

THE BANK OF NEW YORK

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

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

December 4, 1992

50-267

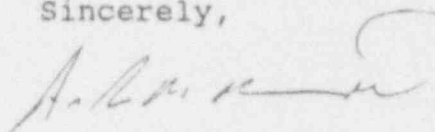
Mr. Peter B. Erickson
Non-Power Reactors and Decommissioning
Project Directories
Division of Operations Reactor Support
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Re: **Public Service Company of Colorado
Irrevocable Letter of Credit**

Dear Mr. Erickson:

I enclose herein our irrevocable Letter of Credit Facility issued on behalf of Public Service Company of Colorado and for the benefit of The United States Nuclear Regulatory Commission. This Letter of Credit has been executed on this date by The Bank of New York.

Sincerely,



Andrew M. Merrill
Vice President

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11/11



LETTER OF CREDIT DEPARTMENT
CHURCH ST. STATION
P.O. BOX 11238
NEW YORK, N.Y. 10286-1238

THE BANK OF NEW YORK
IRREVOCABLE LETTER OF CREDIT

Letter of Credit No. 500028181

December 4, 1992

Amount: \$125,000,000

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 \$125,000,000 (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.

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. 500028181" accompanied by your written certificate purportedly

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LETTER OF CREDIT DEPARTMENT
CHURCH ST. STATION
P.O. BOX 11238
NEW YORK, N.Y. 10286-1238

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 December 4, 1992 and shall expire on December 4, 1996 unless its expiration is extended in accordance with the Credit Agreement dated as of November 26, 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, tested 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.

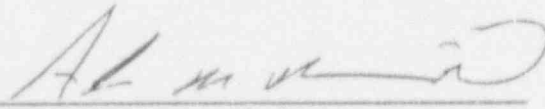
THE
BANK OF
NEW
YORK

LETTER OF CREDIT DEPARTMENT
CHURCH ST. STATION
P.O. BOX 11238
NEW YORK, N.Y. 10286-1238

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: ANDREW M. HERRICK

Title: VICE PRESIDENT



LETTER OF CREDIT DEPARTMENT
CHURCH ST. STATION
P.O. BOX 11238
NEW YORK N.Y. 10286-1238

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:

THE
BANK OF
NEW
YORK

LETTER OF CREDIT DEPARTMENT
CHURCH ST. STATION
P. O. BOX 11238
NEW YORK, N. Y. 10285-1238

PUBLIC SERVICE COMPANY OF COLORADO

By _____
Name:
Title:



LETTER OF CREDIT DEPARTMENT
CHURCH ST. STATION
P.O. BOX 11238
NEW YORK, N.Y. 10286-1238

EXHIBIT B TO LETTER OF CREDIT

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).

THE
BANK OF
NEW
YORK

LETTER OF CREDIT DEPARTMENT
CHURCH ST. STATION
P.O. BOX 11238
NEW YORK, N.Y. 10286-1238

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:



LETTER OF CREDIT DEPARTMENT
CHURCH ST. STATION
P.O. BOX 11238
NEW YORK, N.Y. 10286-1238

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: