



NARUC
National Association of
Regulatory Utility
Commissioners



NUCLEAR ENERGY INSTITUTE



April 20, 2018

The Honorable Rick Perry
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Perry:

The National Association of Regulatory Utility Commissioners (NARUC)ⁱ, the Nuclear Energy Institute (NEI)ⁱⁱ, and the Nuclear Waste Strategy Coalition (NWSC)ⁱⁱⁱ believe there is a need to restore transparency with respect to the electric customer-funded Nuclear Waste Fund (NWF). We urge the Department of Energy (DOE) to again provide an accurate and clear annual report of the NWF status to the nation's electric customers and taxpayers.

The federal government has failed to remove and dispose of used nuclear fuel and high-level radioactive waste from commercial plant sites, despite collecting billions of dollars from electric ratepayers who paid for that disposal via mandated fees. Those same ratepayers, along with all other taxpayers, continue to pay for damages to utilities because of DOE's non-performance of its contractual obligations.

At a minimum, DOE should provide an annual plain-English accounting of how the money was collected and spent and how much remains. That NWF reporting should include receipts from commercial and defense nuclear generators, investment income accrued, expenditures for Yucca Mountain and other program activities, and the current balance.

In February 2016, our three organizations requested this information from DOE and were initially successful. Please see the attached May 2016 response letter from DOE's then-General Counsel that not only provided the type of financial information sought, but offered to annually publish an updated version of what it labeled the "Annual Financial Statements Summary" at the same time as the release of the annual DOE "Nuclear Waste Fund's Fiscal Year Financial Statement Audit Report" (NWF Audit Report). Unfortunately, we have not received any information as to the status of this important annual summary despite raising the matter in a meeting with DOE officials in March 2017.

NARUC, NWSC and NEI respectfully request that DOE resume publishing the Annual Financial Statements Summary as soon as possible to provide the NWF status as of the end of Fiscal Year 2017. On a prospective basis, we suggest that these reports be issued simultaneously with the annual NWF Audit Report.

We are aware that the NWF Audit Report that normally would have been issued by the end of 2017 has been delayed, but we understand that it should be available soon and will continue to be published annually. We are supportive of its continuation and rely on information provided therein about the federal government's growing liability. However, the NWF Audit Report in no way is a substitute for the type of clear summary information about the NWF that we seek.

Thank you for your consideration, and we respectfully request a response at your earliest convenience. The undersigned representatives would appreciate an opportunity to meet with you and your team to further discuss this and related matters. Your team is welcome to contact Katrina McMurrian, NWSC Executive Director, at katrina@theNWSC.org or 615.905.1375, to coordinate any additional discussions.

Sincerely,

Greg R. White
Executive Director, National Association of
Regulatory Utility Commissioners

Maria Korsnick
President & Chief Executive Officer,
Nuclear Energy Institute

Sarah D. Hofmann
Chair, Nuclear Waste Strategy Coalition
Commissioner, Vermont Public Utility
Commission

Attachment: DOE May 2016 Letter & Attachments to NARUC, NWSC, and NEI Leadership

cc: Mr. Edward McGinnis, Principal Deputy Assistant Secretary for Nuclear Energy, Department of Energy
Mr. Raymond Furstenau, Associate Principal Deputy Assistant Secretary for Nuclear Energy, Department of Energy
Mr. John G. Vonglis, Chief Financial Officer, Department of Energy

ⁱ The **National Association of Regulatory Utility Commissioners (NARUC)** is a non-profit corporation founded in 1889 that is dedicated to representing the State public service commissions that regulate the utilities providing essential services such as energy, telecommunications, power, water, and transportation. NARUC's members include all 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

ⁱⁱ The **Nuclear Energy Institute (NEI)** is the nuclear energy industry's premier policy organization. NEI represents and serves the interests of about 300 corporate members worldwide. Acting in partnership with members on a wide range of issues, NEI works to influence public policy by representing the industry before Congress, the White House and executive branch agencies, federal regulators and state policy forums.

ⁱⁱⁱ The **Nuclear Waste Strategy Coalition (NWSC)** is an ad hoc organization representing the collective interests of member state utility regulators, state consumer advocates, state energy and radiation control officials, tribal governments, local governments, electric utilities with operating and shutdown nuclear reactors, and other public and private sector experts on nuclear waste policy matters.



