Department of Health and Human Services
Maine People Living Safe, Healthy and Productive Lives

Paul R. LePage, Governor Mary C. Mayhew, Commissioner

Department of Health and Human Services
Commissioner's Office
221 State Street
11 State House Station
Augusta, Maine 04333-0011
Tel: (207) 287-3707
Fax (207) 287-3005; TTY: 1-800-606-0215

February 9, 2011

MEMORANDUM

TO: Senator Michael Thibodeau and Representative Stacey Allen Fitts, and members of the Joint Standing Committee on Utilities and Energy

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

SUBJECT: State Nuclear Safety Inspector's Annual Accounting Report of the Interim Spent Fuel Storage Facility Oversight Fund

Legislation enacted in the spring of 2008 requires 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. The report must be submitted annually to the Joint Standing Committee on Utilities and Energy 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.

RJB/klv

Enclosure

cc: Senior Policy Advisor, Governor's Office
Dr. Stephen Sears, Acting Director, Maine CDC
Darryl Brown, Commissioner, Department of Environmental Protection
Richard Davies, Maine Public Advocate
Lt. Christopher Grotton, Special Services Unit, Maine State Police

Maine Center for Disease Control and Prevention
An Office of the Department of Health and Human Services

Department of Health and Human Services
Maine Center for Disease Control and Prevention
286 Water Street
11 State House Station
Augusta, Maine 04333-0011
Tel: (207) 287-5676
Fax: (207) 287-3059; TTY: 1-800-606-0215

State Nuclear Safety Inspector's 2010 Report

On the

Interim Spent Fuel Storage Facility Oversight Fund

to the

Joint Standing Committee on Utilities and Energy

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, 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 new legislation requires that the State Nuclear Safety Inspector 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 and energy matters by the first Monday in February of each year, or February 7th this year.

The fund accounting period is for the calendar year 2010. 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, in the second regular session of the 123rd Legislature.

Table 1 below exhibits the 2010 revenues received for the Interim Spent Fuel Storage Facility Oversight Fund. Maine Yankee pays a quarterly assessment of $55,000 to the Fund based on an annual fee of $220,000. However, Maine Yankee's fourth quarterly payment was not received until January 7, 2011 and will be accounted for in next year's report. A relatively new charge to the Fund is the Department 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	$165,000.00
DICAP Transfer	-$14,502.00
Total Fund Revenue:	$150,498.00

Table 2 lists the breakdown of expenditures from the Fund and is based primarily on available cash reports. It should be mentioned that the Nuclear Waste Strategy Coalition dues also includes the 2009 dues that were not paid until 2010. The Statewide Cost Allocation Plan (STA-CAP) is a charge to Federal Expenditures Fund, Federal Block Grant Fund, Other Special Revenue Funds or other fund accounts using a percentage assessment against the aggregate of monthly actual expenditures for each class and object codes from 3110 through 5999. The Oversight Fund is from dedicated revenues and would therefore be considered a Special Revenue Fund.

Some Fund expenses appear unwarranted. For example, the travel expenses for the State Inspector are listed as $435.88. A review of the individual expense account records totaled $298.32. However, during the review it was observed that $89.60 was improperly coded to the Fund when it should have been coded to a separate federal account. The remaining difference of $47.96 is also presumed to be incorrectly coded as its origin is unknown. Other examples involve improper listings such as the $500.07 for Miscellaneous Professional Fees and Special Services and the $604 for the purchase of books. Both were accounted for in last year's report. Why these expenses were carried over from a previous year into 2010's financial reports is uncertain. In addition, there are $616.34 in supplies that are being questioned. Consequently, all these inconsistencies will be summed under the red-lined item "adjustments for incorrect coding of expenses" in Table 2. In light of these concerns the State Inspector will initiate a tracking system to correct these and future issues.

Table 2 - Expenditures

Disbursements from the Fund:		$126,530.22
Disbursements to State Nuclear Safety Inspector (SNSI) Office		
SNSI Salary and Benefits		$109,936.44
Transportation Expenses		$435.88
Office Rental, Computers, Utilities and Supplies		$6,072.16
	Sub-Total	$116,444.48
Other Expenses		
Health and Environmental Testing Laboratory Services for the State's Environmental Monitoring Program		$2,858.00
Global Dosimetry Environmental TLDs		$1,130.00
Environmental Radiation Monitor Expenses		$350.45
Miscellaneous Professional Fees & Special Services		$500.07
Nuclear Waste Strategy Coalition Dues		$2,000.00
Purchase of Books		$604.00
Transfer to General Fund STACAP		$2,643.22
	Sub-Total	$10,085.74
Adjustments for Incorrect Coding of Expenses		(-$1,857.97)
Adjusted Expenditures	Total	$124,672.25

Table 3 - Account Balance

Account Balance as of 12/31/09		$120,892.21
Revenue Received		$150,498.00
Expenditures		$124,672.25
Account Balance as of 12/31/10	Totals	$146,717.96

Table 3 above lists the Fund balance at the end of the 2010 calendar year. Although funds were budgeted for other agencies providing oversight in 2008, 2009, and 2010 only funds to the Department of Environmental Protection were disbursed from the account in 2008. Initially, the Radiation Control Program relied on invoices from the other departments to journal revenues from the Fund to the other agencies providing oversight. In 2009 for some reason some invoices were being issued but payments were not disbursed from the Fund. In 2010 the Radiation Control Program instituted an automatic quarterly disbursement to the other agencies. Somehow the journaling did not occur. So in December of 2010 the Radiation Control Program met with the Department of Health and Human Services financial group to effect a systematic disbursement of the revenues as well as a one time journaling of funds to the agencies for previous allotments budgeted but never transferred. According to the financial group this will be accomplished before the end of the current fiscal year, including the establishment of an automated process to disburse funds to the appropriate agencies on a quarterly basis. Table 4 lists the various agencies whose allotments remain outstanding.

Table 4 - Outstanding Allotments

Agencies	*2008, 2009, & 2010 Allotments*	*Amount To Be Disbursed*
Department of Environmental Protection	$40,835.60	$40,835.60
State Police	$71,160.00	$71,160.00
Office of Public Advocate	$49,244.00	$49,244.00
Department of Health and Human Service's Administrative Overhead	$60,310.45	$60,310.45
Totals	$221,550.05	$221,550.05

Presently, there is an ample balance in the account. An immediate disbursement of all the previous allotments to the appropriate agencies should not adversely affect the Fund's balance as the Fund has just received Maine Yankee's fourth quarter 2010 and first quarter 2011 payments, totaling $110,000. With an approximate balance of $256,000 and payments of $221,000 that would leave a balance of about $35,000 in the account going forward, which should be more than adequate to cover the operating costs for the current quarter.

The calendar year 2011 allocations to the various state agencies providing oversight were previously determined and outlined in the Radiation Control Program's 2009 Oversight Activities Report to the Joint Standing Committee on Utilities and Energy. Further details on how past stranded costs will be addressed will be discussed in the Radiation Control Program's 2010 Oversight Activities Report to the Legislature.

Patrick J. Dostie 2/3/11

Patrick J. Dostie/ Date
State Nuclear Safety Inspector