

**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Application of Dominion Nuclear Projects, Inc. and Dominion
Energy Kewaunee, Inc. for approval of the Sale of Dominion
Energy Kewaunee, Inc.'s Stock to EnergySolutions, LLC

Docket No. 9812-EI-100

**SUPPLEMENTAL DIRECT TESTIMONY OF STEVE KIHM
ON BEHALF OF CITIZENS UTILITY BOARD**

1 **Q. Please state your name, business address, and occupation.**

2 A. My name is Steve Kihm, and my business address is the Citizens Utility Board (CUB), 625
3 North Segoe Rd, Suite 101, Madison, Wisconsin 53705. I am employed by CUB as
4 Regulatory Strategist.

5 **Q. Have you previously filed testimony in this proceeding?**

6 A. Yes.

7 **Q. What is the purpose of this supplemental testimony?**

8 A. CUB's focus in this proceeding is on ensuring that the financial interests of Wisconsin
9 Power & Light Company's (WPL) and Wisconsin Public Service Corporation's (WPSC)
10 customers are being considered and protected by the Commission in its decision as to
11 whether to approve the sale of the Kewaunee Nuclear Power Plant to EnergySolutions for
12 the purpose of decommissioning the plant. Any excess funds in the decommissioning trust,
13 those over and above the cost of decommissioning the plant, flow back to customers.

14 On April 29, 2022, the U.S. Nuclear Regulatory Commission (NRC) issued a
15 statement that it had found substantial radioactive contamination in the groundwater of an
16 EnergySolutions fuel disposal facility in Utah. I include this NRC report as Ex.-CUB-Kihm-

1 2. As Ex.-CUB-Kihm-3 and Ex.-CUB-Kihm-4 illustrate, his appears to be more than just a
2 minor environmental issue.

3 **Q. Are you offering testimony on the physical aspects of the contamination?**

4 A. No. I offer exhibits solely for the purpose of identifying that there is a contamination issue
5 as identified by the NRC. The key point is that it is difficult to determine at this point how
6 significant this contamination might be and whether it will affect the cost of the Kewaunee
7 decommissioning should *EnergySolutions* be the entity that conducts it. This means we have
8 a new risk before us in this proceeding, one that could affect the ultimate transfer of excess
9 funds to Wisconsin utility consumers.

10 **Q. Are you suggesting the Commission is responsible for assessing the physical aspects of**
11 **the contamination?**

12 A. No.

13 **Q. What then are you suggesting?**

14 A. CUB's concern in this proceeding has focused on risk in a financial sense. The
15 contamination issue could affect the Kewaunee decommissioning in two ways: (1) if the
16 contamination is substantial there could be significant financial consequences for
17 *EnergySolutions*, further straining its financial situation, which in turn could affect its ability
18 to raise the capital necessary to finance the Kewaunee decommissioning; and (2) it could
19 affect the operational aspects of the Kewaunee decommissioning, increasing the cost of
20 completing the project. This would reduce the amount of money that would flow back to
21 Wisconsin utility customers at the completion of the project.

22 **Q. How could the Commission assess these risk factors?**

1 A. Nuclear decommissioning and processing of spent nuclear fuel requires highly technical
2 specialized knowledge. The Commission does not have the technical expertise to conduct
3 such an independent analysis. Neither EnergySolutions nor NorthStar, competing vendors,
4 could offer an unbiased opinion. Dominion noted that it lacked technical knowledge about
5 the entire decommissioning process. CUB does not have expertise.

6 That takes us back to CUB's recommendation in this case. If customer interests are
7 to be protected, a highly skilled independent consultant could provide the information the
8 Commission needs. The potential cost of the remediation of the contamination issue is
9 simply another issue the consultant could examine. This problem reinforces the need for
10 unbiased technical review in this proceeding.

11 **Q. Does this conclude your supplemental testimony?**

12 A. Yes.

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