

Public Service
Company of Colorado

Public Service
2420 W. 26th Avenue, Suite 100D, Denver, Colorado 80211

June 30, 1989
Fort St. Vrain
Unit No. 1
P-89228

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

Docket No. 50-267

SUBJECT: FORT ST. VRAIN PRELIMINARY
DECOMMISSIONING PLAN

REFERENCES: (See attached)

Gentlemen:

Public Service of Colorado (PSC) previously notified the NRC of its intent to terminate operations at Fort St. Vrain Nuclear Generating Station (Ref. 1) not later than June 30, 1990. At that time, PSC also informed the NRC that PSC intended to submit the Preliminary Decommissioning Plan to be responsive to the NRC's Decommissioning Final Rule. At the NRC's request, a license amendment has been submitted to amend the Facility Operating License to include a license condition on early shutdown, such that PSC will not be authorized to operate the reactor above 2 percent of full power for electric power production after June 30, 1990 (Ref. 2).

The Decommissioning Final Rule, issued June 27, 1988, and effective July 27, 1988, required licensees to submit the following plans related to decommissioning planning for nuclear facilities:

- (1) Financial plan, to be submitted prior to July 26, 1990. (10 CFR 50.33(k)(2) and 50.75(b))
- (2) Preliminary decommissioning plan, to be submitted at or about five years prior to the projected end of operation. (10 CFR 50.75(f))
- (3) Proposed decommissioning plan, to be submitted within two years following permanent cessation of operations, and in no case later than one year prior to expiration of the operating license. (10 CFR 50.82(a))

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In response to commitments in Reference 1, PSC is submitting the attached Preliminary Decommissioning Plan for the Fort St. Vrain Nuclear Generating Station. Fort St. Vrain is within the identified time frame of 5 years prior to its announced end of operations date of June 30, 1990. As part of the Preliminary Decommissioning Plan, PSC is also submitting the Financial Plan in accordance with 10 CFR 50.33(k)(2). This Financial Plan is contained in Section 6 of the Preliminary Decommissioning Plan.

In view of the premature decommissioning of Fort St. Vrain, a meeting was conducted on May 17, 1989, between representatives of PSC and the NRC to discuss the proposed decommissioning funding methodology for Fort St. Vrain. Results of this meeting are summarized in References 3 and 4. As a result of this meeting, PSC intends, in addition to filing the Preliminary Decommissioning Plan and Financial Plan, to pursue the following course of action:

- (1) Given that 10 CFR 50.75(c) concerning minimum certified funding for decommissioning does not address HTGR's and that PSC has utilized a site-specific cost estimate to establish decommissioning costs, no exemption request will be submitted in this area.
- (2) PSC will submit an exemption request in accordance with 10 CFR 50.12 for the funding schedule to accrue the necessary funds for decommissioning; this exemption request will be submitted by July 30, 1989.

As discussed in Reference 4, PSC understands that no other exemptions regarding decommissioning planning for Fort St. Vrain are necessary.

Additionally, in Reference 4, the NRC requested that PSC provide additional details on the funding of defueling costs. PSC has identified defueling costs and the plan to fund these costs. The Preliminary Decommissioning Plan provides a brief description (Section 6.4) for funding defueling activities. These defueling costs are considered plant operations and maintenance expenses, and are specifically excluded from the Decommissioning Final Rule.

PSC currently intends to use an appropriate combination of financial methods to fund these defueling activities. As such, no decision will be made on the express method (cash, debt or equity) to be used to finance these costs. Such a decision will be dependent on appropriate financial considerations at the time of funding needs. It is PSC's opinion that it would be inappropriate to establish an explicit funding methodology for defueling at this time.

PSC hereby requests that arrangements be made for a meeting with the appropriate NRC Staff members in the mid to latter part of July time frame to discuss the Preliminary Decommissioning Plan, any issues

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identified in your preliminary review and PSC's plans for the proposed exemption request. PSC will be contacting the NRC Project Manager shortly to finalize the necessary arrangements.

If you have any questions or desire clarification of any subject contained in the Preliminary Decommissioning Plan, please contact Mr. M.H. Holmes at (303) 480-6960.

Very truly yours,



A. Clegg Crawford, Vice President
Nuclear Operations

DWW:CRB/cb

cc: Regional Administrator, Region IV
ATTN: Mr. T.F. Westerman, Chief
Projects Section B

Mr. Robert Farrell
Senior Resident Inspector
Fort St. Vrain

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REFERENCES

- (1) PSC Letter, Williams to Document Control Desk, Dated December 5, 1988 (P-88422)
- (2) PSC Letter, Crawford to Hebdon, dated June 9, 1989 (P-89216)
- (3) NPC Memorandum, Heitner to Hebdon, dated May 31, 1989 (G-89206)
- (4) PSC Letter, Warembourg to Hebdon, dated June 29, 1989 (P-89229)

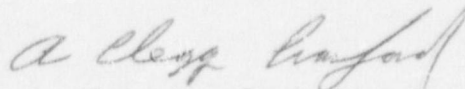
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Projects Section B

Mr. Robert Farrell
Senior Resident Inspector
Fort St. Vrain

Licensing IDV:

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| PDP Cover Letter: | <u>Thomas E. Stultzel</u> | Date: <u>6/30/89</u> |
| PDP Section 1: | <u>Thomas E. Stultzel</u> | Date: <u>6/30/89</u> |
| PDP Section 2: | <u>B. K. Dyck</u> | Date: <u>6/30/89</u> |
| PDP Section 3: | <u>Thomas E. Stultzel</u> | Date: <u>6/30/89</u> |
| PDP Section 4: | <u>B. K. Dyck</u> | Date: <u>6/30/89</u> |
| PDP Section 5: | <u>B. K. Dyck</u> | Date: <u>6/30/89</u> |
| PDP Section 6: | <u>Thomas E. Stultzel</u> | Date: <u>6/30/89</u> |