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LEGISLATIVE ACTION

Senate

House

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Floor: 1/AD/2R

04/25/2013 09:23 AM

Senators Legg, Latvala, Simpson, and Brandes moved the following:

Senate Amendment (with title amendment)

Delete lines 93 - 188
and insert:

licensing or certification.

(c) After a utility obtains a license or certification, it must petition the commission for approval before proceeding with preconstruction work beyond those activities necessary to obtain or maintain a license or certificate.

1. The only costs that a utility that has obtained a license or certification may recover before obtaining commission approval are those that are previously approved or necessary to



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13 maintain the license or certification.

14 2. In order for the commission to approve preconstruction
15 work on a plant, it must determine that:

16 a. The plant remains feasible; and

17 b. The projected costs for the plant are reasonable.

18 (d) After a utility obtains approval to proceed with
19 postlicensure or postcertification preconstruction work, it must
20 petition the commission for approval of any preconstruction
21 materials or equipment purchases that exceed 1 percent of the
22 total projected cost for the project. Such petition shall be
23 reviewed and completed in the annual Nuclear Cost Recovery
24 Clause proceeding in which it is filed or in a separate
25 proceeding by the utility.

26 (e) A utility must petition the commission for approval
27 before beginning the construction phase.

28 1. The only costs that a utility that has obtained
29 commission approval may recover before beginning construction
30 work are those that are previously approved or necessary to
31 maintain the license or certification.

32 2. In order for the commission to approve proceeding with
33 construction on a plant, it must determine that:

34 a. The plant remains feasible; and

35 b. The projected costs for the plant are reasonable.

36 (f)1. If a utility has not begun construction of a plant
37 within:

38 a. Ten years after the date on which the utility obtains a
39 combined license from the Nuclear Regulatory Commission for a
40 nuclear power plant or a certification for an integrated
41 gasification combined cycle power plant, the utility must



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42 petition the commission to preserve the opportunity for future
43 recovery under this section for costs relating to that plant.
44 The commission must determine whether the utility remains intent
45 on building the plant.

46 (I) If the commission finds that the utility remains intent
47 on building the plant, the utility may continue to recover costs
48 under this section.

49 (II) If the commission finds a lack of such intent, it may
50 enter an order prohibiting recovery of any future costs relating
51 to the plant under this section.

52 b. Twenty years after the date on which the utility obtains
53 a combined license from the Nuclear Regulatory Commission for a
54 nuclear power plant or a certification for an integrated
55 gasification combined cycle power plant, the utility may not,
56 under this section, recover future costs relating to that plant.

57 2. Consistent with subsection (4), nothing in this section
58 shall preclude a utility from recovering the full revenue
59 requirements of the nuclear power plant or integrated
60 gasification combined cycle power plant in base rates upon the
61 commercial in-service date.

62 3. Beginning January 1, 2014, in making its determination
63 for any cost recovery under this paragraph, the commission may
64 find that a utility intends to construct a nuclear or integrated
65 gasification combined cycle power plant only if the utility
66 proves by a preponderance of the evidence that it has committed
67 sufficient, meaningful, and available resources to enable the
68 project to be completed and that its intent is realistic and
69 practical.

70 (6) If the utility does ~~elects~~ not to complete ~~or is~~



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71 ~~precluded from completing~~ construction of the nuclear power
72 plant, including new, expanded, or relocated electrical
73 transmission lines or facilities necessary thereto, or of the
74 integrated gasification combined cycle power plant, the utility
75 shall be allowed to recover all prudent preconstruction and
76 construction costs incurred following the commission's issuance
77 of a final order granting a determination of need for the
78 nuclear power plant and electrical transmission lines and
79 facilities necessary thereto or for the integrated gasification
80 combined cycle power plant. The utility shall recover such costs
81 through the capacity cost recovery clause over a period equal to
82 the period during which the costs were incurred or 5 years,
83 whichever is greater. The unrecovered balance during the
84 recovery period will accrue interest at the utility's weighted
85 average cost of capital as reported in the commission's earnings
86 surveillance reporting requirement for the prior year. However,
87 if the utility elects not to complete construction of the
88 nuclear power plant, rather than being precluded from completing
89 such construction, the utility may not recover or retain any
90 rate of return under this section. Any cost recovery after the
91 date of the decision not to complete construction of the plant
92 may not include a rate of return. A utility that elects not to
93 complete construction shall refund to its customers the costs
94 recovered before the date of the decision which are attributable
95 to a recovery of a rate of return.

96 Section 2. This act does not apply to costs incurred, or
97 contracts or settlement agreements entered into, before July 1,
98 2013. It also does not apply if, on or before that date, the
99 Public Service Commission receives written notice that a utility



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100 has elected not to complete construction of a power plant.

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102 ===== T I T L E A M E N D M E N T =====

103 And the title is amended as follows:

104 Delete lines 10 - 19

105 and insert:

106 that the commission may not determine that a utility
107 intends to complete construction of a power plant
108 unless the utility proves its efforts by a
109 preponderance of the evidence; providing that a
110 utility that elects not to complete construction of a
111 nuclear power plant may not recover or retain any rate
112 of return for related costs; exempting certain actions
113 taken before this act takes effect; providing an
114 effective date.