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

March 22, 1994  
Fort St. Vrain  
P-94021

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

ATTN: Mr. John H. Austin, Chief  
Decommissioning and  
Regulatory Issues Branch

Docket No. 50-267

**SUBJECT: Fort St. Vrain Decommissioning Funding Update**

Dear Mr. Austin:

This letter provides a status report on the remaining balance of the irrevocable letter of credit associated with Fort St. Vrain decommissioning, as requested by Mr. Clayton L. Pittiglio, the NRC Project Manager. In addition, Public Service Company of Colorado (PSC) has included an update to the overall project cost estimate, for your information.

Section 5 of the Fort St. Vrain Decommissioning Plan discusses the funding plan and cost estimate, and describes PSC's planned reduction of the irrevocable letter of credit balance based on the contractor milestone payment schedule. Our current estimated costs have not exceeded 15 percent over the original \$157,472,700 total estimated cost, which is the threshold for NRC notification defined in the Decommissioning Plan. Although a cost estimate update is not required by the Decommissioning Plan, PSC considers it appropriate to reflect the current status of the project, which is approximately midway through the projected 39 month duration.

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The updated cost estimate and letter of credit balance, as of January 31, 1994, is as follows:


|  |               |
|--|---------------|
| Cost of Physical Decommissioning Activities -- Including Delay Costs and Scope Changes |               |
| Westinghouse Contract Cost   | \$106,240,800 |
| PSC Cost (Includes Contingency)  | 51,600,400    |
| Letter of Credit Fees  | \$2,000,000   |
| LLRW Disposal Cost   |               |
| Westinghouse Contract Cost   | \$10,865,300  |
| PSC Cost   | 3,456,700     |
| Total Decommissioning Cost Estimate  | \$174,163,200 |
| Expenditures through 1/31/94   | (96,033,600)  |
| Remaining Cost Estimate  | \$78,129,600  |
| Letter of Credit Remaining Balance   | \$92,000,000  |

The total cost identified above includes all decommissioning costs from the beginning of the project and reflects various changes in the decommissioning project scope. These changes were largely related to levels of radioactivity in the prestressed concrete reactor vessel and core components that were higher than anticipated. This information supersedes the cost estimate information provided in Section 5 of the Decommissioning Plan and will be reflected in its next revision.

This information demonstrates sufficient remaining funds available via the irrevocable letter of credit to cover the remaining Fort St. Vrain decommissioning costs, if required. During 1994, PSC intends to maintain the balance of the letter of credit at approximately \$15 million more than the current anticipated remaining decommissioning liability.

If you have any questions regarding this information, please contact Mr. M. H. Holmes at (303) 620-1701.

Sincerely,

  
Don W. Warembourg  
Decommissioning Program Director

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cc: Regional Administrator, Region IV

Mr. Robert M. Quillin, Director  
Radiation Control Division  
Colorado Department of Health