

Resolution Opposing a New Tax for the Decommissioning and Decontamination Fund

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC) is a national, non-profit organization of the State Commissions responsible for economic regulation of electric utilities, including utilities that generate or purchase electric power from nuclear powered electric generating plants; *and*

WHEREAS, In the 1940s and 1950s, the federal government built three uranium enrichment plants for its nuclear weapons and national defense programs: The Oak Ridge plant in Tennessee was built in 1945 as part of the Manhattan Project; the Paducah, Kentucky, plant in 1952, and the Portsmouth, Ohio, plant in 1954. These plants operated for approximately 25 years as national defense installations, accumulating 25 years worth of contamination from their operation; *and*

WHEREAS, In 1969, the Atomic Energy Commission (AEC) determined that some of their capacity could be dedicated to production of low enriched uranium for commercial use. From 1969 through 1992, the Department of Energy (DOE) and predecessor agencies sold enrichment services to commercial customers including electric utilities under contracts that required utility customers to pay for the future cost of Decommissioning and Decontamination (D&D); *and*

WHEREAS, Electric utilities and their customers paid for future D&D costs as required by the contracts with AEC and DOE for commercial use of uranium, the federal government did not set those or any other funds aside for this work; *and*

WHEREAS, In 1992, the Energy Policy Act (1992 Act) created the D&D fund to finance cleanup at the same three government-owned enrichment plants. The legislation privatized the uranium enrichment enterprise, but the DOE retained ownership of the three enrichment plants and the obligation to clean them up. Pursuant to the 1992 Act, U.S. electric utilities were assessed up to \$150 million per year (adjusted for inflation) for 15 years, based on each company's past purchases of federal uranium enrichment services, to help finance cleanup of the facilities. The 1992 Act provided for termination of the assessment against electric utilities within 15 years after October 24, 1992, or alternatively upon the collection of \$2.25 billion, adjusted for inflation; *and*

WHEREAS, DOE collected \$2.6 billion of these D&D assessments as authorized by the 1992 Act. However, an independent audit found that the federal government used a portion of the funds for other purposes; *and*

WHEREAS, The President's fiscal year 2014 budget would again reinstate the D&D fund assessment for a third time, levying an additional \$2.4 billion 10-year tax on electric utilities and their customers for the very same program; *and*

WHEREAS, Electric utilities and their customers already have paid twice for Decommissioning and Decontamination, all as specified by the law; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2013 Summer Committee Meetings in Denver, Colorado,

supports environmental cleanup of these sites, but U.S. electric utilities and their customers should not be singled out yet again to pay for D&D of DOE facilities developed for nuclear weapons and national defense programs.

Sponsored by the Committee on Electricity

Adopted by the NARUC Board of Directors, July 24, 2013