

SMUD News Release

Sacramento Municipal Utility District

• News Media Services

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SMUD wins federal lawsuit

The U.S. Court of Federal Claims has awarded the Sacramento Municipal Utility District (SMUD) \$39.8 million in a breach of contract action against the United States. The award comes after two related trials on the storage of spent nuclear fuel from SMUD's now closed Rancho Seco Generating Station.

SMUD contracted with the Department of Energy to collect and permanently dispose of its spent nuclear fuel and other high level radioactive waste as required by the 1983 Nuclear Waste Policy Act. The Government had not followed through on its obligation to collect and dispose of SMUD's spent fuel due to delays in opening the Yucca Mountain repository or another federal storage facility.

Due to the lack of a federal repository, SMUD was forced to develop and implement a "dry storage" system to store the spent fuel.

In 1998, SMUD brought suit in the Court of Federal Claims to recover the cost of building, loading, and operating the dry-storage system.

"This is a major victory as it substantially mitigates the costs SMUD has incurred due to the lack of a federal repository," said SMUD Chief Assistant General Counsel Steve Cohn.

The judgment also validates SMUD's decision to move the spent nuclear fuel at Rancho Seco to dry storage. SMUD took this action when it became apparent that the federal government was not making progress on the Yucca Mountain disposal site in Nevada. After years of planning, engineering, licensing, and fabrication, SMUD successfully moved all of its spent nuclear fuel at Rancho Seco to on-site dry storage in 2002.

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