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March 9, 2018

MEMORANDUM

TO: Senator David Woodsome and Representative Seth Berry, Co-Chairs of the Joint Standing Committee on Energy, Utilities, and Technology

FROM: Ricker Hamilton, Commissioner
Department of Health and Human Services

SUBJECT: State Nuclear Safety Inspector's 2017 Annual Accounting Report to the Legislature on the Interim Spent Fuel Storage Facility Oversight Fund

Legislation enacted in the spring of 2008 requires the State Nuclear Safety Inspector to provide an annual accounting of all funds received into and all disbursements out of the Interim Spent Fuel Storage Facility Oversight Fund. The report must be submitted annually to the Joint Standing Committee on Utilities, Energy and Technology by the first Monday in February. This non-lapsing fund is used for oversight activities performed by various state agencies at the Maine Yankee Independent Spent Fuel Storage Installation in Wiscasset.

The enclosed report provides the information required under Title 22 of the Maine Revised Statutes Annotated §668, as enacted under Public Law, Chapter 539, in the second regular session of the 123rd Legislature.

Should you have questions about its content, please feel free to contact Mr. Patrick J. Dostie, State Nuclear Safety Inspector, at 287-6721.

RH/klv

Enclosure

cc: Nick Adolphsen, Acting Senior Health Policy Advisor, Governor's Office
Dr. Bruce Bates, Director, Maine Center for Disease Control and Prevention
Paul Mercer, Commissioner, Department of Environmental Protection
Barry Hobbins, Maine Public Advocate, Office of the Public Advocate
Lt. Scott Ireland, Special Services Unit, Department of Public Safety



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State Nuclear Safety Inspector's 2017 Report
on the
Interim Spent Fuel Storage Facility Oversight Fund
to the
Joint Standing Committee on Energy, Utilities, and Technology

In the interests of the public's health and welfare, legislation was enacted in the spring of 2008 to re-establish a State nuclear safety inspector (SNSI) program for the monitoring, regulatory review and oversight of the Maine Yankee Independent Spent Fuel Storage Installation in Wiscasset, Maine.

As part of that legislation, an Interim Spent Fuel Storage Facility Oversight Fund, referred to as "the Fund," was created as a non-lapsing fund for oversight activities performed by various State agencies, including the Maine Center for Disease Control's Radiation Control Program, the Health and Environmental Testing Laboratory of the Department of Health and Human Services, the Department of Environmental Protection, the Department of Public Safety and the Office of the Public Advocate.

The legislation required the State Nuclear Safety Inspector to prepare an annual accounting of all the funds received into and all disbursements out of the Interim Spent Fuel Storage Facility Oversight Fund to the Joint Standing Committee of the Legislature having jurisdiction over Utilities, Energy, and Technology matters by the first Monday in February of the following year, or February 5th this year.

The fund accounting period is for the calendar year 2017. The tables shown on the following pages provide the information required under Title 22 of the Maine Revised Statutes (MRS) §668, as enacted under Public Law, Chapter 539. Table 1 lists the 2017 revenues received for the Interim Spent Fuel Storage Facility Oversight Fund. Maine Yankee had been paying a quarterly assessment of \$55,000 to the Fund based on an annual fee of \$220,000. In 2012 the Oversight Group noted that an excess of funds existed in the Fund. Since the current financial assessment paid by Maine Yankee was more than adequate, the Oversight Group opted for flexibility, as reported in the 2012 Report of Oversight Activities and Funding to the Joint Standing Committee, by billing Maine Yankee for only the quarterly amounts needed based on the Oversight Group's annual budget projections, as opposed to suggesting legislative action to change the amount of funding. Consequently, Maine Yankee paid \$160,000 into the Fund in each of the years 2013 and 2014. However, in 2015, \$140,000 was budgeted, but only \$70,000 was paid into the account. The remaining \$70,000 was

paid in the first quarter of 2016 along with \$140,000 that was budgeted and collected in 2016. In 2017 Maine Yankee was assessed and paid \$36,000 per quarter, or \$144,000 for the year.

Internal reimbursements within the Radiation Control Program for the time spent by the State Nuclear Safety Inspector assisting the State's X-Ray Inspection Program for the past four years were finally received and amounted to \$102,622.28. In addition, \$800 was incorrectly journaled into the Fund from radioactive materials licensing fees. These fees will be journaled back into the materials licensing account in the first quarter of 2018.

An on-going charge to the Fund is the Department's Indirect Cost Allocation Plan (DICAP). The DICAP is defined as a charge to other than general fund appropriation accounts using a percentage assessment against actual expenditures representing the proportional value of indirect benefits received within the department or agency. The DICAP is considered negative revenue.

