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**Deloitte Touche  
Tomatsu**

**OMAHA PUBLIC POWER DISTRICT  
FORT CALHOUN STATION  
DECOMMISSIONING EXTERNAL  
TRUST FUND**

**Financial Statements as of and for the  
Years Ended June 30, 1999 and 1998  
and Independent Auditors' Report**

# OMAHA PUBLIC POWER DISTRICT FORT CALHOUN STATION DECOMMISSIONING EXTERNAL TRUST FUND

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**INDEPENDENT AUDITORS' REPORT**

Omaha Public Power District Fort Calhoun Station  
Decommissioning External Trust Fund

We have audited the accompanying statements of net assets available for decommissioning costs of the Omaha Public Power District Fort Calhoun Station Decommissioning External Trust Fund (the "Fund") as of June 30, 1999 and 1998 and the related statements of changes in net assets available for decommissioning costs for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for decommissioning costs of the Omaha Public Power District Fort Calhoun Station Decommissioning External Trust Fund as of June 30, 1999 and 1998 and the changes in net assets available for decommissioning costs for the years then ended in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information on page 6 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of the Fund's management. Such information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as whole.

*Deloitte & Touche LLP*

September 8, 1999

**OMAHA PUBLIC POWER DISTRICT FORT CALHOUN STATION  
DECOMMISSIONING EXTERNAL TRUST FUND**

**STATEMENTS OF NET ASSETS AVAILABLE FOR DECOMMISSIONING COSTS  
JUNE 30, 1999 AND 1998**

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| <b>ASSETS</b>   | <b>June 30,</b>              |                              |
|---|------------------------------|------------------------------|
|   | <b>1999</b>                  | <b>1998</b>                  |
| Investments (Note 2)                                      | \$ 126,509,132               | \$ 112,961,085               |
| Accrued interest receivable                               | <u>736,477</u>               | <u>1,262,302</u>             |
| <b>NET ASSETS AVAILABLE FOR DECOMMISSIONING<br/>COSTS</b> | <b><u>\$ 127,245,609</u></b> | <b><u>\$ 114,223,387</u></b> |

See notes to financial statements.

**OMAHA PUBLIC POWER DISTRICT FORT CALHOUN STATION  
DECOMMISSIONING EXTERNAL TRUST FUND**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR  
DECOMMISSIONING COSTS  
YEARS ENDED JUNE 30, 1999 AND 1998**

|  | <u>Year Ended June 30,</u> |                       |
|--|----------------------------|-----------------------|
|  | <u>1999</u>                | <u>1998</u>           |
| REVENUES:  |                            |                       |
| Investment income  | \$ 7,516,003               | \$ 6,843,710          |
| Annual contribution  | 8,490,200                  | 8,243,700             |
| Change in fair value   | (2,983,981)                | 521,482               |
| EXPENDITURES (Note 3)  | <u>-</u>                   | <u>-</u>              |
| EXCESS OF REVENUES OVER EXPENDITURES                                   | 13,022,222                 | 15,608,892            |
| NET ASSETS AVAILABLE FOR DECOMMISSIONING<br>COSTS, BEGINNING OF PERIOD | <u>114,223,387</u>         | <u>98,614,495</u>     |
| NET ASSETS AVAILABLE FOR DECOMMISSIONING<br>COSTS, END OF PERIOD       | <u>\$ 127,245,609</u>      | <u>\$ 114,223,387</u> |

See notes to financial statements.

# OMAHA PUBLIC POWER DISTRICT FORT CALHOUN STATION DECOMMISSIONING EXTERNAL TRUST FUND

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 1999 AND 1998

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization of Fund** - The Fort Calhoun Station Decommissioning External Trust Fund (the "Fund") was established in accordance with Nuclear Regulatory Commission (NRC) regulations, for the purpose of discharging the Omaha Public Power District's (the "District") obligation to decommission, as defined by the NRC, its Fort Calhoun Nuclear Power Station. For 1990 and subsequent years, the District's Board of Directors approved the collection of nuclear decommissioning costs based upon the NRC's external minimum funding requirements. The NRC's requirements are based on a generic estimate of the cost to decommission radioactive portions of a nuclear unit based on the size and type of reactor.

Beginning in 1993, the District commenced funding on the basis of new decommissioning estimates which resulted from a 1992 independent engineering study and which exceed NRC external minimum funding requirements. The resultant Fort Calhoun Station Decommissioning Supplemental External Trust Fund (the "1992 Fund") was established to retain funds in excess of the NRC's minimum funding requirements (not included herein). Also during 1993, the NRC granted a five-year extension of the Fort Calhoun Station's operating license. The license, which was scheduled to expire in 2008, is now scheduled to expire in 2013.

The total decommissioning cost estimate for the Fort Calhoun Station is \$363,953,000 in 1999 dollars of which the NRC minimum decommissioning amount is \$214,945,000 in 1999 dollars. The District will periodically review and adjust, if necessary, the funding level for changes in the estimated costs of decommissioning the plant.

**Fair Value of Financial Instruments** - The Fund reports investments at fair value in accordance with Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

**Investment Income** - Investment income is recorded, as earned, on an accrual basis.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. INVESTMENTS

The Fund's investments are held by the Fund's trustee, the First National Bank of Omaha, in the Fund's name in accordance with the Trust requirements. The investments are accounted for at their fair value. Estimated fair value was determined by quoted market prices or dealer quotes.

Investments at June 30, 1999 and 1998 consist of the following:

|                            | 1999                  | 1998                  |
|----------------------------|-----------------------|-----------------------|
| U.S. Government securities | \$ 77,306,376         | \$ 112,687,049        |
| Mutual funds               | 49,147,086            | -                     |
| Other securities           | <u>55,670</u>         | <u>274,036</u>        |
|                            | <u>\$ 126,509,132</u> | <u>\$ 112,961,085</u> |

3. EXPENDITURES ON BEHALF OF THE FUND

Trustee fees of \$17,300 and \$14,600 were paid on behalf of the Fund by the Omaha Public Power District for the years ended June 30, 1999 and 1998, respectively.



**CERTIFICATION OF PAYMENTS FROM THE FUND  
PURSUANT TO SECTIONS 5 AND 6 OF THE FORT CALHOUN  
STATION UNIT NO. 1 DECOMMISSIONING FUNDING PLAN**

**YEARS ENDED JUNE 30, 1999 AND 1998**

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Not Applicable - No such payments were made during the years ended June 30, 1999 and 1998.