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Public Utilities Regulatory Authority

PRESS RELEASE

Electric Ratepayers Will See \$75 Million in Reimbursements From Settlement on Nuclear Waste Storage

PURA and OCC say plan for distribution of funds has been filed

Connecticut's electric ratepayers will see their monthly bills reduced by \$75 million over the next three years under a plan for the distribution of funds resulting from a successful suit against the federal government for its failure to develop a permanent storage facility for spent fuel from nuclear power plants.

Arthur House, chairman of Connecticut's Public Utilities Regulatory Authority (PURA) and the state's Consumer Counsel, Elin Swanson Katz, said today that the owners of Connecticut Yankee and two other closed nuclear plants in New England have filed an application with federal regulators that outlines the distribution of funds paid to the plant operators to cover costs they incurred for storing nuclear waste onsite longer than was anticipated.

"For too many years, everyone who pays an electric bill in Connecticut was covering the cost of the federal government's inability to address the issue of spent fuel storage," said Chairman House. "We all had to pay the tab for storing the fuel on site at Connecticut Yankee – but thankfully this is coming to an end. This case may also spark much needed action to develop a national storage facility for spent fuel and put an end to the practice of keeping it on site at nuclear power plants."

"The OCC is pleased with both the successful resolution of Phase I of the Department of Energy litigation and the resulting settlement agreement with the Yankee companies concerning the disbursement of the litigation awards," said Consumer Counsel Katz. "The OCC will continue to monitor the matter as funds are transferred to Connecticut ratepayers, who can expect to achieve approximately \$75 million in total electric bill savings in the coming years."

The utility company consortium – which includes United Illuminating and Connecticut Light & Power in Connecticut – that operated nuclear power plants in Connecticut, Massachusetts and Maine successfully sued the federal Department of Energy (DOE) for failing to meet contract requirements under the Nuclear Waste Policy Act of 1982. The companies had argued that the Act required the federal government – beginning in 1998 – to remove and begin storing spent fuel and other high-level nuclear waste in a permanent and secure repository.

Following a decision in May, 2012, the companies were awarded damages for the extra costs they had incurred for storing nuclear wastes beyond 1998. The owners also successfully proposed that the federal government – instead of ratepayers – fund the two years remaining on

Connecticut Yankee decommissioning costs. It is estimated that the distribution of the federal reimbursement to Connecticut ratepayers and the elimination of the monthly decommissioning charge will have a rate impact of approximately \$75 million over the next three years.

The operators of the three New England plants proposed the distribution of funds from the court case in a recent rate filing with the Federal Energy Regulatory Commission (FERC). The filing reflects an agreement reached between the companies that operated the plants, PURA, the OCC, and state utility regulators in Maine and Massachusetts. With FERC approval, electric bills in Connecticut would be adjusted to reflect this reimbursement starting July 1.

Connecticut Yankee in Haddam was awarded \$39.7 million in Phase I DOE litigation awards, while Maine Yankee in Wiscasset was awarded \$81.7 million and Yankee Atomic in Massachusetts was awarded \$38.3 million. The money will be returned to the ratepayers of each state, after taxes and other costs are deducted, according to the percentage ownership each state's utilities have in the three facilities.

Connecticut Yankee, which operated in the Haddam Neck section of Haddam, ceased operations in 1996. Decontamination and dismantlement were completed in 2007, but the spent fuel it generated over nearly 30 years of operation remains stored on site in concrete and steel storage canisters. Full decommissioning, including corporate dissolution, cannot be completed until DOE takes control of the waste.