Table 1 – 2017 Revenues

<i>Funds Received</i>	
Quarterly Payments from Maine Yankee	\$144,000.00
Transfer from X-Ray Program	\$102,622.28
Radioactive Materials Licensing Fees	\$800
DICAP Transfer	<u>- \$13,236.00</u>
Total Fund Revenue:	\$234,186.28

Table 2 illustrates disbursements and expenditures from the Fund and is based primarily on available budget reports. Due to factors that have since been corrected, there were no disbursements to the "Other State Agencies" in 2015 and 2016. A total of \$82,047.82 was disbursed for the 2015 and 2016 years in January of 2017 with the Department of Environmental Protection (DEP) receiving \$6,375.35, the Department of Public Safety (DPS) receiving \$30,693.75, and the Radiation Control Program receiving the remaining balance of \$44,978.72 for its administrative oversight of the State Nuclear Safety Inspector Program. In 2017, State agencies providing oversight received an annual disbursement based on the projected 2017 budget, which amounted to \$41,601.97 with DEP receiving \$3,423.99, DPS receiving \$15,385.76, and Radiation Control receiving \$22,792.22. (The allocations to the Department of Environmental Protection and the Department of Public Safety have remained the same each year.)

Likewise, in the "Other Expenditures" listing, the cost items and amounts were similar to 2016. However, \$2,208 of the State's Health and Environmental Testing Laboratory's (HETL) costs were for previous years of incorrect coding of the Nuclear Safety Inspector's Laboratory costs to the Radioactive Materials Account. The remainder of \$24 is for 2017 incurred costs which are too low for typical quarterly billings. This will be investigated further and captured in next year's report. The Global Dosimetry expenses are for processing costs associated with the State's radiation monitoring devices in the vicinity of the storage facility. The environmental monitor expenses are related to the electrical costs to power the monitors. The Nuclear Waste Strategy Coalition dues are for the State's membership in the Coalition's efforts to remove and ultimately dispose of the spent nuclear fuel stranded at numerous sites across the country, including Maine Yankee. The Statewide Cost Allocation Plan (STA-CAP) is a charge to federal expenditures funds, federal block grant funds, other special revenue funds or other fund accounts using a percentage assessment against the aggregate of monthly actual expenditures. The Oversight Fund

is from dedicated revenues, which is considered a special revenue fund, and is therefore assessed a STACAP charge.

Table 2 – 2017 Disbursements and Expenditures

Total Disbursements from the Fund:	\$275,281.27
<i>Disbursements to State Nuclear Safety Inspector (SNSI) Office</i>	
SNSI Salary and Benefits	\$133,122.43
Transportation Expenses	\$571.60
Office Rental, Computers, Utilities, Supplies, Parking and Postage	<u>\$8,696.85</u>
Sub-Total	\$142,390.88
<i>Disbursements to Other State Agencies</i>	
Department of Environmental Protection	\$9,799.34
Department of Public Safety	\$46,079.51
Radiation Control Program	\$67,770.94
Sub-Total	\$123,649.79
<i>Other Expenditures</i>	
Health and Environmental Testing Laboratory Fees	\$2,232.00
Global Dosimetry Environmental Radiation Devices	\$811.00
Environmental Radiation Monitor Expenses	\$209.98
Nuclear Waste Strategy Coalition Dues	\$1,000.00
Transfer to General Fund STACAP	<u>\$4,987.62</u>
Sub-Total	\$9,240.60

Table 3 below lists the Fund balance at the end of the 2017. It was noted by Maine Yankee in previous oversight meetings that there was no accounting for the State Inspector's accrued vacation and sick leave. The computed amount will be maintained as a minimum balance in the account to ensure its proper disbursement should there be a future separation in employment. The maximum Total Accrued Time includes all costs for all possible eventualities.

Table 3 – 2017 Account Balance

Account Balance as of 12/31/16	\$139,296.33
Revenue Received	\$234,186.28
Expenditures	- <u>\$275,281.27</u>
Account Balance as of 12/31/17	Sub-Total \$98,201.34
Total Accrued Time (Maintained as a minimum balance)	Sub-Total \$107,455.38
Available Balance as of 12/31/17	- \$9,254.04

With the forthcoming reimbursement of \$43,500 from the X-Ray Inspection Program plus the anticipated oversight fees of \$160,000 from Maine Yankee, the available Fund balance will break even with the anticipated expenses and future agency disbursements totaling approximately \$42,000.

The calendar year 2018 allocations to the various state agencies providing oversight were previously determined and will be outlined in the Radiation Control Program's 2017 Oversight Activities Report to the Joint Standing Committee on Utilities, Energy, and Technology in February 2018.