

SENATE BILL 997

C5

8lr3383
CF HB 1600

By: **Senator Middleton**

Introduced and read first time: March 3, 2008

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission - Regulation of Nuclear Decommissioning Funds**

3 FOR the purpose of requiring the Commission to ensure that certain nuclear
4 decommissioning funds are held, administered, and maintained in a certain
5 manner and ensure that certain returns on the funds inure to the benefit of
6 certain electric customers under certain circumstances; requiring the
7 Commission to monitor the financial performance and management of certain
8 funds; prohibiting certain contributions toward the cost of decommissioning
9 certain nuclear power plants from exceeding a certain amount; providing that
10 the cost of decommissioning a nuclear power plant does not include certain
11 dismantling costs or certain costs related to managing and storing spent fuel;
12 providing for a refund of certain contributions by certain electric customers
13 under certain circumstances; authorizing the Commission to take certain
14 actions or issue certain orders under certain circumstances; requiring a certain
15 person to comply with certain orders under certain circumstances; defining a
16 certain term; providing for the construction of certain provisions of this Act; and
17 generally relating to the authority of the Public Service Commission to regulate
18 and oversee certain nuclear decommissioning funds.

19 BY repealing and reenacting, without amendments,
20 Article - Public Utility Companies
21 Section 7-501(b)
22 Annotated Code of Maryland
23 (1998 Volume and 2007 Supplement)

24 BY adding to
25 Article - Public Utility Companies
26 Section 7-518
27 Annotated Code of Maryland
28 (1998 Volume and 2007 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – Public Utility Companies**

4 7–501.

5 (b) “Affiliate” means a person that directly or indirectly, or through one or
6 more intermediaries, controls, is controlled by, or is under common control with, or
7 has, directly or indirectly, any economic interest in another person.

8 **7–518.**

9 (A) **THIS SECTION APPLIES TO:**

10 (1) **FUNDS COMPRISED OF CONTRIBUTIONS MADE AT ANY TIME**
11 **BY THE CUSTOMERS OF AN ELECTRIC COMPANY TO THE COSTS OF**
12 **DECOMMISSIONING A NUCLEAR POWER PLANT IN THE STATE;**

13 (2) **MONEYS EARNED ON THE FUNDS DESCRIBED IN ITEM (1) OF**
14 **THIS PARAGRAPH, IN THE FORM OF INTEREST, DIVIDENDS, RETURNS, OR ANY**
15 **OTHER EARNINGS;**

16 (3) **AN ELECTRIC COMPANY THAT COLLECTS, RECEIVES,**
17 **MAINTAINS, HOLDS, CONTROLS, DIRECTS THE MANAGEMENT OF, OR REPORTS**
18 **ON DECOMMISSIONING FUNDS THAT ARE SUBJECT TO REGULATION UNDER THIS**
19 **SECTION; AND**

20 (4) **AN AFFILIATE OF AN ELECTRIC COMPANY, IF THE AFFILIATE**
21 **COLLECTS, RECEIVES, MAINTAINS, HOLDS, CONTROLS, DIRECTS THE**
22 **MANAGEMENT OF, OR REPORTS ON DECOMMISSIONING FUNDS THAT ARE**
23 **SUBJECT TO REGULATION UNDER THIS SECTION.**

24 (B) **WITH RESPECT TO DECOMMISSIONING FUNDS SUBJECT TO**
25 **REGULATION UNDER THIS SECTION, THE COMMISSION SHALL:**

26 (1) **ENSURE THAT THE FUNDS ARE HELD, ADMINISTERED, AND**
27 **MAINTAINED IN A FORM AND MANNER THAT:**

28 (I) **IS PRUDENT; AND**

29 (II) **ADEQUATELY PROTECTS AND SECURES THE FUNDS SO**
30 **THAT THEY ARE AVAILABLE FOR THEIR INTENDED PURPOSE;**

1 (2) ENSURE THAT ANY INTEREST, DIVIDENDS, RETURNS, OR
2 OTHER EARNINGS ON THE FUNDS INURE SOLELY TO THE BENEFIT OF ELECTRIC
3 CUSTOMERS, EXCEPT AS NECESSARY TO ADMINISTER AND MANAGE THE FUNDS
4 PRUDENTLY;

5 (3) REGULARLY MONITOR:

6 (I) THE PERFORMANCE OF THE FUNDS;

