

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1099

H. P. 928

House of Representatives, March 3, 1981

Referred to the Committee on Public Utilities. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Davies of Orono.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Create a Fund to Pay for the Eventual Decommissioning of Any Nuclear Power Plant.

Be it enacted by the People of the State of Maine, as follows:

35 MRSA c. 269, sub-c. II is enacted to read:

SUBCHAPTER II

DECOMMISSIONING

§ 3341. Decommissioning Fund

There is established a tax-exempt Decommissioning Fund, in this subchapter called the "fund," to be administered by the Treasurer of State in the manner prescribed for sinking funds in Title 5, section 142. All funds authorized by the Public Utilities Commission and collected by electric utilities in intrastate sales from ratepayers shall be deposited in the fund. All funds authorized by the Federal Energy Regulatory Commission and collected by electric generators on interstate sales of electric power shall also be deposited in the fund.

§ 3342. Size of fund

The Public Utilities Commission shall, by rule, at the time of initial startup, or as soon as possible afterwards, establish the cost of decommissioning of any nuclear power plant located in the State, and shall establish annual payments as

necessary to meet that cost at the time of expiration of the operating license. The cost of decommissioning shall be based upon the method of prompt removal and dismantling unless the Public Utilities Commission finds that another method provides superior protection for the public health and safety. The cost of decommissioning shall be reviewed by the commission every 5 years, and the size of the annual payments adjusted accordingly.

§ 3343. Contributions to the fund

1. From intrastate sales. The Public Utilities Commission shall include, in calculation of authorized rates for electric utilities, an appropriate share of the cost of decommissioning as an allowable operating expense. Funds collected from ratepayers under this provision shall be immediately segregated from the utility's assets and deposited in the Decommissioning Fund.

2. From interstate sales. The Public Utilities Commission shall intervene before the Federal Energy Regulatory Commission to have an appropriate share of decommissioning costs included as an allowable operating expense in calculation of the authorized rates for interstate sale of power from any nuclear power plant located in the State.

§ 3344. Expenditures from the fund

1. Payments for costs of decommissioning. At the time of decommissioning, the Treasurer of State shall authorize payments as necessary to cover actual costs of decommissioning in accordance with the plan authorized by the United States Nuclear Regulatory Commission. If the money in the fund is insufficient, the license holder at the nuclear power plant shall be responsible for additional funding. The State shall have no financial responsibility beyond the money in the fund attributable to that particular plant.

2. Money remaining after decommissioning. If there is money remaining in the fund attributable to a given plant, after its decommissioning has been completed, the money shall be returned to the ratepayers through the electric utilities and, for interstate sales, to the wholesale customers through the electric generating company. No portion of the remaining funds may accrue to the benefit of the electric generator.

STATEMENT OF FACT

The Public Utilities Commission has noted that Maine Yankee will complete its depreciable life in 2002, after 30 years of operation. Maine Yankee has selected prompt removal and dismantling as the method of decommissioning. The estimated cost is \$57,511,000. The Public Utilities Commission has already approved collection of \$1,000,000 annually for decommissioning from ratepayers in the most recent Central Maine Power Company rate case. The purposes of this bill are to give statutory support to that concept, provide a mechanism for collection from interstate sales and provide assurance that funds collected for decommissioning will be tax exempt and deductible as operating expenses for tax purposes.