

**THE STATE OF NEW HAMPSHIRE
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE
DOCKET NO. NDFC 2004-1**

ORDER NO. 1

On July 14, 2004, pursuant to an Order of Notice (OON) issued by the Nuclear Decommissioning Financing Committee (Committee) on June 30, 2004, counsel to the Committee conducted a prehearing conference at the Public Utilities Commission in Concord commencing at 1:00 pm. The OON was published in The Union Leader and the Portsmouth Herald on July 5, 2004, and posted in Seabrook, New Hampshire on July 2, 2004. FPL Energy Services, LLC submitted an Affidavit of Publication dated July 12, 2004, attesting to completion of service and notice, on July 14, 2004. The prehearing conference was held for the purpose of taking appearances from parties interested in participating in the proceeding, establishing a procedural schedule, and receiving the views of full parties to the proceeding concerning the issues to be addressed in the docket.

APPEARANCES

Representatives of the following entities appeared and requested full-party intervenor status: FPL Energy Seabrook LLC (FPLE Seabrook), Managing Partner for Seabrook Nuclear Power Station (Seabrook Station); the Massachusetts Municipal Wholesale Electric Company (MMWEC); and the Seacoast Anti-Pollution League. The participants to the pre-hearing conference agreed that Attachment 1 to this Order are the persons to be included on the service list for this docket.

SCHEDULE

At the prehearing conference, the parties agreed to a procedural schedule for this docket.

The procedural schedule proposed by the parties for the docket is:

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| 1. Pre-hearing Conference | July 14 |
| 2. FPLE to file Annual Decommissioning Update | August 24 |
| 3. Pre-hearing Conference | August 26 |
| 4. Last interrogatories of FPLE to be served | Sept. 3 |
| 5. Pre-hearing Conference | Sept. 7 |
| 6. Last interrogatories response from FPLE | Sept. 9 |
| 7. Intervenor pre-file testimony | Sept. 13 |
| 8. Last interrogatories of intervenors | Sept. 15 |
| 9. Last interrogatories response from intervenors | Sept. 17 |
| 10. Pre-hearing Conference | Sept. 21 |
| 11. Pre-hearing Conference | Sept. 22 |
| 12. Stipulation of Issues finalized and filed with NDFC | Sept. 23 |
| 13. Public hearing | Sept. 30 |
| 14. Post-hearing briefs | Oct. 8 |
| 15. Reply briefs | Oct. 15 |
| 16. Preliminary Report and Order | Oct. 29 |
| 17. Final hearing (Seabrook public hearing) | Dec. 7 |
| 18. Final Report and Order of Committee | Dec. 10 |

Discovery will be ongoing. Pre-hearing conferences will begin at 10:00 am, unless otherwise agreed to by the parties.

The public hearing will be held at the Public Utilities Commission (PUC), 21 South Fruit Street, Suite 10, Concord, New Hampshire, commencing at 10:00 A.M. Any change in date or location will be posted at least seven days before the hearing. The time and place for the final hearing in Seabrook, New Hampshire will be published after the preliminary Report and Order is issued, as required by RSA 162-F:21, IV. Prehearing conferences employed for settlement discussion purposes are limited to the full parties and will not be attended by Committee members. Accordingly, those conferences are not subject to public disclosure or the public meeting requirements of RSA 541-A and RSA

91-A. The pre-hearing conferences are proposed and do not limit the number of times the parties will meet to discuss settlement opportunities. The parties will establish the time, date and location for each additional settlement meeting, with notice provided to each full party.

The procedural schedule provides for a full evidentiary hearing to address all issues in the docket, in the event an evidentiary hearing is needed. At the same time, the parties have indicated a willingness to pursue agreement on the evidence to be presented to the Committee and to stipulate as many issues as possible before the public hearing date in order to limit the matters in dispute.

The parties agreed that the issues to be addressed in this docket are limited to the following list. These issues constitute the scope of the docket and the Committee does not anticipate expanding the scope.

ISSUES

Pursuant to RSA 162-F:22, the Committee must determine the projected cost of decommissioning Seabrook Station every four years. The determination was not made in 2002 because the sale of approximately 88% of Seabrook Station to FPLE was pending, and because the 2001 changes to RSA 162-F reduced the projected cost of decommissioning. See: Final Report and Order, NDFC Docket 2001-1. The Committee will establish a schedule of payments once a new projected cost of decommissioning is determined.

Accordingly, in this docket the Committee will:

1. Review the fund performance, including a comparison of revised projected fund balances with the projections recognized in Docket 2003-1.
2. Establish the schedule of payments starting January 1, 2005, based on the projected cost of decommissioning and the fund performance.

3. Review the adequacy of funding assurances, including the funding assurance escrow established in NDFC Docket 2003-1.
4. Review any changes in low-level radioactive waste disposal, processing, cost, vendor, or on-site storage.
5. Review any changes in the status of high-level radioactive waste disposal, including the status of Yucca Mountain repository, and any changes in the projected schedule for storage and shipment of spent fuel.
6. Review any significant or proposed changes or events that may affect the cost or schedule for decommissioning.
7. Review the annual filing requirements for Seabrook Station.

DISCUSSION

The Committee finds the schedule proposed by the parties to be reasonable, and adopts it as the procedural schedule for the docket. The schedule includes the Seabrook Station annual filing being made on August 24, 2004, instead of August 1, 2004 as required by the Final Report and Order in NDFC Docket 2003-1. The delay is to provide the parties, and the investment advisors, to complete a revision of the annual report form and content. The revisions are in recognition that the ownership of Seabrook Station no longer includes any New Hampshire utilities, and that some of the information previously required reflected concerns about the nuclear industry that are no longer valid. Also, the parties are working to present the annual report in a format that will make areas of concern more apparent. The Committee accepts the revised filing date and appreciates the efforts of the parties to improve the annual filing.

The Committee grants the requests for intervention of MMWEC, FPLE and SAPL as full parties in this docket. It is noted that Hudson Light and Power Department

(Hudson) and the Taunton Municipal Lighting Plant (Taunton), minority owners of Seabrook Station, were mailed copies of the OON but did not attend the June 30, 2004 pre-hearing conference. Accordingly, they will be represented by FPLE as managing agent, until such time as independent representation is requested.

On September 23, 2004, the date by which any stipulation is to be finalized, the full parties will notify the Committee which issues identified above will be stipulated, in part or in total, and which parties support the stipulations. If there are issues for which opposing testimony will be presented at the public hearing, each party is required to submit a prehearing statement by September 23, 2004. These statements are to identify which issues, if any, that party will address during the public hearing. In the event of a global stipulation by the parties, an executed stipulation with supporting affidavits and any other supporting evidence are to be filed by that date. Any prehearing statements or filings are to be served on the full service list.

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, that testimony will be presented so the issues are addressed in the same order as 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.

The Committee finds it appropriate to continue to conduct proceedings using the Model Rules promulgated by the Attorney General. While this docket is pending, but not as part of this docket, the Committee will initiate a separate proceeding to promulgate procedural rates.

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 it is

FURTHER ORDERED, that the full-party interventions of the parties listed herein are granted, with Taunton and Hudson represented by FPLE; and it is

FURTHER ORDERED, that the issues set forth above are the only matters to be addressed in the docket and the parties are on notice that each of the issues is to be addressed; and it is

FURTHER ORDERED, that this order shall be served on the official service listed and posted on the NDFC page of the web page of the Public Utilities Commission; and it is

FURTHER ORDERED, as provided in RSA 541-A:30-a, that 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 this 12th day of August, 2004.

/S/
Thomas B. Getz
Chairman