Department of Energy
Washington, DC 20585

May 17, 2016

Mr. Travis Kavulla
President, National Association
of Regulatory Utility Commissioners
Vice Chairman, Montana Public Service
Commission
1101 Vermont Avenue, NW
Suite 200
Washington, DC 20005

Ms. Sarah D. Hoffman
Chair, Nuclear Waste Strategy Coalition
Board Member, Vermont Public Service Board
112 Stove Street
4th Floor
Montpelier, VT 05620-2701

Mr. Marvin Fertel
President and Chief Executive Officer
Nuclear Energy Institute
1201 F Street, NE
Washington, DC 20004

Dear Mr. Kavulla, Ms. Hofmann, and Mr. Fertel:

Secretary Moniz has requested that I respond to your letter dated February 12, 2016 regarding the Nuclear Waste Fund (NWF). Your letter requests that the Department provide financial information about the NWF in a format similar to what the Department previously disseminated in the DOE Office of Civilian Radioactive Waste Management's (OCRWM) "Summary of Program Financial & Budget Information" presentation in 2010.

The Department publishes annual audited financial statements of the NWF, which provide accurate and transparent information on status of the NWF. In response to the request in your letter, the Department has now prepared the attached "Annual Financial Statements Summary" from those annual audited financial statements in a format similar to the table on page 4 of the 2010 OCRWM "Summary of Program Financial & Budget Information" presentation that was enclosed with your letter.

You will notice that the figures in the attached report differ from the corresponding figures in the 2010 document. These differences do not indicate changes in the NWF's

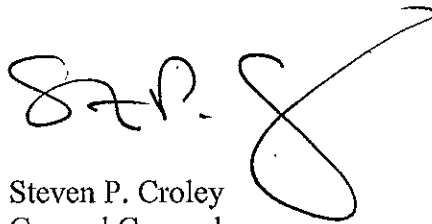


underlying financial condition. Rather, these differences reflect the fact that the new "Annual Financial Statements Summary" was developed directly from the annual audited financial statements, which apply consistent accounting principles across the entire time period. The "Summary of Program Financial & Budget Information" presentation referenced in your letter was an unaudited, high-level budget summary that contained certain internal inconsistencies. Most significantly, the presentation used market value for NWF investments in some years and book value in others. The attached table uses only book value.

We agree with you that presenting financial information about the NWF in the format you requested may have public value. Therefore, the Department intends to publish an updated version of the attached "Annual Financial Statements Summary" annually and at the same time as the release of the annual NWF Audit Report.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "S.P. Croley", with a large, sweeping flourish extending to the right.

Steven P. Croley
General Counsel

Enclosure

**Nuclear Waste Fund
FY2015 and Cumulative Summary
As of September 30, 2015
(\$'s in millions)**

	1983-2015	FY2015
Fee and Interest Billings to Commercial Nuclear Generators	\$24,051	
Less: Receivable as of September 30, 2015	-\$3,085	
Receipts from Commercial Nuclear Generators	\$20,966	\$0
Interest Income, Gains, and Other Revenues	\$20,954	\$1,397
Receipts from Defense Nuclear Generators:	\$3,752	\$0
Total Income	\$45,672	\$1,397
Expenditures for First Repository Costs (Yucca Mountain and Other First Repository Activities)	\$7,510	\$1
Expenditures for Other Waste Program Activities	\$3,861	\$7
Total Expenses	\$11,371	\$8
Unexpended Defense Appropriations	\$17	-\$1
Current Balance in the Fund (Fund Balance with Treasury and Investments and Related Interest, Net)	\$34,318	\$1,388

Nuclear Waste Fund
Annual Financial Statements Summary
As of September 30, 2015
(\$'s in millions)

