

Response by John Busby Limited

Consultation questions	
1	Do you agree or disagree that the draft guidance sets out what an approvable Funded Decommissioning Programme should contain to ensure that operators of new nuclear power stations (i) estimate the potential costs of decommissioning, waste management and waste disposal and (ii) make prudent provision for meeting their liabilities? What are your reasons?
Response	No - The timing of the Lump Sum Payment should be up front. The prospective operators are subsidiaries to a large extent of foreign companies and the subsidiaries could simply be liquidated to avoid liabilities. In France , EdF is selling half of its shares in RTE, the national grid, to fund its coming decommissioning costs, having been subject to mounting losses. So a "topping up" based on a levy on revenue is unsafe as it may be inadequate even to cover the operating costs as is the case in France. For the fund to be adequate it must be invested in government bonds, constantly reviewed so that over the 60 years it grows. The initial lump sum should be actuarially calculated to be sufficient in 2080 and beyond to manage the decommissioning and waste costs. When the operator seeks funding for its new build programme, it should include the Lump Sum in its provisions.
2	Does the draft guidance contain sufficient information to enable operators of new nuclear power stations to understand the matters that their funded decommissioning programmes should contain?
Response	Yes