

THE STATE OF NEW HAMPSHIRE
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE
DOCKET NO. NDFC 2001-1

ORDER NO. 1

On May 15, 2001, pursuant to an Order of Notice (OON) issued by the Nuclear Decommissioning Financing Committee (Committee) on April 3, 2001, counsel to the Committee held a prehearing conference at the Public Utilities Commission in Concord. As indicated in the OON, the prehearing conference was held for the purpose of taking appearances from parties interested in participating in the proceeding and establishing a procedural schedule. On May 31, 2001, the New Hampshire General Court passed HB 740, which will become effective 60 days after passage. On June 1, 2001, the Committee had a public meeting to receive a report of counsel concerning interventions, scheduling and hearing scope.

At the prehearing conference the parties agreed to a procedural schedule for this docket. As is apparent from the agreed-upon procedural schedule, the parties are committed to working together to provide the Committee with stipulations on as many issues as possible before the July 9, 2001 hearing date, with the possibility of a global stipulation being presented. The Committee has been impressed with the willingness of the interested parties to work together to provide one position on issues for the Committee to consider and encourages them to continue this effort.

At the prehearing conference, representatives of the following entities appeared and requested full-party intervenor status: North Atlantic Energy Service Corporation (NAEC), New England Power Company, Seacoast Anti-Pollution League, the Campaign for Ratepayers Rights, the Public Utilities Commission Staff, Great Bay Power

Corporation and Little Bay Power Corporation, Massachusetts Municipal Wholesale Electric Company, Canal Electric Company, Office of Consumer Advocate, and the Town of Seabrook. Also, the following Seabrook Station owners requested joint intervention to be represented by North Atlantic Energy Service Corporation: Hudson Light and Power Department, New Hampshire Electric Cooperative, Inc., Taunton Municipal Lighting Plant, Connecticut Light and Power Company, and United Illuminating Company. A representative of United Illuminating Company attended the prehearing conference, but did not make a formal appearance.

Counsel for NAEC and representatives of most Joint Owners stated that NAEC is representing all Joint Owners when the Joint Owners agree and requested recognition to represent independent views during the proceedings. This is a change from most prior proceedings when NAEC was recognized as lead company representing the interests of all Joint Owners. The Committee accepts this approach for the Joint Owners for this docket. Accordingly, any Joint Owner wishing to present a position on any issue that differs from the one advocated by NAEC will be recognized as an intervenor for that purpose.

The impending amendments to RSA 162-F, as contained in HB 740, raise the issues the Committee must address in this docket. At the request of the Committee, counsel for the Committee prepared a list of the issues to be considered in this docket.

The issues are:

1. Determination of the projected cost of decommissioning under the revised standard of RSA 162-F:14, II, as amended by HB 740.
2. Determination of the decommissioning activities required by the revised decommissioning standard of RSA 162-F:14, II, as amended by HB 740.
3. Establishment of the funding date, as required by amended RSA 162-F:19, and the amount of monies to be in the fund on that date.
4. Establishment of the schedule of payments starting January 1, 2002, based on the revised projected cost of decommissioning and the fund performance.
5. Establishment of a procedure for determining the total NH customer contribution to the fund, after the decommissioning surcharge terminates, pursuant to RSA 162-F:21-b, as amended by HB 740.
6. Determination of the method for calculating the fund balance requirement in the event a non-utility seeks to purchase an interest in Seabrook Station, as required by RSA 162-F:21-a, as amended by HB 740.
7. The extent to which the Committee should provide guidance on the use of particular funding assurance methods as part of this docket.
 - a. Parties seeking guidance in this docket will be required to provide support for their suggestions on each method of funding assurance for which they believe guidance should be provided.
8. Establishment of the approval process for funding assurances to be employed when an entity seeks to acquire an interest in Seabrook Station, as required by RSA 162-F:21-a, as amended by HB 740.

9. Establishment of the methodology for projecting the magnitude of funding assurances, even in the event of premature permanent cessation of operation, as required by RSA 162-F: 21-c, as amended by HB 740.
10. Establishment of guidance for determining the funding assurance requirement for establishing a schedule of payments based on a date other than the funding date, as provided in RSA 162-F:20, IV, as amended by HB 740.

This list identifies those areas the Committee will expect the parties to address when developing a record in this docket and may be expanded by the Committee as the docket progresses. Similarly, parties are free to propose additional issues for consideration by the Committee provided they are identified for the Committee by June 18, 2001.

The Committee adopts the proposed schedule agreed to by the parties, with certain modifications. On the date set for intervenor prefiled testimony, the parties will be required to notify the Committee of the status of stipulations on issues. More specifically, the parties are to notify the Committee which of the issues identified above will be stipulated by the parties, which will be stipulated in part and litigated in part, which parties will be joining in stipulation on each issue, and which parties will be filing prefiled testimony. Further, any Joint Owner seeking to present a view differing from NAEC will be expected to submit prefiled testimony on the same date as intervenors. Also, any party intending to submit testimony or evidence in rebuttal or responsive to any submission submitted on June 18, 2001, shall submit prefiled testimony and evidence on June 29, 2001. Finally, each party is required to submit a prehearing statement by July 2, 2001.

