

**PROPOSED DECOMMISSIONING PLAN  
FOR  
FORT ST. VRAIN NUCLEAR GENERATING STATION**

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## COMMONLY USED ACRONYMS

AEC	Atomic Energy Commission
ALARA	As Low As Reasonably Achievable
ANSI	American National Standards Institute
AOO	Anticipated Operational Occurrences
ASTM	American Society of Testing and Materials
ATC	Auxiliary Transfer Cask
BNL	Battelle Northwest Laboratories
BOC	Beginning of (fuel) Cycle
BOP	Balance of Plant
COOH	Colorado Department of Health
CEBAF	Continuous Electron Beam Accelerator Facility
CFR	Code of Federal Regulations
Curie	Curie
CPIU	Consumer Price Index for all Urban Consumers
CPM	Counts per minute
CPUC	Colorado Public Utilities Commission
CRD	Control Rod Drive
CRDGA	Control Rod Drive and Office Assembly
CSF	Core Support Floor
D/D	Decontamination and Dismantlement
DAC	Derived Air Concentration
DAD	Digital Alarming Dosimeter
DAW	Dry Active Waste
DBE	Design Basis Earthquake
DECON	Immediate Decontamination/Dismantlement Decommissioning Option
DOE	Department of Energy
DOT	Department of Transportation
DPM	Disintegrations per minute
DTS	Decommissioning Technical Specifications
EAB	Exclusion Area Boundary
EAL	Emergency Action Level
ECP	Executive Command Post
EFPD	Effective Full Power Days
EOC	End of (fuel) Cycle
EOF	Emergency Operations Facility
EPA	Environmental Protection Agency
EPRI	Electric Power Research Institute
EPZ	Emergency Planning Zone

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ERF	Emergency Response Facility
ESW	Equipment Storage Wells
FCP	Forward Command Post (EOF)
FHM	Fuel Handling Machine
FNAL	Fermi National Atomic Laboratory
FSV	Fort St. Vrain
FSW	Fuel Storage Wells
GA	General Atomics
GET	General Employee Training
GM	Geiger-Mueller
GTCC	Greater Than Class 'C' (Radioactive) Waste
HEPA	High Efficiency Particulate Air (Filter)
HLRW	High Level Radioactive Waste
HLWR	High Level Waste Repository
HPGe	Hyper-Pure Germanium
HSF	Hot Service Facility
HTGR	High Temperature Gas-Cooled Reactor
HVAC	Heating, Ventilation and Air Conditioning
IDO	Idaho Operations Office
INEL	Idaho National Engineering Laboratories
INPO	Institute of Nuclear Power Operations
IPEEE	Individual Plant Examination of External Events
IPP	Independent Power Producer
ISFSI	Independent Spent Fuel Storage Installation
KI	Potassium Iodide (tablets)
LANL	Los Alamos National Laboratory
LLD	Lower Limit of Detection
LLRW	Low-Level Radioactive Waste
LSA	Low Specific Activity
MCRB	Metal Clad (Reflector) Block
MDA	Minimum Detectable Activity
MicroR	1E(-6) Rem
MVDS	Modular Vault Dry Storage (System)
NAVLAP	National Voluntary Laboratory Accreditation Program
NDE	Nondestructive Examination
NFS	Nuclear Fuel Services
NFSC	Nuclear Facility Safety Committee
NIOSH	National Institute of Occupational Safety and Health
NIST	National Institute of Standards and Technology
NRC	Nuclear Regulatory Commission
NSSS	Nuclear Steam Supply System

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OCC	Office of Consumer Counsel
ORE	Occupational Radiation Exposure
OSHA	Occupational Safety and Health Administration
PCC	Personnel Control Center
pCi	Pico Curie (1 E-12 Curies)
PCP	Process Control Program
PCRV	Prestressed Concrete Reactor Vessel
PDP	Proposed Decommissioning Plan
PORC	Plant Operations Review Committee
PURPA	Public Utility Regulatory Policies Act
PSC	Public Service Company of Colorado
QA	Quality Assurance
QC	Quality Control
R/B	Release to Birth Rate
RCA	Radiologically Controlled Area
RCD	Region Constraint Device
RCRA	Resource Conservation and Recovery Act
REM	Roentgen Equivalent Man (Radiation Measure)
REMP	Radiological Environmental Monitoring Program
RIV	Reactor Isolation Valve
RMC	Rocky Mountain Compact Board
S/G	Steam Generator
SAFSTOR	Delayed Decontamination/Dismantlement Decommissioning Option
SAR	Safety Analysis Report
SEOC	State Emergency Operations Center
SFSC	Spent Fuel Shipping Cask
SRD	Self Reading Dosimeter
TEDE	Total Effective Dose Equivalent
TLD	Thermoluminescent Dosimeter
TRU	Transuranic Waste
TS	Technical Specifications
TSCA	Toxic Substances Control Act
UFSAR	Updated FSAR
UMTRAP	Uranium Mill Tailings Remedial Actions Project
WBS	Work Breakdown Structure
WITS	Waste Inventory Tracking System
WSEG	Westinghouse Scientific Ecology Group

**COMMONLY REFERENCED  
ISOTOPES AND ELEMENTS**

Boron	B
Calcium	Ca-41, Ca-45
Carbon	C-14
Cesium	Cs-134, Cs-137
Cobalt	Co-60
Dysprosium	Dy
Europium	Eu-152, Eu-154
Fluorine	F
Germanium	Ge
Helium	He
Iodine	I-129, I-131
Iron	Fe-55, Fe-59
Krypton	Kr-90
Lithium	Li-6, Li-7
Manganese	Mn-54
Nickel	Ni-63, Ni-59
Niobium	Nb-94
Silver	Ag-110m
Strontium	Sr-90
Tellurium	Te-127m
Tritium	H-3
Xenon	Xe-137

### 1.3 FIXED PRICE AND AVAILABILITY OF FUNDS

#### 1.3.1 Decommissioning Cost

Through the competitive bid process described in Section 5.2, PSC selected, from among four qualified bidders, a project team of Westinghouse and MK-Ferguson as its decommissioning contractor.

The competitive bid submitted by the Westinghouse team, together with an estimate of PSC decommissioning costs, resulted in an initial decommissioning cost of \$137,129,000 based on future value dollars escalated to the year of expenditure, and based on the start of physical decommissioning activities in January 1992. Of this amount, the Westinghouse team's firm fixed price is \$100,460,000. PSC's costs, as overall project manager and licensing coordinator, were estimated to be \$36,669,000. Assumptions used as the basis for these costs are identified in Section 5.2.1. The proposed Westinghouse team Scope of Work is provided in Appendix I. A detailed cost estimate responsive to the requirements of 10 CFR 50.82(b)(4) was prepared to support the costs and was submitted to the NRC on June 6, 1991 (Ref. 4).

Due to delays experienced with the defueling of Fort St. Vrain, the start of physical decommissioning activities has been delayed from January 1992 until August 1992. This delay, and recognition of the possibility of sizeable increases in LLRW disposal costs, has resulted in the need for adjustments to the Decommissioning Cost Estimate provided to the NRC in Reference 4. The revised total cost for decommissioning is estimated to be \$157,472,700 in future value dollars, escalated to the date of expenditure. Section 5.2.3 of this plan provides further detail and supporting basis for these cost increases, as well as other adjustments to the Decommissioning Cost Estimate determined to be necessary.

#### 1.3.2 Decommissioning Funding Plan

As of September 30, 1991, the Fort St. Vrain decommissioning trust fund balance was approximately \$28.0 million. There are no remaining funds to be collected from PSC customers under terms of the 1986 Settlement Agreement.

Section 5 describes the Decommissioning Funding Plan and revised

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and associated letters of commitment to execute these documents are provided in Appendix III.



**SECTION 5**  
**DECOMMISSIONING FIXED PRICE CONTRACT**  
**AND FUNDING PLAN**

5.1 INTRODUCTION

The Decommissioning Cost Estimate (Reference 1) and this Funding Plan were developed to provide the NRC with assurances that suitable financial guarantees are in place to successfully fund the decommissioning of Fort St. Vrain. Section 5.2 provides a description of the fixed price contract between PSC and the Westinghouse team to accomplish the decommissioning activities, reference to the detailed decommissioning cost estimate provided to the NRC in Reference 1, and an update to the decommissioning cost estimate (Section 5.2.3) to account for adjustments that have become necessary due to the delay in defueling the reactor core.

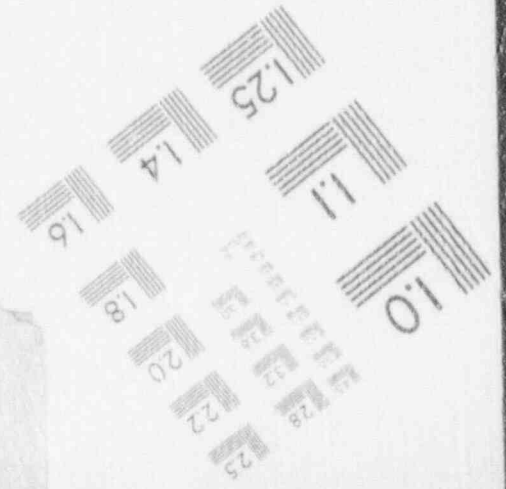
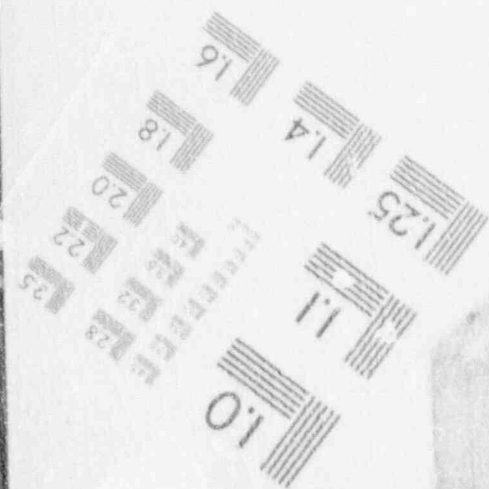
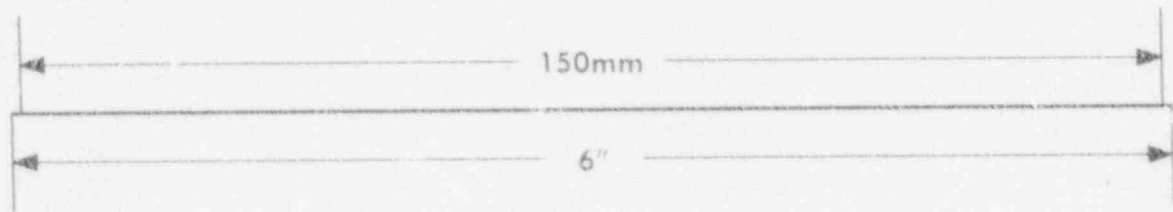
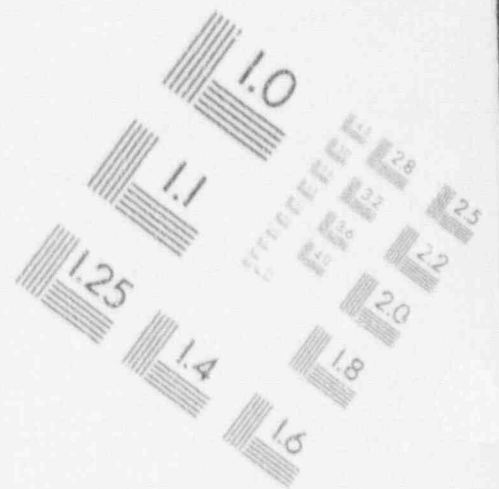
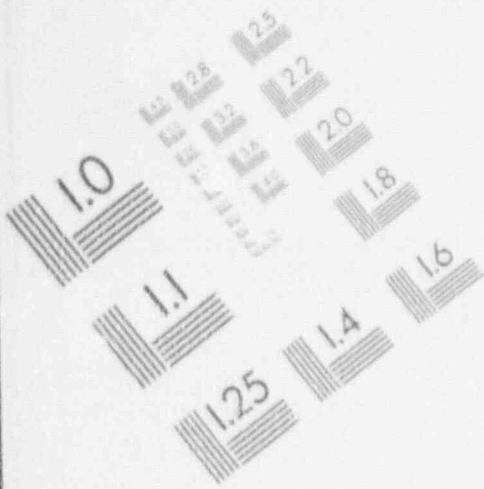
Section 5.3 provides details of the financial instruments, agreements and trust funds that will be implemented to support the Fort St. Vrain decommissioning efforts. Section 5.4 identifies those funding instruments available to PSC that may be used to actually fund the decommissioning efforts, separate from the financial guarantees required by 10 CFR 50.75(e) and NRC Regulatory Guide 1.159, as identified in Section 5.3 of this section. Section 5.5 identifies the criteria that PSC will use as the basis to update the Decommissioning Cost Estimate and Funding Plan.

