Department of Health and Human Services
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February 6, 2015

MEMORANDUM

TO: Senator David Woodsome and Representative Mark Dion, Co-Chairs of the Joint Standing Committee on Energy, Utilities, and Technology

FROM: Mary C. Mayhew, Commissioner
Department of Health and Human Services

SUBJECT: State Nuclear Safety Inspector's 2014 Annual Accounting Report to the Legislature on the Interim Spent Fuel Storage Facility Oversight Fund

Legislation enacted in the spring of 2008 requires the State Nuclear Safety Inspector to provide an annual accounting of all funds received into and all disbursements out of the Interim Spent Fuel Storage Facility Oversight Fund. The report must be submitted annually to the Joint Standing Committee on Utilities, Energy and Technology by the first Monday in February. This non-lapsing fund is used for oversight activities performed by various state agencies at the Maine Yankee Independent Spent Fuel Storage Installation in Wiscasset.

The enclosed report provides the information required under Title 22 of the Maine Revised Statutes Annotated §668, as enacted under Public Law, Chapter 539, in the second regular session of the 123rd Legislature.

Should you have questions about its content, please feel free to contact Mr. Patrick J. Dostie, State Nuclear Safety Inspector, at 287-6721.

MCM/klv

Enclosure

cc: Holly Lusk, Senior Health Policy Advisor
Dr. Sheila Pinette, Director, Maine Center for Disease Control and Prevention
Patricia W. Aho, Commissioner, Department of Environmental Protection
Timothy Schneider, Maine Public Advocate, Office of the Public Advocate
Lt. Anna Love, Special Services Unit, Department of Public Safety

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State Nuclear Safety Inspector's 2014 Report

On the

Interim Spent Fuel Storage Facility Oversight Fund

to the

Joint Standing Committee on Energy, Utilities, and Technology

In the interests of the public's health and welfare, legislation was enacted in the second regular session of the 123rd Legislature and signed by Governor John Baldacci in the spring of 2008, re-establishing a state nuclear safety inspector (SNSI) program for the monitoring, regulatory review and oversight of the Maine Yankee Independent Spent Fuel Storage Installation in Wiscasset, Maine. The legislation went into effect on June 29, 2008.

As part of that legislation an Interim Spent Fuel Storage Facility Oversight Fund, referred to as "the Fund", was created as a non-lapsing fund for oversight activities performed by various state agencies, including the Maine Center for Disease Control's Radiation Control Program and the Health and Environmental Testing Laboratory of the Department of Health and Human Services, the Department of Environmental Protection, the Department of Public Safety, and the Office of the Public Advocate.

The legislation required the State Nuclear Safety Inspector to prepare an annual accounting of all the funds received into and all disbursements out of the Interim Spent Fuel Storage Facility Oversight Fund to the Joint Standing Committee of the Legislature having jurisdiction over Utilities, Energy, and Technology matters by the first Monday in February of the following year, or February 2nd this year.

The fund accounting period is for the calendar year 2014. The subsequent tables provide the information required under Title 22 of the Maine Revised Statutes Annotated (MRSA) §668, as enacted under Public Law, Chapter 539. Table 1 below shows the 2014 revenues received for the Interim Spent Fuel Storage Facility Oversight Fund. Maine Yankee had been paying a quarterly assessment of $55,000 to the Fund based on an annual fee of $220,000. In 2012, the Oversight Group noted that an excess of funds existed in the Fund. Since the current financial assessment paid by Maine Yankee was more than adequate, the Oversight Group opted for flexibility, as reported in the 2012 Report of Oversight Activities and Funding to the Joint Standing Committee, by billing Maine Yankee for only the quarterly amounts needed based on the Oversight Group's annual budget projections as opposed to suggesting legislative action to change the amount of funding. Consequently, Maine Yankee has paid $160,000 into the Fund the last two years.

As stated in last year's report, reimbursements for the time spent by the State Nuclear Safety Inspector assisting the State's X-Ray Inspection Program were forthcoming. As noted in Table 1, all

reimbursements since the inception of the State Nuclear Safety Inspector Program in 2008 were finally journaled in 2014 from the X-Ray Program to the Oversight Fund.

An on-going charge to the Fund is the Department's Indirect Cost Allocation Plan (DICAP). The DICAP is defined as a charge to other than general fund appropriation accounts using a percentage assessment against actual expenditures representing the proportional value of indirect benefits received within the department or agency. The DICAP is considered negative revenue.

