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ONE HUNDRED NINTH CONGRESS

U.S. House of Representatives Committee on Energy and Commerce Washington, DC 20515-6115

JOE BARTON, TEXAS CHAIRMAN

October 11, 2006

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BUD ALBRIGHT, STAFF DIRECTOR

The Honorable Stan Wise Chairman Georgia Public Service Commission 244 Washington Street, S.W. Atlanta, Georgia 30334

Dear Chairman Wise:

We appreciated your testimony before the House Subcommittee on Energy and Air Quality on September 13, 2006, and share your concerns about the Department of Energy's (DOE) high level nuclear waste program and the costs ratepayers have been forced to bear despite years of delay.

We understand that in your testimony before the House Subcommittee on Energy and Water Development on September 13, 2006, you stated "Some state commissions, including the Georgia Public Service Commission (Georgia PSC), have initiated proceedings to investigate the possibility of ordering its utilities escrow their NWF [Nuclear Waste Fund] payments."

In its "Notice of Inquiry into Issues Concerning Ratepayer Payments to the Nuclear Waste Fund," the Georgia PSC raised a number of very pertinent questions. The notice listed a variety of costs that ratepayers and utilities are paying in connection with the protracted delay in the repository program. It also solicited public comment on a number of questions, including whether the Georgia PSC could suspend ratepayer payments to utilities for the Nuclear Waste Fund, and whether the Georgia PSC could order the utilities to place such payments in an escrow account.

At the September 13, 2006, hearing, Edward Sproat, DOE's Director of Office of Civilian Radioactive Waste Management, testified that the Department hopes to file a license application with the Nuclear Regulatory Commission by 2008, and to open the repository by 2017. This confirms that, absent any change in law, utilities and their ratepayers will continue to face substantial costs related to nuclear waste storage for some time.

Notice of Inquiry into Issue Concerning Ratepayers Payments to the Nuclear Waste Fund, May 16, 2000, Docket Number 12269-U.

The Honorable Stan Wise Page 2

As noted in your testimony before both subcommittees, although various proposals affecting the Nuclear Waste Fund are pending before Congress, it is not clear whether legislation providing near-term relief to ratepayers will be enacted. In order to assist members in understanding the Georgia PSC's concerns about the repository program, and its options for protecting ratepayers, we would appreciate your responding to the attached questions by Wednesday, November 1, 2006.

Sincerely,

JOHN D. DINGELL RANKING MEMBER

COMMITTEE ON ENERGY AND COMMERCE

RICK BOUCHER
RANKING MEMBER
SUBCOMMITTEE ON ENERGY
AND AIR QUALITY

Attachment

cc: The Honorable Joe Barton, Chairman Committee on Energy and Commerce

The Honorable Ralph M. Hall, Chairman Subcommittee on Energy and Air Quality

Questions for Chairman Wise

- 1. What is the procedural status of the Georgia PSC's Notice of Inquiry concerning Nuclear Waste Fund payments? What, if any, actions has the Georgia PSC taken based on what it learned in this proceeding?
- 2. Are you aware of any similar inquiry undertaken by other States?
- 3. Does the Georgia PSC have the authority to suspend ratepayer payments that would otherwise be due in connection with utilities' obligations with respect to the Nuclear Waste Fund (under contracts they entered into with DOE pursuant to the Nuclear Waste Policy Act of 1982)?
- 4. Does the Georgia PSC have authority to place into an escrow account utility payments that would otherwise be made into the Nuclear Waste Fund? If so, please indicate how and by whom such an account should be administered.
- 5. Has the Georgia PSC reached any conclusions about the risks utilities might face if payments into the Nuclear Waste Fund were suspended, as outlined in Question 6 of its Notice of Inquiry?
- 6. Section 302(a) (4) of the Nuclear Waste Policy Act of 1982 directs the Secretary of Energy to annually review the amount of fees required to provide sufficient revenues for the repository program. This provision also directs the Secretary to adjust the fee in the event he or she "determines that either insufficient or excess revenues are being collected."

In light of the substantial existing balance in the Nuclear Waste Fund (currently more than \$19 billion), do you believe the Secretary should adjust or suspend the fee that utilities currently are required to pay into the Fund? If so, how much of a reduction would be appropriate, and how long should such a reduction or suspension of payments last?