

June 3, 1997

FOR: The Commissioners

FROM: L. Joseph Callan /s/  
Executive Director for Operations

SUBJECT: FINAL POLICY STATEMENT ON RESTRUCTURING AND ECONOMIC DEREGULATION OF THE ELECTRIC UTILITY INDUSTRY

## PURPOSE:

To obtain the Commission's approval for publication of a final policy statement on restructuring and economic deregulation of the electric utility industry.

## BACKGROUND:

The NRC's draft policy statement on restructuring was published for public comment in the Federal Register on September 23, 1996 (61 FR 49711 ). The purpose of the draft policy statement was to provide the public with a discussion of the NRC's concerns regarding the potential safety impacts on NRC power reactor licensees that may result from the economic deregulation and restructuring of the electric utility industry and the means by which the NRC intends to address those concerns. The public comment period ended on February 9, 1997.

## DISCUSSION:

The NRC received 32 comment letters on the draft policy statement from a variety of interests. Most commenters viewed the issuance of the draft policy statement as timely and appeared to understand the reasons for the NRC's concerns. As might be expected, comments from electric utility licensees and their representatives suggested that some concerns are overstated, while commenters representing public interest groups generally felt that the draft policy statement did not go far enough in addressing safety concerns related to deregulation. The attached draft Federal Register notice to publish the final policy statement summarizes the comments received and provides NRC's response to them in the following categories: General, Sufficiency of Current Regulatory Framework and Incentives for Safe Operation, Financial Qualifications, Decommissioning Funding Assurance, Regulatory Interface, Joint Ownership, Antitrust, and Other Issues.

On the basis of the comments received, the staff has made minimal modifications to the proposed final policy statement. In summary, in addition to essentially editorial changes to improve clarity and removal of some of the background material from the draft policy statement that the staff believes is no longer necessary, we have modified the policy statement, as follows:

- Placed somewhat more emphasis on the potential impact of restructuring on operational safety, as opposed to decommissioning.
- Added an explicit statement to indicate that the NRC retains the right to assess the timing of accumulation, planned disbursement, and liquidity of decommissioning trust funds.
- Replaced the section in the draft policy statement with a more definitive statement on the NRC's views of the relative responsibility of co-owners.
- Described the NRC's efforts to seek legislation repealing the NRC's antitrust review responsibilities where such activities duplicate the activities of other agencies.

## COORDINATION:

The Office of the General Counsel has no legal objection to this paper and the attached final policy statement. The staff met with the ACRS on May 1, 1997.

## RECOMMENDATION:

That the Commission approve issuance of the final policy statement.

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Attachment: [Final Policy Statement](#) 