Table 1 - Revenues

Funds Received	
Quarterly Payments from Maine Yankee	$160,000.00
2014 X-Ray Reimbursement	$22,540.49
2013 X-Ray Reimbursement	$21,928.73
2008 through 2012 X-Ray Reimbursements	$83,908.84
DICAP Transfer	- $12,095.00
Total Fund Revenue:	$276,283.06

Table 2 lists the breakdown of disbursements and expenditures from the Fund and is based primarily on available budget reports. In the disbursements to the "Other State Agencies" it should be noted that the 2013 fourth quarter transfers to the listed agencies, totaling $38,334.88 to the Fund, did not occur until January of 2014. In addition, the values listed for each agency represents both the carryover transfer from the previous year plus the current transfer based on the respective agencies' expected expenses for the 2014 calendar year. For the Department of Environmental Protection and the Department of Public Safety, the expenses were the same for each transfer while the Administrative Overhead varied somewhat due to a slight change in the percentage of time spent by the Radiation Control Program Manager supervising the State Nuclear Safety Inspector Office.

Similarly, in the "Other Expenditures" listing, the 2013 fourth quarter expenses for the services of the Health and Environmental Testing Laboratory and Global Dosimetry were not paid until January of 2014. In 2013, the State contracted with six individuals to review the State's Draft Confirmatory Summary Report that summarizes the State's findings on the Maine Yankee decommissioning. The consultation expense listed represented those funds that should have been paid in 2013 but were instead paid in January of 2014.

In 2014, the storage building that the State Inspector was using for archiving Maine Yankee documents and the soil samples from the Maine Yankee decommissioning was sold. This necessitated the removal of about 150 archive boxes and over 1,000 samples to another location in less than two months. The Radiation Control Program decided to safely discard as many of the samples as possible. Over two thirds of the samples were discarded because their radioactivity levels, as determined from laboratory reports, indicated levels that were essentially equivalent to natural background levels. The remaining 328 samples were slightly radioactive with man-made elements that required shipment and disposal at a hazardous waste facility in Tennessee. The analytical laboratory services were necessary to confirm the man-made radioactive elements in 38 samples for which we could not find laboratory results. Although the cost listed was for all 38 samples, only 27 samples were analyzed and available for the expedited shipping. Consequently, eleven samples along with an extra sample that was found after the shipment will require shipping and disposal at some later date.

Finally, the Statewide Cost Allocation Plan (STA-CAP) is a charge to Federal Expenditures Funds, Federal Block Grant Funds, Other Special Revenue Funds or other fund accounts using a percentage assessment against the aggregate of monthly actual expenditures. The Oversight Fund is from dedicated revenues, which is considered a Special Revenue Fund, and is therefore assessed a STA-CAP charge.

Table 2 – Disbursements and Expenditures

Total Disbursements from the Fund:	$227,213.22
Disbursements to State Nuclear Safety Inspector (SNSI) Office	
SNSI Salary and Benefits	$119,170.92
Transportation Expenses	$343.88
Office Rental, Computers, Utilities, Supplies and Postage	$8,079.85
Sub-Total	$127,594.65
Disbursements to Other State Agencies	
Department of Environmental Protection	$5,733.26
Department of Public Safety	$30,615.98
Department of Health and Human Services' (Administrative Oversight)	$40,957.56
Sub-Total	$77,306.80
Other Expenditures	
Health and Environmental Testing Laboratory (HETL) Services for the State's Radiological Environmental Monitoring Program	$696.00
Global Dosimetry Environmental Radiation Devices	$666.00
Environmental Radiation Monitor Expenses	$178.26
Consultation Services	$201.76
Radioactive Transportation and Disposal Services	$6,106.00
HETL Laboratory Services for Soil Samples	$7,326.00
Nuclear Waste Strategy Coalition Dues	$1,000.00
Transfer to General Fund STACAP	$6,137.75
Sub-Total	$22,311.77

Table 3 below lists the Fund balance at the end of the 2014 calendar year. It was noted by Maine Yankee in previous oversight meetings that there was no accounting for the State Inspector's accrued vacation and sick leave. The computed amount, which is separately listed as an expense, will be maintained as a minimum balance in the account to ensure its proper disbursement should there be a future separation in employment. The Total Accrued Time was initially based on the maximum payable accrued vacation and sick leaves under a retirement scenario. It never included the state's costs associated with the Inspector's position or other possible scenarios. The maximum Total Accrued Time now includes all costs for all possible eventualities.

Table 3 - Account Balance

Account Balance as of 12/31/13		$115,376.54
Revenue Received		$276,283.06
Expenditures		- $227,213.22
Account Balance as of 12/31/14	Sub-Total	$164,446.38
Total Accrued Time (Maintained as a minimum balance)	Sub-Total	- $96,677.48
Available Balance as of 12/31/14		$67,768.90

Presently, there is an ample balance in the account besides the expected $20,000 reimbursement from the X-Ray Inspection Program for the coming year. The calendar year 2015 allocations to the various state agencies providing oversight were previously determined and will be outlined in the Radiation Control Program's 2014 Oversight Activities Report to the Joint Standing Committee on Utilities, Energy, and Technology later this month.