

THE STATE OF NEW HAMPSHIRE
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE
DOCKET NO. NDFC 2000-1

REPORT AND ORDER NO. 4

SUMMARY

After considering the testimony, evidence and positions of the Parties, the Nuclear Decommissioning Financing Committee (NDFC or Committee) has determined that there has been no change in law, regulation or circumstances that would require an adjustment to the method of collection of the decommissioning fund. Based on the Stipulations of the Parties (Stipulations), agreed to by the Parties, the annual contribution to the decommissioning fund in 2001 will increase to \$19.1 million, from the \$18.4 million level required in 2000.

PROCEDURAL HISTORY

On May 18, 2000, the NDFC issued an Order of Notice opening this docket. The Order of Notice was published by North Atlantic Energy Service Corporation (North Atlantic), as required by the NDFC. On June 22, 2000, a pre-hearing conference was held at which appearances of Parties were accepted. The Parties agreed to a procedural schedule and stipulated the issues to be addressed in the docket. On that same date the NDFC held a public meeting, approved the procedural schedule, and adopted the stipulated issues as the scope of the docket. These actions were set forth in Order No. 1, dated July 12, 2000.

At the pre-hearing conference, North Atlantic was identified as lead company for the Seabrook Joint Owners, pursuant to NDFC Rule 102.09. On June 22, 2000, the NDFC granted intervener status to National Grid USA, Seacoast Anti-Pollution League,

and the Public Utilities Commission Staff. (Order No. 1). On October 17, 2000, the NDFC issued Order No. 3, granting a motion to intervene from the Campaign for Ratepayer's Rights (CRR).

Pre-filed testimony was filed by North Atlantic and CRR. North Atlantic submitted pre-filed testimony of three witnesses, addressing each of the issues identified in Order No. 1. CRR submitted pre-filed testimony of one witness, addressing the issue of anticipated energy producing life of Seabrook.

On November 6, 2000, the NDFC issued a Notice of Public Hearing setting a public hearing date for November 9, 2000. The public hearing was held in Concord, NH at which time the Stipulations of the Parties were presented to the NDFC. The witnesses for North Atlantic and CRR were present and available to address questions concerning each point of the Stipulations.

STIPULATIONS OF THE PARTIES

On November 9, 2000, the Parties presented the NDFC with the Stipulations of the Parties. A copy of the Stipulations is incorporated into this Report and Order by reference, and included as Attachment 1. In the Stipulations, the Parties agreed that this docket should be limited to the issues identified in Order No. 1. At the hearing on November 9, 2000, and as part of the Stipulations, the Parties asserted their unanimous agreement that further hearing is unnecessary on any issue identified in Order No. 1 because there has been no change in the law, regulations or circumstances controlling decommissioning funding since the Final Report and Order of the NDFC in Docket 98-1. Further, the Parties agreed that adequate assurance exists for the collection of the Seabrook Station decommissioning fund, including the funding assurances by the

existing non-utility joint owners. The Parties also urged the NDFC to accept all pre-filed testimony, as supporting the joint positions set forth in the Stipulations. As a final matter, the Parties urged the NDFC to adjust the contributions to the decommissioning fund in 2001 to account for the increase in the decommissioning estimate, as provided by the Joint Owners in the March 2000 Seabrook Station Decommissioning Update. With that adjustment, the contribution required in 2001 would be \$19.1 million.

FINDINGS AND CONCLUSIONS

This docket was opened to determine whether law, regulations or circumstances have changed since 1998, and whether the collection or level of assurances for collection should be adjusted. Of particular interest to the NDFC was the funding assurance of non-utility owners, as New Hampshire proceeds with the restructuring of the electric utility industry. Since this docket was opened, the method for assuring funding by additional non-utility owners of the Seabrook Station has been recognized as appropriately addressed by the New Hampshire General Court, in the first instance, and by the NDFC after the General Court has had the opportunity to address the matter. Accordingly, the NDFC finds that the recommendation of the Parties, that the method and adequacy of funding by additional non-utility owners be deferred until 2001, is appropriate and is adopted by the NDFC. If the General Court does not act on this matter, the NDFC can revisit the matter in 2001. Therefore, the NDFC will defer its consideration of changes to address the further sale of Seabrook Station interests to non-utilities until the General Court determines whether it will act.

The NDFC considered the evidence presented, including the documents that the NDFC identified in Order No. 2 as accepted for Official Notice, and reviewed the terms of the Stipulations of the Parties. The NDFC also received testimony at the hearing on November 9, 2000, regarding the basis for the Stipulations. Based on this record, the NDFC finds that the Stipulations of the Parties accurately reflect the state of the law, regulations, and circumstances since the issuance of the Final Report and Order of the NDFC in Docket 98-1. The NDFC does note that the last approved estimate of decommissioning funding requirement in 1998 dollars is \$ 513 million assuming decommissioning starting in 2015 as ordered in Docket NDFC 98-1. The Committee notes that the current funding requirement for the 2015 scenario, when expressed in 2000 dollars is \$585,919,786, as provided by the Joint Owners in Attachment D3, Volume 2 of the Seabrook Station Decommissioning Update.

Accordingly, the NDFC finds that recommendations of the Parties, as set forth in the Stipulations of the Parties, should be accepted by the NDFC. This includes the recommendation that the NDFC be prepared to open a new docket in 2001 to address issues relating to non-utility ownership of Seabrook Station Unit I.

Based on the foregoing, it is hereby

ORDERED, that the Stipulations of the Parties is accepted as presented on November 9, 2000; and it is

FURTHER ORDERED, that the current Nuclear Decommissioning Financing Funding requirement for Seabrook Station I is \$585.9 million, in 2000 dollars, as reflected in Attachment D3, Volume 2 of the March 2000 Seabrook Station

Decommissioning Update and assuming that decommissioning of the plant begins in 2015; and it is

FURTHER ORDERED, that the funding schedule shall be revised to require that the total contributions for 2001 shall be at least \$19.1 million; and it is

FURTHER ORDERED, that North Atlantic Energy Service Corporation file a revised funding schedule consistent with this Report and Order within thirty (30) days of the date of this Order; and it is

FURTHER ORDERED, that the Joint Owners of Seabrook Station Unit I and all subsequent owners of the facility who acquire any interest hereafter, are hereby required to make monthly payments into the Nuclear Decommissioning Financing Fund, in accordance with the schedule to be filed pursuant to this Order, after such schedule has been reviewed and approved by the Committee, such approval to be set forth in a subsequent order of the NDFC; and it is

FURTHER ORDERED, that such payments shall commence on a date to be contained in a further order of the Committee after the proposed plan is finally adopted and approved by the Committee; and it is

FURTHER ORDERED, that North Atlantic shall continue to file Annual Decommissioning Updates in accordance with the provisions of the Committee's prior orders.

By Order of the Nuclear Decommissioning Financing Committee this 19th day of December, 2000.

Douglas L. Patch
Chairman

Jeb E. Bradley
State Representative

Georgie Thomas
State Treasurer

Beverly Hollingworth
State Senator

John Stevens
Asst. Commissioner
Department of Safety

Willard F. Boyle
Representative of the Town of
Seabrook

Kirk Stone
Governor's Office of Energy
& Community Services

James P. Fredyma
Asst. Commissioner, Health &
Welfare Department