

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

D. OF R.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

L.D. 1004

(Filing No. S-286)

STATE OF MAINE
SENATE
112TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A " to S.P. 370, L.D. 1004, Bill, "AN ACT to Establish a Spent Nuclear Fuel Disposal Trust Fund."

Amend the bill by striking out everything after the enacting clause and inserting in its place the following:

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

SUBCHAPTER VI

SPENT FUEL DISPOSAL

§3391. Definitions

As used in this subchapter, unless the context indicates otherwise, the following terms have the following meanings.

1. Licensee. "Licensee" means the holder of the operating permit from the United States Nuclear Regulatory Commission for a nuclear power plant.

2. Nuclear power plant or plant. "Nuclear power plant" or "plant" means a nuclear fission thermal power plant.

3. Owner. "Owner" means any electrical company which owns any portion of a nuclear power plant, whether directly or indirectly, through ownership of stock in a company which owns any portion of a nuclear power plant, through membership in a holding company which owns any portion of a nuclear power plant or through other means.

4. Spent nuclear fuel disposal. "Spent nuclear

COMMITTEE AMENDMENT "A" to S.P. 370, L.D. 1004

1 fuel disposal" means the activities undertaken to
2 safely dispose of spent nuclear fuel offsite and in
3 compliance with all applicable state and federal
4 laws.

5 5. Trustee. "Trustee" means a fiduciary as de-
6 defined under Title 18-A, section 1-201, which
7 fiduciary shall administer the spent fuel disposal
8 trust funds subject to sections 3392 and 3393 and in
9 accordance with Title 18-A, Article VII.

10 6. Trust fund or fund. "Trust fund" or "fund"
11 means a trust fund established as described in sec-
12 tion 3392 to hold money for the eventual purpose of
13 spent nuclear fuel disposal.

14 §3392. Spent Nuclear Fuel Disposal Trust Fund

15 1. Established. Any licensee operating a nuclear
16 power plant in this State shall establish by January
17 1, 1986, a segregated Spent Nuclear Fuel Disposal
18 Trust Fund in accordance with this subchapter for the
19 eventual disposal of spent nuclear fuel resulting
20 from the use of that fuel before April 7, 1983. The
21 licensee shall make payments into the fund in accord-
22 ance with a schedule based on sound financial prac-
23 tices designed to accumulate sufficient money to make
24 the payments to the United States Department of Ener-
25 gy in the manner described in subsection 5. The li-
26 icensee shall also review the schedule at least annu-
27 ally to determine if the level of deposits in the
28 fund remains reasonably capable of accumulating ap-
29 propriate money for application to these payments.

30 2. Financing agreement. The licensee shall file
31 with the Public Utilities Commission by January 1,
32 1986, a fully executed spent nuclear fuel financing
33 agreement between the licensee and each owner, evi-
34 dencing each owner's acceptance of its respective
35 share of the ultimate financial responsibility for
36 spent nuclear fuel. In satisfaction of this require-
37 ment, the licensee may submit existing ownership

0.0...

COMMITTEE AMENDMENT "A" to S.P. 370, L.D. 1004

1 agreements together with documentation from each own-
2 er of the applicability of the agreement to the case
3 of financial responsibility for spent nuclear fuel.

4 3. Trustee. The licensee shall select a trustee
5 or trustees to manage the money within the fund in
6 order to ensure that it will be available when
7 needed. Preference may be given to financial institu-
8 tions incorporated in the State if such a determina-
9 tion can be made consistent with the fiduciary re-
10 sponsibility of the trustees. The licensee may change
11 trustees at any time upon appropriate notice. Trust-
12 ees shall be subject to the same duties and may exer-
13 cise the same powers as trustees under Title 18-A,
14 Article VII, to the extent that they are not incon-
15 sistent with this subchapter. The trustee may appoint
16 subsidiary financial managers, subject to the approv-
17 al of the licensee.

18 4. Tax exemption. Payments to the Spent Nuclear
19 Fuel Disposal Trust Fund shall be considered an oper-
20 ating expense to the licensee and shall be tax de-
21 ductible for state income tax purposes. Investment
22 income to the fund shall be exempt from state income
23 taxation.

24 It is the intent of the Legislature that payments to
25 the fund shall be considered an operating expense to
26 the licensee and deductible for federal corporate in-
27 come tax purposes. It is the intent of the Legisla-
28 ture that investment income to the fund be exempt
29 from federal taxation.

30 5. Restrictions. The following restrictions ap-
31 ply to the Spent Nuclear Fuel Disposal Trust Fund.

32 A. The Spent Nuclear Fuel Disposal Trust Fund
33 shall be segregated from the licensee's assets
34 and administered by an independent trustee in ac-
35 cordance with this subchapter.

