



**Public Service**

**Public Service  
Company of Colorado**  
P.O. Box 840  
Denver CO 80201-0840

November 5, 1990  
Fort St. Vrain  
Unit No. 1  
P-90318

A. Clegg Crawford  
Vice President  
Nuclear Operations

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

ATTN: Mr. Seymour H. Weiss, Director  
Non-Power Reactor, Decommissioning and  
Environmental Project Directorate

Docket No. 50-267

SUBJECT: FORT ST. VRAIN PROPOSED DECOMMISSIONING PLAN

REFERENCE: (1) PSC letter, Crawford to Weiss, dated June 30, 1989  
(P-89228)  
(2) PSC letter, Crawford to Weiss, dated February 15,  
1990 (P-90039)

Dear Mr. Weiss:

The purpose of this letter is to forward for NRC review and approval, the Fort St. Vrain Nuclear Generating Station Proposed Decommissioning Plan, which is submitted by Public Service Company of Colorado (PSC) in accordance with the requirements of 10 CFR 50.82(a). This Proposed Decommissioning Plan supersedes the Preliminary Decommissioning Plan previously submitted by PSC in Reference 1.

#### I. DECOMMISSIONING ALTERNATIVE

The Proposed Decommissioning Plan is based on the DECON alternative rather than the SAFSTOR alternative submitted to the NRC in Reference 1. As the NRC is aware, PSC is obligated in the interest of its shareholders, customers and the general public to consider alternatives which may reduce the risks, and therefore the possibility of higher costs, of decommissioning. In furtherance of that obligation, and on the condition that the necessary additional funding is available, PSC has decided to investigate the immediate dismantlement and decontamination of the radioactively activated and contaminated portions of the Fort St. Vrain Nuclear Generating Station. The successful implementation of the DECON alternative will allow radiation levels to be reduced to levels that will allow release of the site for unrestricted use and subsequent termination of the 10 CFR 50 license as early as practical.

9011090313 901105  
FDR ADOCK 05000267  
PDC

Cool  
11

PSC is presently pursuing four options, all of which involve a process for handling the decommissioning efforts of Fort St. Vrain in combination with non-nuclear repowering of the unit. These options include the following:

- o Decommissioning and repowering of Fort St. Vrain within the rate base, wherein the cost of both decommissioning and repowering would be recovered within the rate base.
- o Decommissioning and repowering of Fort St. Vrain outside of the rate base, wherein the cost of both decommissioning and repowering would be recovered with a fixed price power sales arrangement, with Fort St. Vrain being treated as an independent power producer owned and operated by PSC.
- o Decommissioning and repowering of Fort St. Vrain utilizing a traditional Independent Power Producer (IPP) process, wherein a new entity would be formed utilizing the existing secondary assets of Fort St. Vrain together with other equity contributions to repower Fort St. Vrain and provide funding for decommissioning.
- o Decommissioning and repowering of Fort St. Vrain utilizing the basics of an IPP process, but with consideration to actions necessary to utilize a Qualified Facility (QF) process.

Necessary studies, evaluations and negotiations are underway to support PSC's decision-making process, which will be completed in 1991. Until these efforts are finalized, the funding required for decommissioning using the DECON alternative is not available. Although PSC is confident of the ultimate success of one of the above options supporting the DECON alternative, PSC is maintaining the SAFSTOR option as a backup alternative and is committed to maintain the funding plan previously submitted for the SAFSTOR alternative in Reference 2.

## II. DECOMMISSIONING COST ESTIMATE AND FUNDING PLAN

PSC received and considered four (4) fixed price bids to decommission Fort St. Vrain with additional fixed price options to repower the non-nuclear portion of Fort St. Vrain. These bids were so competitive in the technical approach, management commitment and cost, that all four of the bids were carried to the final evaluation process. Because of this process, PSC is highly confident in the cost estimate, as well as the methodology and overall workscope.

Of the four final bidders, PSC awarded the work to the Westinghouse team of Westinghouse, MK-Ferguson and Black & Veatch (repowering responsibility). PSC is currently in the process of negotiating the Fort St. Vrain decommissioning contract, and given the nature of fixed price contracts, detailed cost information is not necessary and will not be provided. As previously mentioned, PSC has a very

high level of confidence in the cost estimate to decommission and repower Fort St. Vrain. For example, the levelized net present value for bids from the three top vendors varied by only 2.25%.

Given these conditions, a broad top level cost estimate has been provided in Section 5 of the attached plan. A more detailed cost breakdown with detailed cost information for Tables 5-1, 5-2 and 5-3 will be provided as a separate "proprietary" submittal.

As noted above and in Section 5 of the attached plan, negotiations will soon be taking place to establish a contract to repower and convert the secondary side of the Fort St. Vrain power plant to use fossil fuel. PSC anticipates that once these negotiations are completed, PSC (utilizing its existing balance of plant assets) will obtain financing and funding for both decommissioning and repowering. Therefore, no final funding plan for DECON is provided in the attached Proposed Decommissioning Plan as required by 10 CFR 50.82(b)(4). This funding plan will be provided to the NRC as soon as it is available, currently estimated for mid-year 1991, and the decommissioning funds will be allocated to PSC's external decommissioning trust fund.

### **III. ADDITIONAL SUBMITTALS TO SUPPORT THE PROPOSED PLAN**

PSC will prepare and submit proposed changes to the Fort St. Vrain 10 CFR 50 license and Decommissioning Technical Specifications to reflect the decommissioning status of the facility and to identify appropriate plant conditions and limitations during the decommissioning process. The proposed license changes and Decommissioning Technical Specifications will be submitted by the end of 1990.

Although not directly related to the Proposed Decommissioning Plan, the Supplement to the Environmental Report required by 10 CFR 51.53 will be submitted by the end of the first quarter of 1991.

The proposed Quality Assurance and Access Control Plans provided in the attached Proposed Decommissioning Plan will replace existing plans in these areas once decommissioning is formally commenced. Several other topical plans requiring NRC approval, including the Decommissioning Emergency Response Plan, Decommissioning Fire Protection Plan, and the Funding Plan, are discussed in the attached plan but will be submitted at later dates.

### **IV. FORT ST. VRAIN REPOWERING ACTIVITIES**

During the Fort St. Vrain decommissioning, PSC anticipates that repowering activities will occur in the Turbine Building and surrounding site. These repowering activities will be performed concurrently with decommissioning activities. However, in accordance with prior commitments to the NRC, no repowering activities will commence until all fuel has been removed from the

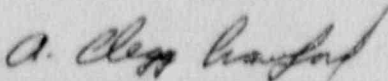


P-90318  
November 5, 1990  
Page 4

Reactor Building. Repowering activities have received appropriate consideration in the Fort St. Vrain Proposed Decommissioning Plan, including possible accident analysis, access control planning and emergency preparedness provisions.

In order to meet the proposed schedule for decommissioning, the NRC is requested to approve the attached Proposed Decommissioning Plan by October 31, 1991. If you have any further questions related to the Proposed Decommissioning Plan or PSC plans, please contact Mr. M. H. Holmes at (303) 480-6960.

Very truly yours,



A. Clegg Crawford  
Vice President  
Nuclear Operations

ACC:CRB/cb

Attachment

cc: Regional Administrator, Region IV  
ATTN: Mr. G.L. Constable, Chief  
Technical Support Section  
Division of Reactor Projects

Mr. J.B. Baird  
Senior Resident Inspector  
Fort St. Vrain

Mr. Robert M. Quillin, Director  
Radiation Control Division  
Colorado Department of Health  
4210 East 11th Avenue  
Denver, CO 80220