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Public Service
Company of Colorado

February 11, 1992
Fort St. Vrain
Unit No. 1
P-92063

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

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

Docket No. 50-267

**SUBJECT: FORT ST. VRAIN DECOMMISSIONING COST ESTIMATE -
CORRECTION TO EQUIPMENT RATE SCHEDULE**

- REFERENCES: (1) PSC letter, Crawford to Weiss, dated June 6, 1991
(P-91198)
(2) Telecon, W. Hug (MKF) to P. Erickson, L. Pittiglio
(NRC), of January 17, 1992
(3) PSC letter, Crawford to Weiss, dated November 15, 1991
(P-91392)

Dear Dr. Weiss:

During the weekly conference call between the NRC and Public Service Company of Colorado (PSC) on January 9, 1992, an inconsistency was noted in the equipment rental rates provided in Table 3.1-3 of the Fort St. Vrain Decommissioning Cost Estimate (Ref. 1). A subsequent conference call was held (Ref. 2) to discuss this table and its application in the individual Work Breakdown Structure (WBS) cost estimates provided in Reference 1.

During this subsequent call, the NRC stated that the equipment rental cost values presented in Table 3.1-3 of Reference 1 appeared to be low and could not be

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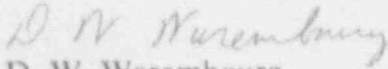
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correlated to the values presented in the cost estimates for individual WBS elements of Reference 1. MKF confirmed that the rental rates presented in Table 3.1-3 were low, and that these rates had been based upon ownership or depreciation. During preparation of the cost estimate for submittal to the NRC, MKF neglected to make the Equipment Adjustment to correct the equipment rental rates. The net effect of this error is that the Reference 1 Cost Estimate is understated on "Equipment" in the individual WBS element cost estimates by a total of approximately \$600,000.

Therefore, the purpose of this letter is to acknowledge this error and to indicate that it will be absorbed within the available project contingency funds. The "Total Direct Costs" and "Support Costs" identified in Figure 1.3-1 of Reference 1 should be increased by a total of \$600,000, and the total available "Contingency" should be reduced by an equal amount. However, it is important to note that the overall "net" cost of decommissioning as presented in Reference 1 remains unchanged and the total estimated decommissioning cost of \$157,472,000 identified in Reference 3 also remains unchanged.

If you have any questions related to the contents of this letter, please contact Mr. M. H. Holmes at (303) 620-1701.

Sincerely yours,


D. W. Warembourg
Manager, Nuclear Operations

DWW:CRB/cb

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cc: Regional Administrator, Region IV

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

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