36 B. The fund may be invested only in secure as-

COMMITTEE AMENDMENT " A " to S.P. 370, L.D. 1004

1 sets with maturity no later than the announced or
2 reasonably projected date for the making of the
3 payments required under this section, as follows:

4 (1) Bonds, notes or other obligations is-
5 sued or fully guaranteed by the full faith
6 and credit of the Federal Government or by
7 any agency or instrumentality of the United
8 States;

9 (2) Bonds, notes or other obligations is-
10 sued or fully guaranteed by the full faith
11 and credit of any agency, instrumentality or
12 political subdivision of any state, provided
13 that the investment security is rated within
14 the 2 highest grades by any rating service
15 approved by the Superintendent of Banking;

16 (3) Bonds and other obligations of any cor-
17 poration organized under the laws of the
18 United States or any state provided, at the
19 time of purchase, the investment security is
20 rated within 2 highest grades by any rating
21 service approved by the Superintendent of
22 Banking; and

23 (4) Money Market Funds or similar invest-
24 ment vehicle of the trustee's choice, but
25 only as a temporary investment where it is
26 not practical to invest any amount in the
27 fund in the investments described in
28 subparagraphs (1) to (3).

29 The funds shall not be invested in the secu-
30 rities of the owner of any nuclear power
31 plant.

32 C. Income to the fund shall be reinvested for
33 the benefit of the fund or used to pay the rea-
34 sonable expenses of administration of the fund.

35 6. Expenditures from the fund. The trustee shall

D. OF R.

COMMITTEE AMENDMENT " A " to S.P. 370, L.D. 1004

1 make payments from the fund to the United States De-
2 partment of Energy in accordance with the Nuclear
3 Waste Policy Act of 1982 and any contract between the
4 licensee and the department under that Act for the
5 disposal of all spent nuclear fuel used prior to
6 April 7, 1983.

7 7. Sunset. After payment of all fees in accord-
8 ance with subsection 6, the fund shall be dissolved
9 expeditiously and this subchapter is repealed.

10 Any assets remaining in the fund shall be returned,
11 in proportion to their payments, to the owners and
12 any other persons who originally made payments to the
13 licensee for the fund. Any amounts returned to the
14 electric utilities within the State will be subject
15 to ultimate rate treatment by the commission. No por-
16 tion of the remaining assets in the fund may accrue
17 to the benefit of the licensee.

18 §3393. Report; audit

19 1. Initial report. The licensee shall report to
20 the Public Utilities Commission upon the establish-
21 ment of the fund. That report shall include the rele-
22 vant trust agreement, spent nuclear fuel disposal
23 contract and other appropriate documentation.

24 2. Annual reports. The trustee of the Spent Nu-
25 clear Fuel Disposal Trust Fund shall report at least
26 annually to the licensee on the status of the fund.
27 The licensee shall report the information in reason-
28 able detail annually to the Governor and the Public
29 Utilities Commission. The reports shall contain a
30 reasonable itemization of all administrative ex-
31 penditures.

32 3. Audit. The licensee shall cause an annual au-
33 dit to be made of the Spent Nuclear Fuel Disposal
34 Trust Fund.

COMMITTEE AMENDMENT " A " to S.P. 370, L.D. 1004

1

FISCAL NOTE

2

3

4

This bill results in a loss of undedicated General Fund revenues amounting to \$58,513 in fiscal year 1985-86 and \$64,365 in fiscal year 1986-87.

5

6

7

8

There would also be a loss of dedicated revenues to state-municipal revenue sharing amounting to \$3,145 and \$3,459 in fiscal years 1985-86 and 1986-87, respectively.'

9

STATEMENT OF FACT

10

11

12

13

14

15

16

This amendment requires that money collected for spent nuclear fuel used before April 7, 1983, be deposited by the licensee in a segregated trust fund and then paid to the United States Department of Energy in accordance with the Nuclear Waste Policy Act of 1982 and contracts between the department and the licensee pursuant to the Act.

17

18

19

20

It is noted that payments to the United States Department of Energy are already being made to that department on a regular basis for fuel used since that date.

21

22

23

24

25

There is a January 1, 1986, deadline for establishment of the fund and for amending the owners agreement to guarantee each owner's acceptance of its share of the ultimate financial responsibility for spent fuel.

D. O. R.

COMMITTEE AMENDMENT "A" to S.P. 370, L.D. 1004

1 Any assets remaining in the fund at the time of
2 dissolution are returned to the owners and made
3 available for retail rate treatment.

4 The fund and income to it are exempt from state
5 taxes and the intent of the Legislature is expressed
6 that they be exempt from federal taxes.

7

3901052585

Reported by Senator Andrews for the Committee on Utilities.
Reproduced and Distributed Pursuant to Senate Rule 12.
(6/13/85) (Filing No. S-286)