5.2 DECOMMISSIONING CONTRACT AND DETAILED COST ESTIMATE

As noted in Section 2.1, PSC has selected the DECON option for early decontamination, dismantlement, and decommissioning of the radioactive portions of the Fort St. Vrain Nuclear Generating Station. In order to accomplish this project, PSC released a Request for Proposal to several highly qualified companies for the purpose of receiving competitive bids on the project. Four qualified bids were received and, based on a thorough evaluation for technical and financial acceptability, PSC selected a project team of Westinghouse and MK Ferguson to decommission Fort St. Vrain, with Westinghouse as the lead contractor. PSC and the Westinghouse team have reached agreement on a final contract to perform the decommissioning work.

# 1

## IMAGE EVALUATION TEST TARGET (MT-3)



The selection of the Westinghouse team as a result of the competitive bid process resulted in a total cost estimate of \$137,129,000, which includes the Westinghouse contract price of \$100,460,000 for the decommissioning of Fort St. Vrain. This decommissioning cost is inclusive of escalation and PSC expected costs and was based on commencing physical decommissioning activities in January 1992. A detailed cost estimate was prepared which provides a detailed breakdown of these costs. This detailed cost estimate was submitted to the NRC in Reference 1. Figure 1.3-1 of Reference 1 provides a summary of the project costs based on the major decommissioning activities.

The use of a firm fixed price contract greatly reduces the level of uncertainty in the decommissioning cost. By use of the competitive bid process, an accurate method has been utilized to determine the real cost for decommissioning, based on the identified scope of work and assumptions. The bid process and resulting contract commits both PSC and the Westinghouse team for the project scope and cost.

Certain restrictions and limitations exist when only a cost estimate has been prepared as a basis for evaluating decommissioning costs and as a basis for the decommissioning funding plan. A cost estimate is limited in that it is only a study to determine reasonable estimates of individual costs and involves no commitment on the part of the cost estimator to meet the estimate during the actual performance of the work. A firm fixed price contract goes beyond this phase, in that a contractor is bound under a contractual obligation to perform this established scope of work at the price they have bid.

Receiving bids from four qualified bidders was equivalent to receiving four independent cost estimates. Since each bid used a different decommissioning methodology, this approach exceeds any regulatory guidance for financial assurance and is beyond that required by the Decommissioning Rule.

In evaluating the four bids, detailed assessments of the actual decommissioning work and methodology were conducted to ensure that the bidders had adequately identified and accounted for the work to be performed. Detailed evaluations and cross comparisons were also conducted to ensure that the bidders had adequately addressed technical support requirements, project management and control, radiological waste handling, radiation protection, facilities and support requirements, quality assurance and project documentation and closeout. Areas of uncertainty

were identified and clarified with the bidders, including evaluations of pricing contingencies regarding waste volumes, contamination levels, etc. The use of this competitive bid process, the high quality of the responses received, and the detailed bid evaluations that were conducted, provides significant confidence in the cost estimate as well as the overall decommissioning approach and the work scope. Therefore, PSC is confident that all major tasks have been identified and included within the Westinghouse team fixed price contract.

#### 5.2.1 Major Assumptions, Bases, and Scope of Fixed Price Contract

The following information is provided to identify the basis of the fixed price contract between PSC and the Westinghouse team to decommission Fort St. Vrain. A detailed breakdown of the Westinghouse team proposed scope of work is provided in Appendix I of this plan. The following major work activities and necessary support activities will be performed:

1. Decontaminate in place, and/or remove and decontaminate, and/or remove and dispose of the contaminated and activated materials inside the PCRV and those that form the PCRV structure.
2. Decontaminate in place, and/or remove and decontaminate, and/or remove and dispose of the contaminated portions of the plant systems outside of the PCRV.
3. Survey and cleanup the site as required, including the evaporation ponds and effluent blowdown flow paths.

Decontamination and decommissioning activities will be performed to the extent necessary to decontaminate all radioactive portions of the plant to the final release criteria specified in Section 4.2 of this plan. All other materials remaining as part of the PCRV structure, in the systems outside of the PCRV and on the site after the final radiation survey will be confirmed to be below these release limits and will remain on-site.

As noted in Section 2.4, PSC is responsible for overall project management and licensing interface with the NRC. Major PSC responsibilities include:

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1. Overall control of the project
2. Access control
3. Oversee radiation protection activities
4. Oversee quality assurance activities
5. Licensing coordination
6. Operation and maintenance of required plant systems
7. Responsibility for the final independent radiation survey
8. Engineering configuration control overview

The following are major assumptions included in the basis of the firm fixed price and the detailed cost estimate:

1. The current facility design and layout is as described in Section 2.2 of this plan and as shown in Figure 2.2-1, and no major modifications are anticipated.
2. Radionuclide inventories, activation analyses, and estimated dose rates are as described in Section 3 of this plan.
3. PSC will supply utilities to the contractor, including electric power and water, and the cost for these utilities is included in the cost estimate.
4. No mixed waste or contaminated asbestos exists.
5. Burial charges are based on the current disposal rates in effect at the Beatty, Nevada, disposal site until the end of 1992. A contingency has been added for burial of radioactive waste at the Richland, Washington, disposal site after 1992.
6. No cost allowances were included for major schedule delays caused by uncontrollable and unforeseen events. Appropriate contingencies are included to account for project uncertainties.
7. Existing plant equipment will be utilized when determined to be cost effective and technically sound to operate and maintain.
8. Steam generators will be shipped offsite and disposed as complete units.
9. No radioactive contamination exists on site work areas outside the reactor building. This is being verified by site radiological characterization. Contingencies have been included for cleanup of any radioactively contaminated soil or radioactivity in the ponds, ditches and sewage lagoons.
10. Costs associated with plant closure activities are not included in the cost of decommissioning activities.
11. The cost and Curie estimates contained in Reference 1 represent PSC's best

estimate. However, an increase by an order of magnitude in dose rates will not affect the work planned or the decommissioning cost estimate.

12. The contingency includes escalation in accordance with the estimate for Consumer Price Index for All Urban Consumers (CPIU) for all materials, labor, disposal costs, and services through March 1995.

PSC and the Westinghouse team will continue to validate these assumptions during the planning phase. Where necessary, appropriate contingency plans will be identified.

#### 5.2.2 Decommissioning Cost Breakdown

As a part of the fixed price contract, the Westinghouse team detailed cost estimate was derived in conjunction with preparation of the detailed Work Breakdown Structure. Figure 1.3-1 of the Fort St. Vrain Decommissioning Cost Estimate (Ref. 1) summarizes the upper tier of tasks developed for the decommissioning project for both Phase I and II. The tasks are categorized into two phases, as described in Section 1.2.5 of this plan. Phase I includes all of those actions associated with the planning and engineering of the project. Phase II includes those actions involved with implementation of the work. The specific activities involved in each phase may overlap in calendar time. Each of the specific activities involved in a task is outlined in Appendix I and is discussed in detail in Section 2.3.

Consistent with the guidance of Regulatory Guide 1.159 (Ref. 2), waste disposal costs are summarized in Figure 3.2-1 of Reference 1. The volumes of these materials can be found in Section 3.3. Burial costs are based on waste burial at Beatty, Nevada and reflect current rates for that facility. Within the overall cost estimate, PSC has included those additional costs that will result due to waste disposal at the Richland, Washington, disposal site, following closure of the Beatty, Nevada, disposal site.

#### 5.2.3 Update to the Decommissioning Detailed Cost Estimate

Due to problems with defueling, the start of physical decommissioning activities has been delayed from January 1992 until August 1992. As a result of this delay and other cost adjustments, the Decommissioning Cost Estimate has been increased from \$137,129,000 to \$157,472,700. As of September 30, 1991, decommissioning

expenditures have totalled approximately \$10,542,000. Other pertinent assumptions remain as outlined in Section 5.2.1 above. Major adjustments to the decommissioning cost are identified in Table 5-1 and justification for these adjustments is provided in the following paragraphs.

- (1) Project Delay Costs: The original PSC/Westinghouse team contract price was \$100,460,000 and was based on a decommissioning start date of January 1992. Westinghouse has proposed an additional fee of \$5,309,200 to accommodate the delay in decommissioning start date until August 1992. This delay cost will provide funding for proposed Phase I planning activities, as well as extending Westinghouse team resources during this extended planning period. In addition, PSC has approved one contract scope change modification for an additional \$210,000 for Westinghouse team efforts in the preparation of the detailed Decommissioning Cost Estimate (Ref. 1).

In addition, PSC will recognize increased costs for decommissioning staff during this delay period. PSC costs associated with this delay period are estimated to be approximately \$383,100.

- (2) Letter of Credit Fees: The original Decommissioning Cost Estimate did not account for any fees and expenses associated with a financial guarantee. Based on a declining balance, four year term, irrevocable letter of credit in the amount of \$125 million, the total fees and expenses associated with this financial facility are estimated to be approximately \$2,000,000.
- (3) Cost Adjustments for LLRW Disposal: The original Decommissioning Detailed Cost Estimate assumed a LLRW volume of 127,964 ft<sup>3</sup> (See Ref. 1, Figure 3.2-1). The LLRW cost estimate also identified approximately 2035 ft<sup>3</sup> of this volume that will be used as overfill in other disposal packages as void space fill material. The remaining volume of 125,929 ft<sup>3</sup> may be processed (including volume reduction), packaged, and shipped for disposal at a licensed LLRW disposal facility. Based on this volume, the original Reference 1 cost estimate for LLRW disposal was: \$7,878,219 for curie and weight surcharges, cask handling fees, and disposal costs; \$2,022,827 for transportation costs; and \$1,924,827 for disposal container purchase and cask rentals. These costs are future value dollars, escalated

to the date of expenditure, and based on disposal fees currently in effect at the Beatty, Nevada, disposal site.

As noted in previous correspondence related to disposal of LLRW, negotiations are currently underway between the Rocky Mountain Compact (RMC) Board and the Northwest Compact Board that will allow access for LLRW generated from RMC member states to the existing Northwest Compact disposal facility beginning in January 1993. The proposed contract for disposal access is still under review by both compact boards and has not yet been signed.

Assuming the access contract with the Northwest Compact is executed and PSC gains access to the LLRW disposal site at Richland, Washington, an adjustment to the cost estimate has been included to account for any increased costs that may result. A contingency of \$12,441,400 has been added to the Reference 1 LLRW cost estimate to account for possible increases in waste disposal costs. Included in the contingency are assumptions for a fee to be paid (\$1,300,000) to the Richland, Washington, facility by the RMC, and allowance for an expected step increase in the base disposal fee (to \$19,019,600, based on an allowance of up to \$140/ft<sup>3</sup>) anticipated in 1993 when the final provisions of the LLRW Policy Act Amendments of 1985 are scheduled to take effect, and then escalated at a rate of 10% per year for the duration of the decommissioning. The estimated costs for container rental and drum/box container costs are not expected to be affected by these increases. Additionally, the increase in transportation distance from Beatty, Nevada, to Richland, Washington, (120 miles) is relatively small and has been accounted for previously (See Section 5.2.1, Assumption No. 5). This adjustment increases the total estimated LLRW disposal cost (plus contingency) to \$24,267,300 in future value dollars escalated to the date of expenditure.

### 5.3 DECOMMISSIONING FUNDING AND FUNDING GUARANTEES

Financial assurance to support these decommissioning costs will be provided by a combination of assurances, including the following:

- (1) Use of the existing external decommissioning trust fund, with a balance of



approximately \$28.0 million as of September 30, 1991; and

- (2) Use of a guarantee method (an irrevocable Letter of Credit in the amount of \$125 million) authorized by 10 CFR 50.75(e)(3)(iii) for the unfunded balance of the decommissioning costs.

