

United States Nuclear Regulatory Commission
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NRC CONSIDERING REVISING DECOMMISSIONING FUNDING RULE
TO REFLECT UTILITY DEREGULATION; PUBLIC COMMENTS ASKED

The Nuclear Regulatory Commission is considering revising NRC's regulations on decommissioning funding to better reflect conditions brought about by restructuring and deregulation of the electric power industry.

Before proceeding with publication of a proposed rule, however, the Commission is seeking public comments on several issues involved. The deadline for submission of comments is June 24.

Present NRC regulations, adopted in 1988, permit a nuclear electric utility to set aside decommissioning funds annually over the estimated life of a plant. But those same regulations give electric utilities more flexibility than non-utility licensees in setting up a financial assurance mechanism.

The reason is that utilities have long operated in a highly structured, regulated and non-competitive environment with assured ratepayer revenues to meet prudent costs. However, with the growing trend toward deregulation of the electric power industry, questions have arisen as to whether a nuclear power licensee could lose a regulated rate base as a source of funds to cover the unfunded balance of decommissioning expenses.

Accordingly, the Commission is considering changing its decommissioning funding regulations to:

- Require that electric utility reactor licensees assure NRC that they can finance the full estimated cost of decommissioning if they are no longer subject to rate regulation by state agencies or by the Federal Energy Regulatory Commission and do not have a guaranteed source of income.
- Require utility licensees to report periodically on the status of their decommissioning funds. The present rule has no such requirement because state and Federal rate-regulating bodies actively monitor these funds. A

deregulated nuclear utility would have no such monitoring.

Additionally, the NRC is considering permitting licensees to take credit for a positive, real rate of return on decommissioning trust funds during a period of safe storage (a decommissioning phase when the plant is maintained in a condition that allows the radioactivity on site to decay). Under the present rule, licensees cannot take credit for earnings on such funds during safe storage because it is assumed that inflation and taxes would erode any investment return.

The NRC is also requesting comments on whether the Federal government licensees of operating power reactors should be allowed to continue to use statements of intent to meet decommissioning financial assurance requirements for their power reactors.

Full details are available in the NRC's Advanced Notice of Proposed Rulemaking on this matter, published in the April 8 edition of the *Federal Register*. The notice also may be accessed on the NRC Electronic Bulletin Board on Fedworld, or may be obtained from the NRC Office of Public Affairs.

Comments should be mailed to: The Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Docketing and Service Branch. They may be delivered to 11555 Rockville Pike, Rockville, Maryland, between 7:45 a. m. and 4:15 p. m. on Federal workdays. Comments also may be submitted electronically through the NRC Electronic Bulletin Board on FedWorld.

NRC's preliminary views expressed in the proposed rulemaking notice may change in light of comments received. Any proposed rule developed also will be published for public comment before adoption in final form.

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