wood) dated June 29, 1990

SUBJECT: Omaha Public Power District Fort Calhoun Station Decommissioning External Trust Fund Annual Audit

Dear Mr. Wood:

Attached please find a copy of the subject Annual Audit for the period of July 1, 1999 through June 30, 2000 as required by the Decommissioning Funding Plan Trust Agreement submitted with Reference 2.

Please contact me if you have any questions.

Sincerely,

S. K. Gambhir
Division Manager
Nuclear Operations

SKG/RRL

Attachment

- c:
- E. W. Merschoff, NRC Regional Administrator, Region IV (w/o Attachment)
 - L. R. Wharton, NRC Project Manager (w/o Attachment)
 - W. C. Walker, NRC Senior Resident Inspector (w/o Attachment)
 - Document Control Desk (w/o Attachment)
 - Winston & Strawn (w/o Attachment)

*Attachment is enclosed.
R. Wood*

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**OMAHA PUBLIC POWER DISTRICT
FORT CALHOUN STATION
DECOMMISSIONING EXTERNAL
TRUST FUND**

**Financial Statements as of and for the
Years Ended June 30, 2000 and 1999
and Independent Auditors' Report**

OMAHA PUBLIC POWER DISTRICT FORT CALHOUN STATION DECOMMISSIONING EXTERNAL TRUST FUND

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INDEPENDENT AUDITORS' REPORT

Omaha Public Power District Fort Calhoun Station Decommissioning External Trust Fund

We have audited the accompanying statements of net assets available for decommissioning costs of the Omaha Public Power District Fort Calhoun Station Decommissioning External Trust Fund (the "Fund") as of June 30, 2000 and 1999 and the related statements of changes in net assets available for decommissioning costs for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for decommissioning costs of the Omaha Public Power District Fort Calhoun Station Decommissioning External Trust Fund as of June 30, 2000 and 1999 and the changes in net assets available for decommissioning costs for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information on page 6 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of the Fund's management. Such information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

October 4, 2000

**OMAHA PUBLIC POWER DISTRICT FORT CALHOUN STATION
DECOMMISSIONING EXTERNAL TRUST FUND**

**STATEMENTS OF NET ASSETS AVAILABLE FOR DECOMMISSIONING COSTS
JUNE 30, 2000 AND 1999**

| ASSETS | June 30 | |
|---|------------------------------|------------------------------|
| | 2000 | 1999 |
| Investments (Note 2) | \$ 143,326,537 | \$ 126,509,132 |
| Accrued interest receivable | <u>1,475,818</u> | <u>736,477</u> |
| NET ASSETS AVAILABLE FOR DECOMMISSIONING COSTS | <u>\$ 144,802,355</u> | <u>\$ 127,245,609</u> |

See notes to financial statements.

**OMAHA PUBLIC POWER DISTRICT FORT CALHOUN STATION
DECOMMISSIONING EXTERNAL TRUST FUND**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR
DECOMMISSIONING COSTS
YEARS ENDED JUNE 30, 2000 AND 1999**

| | Year Ended June 30 | |
|--|---------------------------|-----------------------|
| | 2000 | 1999 |
| REVENUES: | | |
| Investment income | \$ 9,651,695 | \$ 7,516,003 |
| Annual contribution | 10,366,000 | 8,490,200 |
| Change in fair value | (2,460,949) | (2,983,981) |
| EXPENDITURES (Note 3) | - | - |
| EXCESS OF REVENUES OVER EXPENDITURES | 17,556,746 | 13,022,222 |
| NET ASSETS AVAILABLE FOR DECOMMISSIONING COSTS, BEGINNING OF PERIOD | <u>127,245,609</u> | <u>114,223,387</u> |
| NET ASSETS AVAILABLE FOR DECOMMISSIONING COSTS, END OF PERIOD | <u>\$ 144,802,355</u> | <u>\$ 127,245,609</u> |

See notes to financial statements.

OMAHA PUBLIC POWER DISTRICT FORT CALHOUN STATION DECOMMISSIONING EXTERNAL TRUST FUND

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2000 AND 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization of Fund - The Fort Calhoun Station Decommissioning External Trust Fund (the "Fund" or the "1990 Fund") was established in accordance with Nuclear Regulatory Commission (NRC) regulations, for the purpose of discharging the Omaha Public Power District's (the "District") obligation to decommission, as defined by the NRC, its Fort Calhoun Nuclear Power Station. For 1990 and subsequent years, the District's Board of Directors approved the collection of nuclear decommissioning costs based upon the NRC's external minimum funding requirements. The NRC's requirements are based on a generic estimate of the cost to decommission radioactive portions of a nuclear unit based on the size and type of reactor.

Beginning in 1993, the District commenced funding on the basis of new decommissioning estimates which resulted from a 1992 independent engineering study and which exceed NRC external minimum funding requirements. The resultant Fort Calhoun Station Decommissioning Supplemental External Trust Fund (the "1992 Fund") was established to retain funds in excess of the NRC's minimum funding requirements (not included herein). Also during 1993, the NRC granted a five-year extension of the Fort Calhoun Station's operating license. The license, which was scheduled to expire in 2008, is now scheduled to expire in 2013. The accompanying financial statements include the accounts of only the 1990 Fund.

The total decommissioning cost estimate for the Fort Calhoun Station is \$376,903,000 in 2000 dollars of which the NRC minimum decommissioning amount is \$220,071,000 in 2000 dollars. The District will periodically review and adjust, if necessary, the funding level for changes in the estimated costs of decommissioning the plant.

Fair Value of Financial Instruments - The Fund reports investments at fair value in accordance with Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Investment Income - Investment income is recorded, as earned, on an accrual basis.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. INVESTMENTS

The Fund's investments are held by the Fund's trustee, the First National Bank of Omaha, in the Fund's name in accordance with the Trust requirements. The investments are accounted for at their fair value. Estimated fair value was determined by quoted market prices or dealer quotes.

Investments at June 30, 2000 and 1999 consist of the following:

| | 2000 | 1999 |
|----------------------------|-----------------------|-----------------------|
| U.S. Government securities | \$ 91,551,860 | \$ 77,306,376 |
| Mutual funds | 51,667,896 | 49,147,086 |
| Other securities | <u>106,781</u> | <u>55,670</u> |
| | <u>\$ 143,326,537</u> | <u>\$ 126,509,132</u> |

3. EXPENDITURES ON BEHALF OF THE FUND

Trustee fees of \$20,400 and \$17,300 were paid on behalf of the Fund by the Omaha Public Power District for the years ended June 30, 2000 and 1999, respectively.

**CERTIFICATION OF PAYMENTS FROM THE FUND
PURSUANT TO SECTIONS 5 AND 6 OF THE FORT CALHOUN
STATION DECOMMISSIONING FUNDING PLAN**

YEARS ENDED JUNE 30, 2000 AND 1999

Not Applicable - No such payments were made during the years ended June 30, 2000 and 1999.