With these changes, the procedural schedule for the docket is:

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| Prehearing Conference North Atlantic's Evidence /or/ Prefiled testimony | May 22, 2001 | 10 AM |
| Prehearing Conference | May 29, 2001 | 1 PM |
| Prehearing Conference | May 30, 2001 | 1 PM |
| Prehearing Conference | June 6, 2001 | 1 PM |
| Prehearing Conference | June 12, 2001 | 1 PM |
| Draft Stipulations /or/ prefiled testimony of intervenors and Joint Owners | June 18, 2001 | |
| Prehearing Conference | June 20, 2001 | 1 PM |
| Prehearing Conference & Response testimony | June 29, 2001 | 10 AM |
| | <u>With Stipulation</u> | <u>Without Stipulation</u> |
| Presentation of Stipulations Hearings | July 9, 2001 | N/A |
| Post-hearing briefs | N/A | July 9-11, 2001 10 AM |
| Committee analysis of facts & determinations | N/A | July 16, 2001 |
| Final hearing in Seabrook | July 11, 2001 | July 30, 2001 |
| | August 14, 2001 (Evening) | September 6, 2001 |
| Final Report and Order of NDFC | August 15, 2001 | September 10, 2001 |

Until July 2, 2001, the Committee may make prehearing record requests of parties.

Every effort will be made to make such requests as soon as possible to provide parties with sufficient time to respond. It is expected that responses to all prehearing record requests of the Committee would be filed by the close of business on July 6, 2001. The Committee may also make record requests during and after the hearings; the deadline for responding to any such requests shall be established by the Committee.

All filings shall use the following structure:

1. Each filing will have pages numbered in sequence starting with the first page and including all exhibits and attachments.
2. All prefiled testimony will identify the issue(s) being addressed by reference to the issues set forth above, and, to the extent possible, prepare the testimony in the order set forth above.
3. The prehearing statements will identify the position of the party on each issue, including where the party takes no position on an issue. For each issue, the party will identify, in the order above and with citations, the testimony or document they rely upon to support the position advocated.
4. Each filing of prefiled testimony and prehearing statement will be accompanied by a copy of the filing on a floppy disc in MS Word format.

As is evident from the positions of Joint Owners on participation in this docket, the impending statutory changes as provided in HB 740 and the likely realignment of ownership interests in Seabrook Station make the current system of recognizing one lead company to represent the interests of all joint owners before the Committee outdated. Accordingly, the NDFC will undertake to again modify its rules to recognize the impending changes. To the extent the Committee determines it necessary to adopt interim rules for use in this docket, the Committee will undertake to have those rules in effect as soon as possible. As provided in RSA 541-A:30-a V, until new Interim Rules are in effect for the Committee, the model rules prepared by the attorney general will be employed for all hearings.

In preparation for addressing the RSA 162-F:21-a and RSA 162-F:21-c funding assurance requirements, the Committee will conduct a public information session with the fund advisors to the State Treasurer. The session will be informational and non-adversarial. The session will be publicly noticed so that all interested parties may attend. It is anticipated that the session will be held after the hearings scheduled for July 9 – 11, 2001.

Finally, the parties have requested that the Committee clarify the procedure that will be followed to meet the RSA 162-F:21-a funding assurance requirements for the anticipated sale of ownership interests in the Seabrook Station. In this docket, the Committee will determine what guidance, if any, will be given concerning funding assurances prior to the Public Utilities Commission conducting an auction of the NAEC ownership interest in Seabrook Station. This docket will be closed when the Final Report and Order is issued. A separate docket will be opened to consider a specific funding assurance proposal from the successful bidder selected by the Public Utilities Commission as a result of its auction process.

During the public meeting on June 1, 2001, with seven members present and by unanimous vote, the Committee authorized the Chairman to issue this Order No. 1 on behalf of the Committee.

Based on the foregoing, it is hereby

ORDERED, that the procedural schedule noted above is adopted for the duration of this proceeding, subject to change as may be ordered by the Committee, and this order shall be served on the official service listed and posted on the web page of the Public Utilities Commission; and it is

FURTHER ORDERED, that the full-party interventions of the parties listed herein are granted, with NAEC acting as lead company for the Joint Owners, as noted above; and it is

FURTHER ORDERED, the parties are on notice that, at a minimum, the issues set forth above are to be addressed and that the parties may propose additional issues on or before June 18, 2001: and it is

FURTHER ORDERED, any Joint Owner may opt to represent its own interest on one or more issues, provided it notify the Committee and provide pre-file testimony as noted above; and it is

FURTHER ORDERED, as provided in RSA 541-A:30-a, adjudicative proceedings of the Committee shall be conducted pursuant to the model rules prepared by the attorney general until Interim Rules for the Committee are in effect.

By order of the Nuclear Decommissioning Financing Committee on June 4, 2001.

Douglas L. Patch
Chairman