

Fiscal Estimate Narratives

PSC 3/1/2006

LRB Number	05-0419/1	Introduction Number	SB-594	Estimate Type	Original
Description Requirements for approval of construction of nuclear power plants					

Assumptions Used in Arriving at Fiscal Estimate

SB 594 would change existing law in such a way that a utility(s) may be able to request the construction of a nuclear plant. The PSC would be required to complete the case within 180 days with the ability to extend another 180 days. The last proposal to construct a nuclear plant in Wisconsin was made by four utilities in July of 1974. The case went on until July 1977 at which time the utilities withdrew their request. During the time the case was going on there were 16 days of hearings and numerous orders were issued by the Commission regarding hearing examiner rulings and requests for rehearings. On March 2, 1979, the Commission issued an order prescribing the accounting for the applicant expenses in the case. The reclassification allowed the utilities to charge back to ratepayers much of the cost of \$33 million incurred during the conduct of the case. A portion of that amount would have been costs billed to the utilities for work of the Commission. However, because of the elapsed time the Commission no longer has any of the billing data to determine the costs. The likely cost to conduct a nuclear plant case would be significant. The Commission has only one engineer on staff with a nuclear background and it would be difficult to complete the case without assistance from outside consultants. The Commission has direct billed a total of \$1,191,617 for costs associated with the Elm Road generating station case based on over 15,000 staff hours. It is likely that conducting a nuclear plant construction case would exceed those cost and time commitments. In addition, intervenor compensation for numerous intervenors would be sought by a number of parties. Depending on the amounts requested, there may not be sufficient resources to provide funding for all of the requests. This might require a s.16.515 request to provide additional resources.

Currently in the United States there are three sites being reviewed by the Nuclear Regulatory Commission (NRC) under its early site permit process. The full NRC process involves a two part licensing process, the first of which would provide pre-site approval to build a new plant. The process addresses site suitability, environmental impacts and emergency planning issues associated with the site. It would be likely that any utility would first begin their process of proposing a nuclear plant by going the NRC under this new process first. Exelon Corporation in Illinois is one of the companies in the process for a site adjacent to their Clinton Power Station in DeWitt County. Estimates of the time required to get this part of the federal pre-site process done are in the neighborhood of 33 months. The Clinton site early permit application has been under NRC review for approximately 29 months. If a utility were to propose pre-site approval for a place in Wisconsin the PSC would most likely be required to intervene as a party in the NRC process and to attend public meetings to keep the public informed. If a utility in the future made a construction application in Wisconsin with a NRC pre-site approval in hand it would be very unlikely that a decision on the plant could be accomplished within the time frames established in the bill without a large investment in resources by the Commission and other state agencies who have some statutory responsibilities concerning the environment or safety.

Long-Range Fiscal Implications

Unknown