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April 25, 2007
LIC-07-0036

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

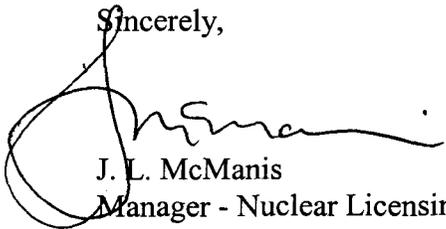
- References:
1. Docket No. 50-285
 2. Letter from OPPD (J. L. McManis) to NRC (Document Control Desk), "Fort Calhoun Station, Unit No. 1, 2007 Biennial Decommissioning Funding Status Report," dated March 16, 2007 (LIC-07-0025)

SUBJECT: Revised Fort Calhoun Station, Unit No. 1, 2007 Biennial Decommissioning Funding Status Report

Attached is a revised 2007 Biennial Decommissioning Funding Status Report. Attachment A, Page 3 of the report submitted with Reference 2 incorrectly referenced Revision 10 of NUREG-1307, "Report on Waste Burial Charges." The NUREG-1307 reference is corrected to Revision 12 in the attachment.

No commitments to the NRC are made in this letter. If you should have any questions regarding this matter, please contact Mr. John W. Thurber at (402) 636-3056.

Sincerely,



J. L. McManis
Manager - Nuclear Licensing

JLM/mle

Attachment

Revised
April 2007

**OMAHA PUBLIC POWER DISTRICT
FORT CALHOUN STATION UNIT NO. 1
2007 BIENNIAL DECOMMISSIONING FUNDING STATUS REPORT**

Based on Nuclear Regulatory Commission (NRC)
Regulation 10 CFR 50.75 (f)

The NRC requires that Omaha Public Power District (OPPD) report by March 31, 2007 and at least once every two years thereafter on the status of its decommissioning funding for Fort Calhoun Station Unit No. 1. Based on the decommissioning funding requirement as outlined in 10 CFR 50.75 (f), OPPD reports the following information:

A. Current Decommissioning Cost Estimate

Pursuant to 10 CFR 50.75 (c), the January 2007 estimated minimum decommissioning amount to decommission Fort Calhoun Station Unit No. 1 is **\$310,285,000**. See Attachment A for detailed decommissioning cost calculation.

B. Current Decommissioning Fund Balance

The OPPD Decommissioning Fund balance as of December 31, 2006 is **\$205,536,500**.

C. Annual Decommissioning Collections

There was no annual collection for 2005 or 2006 as shown in Attachment B. The revenue source for any collections is "cost-of-service" electric rates.

D. Rates Used to Escalate Decommissioning Costs and Fund Balances

The rates used for the escalation of the decommissioning cost estimate and earnings rates on the Decommissioning Fund are shown in Attachment B. Global Insight, Inc. of Waltham, Massachusetts provides the decommissioning cost estimate inflation and earnings rates forecasts. OPPD's Board of Directors approved both the inflation rates and earnings rates in December 2006 as part of OPPD's Corporate Operating Plan.

E. Contracts to Help Fund Decommissioning

OPPD does not have any contracts pursuant to 10 CFR 50.75 (e)(1)(ii)(C) and is not relying on contracts with a "non-bypassable charge" to fund decommissioning.

F. Modifications to Method of Providing Financial Assurance

There have been no modifications to OPPD's method of providing financial assurance since the decommissioning funding plan began in 1982 and continued pursuant to NRC Regulations in 1990.

G. Changes in the Decommissioning Funding Plan Trust Agreement

There have been no changes to OPPD's Decommissioning Funding Plan Trust Agreement since the Plan began pursuant to NRC Regulations in 1990.