These funding assurance mechanisms are discussed in the following paragraphs.

#### 5.3.1 Decommissioning External Trust Fund

PSC has set aside funds for decommissioning in external trust accounts that had a combined value of approximately \$28.0 million as of September 30, 1991. Representative trust agreements for the external trusts were forwarded to the NRC in Reference 3 and have been included in Appendix III. No funds remain to be collected from ratepayers.

#### 5.3.2 Decommissioning Irrevocable Letter of Credit

In order to provide suitable funding assurance for the unfunded balance of the decommissioning costs identified in Table 5-1, PSC has entered an agreement to obtain an irrevocable Letter of Credit in an amount not to exceed \$125 million. In Appendix III, a copy of the form of the irrevocable Letter of Credit is provided, as well as the Letter of Commitment that binds the institution issuing the facility to sign the irrevocable Letter of Credit when the NRC issues its final approval of the Proposed Decommissioning Plan and the satisfaction of other conditions as set forth in the Letter of Commitment. The commitment to issue the Letter of Credit expires on November 14, 1992, or is subject to renegotiation after that date. PSC has reviewed the qualifications of the lending institution, and has verified that they are in compliance with the criteria of Section 2.3.3 of Regulatory Guide 1.159 (Ref. 2).

Specific terms of the facility include the following:

- (1) Declining balance during physical decommissioning activities, based upon the contractor milestone payment schedule. Use of the declining balance approach is consistent with NRC treatment of Part 50 licensees that use decommissioning external trust funds and with NRC treatment of Part 72 licensees.

- (2) Effective date of agreement is dependent upon final NRC approval of the Proposed Decommissioning Plan.
- (3) PSC is the obligor of the facility.
- (4) The NRC is the beneficiary of the facility. A draw on the Letter of Credit facility requires signatures by both the NRC and PSC and may occur only in the event that (1) PSC is in default in the performance of the Decommissioning Plan; or (2) if the Letter of Credit is scheduled to expire within 60 days and the NRC has not received a satisfactory financial assurance in substitution for the Letter of Credit.

An engineering evaluation was performed by an independent third party engineering organization at the request of the facility issuer to validate PSC assumptions, conclusions, and estimated costs for decommissioning.

### 5.3.3 Decommissioning Standby Trust Agreement

As required by Section 2.4 of Regulatory Guide 1.159 (Ref. 2), PSC has also entered an agreement that will establish a "Standby" Trust Fund to receive funds from the irrevocable Letter of Credit, should it become necessary to execute the Letter of Credit. A copy of the unsigned Standby Trust Agreement is also provided in Appendix III, as well as its corresponding Letter of Commitment. The Letter of Commitment binds PSC and the institution that will administer the standby trust fund to sign the Standby Trust Agreement when the NRC issues its final approval of the Proposed Decommissioning Plan. PSC is the beneficiary of the Standby Trust Agreement. In the event of a default by PSC under the Standby Trust Agreement, the NRC is authorized to administer the Standby Trust Agreement.

### 5.4 DECOMMISSIONING FUNDING INSTRUMENTS (Submitted for Information Only)

PSC intends to meet its cash payment requirements under the Proposed Decommissioning Plan through any or a combination of the following: (1) issuance of first mortgage bonds; (2) medium term notes; (3) sale of assets to PSC Colorado Credit Corporation; (4) issuance of short term unsecured debt; and (5) sale of PSC preferred and/or common stock.

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PSC has substantial financing resources available, including a "shelf" registration statement and a secured medium-term note program filed with the Securities and Exchange Commission pursuant to which PSC may offer up to \$300 million in first mortgage bonds and \$108 million in medium-term notes, respectively. It also has regulatory authority to issue up to \$300 million of short-term debt, which includes \$150 million immediately available and \$150 million available on a 5-day notice under a committed \$300 million credit facility. This facility would be available to fund its requirements on a short-term basis. In addition, PSC may sell approximately \$150 million of assets to PS Colorado Credit Corporation. All necessary regulatory approvals for the issuance of these bonds and the sale of assets have already been obtained. PSC also has access to the equity markets and can sell preferred and common stock.

The approximate additional amount of each type of equity security that may be issued as of this date is as follows:

Preferred stock	(Par value - \$100.00)	\$145 million
Preferred stock	(Par value - \$25.00)	\$ 65 million
Shares of Common stock	(Par value - \$5.00)	84,544,221
(authorized and unissued as of July 31, 1991)		

The issuance of the equity securities requires the authorization of PSC's Board of Directors and the Colorado Public Utilities Commission, but PSC does not foresee any impediments to obtaining necessary approvals by the Effective Date. PSC is presently issuing approximately \$45 million per year of its common stock under its dividend reinvestment and stock purchase plans.

PSC's outstanding first mortgage bonds are rated BBB+ and Baa1 by Standard & Poor's and Moody's, respectively. PSC's securities are not on "credit watch" and no downgradings are anticipated at this time. Based on PSC's recent experience in the credit markets and its view of the equity markets, PSC does not anticipate any difficulty in obtaining the funds necessary to meet its external financing requirements.

### 5.5 UPDATES TO THE DECOMMISSIONING FUNDING PLAN

Per the requirements of Regulatory Guide 1.159 (Ref. 2), PSC and the Westinghouse team will review the projected cost for decommissioning once a year. The decommissioning cost will be adjusted for any changes in projected inflation rates, as well as any changes in or effects of force majeure events on project scope which may revise the overall cost of decommissioning. Adjustments to the decommissioning cost due to technological and status changes, or major project scope changes will be made according to the changes experienced. Based on these annual reviews of decommissioning cost, the decommissioning funding plan will also be reviewed and revised accordingly.

Since the project is scheduled for completion within 39 months after commencement of physical dismantlement and decommissioning activities, adjustments will be made as frequently as deemed necessary for successful funding of the project. The NRC will be informed of any changes exceeding 15 percent (plus or minus) to the decommissioning cost.

5.6 REFERENCES FOR SECTION 5

1. PSC letter, Crawford to Weiss, dated June 6, 1991 (P-91198); Subject: "Fort St. Vrain Decommissioning Cost Estimate".
2. USNRC Regulatory Guide 1.159, "Assuring the Availability of Funds for Decommissioning Nuclear Reactors," August 1990.
3. PSC letter, Crawford to Weiss, dated February 15, 1990 (P-90039).

**TABLE 5-1**  
**UPDATED DECOMMISSIONING COST ESTIMATE**

(Future Value Dollars, Escalated to Date of Expenditure)

1. COST OF PHYSICAL DECOMMISSIONING ACTIVITIES:

Westinghouse Contract Cost (Ref. 1)	\$100,460,000
Westinghouse Delay Costs	5,309,200
Westinghouse Scope Change	210,000

PSC Decommissioning Cost (Ref. 1)	\$ 36,669,000
PSC Delay Costs	383,100

2. LETTER OF CREDIT FEES: \$ 2,000,000

3. LLRW DISPOSAL COSTS:

Revised LLRW Disposal Cost	\$24,267,300
Less Original LLRW Disposal Cost	11,825,900

INCREASE IN LLRW DISPOSAL COSTS \$ 12,441,400

TOTAL COST OF DECOMMISSIONING \$157,472,700

TOTAL DECOMMISSIONING EXPENSES TO DATE (\$10,542,000)

REMAINING COST OF DECOMMISSIONING \$146,930,700

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DECOMMISSIONING GUARANTEED FUNDING

1. EXTERNAL TRUST FUND BALANCE (9/30/91) \$ 28,000,000

2. IRREVOCABLE LETTER OF CREDIT 125,000,000

TOTAL AVAILABLE FUNDING \$153,000,000

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APPENDIX III  
IRREVOCABLE LETTER OF CREDIT  
AND  
STANDBY TRUST AGREEMENT



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**IRREVOCABLE LETTER OF CREDIT**

**LETTER OF COMMITMENT**

**AND REPRESENTATIVE FORM**

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# THE BANK OF NEW YORK

NEW YORK'S FIRST BANK - FOUNDED 1784 BY ALEXANDER HAMILTON

ONE WALL STREET, NEW YORK, N. Y. 10286

November 13, 1991

Re: Public Service Company of Colorado  
Irrevocable Letter of Credit

U.S. Nuclear Regulatory Commission  
Document Control Desk  
Washington, D.C. 20555  
Attn: Dr. Seymour H. Weiss, Director Non-Power  
Reactor, Decommissioning and Environmental Project  
Directorate

Ladies and Gentlemen:

The purpose of this letter is to set forth and confirm that The Bank of New York (the "Bank") has approved a \$125,000,000 fully-underwritten letter of credit facility (the "Facility") for the account of Public Service Company of Colorado (the "Company"), which would provide for the issuance of an irrevocable letter of credit (the "Letter of Credit") for the purpose of providing financial assurance for the decommissioning of the Company's Fort St. Vrain Nuclear Generating Station located near Platteville, Colorado (the "Plant"). The Bank has the authority to provide the Facility and to issue the Letter of Credit and is a banking institution regulated by federal and state authorities.

The willingness of the Bank to provide the Facility is subject to (i) approval by the U.S. Nuclear Regulatory Commission (the "NRC") of the decommissioning plan submitted by the Company, (ii) the absence of any material adverse change in the financial condition or operations of the Company and (iii) the execution of final documentation mutually satisfactory to the Company and the Bank, setting forth the terms and conditions of the Letter of Credit and its issuance and operation, no later than November 22, 1991. The final documentation is in the

#E0025090


process of being negotiated by the Company and the Bank and is expected to be executed on or before such date.

Although the form of the Letter of Credit will not be definitively fixed until the final documentation is executed, the Letter of Credit is expected to be substantially in the form of Annex A hereto. It will be a condition precedent to the issuance of the Letter of Credit that the NRC have approved the decommissioning plan submitted by the Company. The Letter of Credit would have an initial term of four years, but could be extended for additional one-year periods with the consent of the Bank and the other participating banks. Drawings under the Letter of Credit would be available in the event of a default in the performance of the decommissioning of the Plant or the non-extension of the Letter of Credit. The initial stated amount of the Letter of Credit would be \$125,000,000. The stated amount would decline with the amount of expenditures made by the Company for decommissioning costs.

The final documentation will contain various representations and warranties, covenants and events of default. The Bank would have no obligation to issue the Letter of Credit during any default under the documentation and could terminate its commitment to issue the Letter of Credit upon the occurrence of an event of default. Once the Letter of Credit is issued, however, the existence of a default or event of default would not affect the ability of the beneficiary to draw upon the Letter of Credit in accordance with its terms.

Very truly yours,

THE BANK OF NEW YORK

By   
Name: Andrew M. Merrill  
Title: Assistant Vice  
President

ANNEX A

DRAFT  
11/12/91

THE BANK OF NEW YORK  
IRREVOCABLE LETTER OF CREDIT

Letter of Credit No. \_\_\_\_\_ [Date of Issuance]

Amount: \$ \_\_\_\_\_

U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Sir or Madam:

For the account of Public Service Company of Colorado (the "Company"), we hereby issue our irrevocable standby letter of credit in your favor and authorize you to draw on us at sight up to \$ \_\_\_\_\_ (such amount, as the same may be reduced from time to time as hereinafter set forth, the "Stated Amount").

This Letter of Credit is issued to you at the request of the Company. We have been informed by the Company that it has requested the issuance of this Letter of Credit for the purpose of complying with the regulations issued under the authority of the U.S. Nuclear Regulatory Commission, a governmental agency, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, as amended, which require that a holder of, or an applicant for, a license issued under 10 CFR Part 50 provide assurance that funds will be available if needed for decommissioning.

#508 A0017905

Availability

Funds under this Letter of Credit are available to you against your sight draft(s) drawn on us, stating on their face: "Drawn under The Bank of New York Irrevocable Letter of Credit No. \_\_\_\_\_" accompanied by your written certificate purportedly signed by your authorized representative and an authorized officer of the Company, appropriately completed, in the form of Exhibit A or B hereto. Only you may make a drawing under this Letter of Credit. Presentation of such drafts and certificates shall be made at our office located at:

101 Barclay Street  
New York, New York 10007

Attn: Manager, Special Transaction Dept.,  
8 East

or at any other office in New York City that may be designated by us by written notice delivered to you. We hereby agree that each draft drawn under and in compliance with the terms of this Letter of Credit will be duly honored by us within three business days after presentation of such draft and the accompanying certificates. As used herein, the term "business day" shall mean any day on which commercial banks are not authorized or required to close in New York, New York.

