

SENATE BILL REPORT

SB 5756

AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 11, 1991

Brief Description: Providing rate regulation for low-level waste sites.

SPONSORS: Senators Hayner, Jesernig and Thorsness; by request of Utilities & Transportation Commission.

SENATE COMMITTEE ON ENERGY & UTILITIES

Majority Report: That Substitute Senate Bill No. 5756 be substituted therefor, and the substitute bill do pass.

Signed by Senators Thorsness, Chairman; Saling, Vice Chairman; Nelson, Patterson, Roach, Stratton, Sutherland, and Williams.

Staff: Phil Moeller (786-7445)

Hearing Dates: February 26, 1991; March 5, 1991

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5756 as recommended by Committee on Energy & Utilities be substituted therefor, and the substitute bill do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Bluechel, Cantu, Gaspard, Hayner, Johnson, L. Kreidler, Metcalf, Newhouse, Owen, Saling, L. Smith, West, Williams, and Wojahn.

Staff: Michael Groesch (786-7715)

Hearing Dates: March 8, 1991; March 11, 1991

BACKGROUND:

After 1992, the commercial facility located at Hanford for the disposal of low-level radioactive waste is scheduled to become the only site for in-region generators of this type of waste material. Regional members of the compact of states include Alaska, Hawaii, Idaho, Montana, Oregon, Utah, and Washington as the host state.

Generators of this type of waste have very few options as to how they may dispose of this material.

SUMMARY:

If a monopoly situation exists as relating to the disposal of commercial low-level radioactive waste, the site operator will become regulated by the state Utilities and Transportation Commission (UTC). The UTC may set maximum disposal rates for

use of the site. Provisions are stipulated regarding the initial rate case that the company is subject to.

EFFECT OF PROPOSED SUBSTITUTE:

A striking amendment was adopted.

If the Washington Utilities and Transportation Commission (WUTC) finds that a monopoly situation exists as to the disposal of commercial low-level radioactive waste, the WUTC is directed to regulate the disposal rates for low-level radioactive waste.

By March 1, 1992, a low-level radioactive waste disposal site operator is directed to file with the WUTC a request for an initial maximum disposal rate, with the rate to be effective January 1, 1993. The maximum disposal rates are to be adjusted every six months. Disposal site operators may contract with waste generators for lower disposal rates. Provisions are made for allowing different disposal rates for extraordinary volumes of waste.

The conditions are outlined defining when a monopoly situation exists for disposal of low-level radioactive waste. The disposal site operator may petition the WUTC to be classified as competitive. If classified as competitive, the disposal site operator shall be exempt from WUTC regulation.

The basic rate of Business and Occupations tax on entities disposing of low-level radioactive waste is reduced from 15 percent to 10 percent on the day the bill is signed. The rate is further reduced to 5 percent on January 1, 1992.

A surcharge of \$3.50 on each cubic foot of low-level radioactive waste disposed in the state is made on the generator of such waste. Of this surcharge, \$1.50 is remitted to a county in which a disposal facility is located. \$2.00 of the surcharge is placed in an account established for Hanford area economic development. "Hanford area" is defined as Benton and Franklin counties.

A Hanford Area Economic Investment Fund Committee is established to recommend rules for administering the Hanford area economic development account and to recommend specific projects eligible for funding. Terms and conditions for committee membership are specified.

Appropriation: none

Revenue: none

Fiscal Note: requested March 5, 1991

TESTIMONY FOR (Energy & Utilities):

Federal law provides that the low-level radioactive waste disposal site located in the state will become a regional monopoly after 1992. Entities that generate waste will need

disposal rate protection. If, however, a competitive condition exists, the site operator should not be subject to rate regulation. The host area should receive some compensation for the site being located in that location.

TESTIMONY AGAINST (Energy & Utilities): None

TESTIFIED (Energy & Utilities): PRO: Carol Monohon, WUTC; Ron English, WPPSS; Barry Bede, U.S. Ecology; James M. Vannostrand, U.S. Ecology; Sandi Strawn, Benton County Commissioner; Claude Oliver, Benton County Treasurer; Peter Birney, Benton County Prosecutor's Office

TESTIMONY FOR (Ways & Means):

There have been complex negotiations to support this legislation. The parties involved intend to continue work on perfecting the bill.

TESTIMONY AGAINST (Ways & Means): None

TESTIFIED (Ways & Means): Barry Bede, U.S. Ecology (pro)