Dated: 4-13-07



J.W. Thurber
Division Manager - Finance

**OMAHA PUBLIC POWER DISTRICT
FORT CALHOUN STATION UNIT NO. 1
2007 BIENNIAL DECOMMISSIONING FUNDING STATUS REPORT TO NRC**

ATTACHMENT A

**2007 Escalation of the Minimum Decommissioning Amount (MDA) Estimate
for Fort Calhoun Station Unit No. 1
Based on Nuclear Regulatory Commission (NRC) Formulas and Application to OPPD**

The NRC accepted OPPD's Decommissioning Funding Plan in 1990. As part of the Decommissioning Funding Plan, OPPD annually calculates the MDA as follows:

NRC Formula for MDA

$\$75 \text{ million} + \$8800(P) = \text{MDA for a Pressurized Water Reactor (PWR) Plant}$

where: P = MWt reactor rating
Fort Calhoun = 1500
MDA expressed in 1986 Dollars (to be escalated)

Escalation of NRC Formula for MDA

Estimated Decommissioning Cost in Year XX = $\text{MDA} \times (.65L + .13E + .22B)$

Where: "L" is the Labor factor. The Labor factor is to be obtained from "Monthly Labor Review", published by the U. S. Department of Labor - Bureau of Labor Statistics. Specifically, the appropriate regional data from the table entitled "Employment Cost Index - Private Nonfarm Workers", subtitled "Compensation" is to be used. In OPPD's case, data from the Midwest Region is to be used.

"E" is the Energy factor. The Energy factor is to be obtained from the following two component formula specifically weighted for PWR plants:

$$.58P + .42F = E \text{ (Energy Factor)}$$

where: "P" is the component for electric power, and "F" is the component for fuel oil

Both "P" and "F" can be found in "Producer Price Indices", published by the U. S. Department of Labor - Bureau of Labor Statistics. "P" is to be obtained from the Industrial Electric Power Index and "F" is to be obtained from the Light Fuel Oils Index.

"B" is the Waste Burial factor. The Waste Burial factor is to be obtained from NRC report NUREG-1307, "Report on Waste Burial Charges" or its updates.

Attachment A
Page Three

updates. OPPD's Biennial Decommissioning Funding Status Report will use the South Carolina Index (the only location that OPPD is permitted to send waste) in calculating the NRC Minimum Decommissioning Amount.

South Carolina Index	1-06	<u>8.683</u>	=	8.683	(an increase of 768.3%)
(Waste Vendor Index)	1-86	1.000			

The escalated cost formula is as follows:

South Carolina Burial Index

$\$88.2 \text{ million} \times (.65(2.1152) + .13(1.79095) + .22(8.683)) = \mathbf{\$310.285 \text{ million}}$

In summary, OPPD's Fort Calhoun Station Unit No. 1 NRC Minimum Decommissioning Amount estimate escalated to **January 2007** is **\$310,285,000**.

**OMAHA PUBLIC POWER DISTRICT
 FORT CALHOUN STATION UNIT NO. 1
 2007 BIENNIAL DECOMMISSIONING FUNDING STATUS REPORT TO NRC**

ATTACHMENT B

**Omaha Public Power District
 Minimum Decommissioning Amount Decommissioning Fund
 Annual Collections, Inflation Rates and Earnings Rates**

YEAR	Decommissioning Fund Annual Collection for NRC MDA	Inflation Rate	Earnings Rate
2005	\$0	1.40%	3.73%
2006	\$0	1.60%	4.02%
2007	\$0	1.90%	4.32%
2008	\$0	2.00%	4.42%
2009	\$0	1.90%	4.32%
2010	\$0	2.00%	4.42%
2011	\$0	2.00%	4.42%
2012	\$0	2.20%	4.62%
2013	\$0	2.20%	4.62%
2014	\$0	2.20%	4.62%
2015	\$0	2.10%	4.52%
2016	\$0	2.10%	4.52%
2017	\$0	2.10%	4.52%
2018	\$0	2.10%	4.52%
2019	\$0	2.20%	4.62%
2020	\$0	2.10%	4.52%
2021	\$0	2.20%	4.62%
2022	\$0	2.20%	4.62%
2023	\$0	2.20%	4.62%
2024	\$0	2.20%	4.62%
2025	\$0	2.20%	4.62%
2026	\$0	2.20%	4.62%
2027	\$0	2.20%	4.62%
2028	\$0	2.20%	4.62%
2029	\$0	2.20%	4.62%
2030	\$0	2.20%	4.62%
2031	\$0	2.20%	4.62%
2032	\$0	2.20%	4.62%
2033	\$0	2.20%	4.62%