Payment under this Letter of Credit shall be made in accordance with your written instructions contained in the applicable drawing certificate. For the sole purpose of determining timeliness of payment hereunder, we shall be deemed to have made payment upon our initiating the transfer of funds over the federal reserve wire transfer system.

The amount available to be drawn under this Letter of Credit shall be reduced by the amount of each drawing paid by us hereunder and by the amount of each reduction of the Stated Amount.

Effect of Payment

Upon the payment to you or your account of the amount specified in sight drafts presented hereunder, we shall be fully discharged of our obligation under this Letter of Credit with respect to such sight drafts, and we shall not

thereafter be obligated to make any further payments under this Letter of Credit in respect of such sight drafts to you or any other person.

Reduction of Stated Amount

The Stated Amount of this Letter of Credit shall be reduced by the amounts specified in a notice, in the form of Exhibit C hereto, purportedly signed by an authorized representative of the Company and delivered to us. Each such reduction shall be effective as of the time of our receipt of the applicable notice.

Expiration/Termination

This Letter of Credit is effective as of [date of issuance] and shall expire on [date of fourth anniversary of date of issuance] unless its expiration is extended in accordance with the Credit Agreement dated as of \_\_\_\_\_, 1991 among the Company, each of the banks signatory thereto and The Bank of New York, as Issuer.

This Letter of Credit shall terminate and be delivered to us for cancellation upon the earlier of:

- (i) the making by you of the final drawing available to be made hereunder, and
- (ii) the expiration date.

Transfer

This Letter of Credit is not assignable or transferable.

Miscellaneous

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision), the International Chamber of Commerce Publication No. 400 (the "Uniform Customs"), except as modified herein. This Letter of Credit shall be deemed to be made under the laws of the State of New York, including Article 5 of the Uniform Commercial Code, and shall, as to matters not governed by the Uniform Customs, be governed by and construed in accordance with the law of the State of New York.



All documents, notices and other communications shall be personally delivered to us or may be sent to us by telecopy, telex or SWIFT, in which case draft requirements are waived, to the following numbers, as applicable:

Telecopy No. (212) 349-3955

Telex No. 62763 (Answerback: BONY-UW)  
SWIFT No. BONY-US-33J

For purposes of this Letter of Credit, a document shall be "presented" or "delivered" to us or a "presentation" or "delivery" to us of a document shall be made in accordance with the terms hereof only when such document is actually received by The Bank of New York at its office located at 101 Barclay Street, New York, New York, or at such other office in New York City as may be designated by us on a written notice delivered to you.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except only the certificates and the sight drafts referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificates and such sight drafts.

Very truly yours,

THE BANK OF NEW YORK

By \_\_\_\_\_  
Name:  
Title:

EXHIBIT A TO LETTER OF CREDIT

CERTIFICATE FOR "A DRAWING"

The undersigned, a duly authorized representative of the U.S. Nuclear Regulatory Commission (the "Beneficiary") and a duly authorized officer of Public Service of Colorado (the "Company"), hereby certify to The Bank of New York (the "Bank"), with reference to Irrevocable Letter of Credit No. \_\_\_\_\_ (the "Letter of Credit") issued by the Bank in favor of the Beneficiary, that:

(1) A drawing is being made under the Letter of Credit in the amount of \$ \_\_\_\_\_ in connection with the decommissioning plan approved by the Beneficiary with respect to the Company's Fort St. Vrain Nuclear Generating Station (the "Decommissioning Plan").

(2) The Company is in default in the performance of the Decommissioning Plan.

(3) The amount set forth in paragraph (1) does not exceed the amount available on the date hereof to be drawn under the Letter of Credit.

(4) The standby trust fund of the Company with respect to the Decommissioning Plan is maintained in Account No. \_\_\_\_\_ at \_\_\_\_\_.

You are hereby instructed to make payment of the amount drawn under the Letter of Credit pursuant to this Certificate by federal reserve wire transfer to the account specified in paragraph (4).

IN WITNESS WHEREOF, the Beneficiary and the Company have executed and delivered this Certificate as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

U.S. NUCLEAR REGULATORY  
COMMISSION

By \_\_\_\_\_  
Name:  
Title:

PUBLIC SERVICE COMPANY OF COLORADO

By \_\_\_\_\_  
Name:  
Title:

CERTIFICATE FOR "B DRAWING"

The undersigned, a duly authorized representative of the U.S. Nuclear Regulatory Commission (the "Beneficiary") and a duly authorized officer of Public Service Company of Colorado, hereby certify to The Bank of New York (the "Bank"), with reference to Irrevocable Letter of Credit No. \_\_\_\_\_ (the "Letter of Credit") issued by the Bank in favor of the Beneficiary, that:

(1) A drawing under the Letter of Credit in the amount of \$ \_\_\_\_\_ in connection with the decommissioning plan approved by the Beneficiary with respect to the Company's Fort St. Vrain Nuclear Generating Station (the "Decommissioning Plan").

(2) The Letter of Credit is scheduled to expire within 60 days of the date hereof and the Beneficiary has not received a satisfactory financial assurance in substitution for the Letter of Credit.

(3) The amount set forth in paragraph (1) does not exceed the amount available on the date hereof to be drawn under the Letter of Credit.

(4) The standby trust fund of the Company with respect to the Decommissioning Plan is maintained in Account No. \_\_\_\_\_ at \_\_\_\_\_

You are hereby instructed to make payment of the amount drawn under the Letter of Credit pursuant to this Certificate by federal reserve wire transfer to the account specified in paragraph (4).

IN WITNESS WHEREOF, the Beneficiary and the Company have executed and delivered this Certificate as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

U. S. NUCLEAR REGULATORY  
COMMISSION

By \_\_\_\_\_  
Name:  
Title:

PUBLIC SERVICE COMPANY OF COLORADO

By \_\_\_\_\_  
Name:  
Title:

EXHIBIT C TO LETTER OF CREDIT

CERTIFICATE FOR REDUCTION OF STATED AMOUNT

The undersigned, a duly authorized officer of the Public Service Company of Colorado (the "Company"), hereby certifies to The Bank of New York (the "Bank"), with reference to Irrevocable Letter of Credit No. \_\_\_\_\_ (the "Letter of Credit") issued by the Bank in favor of the U.S. Nuclear Regulatory Commission, that:

(1) The Company has made a payment in the amount of \$ \_\_\_\_\_ for costs related to decommissioning the Company's Fort St. Vrain Nuclear Generating Station.

(2) The Company has not previously submitted a certificate in this form to the Bank with respect to the payment referred to in paragraph (1).

(3) The Company hereby directs that the Stated Amount of the Letter of Credit be reduced, as of the date of your receipt of this certificate, by the amount set forth in paragraph (1).

IN WITNESS WHEREOF, the Company has executed and delivered this Certificate as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

PUBLIC SERVICE COMPANY OF COLORADO

By \_\_\_\_\_  
Name:  
Title:

**STANDBY TRUST FUND AGREEMENT**

**LETTER OF COMMITMENT**

**AND REPRESENTATIVE FORM**

INTENTIONALLY LEFT BLANK





Public Service®

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

November 14, 1991

Randall C. Rieck  
Vice President and Trust Officer  
First Interstate Bank of Denver, N.A.  
633 17th St.  
Denver, CO 80270

Re: Public Service Company of Colorado Standby Trust Agreement

Dear Mr. Rieck:

The purpose of this letter is to evidence our agreement that First Interest Bank of Denver, N.A. (the "Bank") will enter into a Standby Trust Agreement with Public Service Company of Colorado for the purpose of receiving payment under an irrevocable letter of credit expected to be issued for the account of Public Service Company of Colorado (the "Company"). The Letter of Credit will be issued for the purpose of providing financial assurance for the decommissioning of the Company's Fort St. Vrain Nuclear Generating Station located near Platteville, Colorado (the "Plant") in accordance with that certain funding plan filed by the Company with the Nuclear Regulatory Commission, an agency of the United States (the "NRC").

Execution of the Standby Trust Agreement by the Bank is subject to (i) approval of the Company's funding plan for the decommissioning of the Plant by the NRC, (ii) issuance of the Letter of Credit as contemplated by such funding plan, and (iii) the execution of final documentation mutually satisfactory to the Company and the Bank setting forth the terms and conditions of the Standby Trust; provided, however, that compliance with the foregoing conditions occurs within one year from November 14, 1991.

The Standby Trust Agreement is expected to be executed substantially in the form of Exhibit A hereto. In general, the term of the Standby Trust Agreement shall commence upon issuance of the Letter of Credit and shall expire upon completion of the decommissioning activities at the Plant or as otherwise provided in the Standby Trust Agreement. The Bank shall act as trustee and administer any funds received as trustee to fund costs for decommissioning the Plant in accordance with the terms of the Standby Trust Agreement.

Randall C. Rieck  
First Interstate Bank of Denver, N.A.  
November 14, 1991  
Page 2

If you agree with the foregoing, please acknowledge such agreement by signing below in the space provided. Such signature shall evidence the Bank's commitment to execute the Standby Trust Agreement and act as trustee thereunder, subject to the conditions set forth herein.

Sincerely yours,

Public Service Company of Colorado

By: \_\_\_\_\_  
\_\_\_\_\_

Agreed and Accepted to this  
14th day of November, 1991

First Interstate Bank of Denver, N.A.

*Randall C Rieck*  
By: Vice President & Trust Officer

FORM OF  
STANDBY TRUST AGREEMENT

THIS STANDBY TRUST AGREEMENT (this "Agreement") is entered into this day of \_\_\_\_\_, 1992, by and between PUBLIC SERVICE COMPANY OF COLORADO, a corporation organized and existing under the laws of the State of Colorado (the "Company"), and FIRST INTERSTATE BANK OF DENVER, N.A., a national banking association (the "Trustee").

WITNESSETH

WHEREAS, on August 29, 1989, the Company announced its decision to end nuclear operations at its Fort St. Vrain Nuclear Generating Station ("Fort St. Vrain"), and, as a result of such cessation of nuclear operations, on November 5, 1990, the Company submitted a proposed early dismantlement decommissioning Plan to the Nuclear Regulatory Commission, an agency of the United States (the "NRC");

WHEREAS, by a decision dated \_\_\_\_\_, 1992, the NRC has approved the Plan, which includes a form of this agreement;

WHEREAS, pursuant to the Plan and the regulations promulgated by the NRC, the Company is required to provide for the costs of decommissioning Fort St. Vrain through advance funding, which may be in the form of a financial guarantee, prior to commencement of decommissioning;

WHEREAS, the Company has arranged for the issuance of an irrevocable Letter of Credit in the initial amount of \$125,000,000 to provide for a portion of such advance funding of the decommissioning costs for Fort St. Vrain;

WHEREAS, the Company desires to establish a trust to be used for receipt of payment under the Letter of Credit in the event the Company is unable to meet its obligations for the payment of the decommissioning costs for Fort St. Vrain; and

WHEREAS, the Company, acting through its duly authorized officers, has selected the Trustee to be the Trustee under this Agreement, and the Trustee is willing to act as Trustee;

NOW, THEREFORE, the Company and the Trustee agree as follows:

**SECTION I**

Definitions

"Bank" means The Bank of New York which has issued the irrevocable Letter of Credit and any successors or assigns thereof.

"Company" means Public Service Company of Colorado, a corporation organized and existing under the laws of the State of Colorado, and any successors or assigns of the Company.

"Effective Date" has the meaning set forth in paragraph 2.3.

"Fort St. Vrain" means the Fort St. Vrain Nuclear Generating Station owned by the Company and located near Platteville, Colorado, together with such structures, components and equipment now or hereafter associated therewith which become subject to the decommissioning rules, regulations or orders of the NRC.

"Letter of Credit" means the irrevocable letter of credit dated \_\_\_\_\_, 199\_\_, issued by the Bank in an amount of up to \$125,000,000.

"NRC" means the Nuclear Regulatory Commission, an agency of the United States.