7 (II) THE COMPOSITION OF PORTFOLIOS IN WHICH THE
8 FUNDS ARE MAINTAINED OR INVESTED; AND

9 (III) THE MANNER IN WHICH THE FUNDS ARE MANAGED; AND

10 (4) CONSISTENT WITH THE PROVISIONS OF ITEM (1) OF THIS
11 SUBSECTION, ENSURE THAT THE FUNDS ARE MANAGED AND ADMINISTERED IN A
12 FORM AND MANNER THAT MAXIMIZES INTEREST, DIVIDENDS, RETURNS, OR
13 OTHER EARNINGS ON THE FUNDS FOR THE BENEFIT OF ELECTRIC CUSTOMERS.

14 (c) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW OR
15 ORDER OF THE COMMISSION, THE TOTAL OF ALL CONTRIBUTIONS BY ELECTRIC
16 CUSTOMERS TO THE COSTS OF DECOMMISSIONING A NUCLEAR POWER PLANT IN
17 THE STATE, TOGETHER WITH ALL EARNINGS ON THE CONTRIBUTIONS, MAY NOT
18 EXCEED THE MINIMUM DECOMMISSIONING FUND ESTIMATE OF DECEMBER 31,
19 2006, OF \$661,936,000, AS ESTABLISHED UNDER THE GENERIC FUNDING
20 CALCULATION SPECIFIED UNDER 10 C.F.R. 50.75 AND REVISION 11 OF
21 NUREG-1307, AS SET FORTH IN THE 2007 DECOMMISSIONING FUNDING
22 STATUS REPORT FILED WITH THE NUCLEAR REGULATORY COMMISSION BY
23 THE LICENSEE, ESCALATED:

24 (I) AT AN ANNUAL DECOMMISSIONING COST ESCALATION
25 OF 6%; AND

26 (II) THROUGH THE EARLIER OF:

27 1. THE DECOMMISSIONING DATE AS PROVIDED IN
28 THE OPERATING LICENSE OF THE POWER PLANT AS OF DECEMBER 2006; OR

29 2. THE ACTUAL DATE OF DECOMMISSIONING.

30 (2) FOR THE PURPOSES OF THIS SUBSECTION, THE COST OF
31 DECOMMISSIONING SHALL NOT INCLUDE THE DISMANTLING OF
32 NONRADIOACTIVE SYSTEMS AND STRUCTURES, OR THE COST OF MANAGING AND
33 STORING SPENT FUEL ON THE SITE OF THE POWER PLANT.

1 **(D) (1) THE AMOUNT CONTRIBUTED BY ELECTRIC CUSTOMERS TO**
2 **THE COSTS OF DECOMMISSIONING A NUCLEAR POWER PLANT IN THE STATE,**
3 **TOGETHER WITH ALL EARNINGS ON THE CONTRIBUTIONS, MAY NOT EXCEED**
4 **THE ACTUAL COST OF DECOMMISSIONING THE NUCLEAR POWER PLANT.**

5 **(2) IF THE AMOUNT OF MONEY CONTRIBUTED BY ELECTRIC**
6 **CUSTOMERS, TOGETHER WITH ALL EARNINGS ON THE CONTRIBUTIONS,**
7 **EXCEEDS THE AMOUNT SPECIFIED UNDER PARAGRAPH (1) OF THIS SUBSECTION**
8 **OR THE AMOUNT SPECIFIED IN SUBSECTION (C) OF THIS SECTION, ANY EXCESS**
9 **MONEYS SHALL BE REFUNDED TO ELECTRIC CUSTOMERS OF THE ELECTRIC**
10 **COMPANY WHO CONTRIBUTED TO THE PAYMENT OF THE FUNDS.**

11 **(E) (1) THE COMMISSION MAY TAKE ANY ACTION OR ISSUE ANY**
12 **ORDERS AS AUTHORIZED IN THIS ARTICLE THAT THE COMMISSION CONSIDERS**
13 **REASONABLY NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.**

14 **(2) A PERSON SUBJECT TO THE PROVISIONS OF THIS SECTION**
15 **SHALL COMPLY WITH AN ORDER ISSUED BY THE COMMISSION UNDER**
16 **PARAGRAPH (1) OF THIS SUBSECTION.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That the provisions of § 7-518
18 of the Public Utility Companies Article, as enacted by Section 1 of this Act, may not be
19 construed to limit any existing authority of the Public Service Commission.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 June 1, 2008.