Utilities Seek to Suspend Nuclear Waste Payments (Update1)

By Tina Seeley

July 8 (Bloomberg) -- U.S. nuclear utilities say they shouldn’t have to pay an estimated $769 million this year toward a waste repository since the U.S. is abandoning the Yucca Mountain site and hasn’t settled on another disposal plan.

The Nuclear Energy Institute, a Washington-based group representing owners of all 104 operating U.S. reactors, sent a letter to Energy Secretary Steven Chu today asking for the payments to be suspended. About $29.6 billion in fees and interest has gone into the nuclear fund as of the end of 2008. Utilities pay into the fund via a surcharge on electricity produced by nuclear power.

President Barack Obama announced earlier this year in budget documents that the U.S. would no longer seek to build a nuclear waste repository at Yucca Mountain, Nevada. Chu has proposed a panel to make recommendations on a plan for waste disposal.

“There is no clearly defined program for disposal of spent nuclear fuel and high-level radioactive waste,” Frederick Butler, president of the National Association of Regulatory Utility Commissioners, said in a separate letter today to Chu. “Therefore, there is no basis to assess the adequacy of fees that continue to be paid into the Nuclear Waste Fund.”

Jen Stutsman, spokeswoman for the department, didn’t immediately respond to a phone message seeking comment on the request.

Nuclear power generated 20 percent of U.S. electricity in 2008, according to the Energy Information Administration.

Butler’s group, which represents state utility regulators, estimates that utilities will pay $769 million into the fund this fiscal year, which began in October. The Washington-based group is supporting the request to suspend payments.

Nuclear Energy Institute President Marvin Fertel said in his letter to the secretary that the fund has “more than enough money” to cover the president’s $197 million request for Yucca Mountain’s 2010 budget.

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