"Officer's Certificate" means a certificate of the Company delivered to the Trustee and signed by the Chief Executive Officer, the President, an Executive or Senior Vice President, a Vice President, the Treasurer or an Assistant Treasurer of the Company.

"Plan" means the early dismantlement decommissioning plan submitted by the Company to the NRC for decommissioning Fort St. Vrain and approved by the NRC on \_\_\_\_\_, 1992.

"Trust" means the trust created hereby for receipt, investment and disbursement of the proceeds, if any, from the Letter of Credit.

"Trustee" means the First Interstate Bank of Denver, a national banking association, or any successor trustee.

## SECTION II

### Purpose, Establishment and Term of the Trust

2.1 Nature and Purpose. The Trust is being established to provide financial assurance for payment of the costs of decommissioning Fort St. Vrain, which is identified in NRC License No. DPR 50-267 issued pursuant to the NRC regulations. The current decommissioning cost estimate is \$ \_\_\_\_\_ of which approximately \$30,000,000 has been funded and is held in separate trust funds. The remaining \$125,000,000 in anticipated costs is guaranteed by the Letter of Credit. The Letter of Credit and the other trust funds are expected to meet the aggregate decommissioning cost estimate stated above and in the Plan. The Trust will be independent of the Company and will constitute the vehicle that

will receive, hold and disburse, in accordance with the provisions hereof, the proceeds of the Letter of Credit. Nothing in the Agreement shall be interpreted, however, to relieve the Company of any obligation, liability, claim, demand, debt, right or cause of action, loss, damage, cost or charge which may arise from the insufficiency of monies held in the Trust to defray the decommissioning costs associated with Fort St. Vrain.

2.2 Establishment of the Trust. Upon the Effective Date, the Company and the Trustee shall be deemed hereby to have established the Trust for the benefit of the Company in a manner acceptable to the Trustee. The Trust shall be known as the "Fort St. Vrain Decommissioning Trust". The Company and the Trustee intend that no third party shall have access to the Trust or its assets, except as herein provided. Funds deposited into the Trust shall be held by the Trustee, IN TRUST, as hereinafter provided. The Company shall have also the right to establish additional trusts if the same are required or desirable (in the sole discretion of the Company) to comply with any law, rule, order or regulation of any government's body or agency.

2.3 Term. This Agreement and the Trust created hereby shall be effective and commence on the date the Trustee receives proceeds from the Letter of Credit in accordance with the terms thereof, a copy of which is attached hereto as Exhibit A. Prior to the Effective Date, the Company shall notify the Trustee of when the Letter of Credit will be drawn upon and anticipated date for receipt of proceeds in the Trust. The Trust shall terminate on the earlier of (i) the completion of the decommissioning process at Fort St. Vrain as evidenced by an appropriate order, license expiration or other act of the NRC, (ii) the exhaustion of all monies held in the Trust, or (iii) upon written agreement of the Company and the Trustee. Until such termination, the Trust is irrevocable. Upon termination of the Trust, any remaining trust property in excess of decommissioning expenses, Trust administrative expenses and applicable taxes as contemplated by the terms of this Agreement shall revert to the Company or be transferred to another financial assurance mechanism specified in the NRC regulations, as the case may be.

### SECTION III

#### Trust Funds

3.1 Payments to the Trust. Proceeds from the Letter of Credit shall be deposited in the Trust and shall be applied or paid by the Trustee in accordance with the terms of this Agreement. Other payments made to the Trustee for the Trust shall consist of cash, securities, or other liquid assets acceptable to the Trustee. All moneys deposited with the Trustee by the Bank in accordance with the Letter of Credit or by or at the direction of the Company, as the case may be, together with earnings, gains or losses thereon, less any payments or distributions made by the Trustee pursuant to this Agreement, shall be held by the Trustee upon the trusts hereunder.

3.2 Payment for Decommissioning Costs. The Trustee shall make such payments from the Trust to the Company or to the decommissioning contractor as the Company may direct upon presentation to the Trustee of an Officer's Certificate stating the following:

- (i) the NRC has approved the Plan;
- (ii) decommissioning of Fort St. Vrain is proceeding pursuant to the Plan;
- (iii) the amount to be withdrawn;
- (iv) the funds withdrawn will be expended for expenditures and obligations undertaken pursuant to Plan;
- (v) none of such expenditures and obligations have been made the basis of a prior withdrawal under this Agreement; and
- (vi) any funds previously withdrawn from the Trust pursuant to this Agreement have been expended for the purposes for which they were withdrawn.

In the event of the Company's default in the payment of decommissioning costs when due or inability to direct decommissioning activities, the Trustee shall: (i) make payments from the Trust as the NRC shall direct, in writing, to provide for the payment of the costs of the decommissioning activities covered by this Agreement; (ii) make disbursements to the Company or other persons as specified by the NRC from the Trust for expenditures for the decommissioning activities in such amounts as the NRC shall direct in writing; and (iii) refund to the Company such amounts remaining upon completion of the decommissioning process as evidenced by the license expiration or as the NRC specifies in writing. Upon refund, such funds shall no longer constitute part of the Trust as defined herein.

3.3 Trust Management. Upon receipt of the Letter of Credit proceeds in the Trust or other monies deposited therein by the Company, the Trustee shall invest and reinvest the principal and income of the Trust and keep the Trust monies invested as a single fund, without distinction between principal and income in accordance with the policies and guidelines set forth in Exhibit B attached hereto. In investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Trust monies, the Trustee shall discharge its duties with respect to the Trust solely in the interest of and for the benefit of the Company and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that securities or other obligations of the Company, or any other owner of Fort St. Vrain, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, shall not be acquired or held, unless they are securities or other obligations of the Federal or a state government. Furthermore, at no time shall the Trust contain securities

or other obligations of companies or entities that are owners or partial owners of nuclear generating facilities which exceed 2% of the Trust at cost or 4% of the Trust at market value unless they are obligations of the Federal government. The Trustee is authorized to sell, exchange, partition or otherwise dispose of all or any part of the Trust at public or private sale, without prior application to, or approval by, or order of any court, upon such terms and in such manner and at such prices as the Trustee shall determine; to modify, renew or extend bonds, notes or other obligations or any installment of principal thereof or any interest due thereon and to waive any defaults in the performance of the terms and conditions thereof; and to execute and deliver any and all bills of sale, assignments, bonds or other instruments in connection with these powers, all at such times, in such manner and upon such terms and conditions as the Trustee may deem expedient to accomplish the purposes of this Agreement.

The Trustee is authorized to hold cash for immediate investment or distribution uninvested when necessary to comply with the terms of this Agreement, but shall hold all other cash in appropriate interest-bearing accounts or short-term U.S. Treasury obligations.

#### SECTION IV

##### The Trustee

4.1 Acceptance of Trust and Terms. Upon the Effective Date the Trustee shall hereby accept the Trust created upon such date by this Agreement and shall agree to perform the same, but only upon the terms expressly herein set forth, including the following:

(i) Subject to paragraph 8.2, the Trustee shall be exonerated from any and all liability arising with respect to the disposition of any moneys duly paid to the Company or others under any provision hereof.

(ii) The Trustee may perform any duty hereunder either directly or through its agents or attorneys.

(iii) The Trustee may from time to time consult with counsel, who may be counsel to the Company, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected to the extent permitted by law in acting in good faith upon the advice of counsel.

(iv) The Trustee shall be entitled to reasonable compensation for its services, as agreed upon in writing from time to time with the Company.

(v) The Trustee shall maintain appropriate records of all deposits, investments and earnings received by the Trust and all disbursements made from the Trust. After payment has been made into the Trust, monthly reports shall be rendered by the Trustee to the Company showing all of the receipts, disbursements, expenses, and dispositions during the month to which the report relates and the assets then held as the principal of the Trust. Such reports shall be rendered within ten (10) days of the end of each calendar month. Any securities held by the Trust shall be valued at market value as of the last business day of the calendar month to which the report relates. In addition, the Trustee shall provide to the Company at least annually a report certifying as to the activity of the Trust over the period since the most recent annual report and the balances at the beginning and the end of such period.

(vi) The Company and its agents shall have the right to review, inspect and audit the books and records of the Trustee relating to the Trust, provided that the expenses of such review, inspection or audit shall be paid by the Trust.

(vii) The Trustee shall prepare and submit such applications, reports and other documents as may be required by the NRC or any other governmental authority having jurisdiction over the Trust and performance of the Trust obligations and activities specified by this Agreement.

4.2 Powers. Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered as follows:

(i) In accordance with paragraph 3.3, to retain, manage, invest and reinvest all or part of the Trust, including any undistributed income therefrom;

(ii) To renew or extend the time or payment of any obligation, secured or unsecured, payable to or by the Trust, for as long a period or periods of time and on such terms as the Trustee shall determine, and to adjust, settle, compromise, and arbitrate claims or demands in favor of or against the Trust, including claims for taxes;

(iii) Subject to paragraph 3.3 and Exhibit B hereto, to hold any stocks, bonds, securities, or other property in the name of a nominee, in a street name, or by other title-holding device, without indication of trust;

(iv) To borrow money in such amounts and upon such terms as the Company may authorize in writing as necessary to carry out the purposes of this Agreement, and to pledge any securities or other property for the repayment of any such loan as the Company may direct;



(v) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted; and

(vi) The Trustee may also exercise all the powers in the Colorado Fiduciaries' Power Act, as amended, after the date of this Agreement.

#### 4.3 Instructions to the Trustee

All Officer's Certificates, orders, requests and instructions by the Company to the Trustee shall be in writing, signed by proper officers of the Company. The Trustee shall be fully protected in acting without inquiry in accordance with the Company's Officer's Certificates, orders, requests and instructions. If the NRC issues orders, requests, or instructions to the Trustee in the event the Company is in default, these shall be in writing, signed by the NRC or their designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, request, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Company, the NRC hereunder has occurred. The Trustee shall have no duty to act in the absence of such Officer's Certificates, orders, requests and instructions from the Company, the NRC, except as provided herein.

### SECTION V

#### Taxes and Expenses

All taxes of any kind that may be assessed or levied against or in respect of the Trust, and all brokerage commissions incurred by the Trust, shall be paid from the Trust. All taxes of any kind incurred by the Company due to the inclusion of the Trust income on the Company's tax returns shall be reimbursed to the Company from the Trust upon certification of the proper amount by the Company. All tax returns or information returns required by law shall be timely prepared and filed with the proper taxing authority by the Trustee or at the Trustee's direction, and a copy of each return shall be provided by the Trustee to the Company within ten (10) days of the date of filing. All other expenses incurred by the Trustee in connection with the administration of the Trust interests, including fees for legal services rendered to the Trustee in respect of the Trust, the compensation of the Trustee to the extent not paid directly by the Company, preparation of tax returns, and all other proper charges and disbursements of the Trustee shall be paid from the Trust.

## SECTION VI

### Successor Trustee

6.1 Eligibility. Any successor Trustee shall at all times be a corporation, bank or trust company having its principal office and a place of business in the United States of America, with a combined capital and surplus of at least \$50,000,000 and authorized under applicable laws to exercise corporate trust powers and subject to supervision or examination by appropriate state and federal authorities. Whenever necessary to avoid or fill a vacancy in the office of the Trustee, the Company shall, in the manner provided in paragraph 6.3, appoint a Trustee so that there shall at all times be a Trustee eligible under this paragraph.

6.2 Merger or Consolidation of the Trustee. Subject to the requirements of paragraph 6.1 hereof, any corporation into which the Trustee may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be a party or any corporation to which substantially all the business and assets of the Trustee may be transferred, shall be the Trustee under this Agreement, without further act.

6.3 Resignation or Removal; Appointment. Upon at least thirty (30) days prior written notice, the Trustee may resign or the Company may remove and replace the Trustee, but such resignation or replacement shall not be effective until the Company has either appointed a successor Trustee and such successor accepts the appointment. In either event, or should the Trustee for any reason fail to qualify or cease to act as Trustee, the Company shall appoint a successor Trustee who shall have the same powers and duties as those conferred upon the Trustee hereunder; provided, however, that the Company shall have no right or power to become a trustee and no provision of this Agreement shall be construed so as to create any right or power in the Company to so act as the Trustee. The Trustee shall prepare and submit to the Company a final accounting with respect to the Trust, and upon acceptance of the appointment by the successor Trustee, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Trust and provide such other documents and information as are needed by the successor Trustee to properly administrate the Trust. If for any reason the Company cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. The successor Trustee shall specify the date on which it will assume administration of the Trust in writing sent to the Company and the present Trustee by certified mail ten (10) days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this paragraph shall be paid as provided in Section V.