	INCREASES						(DECREASES)			NET INCREASE (DECREASE)	DEFERRED REVENUE BALANCE	ACCRUAL TO CASH BASIS	FUND BALANCE WITH TREASURY & INVESTMENT BALANCE IN NWF		
	A	B	C	D	E	C + D + E = F	G	H	G + H = I	A + B + F + I = J	J + Prior Year = K	L	K + L = M	N	M + N = O
	ANNUAL FEES - KWH	ONE-TIME FEES	INTEREST & OTHER				EXPENDITURES			NET	DEFERRED REVENUE	REMAINING BALANCE SHEET	CASH & INVESTMENTS		
Year	Annual Fees - kWhTotal	One-time fees TOTAL	Income on Investments	Interest on One- time fees	Other Billings	Total Interest & Other	Total NWF Expenditures	Defense High-Level Waste Fees	Expenditures from Commercial Funds	Net Increase (Decrease)	Deferred Revenue Balance	LESS: Receivables, Other Assets, & Property, Plant and Equipment and ADD: Payables & Unrealized Gain (Loss)	Fund Balance with Treasury and Investment Balance in NWF Funds	Unexpended Appropriations from Defense Appropriated Funds	Total Fund Balance With Treasury and Investment Balance
1983	147	2,332	-	-	-	-	(197)	-	(197)	2,282	2,282	(2,123)	159	-	159
1984	338	-	-	-	-	-	(268)	-	(268)	70	2,352	(2,131)	221	-	221
1985	386	3	33	229	-	262	(295)	-	(295)	356	2,708	(1,264)	1,444	-	1,444
1986	361	-	134	81	12	227	(396)	-	(396)	192	2,900	(1,342)	1,558	-	1,558
1987	442	-	131	73	17	221	(463)	-	(463)	200	3,100	(1,412)	1,688	-	1,688
1988	516	-	142	84	3	229	(388)	-	(388)	357	3,457	(1,533)	1,924	-	1,924
1989	317	-	169	117	-	286	(376)	-	(376)	227	3,684	(1,434)	2,250	-	2,250
1990	552	-	199	122	-	321	(398)	-	(398)	475	4,159	(1,526)	2,633	-	2,633
1991	549	-	237	106	12	355	(342)	5	(337)	567	4,726	(1,542)	3,184	-	3,184
1992	556	-	270	74	54	398	(372)	699	327	1,281	6,007	(2,286)	3,721	-	3,721
1993	590	-	287	54	25	366	(399)	91	(308)	648	6,655	(2,477)	4,178	-	4,178
1994	573	1	299	66	74	439	(433)	103	(330)	738	7,338	(2,730)	4,608	-	4,608
1995	628	2	336	108	5	449	(543)	580	37	1,116	8,454	(3,318)	5,136	-	5,136
1996	636	-	376	106	34	516	(418)	136	(282)	731	9,185	(3,481)	5,704	194	5,898
1997	594	-	420	110	7	537	(400)	123	(277)	854	10,039	(3,312)	6,727	221	6,948
1998	608	-	467	116	-	583	(428)	366	(62)	1,129	11,168	(2,608)	8,560	142	8,702
1999	672	-	520	108	119	747	(144)	502	358	1,777	12,945	(4,464)	8,481	88	8,569
2000	702	-	581	138	4	723	(397)	15	(382)	1,043	13,988	(4,206)	9,782	93	9,875
2001	717	-	638	129	56	823	(408)	157	(251)	1,289	15,277	(3,602)	11,675	9	11,684
2002	727	12	683	52	172	907	(529)	134	(395)	1,390	16,667	(4,183)	12,484	8	12,492
2003	729	-	673	33	81	787	(448)	134	(314)	1,202	17,869	(4,047)	13,822	29	13,851
2004	736	-	769	29	-	798	(565)	165	(400)	1,134	19,003	(3,786)	15,217	48	15,265
2005	733	-	852	71	30	953	(593)	175	(418)	1,268	20,271	(3,754)	16,517	14	16,531
2006	755	-	931	128	2	1,061	(516)	(454)	(970)	846	21,117	(3,149)	17,968	51	18,019
2007	758	-	979	152	1	1,132	(583)	358	(225)	1,665	22,782	(3,260)	19,522	39	19,561
2008	761	-	1,107	84	2	1,193	(447)	220	(227)	1,727	24,509	(3,359)	21,150	18	21,168
2009	771	-	1,054	13	-	1,067	(325)	132	(193)	1,645	26,154	(3,390)	22,764	29	22,793
2010	753	-	1,193	4	-	1,197	(196)	66	(130)	1,820	27,974	(3,402)	24,572	61	24,633
2011	751	-	1,293	3	-	1,296	(52)	23	(29)	2,018	29,992	(3,260)	26,732	39	26,771
2012	746	-	1,302	2	1	1,305	(22)	11	(11)	2,040	32,032	(3,259)	28,773	28	28,801
2013	734	-	1,365	2	-	1,367	(10)	5	(5)	2,096	34,128	(3,262)	30,866	22	30,888
2014	464	-	1,411	1	-	1,412	(12)	3	(9)	35,995	35,995	(3,084)	32,911	19	32,930
2015	-	-	1,396	1	-	1,397	(8)	3	(5)	1,392	37,387	(3,086)	34,301	17	34,318
Total	19,302	2,350	20,247	2,396	711	23,354	(11,371)	3,752	(7,619)	37,387	37,387	(3,086)	34,301	17	34,318
Amount per 09-30-15 AFR	19,304	2,350	20,247	2,397	708	23,352	(11,371)	3,752	(7,619)	37,387	37,386	(3,086)	34,301	17	34,318
Difference	2	-	-	1	(3)	(2)	-	-	-	-	-	(1)	-	-	-