Resolution Supporting Principles of Virginia State Corporation Commission's Investigation of Spent Nuclear Fuel Disposal

WHEREAS, The United States Congress passed the Nuclear Waste Policy Act of 1982 in order to provide for the management and permanent disposal of spent nuclear fuel; and

WHEREAS, The Act, including amendments, directs the U.S. Department of Energy to develop the nuclear waste management and disposal program and to begin accepting spent nuclear fuel no later than January 31, 1998; and

WHEREAS, The Act establishes a funding mechanism whereby electric utility ratepayers pay 1 mil/kWh for the services to be provided by the federal government; and

WHEREAS, Currently electric utility ratepayer payments towards the Nuclear Waste Fund, including interest, exceed $11 billion; and

WHEREAS, In the thirteen years since passage of the Act, the federal government has been unable to make significant progress toward establishing either a permanent repository or other storage facility leaving no prospect that the federal government will take spent fuel in 1998 without immediate action on comprehensive federal legislation; and

WHEREAS, The Department of Energy has denied its responsibility to begin taking nuclear waste by January 31, 1998, compelling States, public utility commissions, and utilities into court to protect ratepayers' interests; and

WHEREAS, Ratepayers served by nuclear utilities contribute approximately $600 million per year into the Nuclear Waste Fund, and in Fiscal Year 96, the U.S. Congress is using only a small portion of the money for the nuclear waste program, with the rest of the annual contribution being used to reduce the federal government's budget deficit; and

WHEREAS, It is becoming increasingly apparent that the States, ratepayers, and nuclear utilities may not be able to count on the Congress or the federal government to use the monies contributed to the Nuclear Waste Fund for their intended purpose: to provide for the timely acceptance and removal of spent fuel from more than 70 plant sites around the country; and

WHEREAS, The member Commissioners of the National Association of Regulatory Utility Commissioners (NARUC) are obligated to protect the interests of electric utility ratepayers and are concerned about the timely temporary storage and permanent disposal of spent nuclear fuel and the propriety of continuing ratepayer payments into the Nuclear Waste Fund in the face of the federal government's continuing failure to provide such storage and disposal; and

WHEREAS, The NARUC, through numerous resolutions and acceptance of its report of the NARUC Dialogue on Spent Fuel Management, has expressed concern over many aspects of this program, including program funding, costs, and delays, and the consequent impact on utility ratepayers; and
WHEREAS, Every year the program is delayed the costs multiply substantially, including increasing the costs of the Department of Energy's program and requiring additional ratepayer expenditures for on-site storage and decommissioning of nuclear plants; and

WHEREAS, It is now timely and appropriate to investigate all reasonable alternatives to the continued funding of federal budget deficit reduction through ratepayer contributions to the Nuclear Waste Fund and the continued good faith funding of a program that may never deliver on its obligations; and

WHEREAS, The Virginia State Corporation Commission, through an order issued on July 18, 1995, has commenced an investigation into the legal and policy issues associated with spent nuclear fuel disposal, including the propriety of continuing direct payment of ratepayer funds into the Nuclear Waste Fund; now, therefore, be it

RESOLVED, That the National Association of Regulatory Utility Commissioners (NARUC), convened at its 107th Annual Convention in New Orleans, Louisiana, commends and supports the initiative and efforts of the Virginia State Corporation Commission to investigate the legal and policy issues involved in the potential failure of the federal government to provide timely storage and disposal of spent nuclear fuel including the ramifications of the federal government's collection and use of funds for the spent nuclear fuel disposal program; and be it further

RESOLVED, That the NARUC encourages State public utility commissions to consider following the course taken by Virginia as one way of investigating and determining the legal and policy issues involved in the potential failure of the federal government to provide timely storage and disposal of spent nuclear fuel.

Sponsored by the NARUC Committee on Electricity
Adopted November 15, 1995