## SECTION VII

### Consolidation, Merger, Conveyance

7.1 Consolidation or Merger of the Company. Nothing in this Agreement shall be interpreted to prevent any consolidation or merger of the Company with, or into, any other entity or entities, or the conveyance or transfer of any of its rights, title and interests in Fort St. Vrain or the Trust to any other entity or entities. Upon the sale or other transfer of all or part of the Company's interest in Fort St. Vrain, moneys in the Trust shall be transferred to a successor trust established on behalf of the transferee.

7.2 Other Successors. Nothing in this Agreement shall be interpreted to prevent the Company from transferring its rights, title and interests in, and its obligations with respect to, Fort St. Vrain or the Trust to any agent, representative, authority, agency, commission or other entity or entities, authorized by applicable state and Federal statutes or regulations to assume responsibility for the decommissioning of nuclear facilities.

## SECTION VIII

### Miscellaneous

8.1 Amendments. This Agreement and the Exhibits hereto may be amended by the Company to the extent necessary or helpful to comply with regulations, rules or orders issued by the NRC. No amendment may be made, however, by the Company without the written consent of the Trustee if the amendment increases the responsibilities of the Trustee under this Agreement. Any amendment must be made in writing.

8.2 Immunity and Indemnification. The Trustee shall not incur liability of any nature in connection with any act or omission made in good faith in the administration of the Trust, or in carrying out any direction by the Company, the NRC issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Company or from the Trust or both, from and against any liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity. The Trustee shall, however, be liable for its own acts or omissions (or that of its officers or employees) occasioned by the willful misconduct or negligence of the Trustee (or that of its officers and employees).

8.3 Choice of Law. This Agreement shall be administered, construed and enforced according to the laws of the State of Colorado.

8.4 Interpretation and Severability. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement shall not affect the interpretation or legal

efficacy of this Agreement. If any part of this Agreement is held invalid, it shall not affect the remaining provisions which shall remain valid and enforceable.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers duly authorized and attested as of the date first above written.

PUBLIC SERVICE COMPANY OF  
COLORADO

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

FIRST INTERSTATE BANK OF  
DENVER, N.A.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Title: \_\_\_\_\_

10011

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

The foregoing STANDBY TRUST AGREEMENT was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_\_\_, by \_\_\_\_\_ as Vice President and by James R. McCotter as Secretary of Public Service Company of Colorado.

Witness my hand and official seal.

My commission expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

The foregoing STANDBY TRUST AGREEMENT was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ and \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_

Witness my hand and official seal.

My commission expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public

## EXHIBIT B

The following investments are acceptable investments for the Standby Trust funds:

- >>> **Money Market** - Money Market instruments such as investment grade commercial paper and Eurodollar certificates of deposit in denominations not to exceed \$5,000,000 per issuer.
- >>> **Bank Deposits** - Individual savings deposits and certificates of deposit of a financial institution with a rated investment grade not to exceed FDIC insurance limits for such institution.
- >>> **Treasury Bills** - Treasury Bills in any denomination and maturity.
- >>> **Treasury Notes** - Treasury Notes in any denomination and maturity.
- >>> **Municipal Bonds** - Issues of AA quality or better with maturities not to exceed five years and in denominations not to exceed \$5,000,000 per issuer.

**EXTERNAL TRUST FUND AGREEMENTS**

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AGREEMENT TO AMEND TRUST AGREEMENT  
WITH  
AMENDMENT NO. 1

This AGREEMENT TO AMEND TRUST AGREEMENT is executed this 28 day of March, 1990, by and between PUBLIC SERVICE COMPANY OF COLORADO, a Colorado corporation, with its principal office at Denver, Colorado (the "Company"), and FIRST INTERSTATE BANK OF DENVER, a national banking association (the "Trustee"), to amend the Trust Agreement between the parties dated July 12, 1989.

R E C I T A L

On the 12th day of July, 1989, the Company and the Trustee entered into a Trust Agreement wherein, inter alia, the Trustee agreed to act as Trustee of the Company's Fort St. Vrain Nuclear Decommissioning Trust Fund (the "Fund").

The following amendment is necessary to conform the Trust Agreement to the regulations of the United States Nuclear Regulatory Commission (the "NRC") regarding the decommissioning trust funds. The parties agree that the Trust Agreement shou'd be amended as follows:

AMENDMENT NO. 1 TO TRUST AGREEMENT

The parties hereto, by their respective duly authorized officers, covenant and agree that SECTION IV, Payment For Decommissioning Cost, and SECTION VI, Trustee Management, of the Trust Agreement shall, upon execution hereof, be deleted in their entireties and the following substituted in lieu thereof:

#### SECTION IV

##### Payment For Decommissioning Costs

The Trustee will make such payments from the Fund as the Company may direct in writing to provide for the payment of the decommissioning costs of the Fort St. Vrain Nuclear Generating Station, upon certification by the Company that the NRC, or its successor, has approved a Decommissioning Plan, or to provide for the disposition of any balance remaining after the payment of such costs.

#### SECTION VI

##### Trustee management

Trustee will invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund. In investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Fund, the Trustee or any other Fiduciary will discharge his duties with respect to the trust fund solely in the interest of and for the benefit of this trust fund, and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; except that securities or other obligations of the Company, or any other owner of the facility, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government. Furthermore, at no time shall the Fund contain securities or other obligations of companies or entities that are owners or partial owners of nuclear generating facilities to exceed 2% of the Fund at cost or 4% of the Fund at market value unless they are obligations of the Federal

government. The Trustee is authorized to sell, exchange, partition, or otherwise dispose of all or any part of the Fund at public or private sale, without prior application to, or approval by, or order of any court, upon such terms and in such manner and at such prices as the Trustee shall determine; to modify, renew or extend bonds, notes or other obligations or any installment of principal thereof or any interest due thereon and to waive any defaults in the performance of the terms and conditions thereof; and to execute and deliver any and all bills of sale, assignments, bonds or other instruments in connection with these powers, all at such times, in such manner and upon such terms and conditions as the Trustee may deem expedient to accomplish the purposes of this Fund.

The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 to Trust Agreement to be effective on the day and year first above written.

PUBLIC SERVICE COMPANY OF COLORADO

By: *[Signature]*  
Title: *[Signature]*

ATTEST:

By: *[Signature]*  
Secretary

[SEAL]



TRUST AGREEMENT

THIS TRUST AGREEMENT (the "Agreement"), entered into effective as of July 12, 1989, by and between PUBLIC SERVICE COMPANY OF COLORADO, a corporation organized and existing under the laws of the State of Colorado (the "Company"), and FIRST INTERSTATE BANK OF DENVER, a national banking association (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Company wishes to establish a Fund for the investment of certain nuclear decommissioning reserve funds for the Fort St. Vrain Nuclear Generating Station; and

WHEREAS, the Company, acting through its duly authorized officers, has selected the Trustee to be the Trustee under this Agreement, and the Trustee is willing to act as Trustee.

NOW, THEREFORE, the Company and the Trustee agree as follows:

SECTION I

Definitions As Used In This Agreement

1. The term "Fiduciary" means any person who exercises any power of control, management, or disposition, or renders investment advice for a fee or other compensation, directly or indirectly, with respect to any monies or other property of this trust fund, or has any authority or responsibility to do so, or

who has any authority or responsibility in the administration of this trust fund.

2. The term "Company" means Public Service Company of Colorado and any successors or assigns of the Company.

3. The term "Trustee" means the First Interstate Bank of Denver or any successor trustee.

## SECTION II

### Identification Of Facility And Cost Estimates

This Agreement pertains to the adjusted decommissioning cost estimates, or portions thereof, related to the Company's Fort St. Vrain Nuclear Generating Station for which financial assurance is demonstrated by this Agreement.

## SECTION III

### Establishment Of The Fund

The Company and the Trustee hereby establish a trust fund (the "Fund") for the benefit of the decommissioning of the Company's Fort St. Vrain Nuclear Generating Station. The Company and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is to be established and funded as provided and described herein, which manner is acceptable to the Trustee. Such property and amounts as are to be deposited with the Trustee, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement, are referred to as the Fund.

The Fund will be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee undertakes no responsibility for the amount or adequacy of, nor any duty to collect from the Company, any payments to discharge any liabilities of the Company established by any governmental authority.

#### SECTION IV

##### Payment For Decommissioning Cost

The Trustee will make such payments from the Fund as the Company may direct in writing to provide for the payment of the decommissioning cost of the facility covered by this Agreement or the disposition of any balance remaining after the payment of such cost.

#### SECTION V

##### Payments Comprising The Fund

Payments made to the Trustee for the Fund shall consist of cash, securities, or other liquid assets acceptable to the Trustee. The Fund is established initially as consisting of \$1,768,150 in cash deposited with the Trustee. The Fund shall include such cash and any other property subsequently transferred to the Trustee, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement.

## SECTION VI

### Trustee Management

Trustee will invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund. In investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Fund, the Trustee or any other Fiduciary will discharge his duties with respect to the trust fund solely in the interest of and for the benefit of this trust fund, and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Trustee is authorized to sell, exchange, partition, or otherwise dispose of all or any part of the Fund at public or private sale, without prior application to, or approval by, or order of any court, upon such terms and in such manner and at such prices as the Trustee shall determine; to modify, renew or extend bonds, notes or other obligations or any installment of principal thereof or any interest due thereon and to waive any defaults in the performance of the terms and conditions thereof; and to execute and deliver any and all bills of sale, assignments, bonds or other instruments in connection with these powers, all at such times, in such manner and upon such terms and conditions as the Trustee may deem expedient to accomplish the purposes of this Fund.



The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time in an account bearing a reasonable market rate of interest.

#### SECTION VII

##### Express Powers Of Trustee

Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered as follows:

1. To retain, manage, invest and reinvest all or part of the Fund, including any undistributed income therefrom;
2. To renew or extend the time or payment of any obligation, secured or unsecured, payable to or by this Fund, for as long a period or periods of time and on such terms as the Trustee shall determine, and to adjust, settle, compromise, and arbitrate claims or demands in favor of or against this Fund, including claims for taxes.
3. To hold any stocks, bonds, securities, and/or other property in the name of a nominee, in a street name, or by other title-holding device, without indication of trust.
4. To borrow money in such amounts and upon such terms as the Company may authorize in writing as necessary to carry out the purposes of this Fund, and to pledge any securities or other property for the repayment of any such loan as the Company may direct.

5. The Trustee may also exercise all the powers in the Colorado Fiduciaries' Power Act as amended after the date of this Agreement.

#### SECTION VIII

##### Taxes And Expenses

All taxes of any kind that may be assessed or levied against or in respect of the Fund, and all brokerage commissions incurred by the Fund, will be paid from the Fund. All taxes of any kind incurred by the Company due to the inclusion of Fund income on the Company's tax returns will be reimbursed to the Company from the Fund upon certification of the proper amount by the Company. All tax returns or information returns required by law will be timely prepared and filed with the proper taxing authority by the Trustee or at the Trustee's direction, and a copy of each return shall be provided by the Trustee to the Company within ten (10) days of the date of filing. All other expenses incurred by the Trustee in connection with the administration of this trust, including fees for legal services rendered to the Trustee in respect of the Fund, the compensation of the Trustee to the extent not paid directly by the Company, preparation of tax returns, and all other proper charges and disbursements of the Trustee will be paid from the Fund.

## SECTION IX

### Quarterly Valuation

Periodic reports shall be rendered by the Trustee to the Company showing all of the receipts, disbursements, expenses, and dispositions during the period and assets then held as the principal of the Fund, which reports shall be rendered quarterly, within thirty (30) days of the end of each calendar quarter. Any securities in the Fund will be valued at market value as of no more than thirty (30) days prior to the date of the statement.

## SECTION X

### Advice of Counsel

The Trustee may from time to time consult with counsel, who may be counsel to the Company, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee will be fully protected to the extent permitted by law in acting upon the advice of counsel.

