



## **FAQs – Fort Calhoun Station Decommissioning**

**Updated June 16, 2016**

### *Background, rationale*

#### **(1) Q: What's being announced?**

A: Today, OPPD's board of directors voted to cease operations at Fort Calhoun Station by December 31, 2016. The board also voted to use the SAFSTOR decommissioning method. The vote is based on the recommendation senior management presented to the board in May regarding resource planning.

#### **(2) Q: Why was SAFSTOR selected?**

A: OPPD recommended the SAFSTOR method to the board after a thorough analysis of a variety of potential impacts including safety, regulatory and financial. SAFSTOR will afford OPPD the greatest regulatory and financial flexibility.

### *Employee impact*

#### **(3) Q: What does this mean for employees working at FCS?**

A: FCS employees will learn more about their respective transition plans over the coming months as a decommissioning organization is formed and as union negotiations are completed. Once completed, a clearer picture of transition plans will be available.

We are committed to communicating new information with employees as decisions are made.

### *Decommissioning process*

#### **(4) Q: What is SAFSTOR and what happens during the decommissioning process?**

A: SAFSTOR is one of the three decommissioning methodologies outlined by the Nuclear Regulatory Commission (NRC) and will afford OPPD the greatest financial and regulatory flexibility in decommissioning. Of the nuclear plants who have ceased operations after 2000, SAFSTOR was the most frequently selected decommissioning methodology.

SAFSTOR stands for "SAFe STORage." This is a deferred dismantling strategy where, after a plant comes offline, residual radioactivity is allowed to naturally decay. This process is allowed to take up to 60 years to complete the plant dismantlement. The NRC also allows licensees to complete SAFSTOR in a briefer period of time. As OPPD moves through the decommissioning process, it will continue to evaluate the appropriate duration for SAFSTOR.

At the end of a nuclear power plant's life, the ultimate decommissioning goal is to ensure the continued safety of the public, the health of the workforce and the preservation of the environment. This is done through comprehensive planning, conscious execution and robust, independent oversight, no matter the decommissioning method.

More information about the process can be found on [The Wire](#) or [nrc.gov](http://nrc.gov).

**(5) Q: What will happen to the FCS facility, land and structures?**

A: The future of the FCS facility and surrounding property is still being evaluated.

**(6) Q: How much will decommissioning cost? Does OPPD have enough in the decommissioning fund?**

A: The cost to decommission FCS is estimated at approximately \$1.2 billion. As of the end of May 2016, OPPD has a combined total of approximately \$388 million in decommissioning funds, which includes both the NRC mandated fund and a supplemental fund. OPPD was pacing toward full funding for a 2033 decommissioning date.

To cover the difference, OPPD plans to set aside additional funds annually until decommissioning costs are fully funded. OPPD does not anticipate any general rate increases through 2021.

**(7) Q: How is the decommissioning fund funded?**

A: All nuclear power plants must set aside funds to prepare for the eventual decommissioning of the plant, which cannot be used for any other purpose.

The OPPD decommissioning fund is comprised of two components:

- 1) A NRC mandated fund, which OPPD had fully funded for an end of license decommissioning. This mandated cost estimate is based on a NRC formula that accounts for reactor type and power level (source: [10 CFR 50.75](#)) and
- 2) An optional supplemental fund not governed by the NRC. OPPD plans to set aside additional supplemental funds to cover the estimated decommissioning costs.

**(8) Q: Have other facilities been decommissioned?**

A: Yes. Currently, more than 10 U.S. reactors are in a phase of SAFSTOR, including Crystal River, Vermont Yankee, and Kewaunee, among others.

*Rates and reliability impact*

**(9) Q: What impact will this have on rates?**

A: With the passage of this vote, OPPD anticipates no general rate increases through 2021.

**(10) Q: Will any decommissioning costs be passed on to customer-owners?**

A: We will continue to collect, using our existing rates, the additional estimated decommissioning costs.

**(11) Q: What happens after 2021? Will customer-owners see a big rate increase then?**

A: OPPD can best forecast potential costs in 4-5 year increments. As we approach 2021, we will continue to evaluate our financial outlook based on current market forces and would adjust our plans accordingly. Customer-owners have told us they want competitive rates, and we remain committed to Strategic Directive 2 (SD-2), which focuses on being 20% below the regional average.

*Safety and environmental impact*

**(12) Q: Will the decommissioning process be safe?**

A: Yes. The decommissioning process will be safe. The safety of our customers and employees is always our number one priority. The Nuclear Regulatory Commission (NRC) will continue to regulate the plant to ensure that safety remains foremost in all activities.

Once the reactor is shut down, the focus will be on fuel handling and storage. Health and environmental risks would be the same as when the plant is shut down to perform a routine refueling outage.