



OREGON PHYSICIANS FOR SOCIAL RESPONSIBILITY

RATEPAYERS LOSE \$250 MILLION ON BPA URANIUM DEAL **[FORMER US ENERGY OFFICIAL'S LUCRATIVE CONTRACT RAISES EYEBROWS](#)**

SEATTLE, WA AND PORTLAND, OR///April 7, 2015/////

An [updated study](#) for Oregon and Washington Physicians for Social Responsibility (PSR) finds that a recent uranium contract is likely to cost Pacific Northwest ratepayers more than \$250 million. The complicated contract was signed in 2012 between Bonneville Power Administration (BPA), nuclear plant operator Energy Northwest, the US Department of Energy, the Tennessee Valley Authority, and the United States Enrichment Corporation (USEC, now known as Centrus Energy).

The [study by McCullough Research](#) of Portland, Oregon was released to the media and regional energy officials today, supplementing a report completed last month showing that the US Department of Energy forced Northwest ratepayers to absorb the cost of operating the Paducah enrichment plant in Kentucky for a full year in 2012-13.

“Reviewing the memos surrounding this convoluted uranium deal, it is clear that the sole purpose of it was to keep an old, dirty uranium enrichment plant running for another year,” says economist Robert McCullough. “According to our analysis, this deal is projected to cost Northwest ratepayers, through their Bonneville rates, around \$250 million on a \$700 million deal.”

On March 7, Former Deputy Energy Secretary Daniel Poneman was hired as CEO of Centrus Energy, former operator of the now-defunct Paducah enrichment facility, with a \$1.7 million annual salary. His hiring highlights the politics behind the Obama Administration’s push for the Bonneville Power Administration to pay for a full year’s production at the antiquated enrichment facility in Kentucky in 2012.

“From the record, it seems Bonneville was instructed to take this deal by US DOE and, quite reasonably, was having trouble understanding why they would want to do so,¹” says State Representative Gerry Pollet, (D-Seattle), who is executive director of Hanford watchdog group Heart of America Northwest.

¹ See page 3 of [McCullough Research March 20, 2015 report](#) to Oregon and Washington Physicians for Social Responsibility – note BPA official Greg Delwiche’s misgivings about “a lot of momentum building behind” a deal that was still fluid and “look[ed] like a lot of smoke and mirrors.”

Leading Republicans in the Congress are investigating² what Senator John Barrasso of Wyoming termed in a letter to US Energy Secretary Ernest Moniz, DOE's "long...improper relationship with USEC," which "Mr. Poneman's appointment as President and CEO only promises to make worse."³

"The cronyism of this expensive uranium contract is another reason to rid our region of the Columbia Generating Station once and for all," says Dr. Steven Gilbert, Washington PSR board member. "We believe that this aging reactor, similar in design to those that melted down in Fukushima, Japan is unsafe and must be closed to protect the Columbia River basin and its residents. It appears that Northwest ratepayers would benefit as well."

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NOTE: Economist Robert McCullough, State Representative Gerry Pollet (D-Seattle) and Washington PSR President Dr. Steven Gilbert are available for interviews.

Physicians for Social Responsibility, which was founded in 1961, has a national membership of 35,000 health care professionals and advocates and a total of 25 local chapters across the US. Guided by the values and expertise of medicine and public health, Physicians for Social Responsibility works to protect human life from the gravest threats to health and survival.

² www.politico.com/story/2015/04/dan-poneman-centrus-house-panel-inquiry-116573.html

³ <http://www.politico.com/story/2015/03/dan-poneman-centrus-116089.html>