## SECTION XI

### Trustee Compensation

The Trustee will be entitled to reasonable compensation for its services, as agreed upon in writing from time to time with the Company.

## SECTION XII

### Successor Trustee

Upon at least thirty (30) days written notice, the Trustee may resign or the Company may remove and replace the Trustee. In either event, or should the Trustee for any reason fail to qualify or cease to act as Trustee, the Company will appoint a successor trustee who will have the same powers and duties as those conferred upon the Trustee hereunder; provided, however, that the Company shall have no right or power to become a trustee and no provision of this Agreement shall be construed so as to create any right or power in the Company to so act as the trustee. Upon acceptance of the appointment by the successor trustee, the Trustee will assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund and provide such other documents and information as are needed by the successor to properly administrate the Fund. If for any reason the Company cannot or does not act in the event of the resignation of the Trustee, Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee and the date on which it will assume administration of the trust will be specified in writing and sent to the Company, and the present and successor Trustees by certified mail ten (10) days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section will be paid as provided in Section VIII.

### SECTION XIII

#### Instructions To The Trustee

All orders, requests, and instructions by the Company to the Trustee will be in writing, signed by proper officers of the Company. Trustee will be fully protected in acting without inquiry in accordance with the Company's orders, requests, and instructions. The Trustee will have no duty to act in the absence of such orders, requests, and instructions from the Company except as provided herein.

### SECTION XIV

#### Amendment of Agreement

This Agreement may be amended by the Company to the extent necessary or helpful to comply with regulations, rules, etc. issued by the Nuclear Regulatory Commission. However, no amendment may be made by the Company without the written consent of the Trustee if the amendment increases the responsibilities of the Trustee under this Agreement. Any amendment must be made in writing.

### SECTION XV

#### Irrevocability And Termination

Subject to the right of the parties to amend this Agreement as provided in Section XIV, this Agreement will be irrevocable and will continue until terminated by payment of decommissioning cost from the Fund as provided in Section IV hereof, or upon the

written agreement of the Company and the Trustee. Upon termination of the Fund, any remaining trust property in excess of decommissioning expenses contemplated by the terms of this Fund will revert to the Company or its successors.

#### SECTION XVI

##### Immunity And Indemnification

The Trustee will not incur liability of any nature in connection with any act or omission made in good faith in the administration of this trust, or in carrying out any direction by the Company issued in accordance with this Agreement. The Trustee will be indemnified and saved harmless by the Company or from the trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity.

#### SECTION XVII

##### Choice Of Law

This Agreement will be administered, construed and enforced according to the laws of the State of Colorado.

#### SECTION XVIII

##### Interpretation

As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The

descriptive headings for each section of this Agreement will not affect the interpretation or legal efficacy of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written.

PUBLIC SERVICE COMPANY OF  
COLORADO

By: [Signature]  
Title: Vice President

ATTEST:

[Signature]  
Secretary  
[SEAL]

FIRST INTERSTATE BANK OF DENVER

By: [Signature]  
Title: Vice President & Trust Officer

ATTEST:

[Signature]  
Title: Assistant Cashier  
[SEAL]

APPROVED  
FOR EXECUTION  
K, S & O  
BY WJK

STATE OF COLORADO )  
 ) ss.  
CITY & COUNTY OF DENVER )

The foregoing TRUST AGREEMENT was acknowledged before me this 11th day of July, 1989, by R. C. Kelly as Vice President and by James R. McCarter as Secretary of Public Service Company of Colorado.

Witness my hand and official seal.

My commission expires: September 26, 1992  
Yolanda Romero  
Notary Public

STATE OF COLORADO )  
 ) ss.  
CITY & COUNTY OF DENVER )

The foregoing TRUST AGREEMENT was acknowledged before me this 11th day of July, 1989, by Randall C. Reich as Vice President + Trust Officer and Engene C. Nettand as Assistant Cashier of First Interstate Bank of Denver.

Witness my hand and official seal.

My commission expires: 2/19/91  
Dorise Clark  
Notary Public



## TRUST AGREEMENT

THIS TRUST AGREEMENT, the ("Agreement"), entered into effective as of the 1st day of January, 1987, by and between PUBLIC SERVICE COMPANY OF COLORADO, a corporation organized and existing under the laws of the State of Colorado (the "Company"), and FIRST INTERSTATE BANK OF DENVER, a national banking association, (the "Trustee").

### WITNESSETH:

WHEREAS, pursuant to section 468A of the Internal Revenue Code of 1986 ("Code"), certain federal income tax benefits are available to the Company by creating and making contributions to qualified nuclear decommissioning reserve funds associated with the Company's ownership of Fort St. Vrain Nuclear Generating Station; and

WHEREAS, the Company wishes to establish a qualified nuclear decommissioning reserve fund to hold monies for decommissioning Fort St. Vrain Nuclear Generating Station; and

WHEREAS, the Company wishes to establish a Fund for the investment of the assets of the qualified nuclear decommissioning reserve funds for Fort St. Vrain Nuclear Generating Station; and

WHEREAS, the Company, acting through its duly authorized officers, has selected the Trustee to be the Trustee under this Agreement, and the Trustee is willing to act as Trustee.

NOW, THEREFORE, the Company and the Trustee agree as follows:

## SECTION I

### *Definitions As Used In This Agreement*

1. The term *Fiduciary* means any person who exercises any power of control, management, or disposition, or renders investment advice for a fee or other compensation, directly or indirectly, with respect to any monies or other property of this trust fund, or has any authority or responsibility to do so, or who has any authority or responsibility in the administration of this trust fund.
2. The term *Company* means Public Service Company of Colorado and any successors or assigns of the Company.
3. The term *Trustee* means the First Interstate Bank of Denver and any successor trustee.
4. "Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time.

## SECTION II

### *Identification Of Facility And Cost Estimates*

This Agreement pertains to the adjusted decommissioning cost estimates, or portions thereof, related to the Company's Fort St. Vrain Nuclear Generating Station for which financial assurance is demonstrated by this Agreement.

### SECTION III

#### *Establishment Of The Fund*

The Company and the Trustee hereby establish a trust fund (the "Fund") for the benefit of the decommissioning of the Company's Fort St. Vrain Nuclear Generating Station. The Company and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is to be established and funded as provided and described herein, which manner is acceptable to the Trustee. Such property and amounts as are to be deposited with the Trustee, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement, are referred to as the Fund. The Fund will be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee undertakes no responsibility for the amount or adequacy of, nor any duty to collect from the Company, any payments to discharge any liabilities of the Company established by any governmental authority.

### SECTION IV

#### *Payment For Decommissioning Cost*

The Trustee will make such payments from the Fund as the Company may direct in writing to provide for the payment of the decommissioning cost of the facility covered by this Agreement or the disposition of any balance remaining after the payment of such cost.

## SECTION V

### *Payments Comprising The Fund*

Payments made to the Trustee for the Fund will consist of funds in an amount equal to that portion of the depreciation allowance permitted in connection with Company's Fort St. Vrain Nuclear Generating Station that may be determined from time to time is necessary to provide for decommissioning costs, said amounts to be deposited monthly, this being the basis on which Company bills its customers.

## SECTION VI

### *Trustee Management*

Trustee will invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund. In investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Fund, the Trustee or any other Fiduciary will discharge his duties with respect to the trust fund solely in the interest of and for the benefit of this trust fund, and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Within the limitations of the foregoing standard and pursuant to the requirements of Section 468A of the Internal Revenue Code of 1986, the Trustee is authorized to sell, exchange, partition, or otherwise dispose of all or any part of the Fund at public or

private sale, without prior application to, or approval by, or order of any court, upon such terms and in such manner and at such prices as the Trustee shall determine; to modify, renew or extend bonds, notes or other obligations or any installment of principal thereof or any interest due thereon and to waive any defaults in the performance of the terms and conditions thereof; and to execute and deliver any and all bills of sale, assignments, bonds or other instruments in connection with these powers, all at such times, in such manner and upon such terms and conditions as the Trustee may deem expedient to accomplish the purposes of this Fund.

The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

#### SECTION VII

##### *Express Powers Of Trustee*

Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered as follows:

1. To retain, manage, invest and reinvest all or part of the Fund, including any undistributed income therefrom; provided, however, that no such investment or reinvestment of the Fund may be made by the Trustee unless such investment is permitted to be

made by Code sections 501(c)(21)(B)(ii) and 468A(e)(4)(C), the regulations thereunder, and any applicable successor provisions.

2. To renew or extend the time of payment of any obligation, secured or unsecured, payable to or by this Fund, for as long a period or periods of time and on such terms as the Trustee shall determine, and to adjust, settle, compromise, and arbitrate claims or demands in favor of or against this Fund, including claims for taxes.

3. To hold any stocks, bonds, securities, and/or other property in the name of a nominee, in a street name, or by other title-holding device, without indication of trust.

4. To borrow money in such amounts and upon such terms as the Company may authorize in writing as necessary to carry out the purposes of this Fund, and to pledge any securities or other property for the repayment of any such loan as the Company may direct.

5. The Trustee may also exercise all the powers in the Colorado Fiduciaries' Power Act as amended after the date of this Agreement.

### SECTION VIII

#### *Taxes and Expenses*

All taxes of any kind that may be assessed or levied against or in respect of the Fund, and all brokerage commissions incurred by the Fund, will be paid from the Fund. All taxes of any kind incurred by the Company due to inclusion of Fund income on the

Company's tax returns will be reimbursed to the Company from the Fund upon certification of the proper amount by the Company. All tax returns or information returns required pursuant to any taxes assessed or levied against or in respect of the Fund will be prepared by the Trustee or at the Trustee's direction. All other expenses incurred by the Trustee in connection with the administration of this trust, including fees for legal services rendered to the Trustee in respect of the Fund, the compensation of the Trustee to the extent not paid directly by the Company, preparation of tax returns, and all other proper charges and disbursements of the Trustee will be paid from the Fund.

#### SECTION IX

##### *Quarterly Valuation*

Periodic reports shall be rendered by the Trustee to the Company showing all of the receipts, disbursements, expenses, and dispositions during the period and assets then held as the principal of the Fund, which reports shall be rendered quarterly, within thirty (30) days of the end of each calendar quarter. Any securities in the Fund will be valued at market value as of no more than thirty (30) days prior to the date of the statement.

#### SECTION X

##### *Advice Of Counsel*

The Trustee may from time to time consult with counsel, who may be counsel to the Company, with respect to any questions

arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee will be fully protected to the extent permitted by law in acting upon the advice of counsel.

#### SECTION XI

##### *Trustee Compensation*

The Trustee will be entitled to reasonable compensation for its services, as agreed upon in writing from time to time with the Company.

#### SECTION XII

##### *Successor Trustee*

Upon the written agreement of the Company and the Trustee, the Trustee may resign or the Company may replace the Trustee. In either event, or should the Trustee for any reason fail to qualify or cease to act as Trustee, the Company will appoint a successor trustee who will have the same powers and duties as those conferred upon the Trustee hereunder; provided, however, that the Company shall have no right or power to become a trustee and no provision of this Agreement shall be construed so as to create any right or power in the Company to so act as the trustee. Upon acceptance of the appointment by the successor trustee, the Trustee will assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Company cannot or does not act in the event of the resignation of the Trustee, Trustee may apply to a court of competent jurisdiction for the appointment of a



successor trustee or for instructions. The successor trustee and the date on which it will assume administration of the trust will be specified in writing and sent to the Company, and the present and successor Trustees by certified mail ten (10) days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section will be paid as provided in Section VIII.

#### SECTION XIII

##### *Instructions To The Trustee*

All orders, requests, and instructions by the Company to the Trustee will be in writing, signed by proper officers of the Company and, if appropriate, accompanied by relevant orders of governmental authority. Trustee will be fully protected in acting without inquiry in accordance with the Company's orders, requests, and instructions. The Trustee will have no duty to act in the absence of such orders, requests, and instructions from the Company except as provided herein.

#### SECTION XIV

##### *Amendment Of Agreement*

This Agreement may be amended only by an instrument in writing, executed by the Company and Trustee.

