REQUIRES MONITORING
OR STAFF ACTION_____

COMMISSION DIRECTIVE

ADMINISTRATIVE DEPT._____ DATE____June 2, 2004_____

TRANSPORTATION DEPT. _____ DOCKET NO.___2000-366-A_____

UTILITIES DEPT. _____XXX_____ ORDER NO. _____

SUBJECT:
DOCKET NO. 2000-366-A – Chem-Nuclear Systems, LLC. – Application for adjustment in the levels of allowable costs and for identification of allowable costs for fiscal year 2003-2004. Hearing held: April 7, 2004. Order deadline: June 30, 2004. This matter is ready for final disposition.

COMMISSION ACTION:
Ordered that:

1. The Commission adopts Staff's accounting adjustments, except that the Commission grants the Company's request for $123,698 as reimbursement for the remaining cost of the Operating Efficiency Plan. The Commission specifically grants Staff's reduction to direct materials in the amount of $26,354 and Staff's adjustment to direct labor.
2. With regard to the skid, the Commission finds that there is insufficient evidence in the record to support a 50-50 split of the $382,495 cost of the skid. The record does not allow the Commission to determine what portion of the total cost of the skid is to be allocated to Chem Nuclear Systems. Lacking this supporting evidence, the Commission has no choice but to deny its inclusion as a cost.
3. The Commission approves Chem Nuclear Systems use of the Cost Point Accounting System.
4. The Commission finds that total direct, indirect, vault, trench amortization costs and operating rights for the fiscal year ending June 30. 2003 total $9,682,084.
5. That total direct fixed costs are $1,294,160 for the period ending June 30, 2004. Total indirect fixed costs are $3,347,663. Total fixed costs qualifying for operating margin treatment are $4,641,823. Total costs including operating rights of $625,000 are $5,266,823. Irregular costs as of the hearing date are $1,781,870. Total fixed and irregular costs for the period ending June 30, 2004 are $7,048,693.
6. The variable cost rates for the period ending June 30, 2004 are as follows:
   Class A Waste - $22.83 per cubic foot
   Class B Waste - $23.78 per cubic foot
   Class C Waste - $23.57 per cubic foot
   Slit Trench Waste - $91.04 per cubic foot
   Vault Labor Rate - $82.47 per vault
   A, B, C Waste Labor Rate - $882.86 per total shipments less split shipments
   Slit Trench Labor Rate - $5,289.12 per total horizontal shipments
   Waste Acceptance Labor Rate - $257.86 per total shipments
   Trench Record Labor Rate - $51.65 per containers
7. The Key Manager and Employee Compensation plan shall be continued.
8. Chem Nuclear Systems shall continue to submit monthly reports of variable cost data to the Commission as required by Order No. 2001-499.

PRESIDING Clyburn

CLYBURN Yes

FLEMING Yes

HAMILTON Yes

HOWARD Yes

MITCHELL Yes

MOSELEY Yes

WRIGHT Motion

REGULAR SESSION X

SPECIAL SESSION _____

TIME OF SESSION 10:30AM

APPROVED _____

APPROVED STC 30 DAYS _____

ACCEPTED FOR FILING _____

DENIED _____

AMENDED _____

TRANSFERRED _____

SUSPENDED _____

CANCELED _____

SET FOR HEARING _____

ADVISED _____

CARRIED OVER _____

RECORDED BY P. D. Riley