#### SECTION XV

##### *Irrevocability And Termination*

Subject to the right of the parties to amend this Agreement as provided in Section XIV, this Agreement will be irrevocable

and will continue until terminated by payment of decommissioning cost from the Fund as provided in Section IV hereof, which event is contemplated to occur approximately thirty (30) years from date hereof, or upon the written agreement of the Company and the Trustee. Upon termination of the Fund, any remaining trust property in excess of decommissioning expenses contemplated by the terms of this Fund will revert to the Company subject to the order of appropriate governmental authority; and final closing of this trust account shall be subject to written approval from the appropriate governmental authority, if any.

#### SECTION XVI

##### *Immunity And Indemnification*

The Trustee will not incur liability of any nature in connection with any act or omission made in good faith in the administration of this trust, or in carrying out any direction by the Company issued in accordance with this Agreement. The Trustee will be indemnified and saved harmless by the Company or from the trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity.

#### SECTION XVII

##### *Choice Of Law*

This Agreement will be administered, construed and enforced according to the laws of the State of Colorado.

SECTION XVIII

As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement will not affect the interpretation or legal efficacy of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written.

PUBLIC SERVICE COMPANY OF COLORADO

By: *Richard C. Kelly*  
Title: VICE PRESIDENT

ATTEST:

*James H. Wether*  
Secretary  
[SEAL]

FIRST INTERSTATE BANK OF DENVER

By: *Randall C. Rink*  
Title: VICE PRESIDENT AND TRUST OFFICER

ATTEST:

*Eugene H. [Signature]*  
Secretary      Assistant Cashier  
[SEAL]

APPROVED  
OR EXECUTION  
K, S & O  
BY T. FOX 4-4-88

STATE OF COLORADO )  
 ) ss.  
CITY & COUNTY OF DENVER )

The foregoing TRUST AGREEMENT was acknowledged before me this 5<sup>th</sup> day of April, 1988, by Richard C. Kelly as Vice President and by James R. McCotter as Secretary of Public Service Company of Colorado.

Witness my hand and official seal.

My Commission Expires: 9-20-88

Dawn Swanson  
Notary Public

STATE OF COLORADO )  
 ) ss.  
CITY & COUNTY OF DENVER )

The foregoing TRUST AGREEMENT was acknowledged before me this 6<sup>th</sup> day of April, 1988, by Randall C. Rich as Vice President & Trust Officer and George C. Hottel as Assistant Cashier of First Interstate Bank of Denver.

Witness my hand and official seal.

My Commission Expires: 2/19/91

Della Hottel  
Notary Public

TRUST AGREEMENT

THIS TRUST AGREEMENT, the ("Agreement"), entered into this FIRST day of MAY, 1981, by and between PUBLIC SERVICE COMPANY OF COLORADO, a corporation organized and existing under the laws of the State of Colorado ("Grantor"), and THE AMERICAN NATIONAL BANK OF DENVER, a national banking association, the ("Trustee").

W I T N E S S E T H:

WHEREAS, The Public Utilities Commission of the State of Colorado ("PUC"), an agency of the State of Colorado, is authorized and empowered to establish certain rules, orders, and regulations applicable to the Grantor; and

WHEREAS, to provide assurance that funds will be available when needed for decommissioning Grantor's Fort St. Vrain Nuclear Generating Station (decommissioning cost), the PUC did order in Decision No. C90-2346, issued December 12, 1980, that the Grantor, commencing with the first calendar quarter of 1981, subsequent to the effective date of the PUC's Decision and Order, deposit with an independent trustee on or before the end of the month subsequent to the end of each calendar quarter a stated amount of money to establish a decommissioning fund; and that said independent trustee be responsible for the investment of the amount so deposited and render reports to Grantor on the status of said fund no less frequently than annually; and, further, that the release and disposition of the amount so deposited with the independent trustee is to be subject to further order by the PUC; and

WHEREAS, Grantor has challenged the validity of this Order but desires to act in accordance with its terms unless and until it is invalidated by a court having jurisdiction, and therefore has agreed to establish a trust to provide for the decommissioning cost of the facilities identified herein; and

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the Trustee under this Agreement, and the Trustee is willing to act as Trustee.

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

#### SECTION I

##### Definitions As Used In This Agreement

1. The term Fiduciary means any person who exercises any power of control, management, or disposition, or renders investment advice for a fee or other compensation, directly or indirectly, with respect to any monies or other property of this trust fund, or has any authority or responsibility to do so, or who has any authority or responsibility in the administration of this trust fund.
2. The term Grantor means Public Service Company of Colorado and any successors or assigns of the Grantor.
3. The term Trustee means The American National Bank of Denver and any successor trustee.

#### SECTION II

##### Identification Of Facility And Cost Estimates

This Agreement pertains to the adjusted decommissioning cost estimates, or portions thereof, related to the Grantor's Fort St. Vrain Nuclear Generating Station for which financial assurance is demonstrated by this Agreement.

#### SECTION III

##### Establishment Of The Fund

The Grantor and the Trustee hereby establish a trust fund (the "Fund") for the benefit of the decommissioning of the Grantor's Fort St. Vrain Nuclear Generating Station. The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is to be established and funded as provided and described herein, which manner is acceptable to the Trustee. Such property and amounts as are to be deposited with the Trustee, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement, are referred to as the Fund.

The fund will be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee undertakes no responsibility for the amount or adequacy of, nor any duty to collect from the Grantor, any payments to discharge any liabilities of the Grantor established by the PUC.

#### SECTION IV

##### Payment For Decommissioning Cost

The Trustee will make such payments from the Fund as the Grantor, acting pursuant to order of the PUC, may direct in writing to provide for the payment of the decommissioning cost of the facility covered by this Agreement or the disposition of any balance remaining after the payment of such cost.

#### SECTION V

##### Payments Comprising The Fund

Payments made to the Trustee for the Fund will consist of funds in an amount equal to that portion of the depreciation allowance permitted in connection with Grantor's Fort St. Vrain Nuclear Generating Station that the PUC may determine from time to time is necessary to provide for decommissioning costs, said amounts to be deposited monthly, this being the basis on which Grantor bills its customers.

#### SECTION VI

##### Trustee Management

Trustee will invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income. In investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Fund, the Trustee or any other Fiduciary will discharge his duties with respect to the trust fund solely in the interest of and for the benefit of this trust fund, and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of

a like character and with like aims. Within the limitations of the foregoing standard, the Trustee is authorized to acquire every kind of property, real, personal or mixed, and to make every type of investment, specifically including, but not limited to, common trust funds administered by the Trustee, tax exempt obligations, money market funds, certificates of deposit, corporate obligations and securities of every kind, preferred or common stocks, and interests in investment trusts and mutual funds that men of prudence, discretion and intelligence would use in the conduct of an enterprise of a like character, except that:

1. Securities or any obligations of the Grantor, or any successor to the Grantor, or any of their affiliates, will not be acquired or held.

2. The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or State Government.

3. The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

#### SECTION VII

##### Express Powers Of Trustee

Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered as follows:

1. To hold, retain, invest, reinvest, and manage without diversification as to kind, amount or risk of nonproductivity in realty or personalty, and without limitation by statute or rule of law; partition, sell, exchange, grant, convey, deliver, assign, transfer, lease, option, mortgage, pledge, abandon, borrow, loan, contract, distribute in cash or kind or partly in each at fair market value on the date of distribution and without requiring pro rata distribution of specific assets, and without requiring pro rata allocation of the tax bases of such assets; hold in nominee form, continue businesses, carry out agree-



ments, deal with itself, other fiduciaries and business organizations in which the Trustee may have an interest, establish reserves, release powers, and abandon, settle, contest, compromise, or otherwise adjust all claims in favor of or against the Fund.

2. The Trustee may also exercise all the powers in the Colorado Fiduciaries' Powers Act as amended after the date of this Agreement.

#### SECTION VIII

##### Taxes And Expenses

All taxes of any kind that may be assessed or levied against or in respect of the Fund, and all brokerage commissions incurred by the Fund, will be paid from the Fund. All taxes of any kind incurred by the Grantor due to inclusion of Fund income on the Grantor's tax returns will be reimbursed to the Grantor from the Fund upon certification of the proper amount by the Grantor. All tax returns or information returns required pursuant to any taxes assessed or levied against or in respect of the Fund will be prepared by the Trustee or at the Trustee's direction. All other expenses incurred by the Trustee in connection with the administration of this trust, including fees for legal services rendered to the Trustee in respect of the Fund, the compensation of the Trustee to the extent not paid directly by the Grantor, preparation of tax returns, and all other proper charges and disbursements of the Trustee will be paid from the Fund.

#### SECTION IX

##### Quarterly Valuation

Periodic reports shall be rendered by the Trustee to the Grantor showing all of the receipts, disbursements, expenses, and dispositions during the period and assets then held as the principal of the Fund, which reports shall be rendered quarterly, within thirty (30) days of the end of each calendar quarter. Any securities in the Fund will be valued at market value as of no more than thirty (30) days prior to the date of the statement.

SECTION X

Advice Of Counsel

The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any questions arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee will be fully protected to the extent permitted by law in acting upon the advice of counsel.

SECTION XI

Trustee Compensation

The Trustee will be entitled to reasonable compensation for its services, as agreed upon in writing from time to time with the Grantor.

SECTION XII

Successor Trustee

Upon the written agreement of the Grantor, the Trustee, and the PUC, the Trustee may resign or the Grantor may replace the Trustee. In either event, or should the Trustee for any reason fail to qualify or cease to act as Trustee, the Grantor with the approval of the PUC will appoint a successor trustee who will have the same powers and duties as those conferred upon the Trustee hereunder; provided, however, that the Grantor shall have no right or power to become a trustee and no provision of this Agreement shall be construed so as to create any right or power in the Grantor to so act as the trustee. Upon acceptance of the appointment by the successor trustee, the Trustee will assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee and the date on which it will assume administration of the trust will be specified in writing and sent to the Grantor, PUC, and the present and successor

Trustees by certified mail ten (10) days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section will be paid as provided in Section VIII.

#### SECTION XIII

##### Instructions To The Trustee

All orders, requests, and instructions by the Grantor to the Trustee will be in writing, signed by proper officers of the Grantor and, if appropriate, accompanied by relevant orders of the PUC. Trustee will be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. The Trustee will have no duty to act in the absence of such orders, requests, and instructions from the Grantor except as provided herein.

#### SECTION XIV

##### Amendment Of Agreement

This Agreement may be amended only by an instrument in writing, executed by the Grantor, Trustee and approved by the PUC.

#### SECTION XV

##### Irrevocability And Termination

Subject to the right of the parties to amend this Agreement as provided in Section XIV, this Agreement will be irrevocable and will continue until terminated by payment of decommissioning cost from the Fund as provided in Section IV hereof, which event is contemplated to occur approximately thirty (30) years from date hereof, or upon the written agreement of the Grantor, the Trustees and the PUC, or upon the written order of the PUC. Upon termination of the Fund, any remaining trust property in excess of decommissioning expenses contemplated by the terms of this Fund will revert to the Grantor subject to the order of the PUC; and final closing of this trust account shall be subject to written approval from the PUC.

SECTION XVI

Immunity And Indemnification

The Trustee will not incur personal liability of any nature in connection with any act or omission made in good faith in the administration of this trust, or in carrying out any direction by the Grantor issued in accordance with this Agreement. The Trustee will be indemnified and saved harmless by the Grantor or from the trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity.

SECTION XVII

Choice Of Law

This Agreement will be administered, construed and enforced according to the laws of the State of Colorado.

SECTION XVIII

Interpretation

As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement will not affect the interpretation or legal efficacy of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written.

PUBLIC SERVICE COMPANY OF COLORADO

By: *John Summers*  
Title: *Vice President*

ATTEST:

*A. W. Hogg*  
Secretary

(SEAL)

BY [Signature]  
Title: Notary Public

(SEAL)

STATE OF COLORADO )  
CITY AND COUNTY OF DENVER ) ss.

The foregoing TRUST AGREEMENT was acknowledged before me this  
FIRST day of MAY, 1981, by J. N. DUMPHIS  
and D. D. HOCK as the Grantor, and G. MICHAEL  
PHILLIPS and \_\_\_\_\_ as the Trustee.

Witness my hand and official seal.

My Commission Expires: 6-30-82

[Signature]  
Notary Public