

THE STATE OF NEW HAMPSHIRE  
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE  
DOCKET NO. NDFC 2016-1

**ORDER NO. 1**

On June 23, 2016, the Nuclear Decommissioning Financing Committee (“Committee” or “NDFC”) issued an Order of Notice (“OON”). The initial pre-hearing conference was conducted on July 27, 2016, at the Public Utilities Commission in Concord for the purpose of taking appearances from parties interested in participating in the proceeding, establishing a proposed procedural schedule, and receiving the views of full parties to the proceeding concerning the issues to be addressed in the docket. Timely notice of the OON was published in *The Union Leader* and the *Hampton Union* on July 8, 2016 and posted at the Seabrook Town Hall and Community Building in Seabrook, New Hampshire on June 27, 2016. An Affidavit of Publication dated July 18, 2016, was provided by the Managing Agent.

**APPEARANCES**

On July 27, 2016, NextEra Energy Seabrook LLC (NextEra) appeared as Managing Agent for Seabrook Nuclear Power Station (Seabrook Station) and as representative of Taunton Municipal Lighting Plant (Taunton), and the Hudson Light and Power Department (Hudson); The Massachusetts Municipal Wholesale Electric Company (MMWEC) appeared and will be represented by separate counsel. No other entities or individuals sought to intervene. These four entities are the only owners of Seabrook Station. The Committee recognizes the right of the Seabrook Station owners to participate in the docket and all owners are recognized as full parties in this docket. Further, the Committee will recognize NextEra, in its capacity as Managing Agent, as the representative of Taunton and Hudson, unless and until those parties appear to represent their own interests.

## **SCHEDULE**

At the pre-hearing conference the parties agreed to the following procedural schedule.

The Committee adopts it for this docket, noting that the hearing dates may be changed to accommodate the schedules of Committee members or to otherwise address administrative conflicts.

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| 1. Pre-hearing Conference (10:00 AM)                   | July 27, 2016      |
| 2. Pre-hearing Conference (2:00 PM)                    | August 9, 2016     |
| 3. Last interrogatories served on NextEra              | August 19, 2016    |
| 4. Last interrogatories responded to by NextEra        | August 26, 2016    |
| 5. Pre-hearing Conference (10:00 AM)                   | September 8, 2016  |
| 6. Stipulation of Issues finalized and filed with NDFC | September 12, 2016 |
| 7. Intervenors' pre-file testimony                     | September 16, 2016 |
| 8. Last interrogatories served on intervenors          | September 19, 2016 |
| 9. Last interrogatories responded to by intervenors    | September 23, 2016 |
| 10. Public hearing (Concord Public Hrg) (1:00 PM)      | September 27, 2016 |
| 11. Post-hearing briefs                                | October 12, 2016   |
| 12. Reply briefs                                       | October 17, 2016   |
| 13. Preliminary Report and Order                       | October 25, 2016   |
| 14. Final hearing (Seabrook Public Hrg) (7:00 PM)      | November 29, 2016  |
| 15. Final Report and Order of Committee                | December 14, 2016  |
| 16. Order Approving 2015 Schedules of Payment          | December 29, 2015  |

Discovery will be ongoing. Pre-hearing conferences will be held at the Public Utilities Commission in Concord, unless conducted as webinars as agreed to by the parties. The

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September 27, 2016, Public Hearing in Concord will begin at 1 pm at the offices of the Public Utilities Commission. The November 29, 2016, public hearing in Seabrook will begin at 7:00 PM at a location to be announced. The Committee will provide as much advance notice as possible if either hearing date must be changed.

The procedural schedule provides for a full evidentiary hearing to address all issues in the docket. On or before September 12, 2016, the parties will provide an agreement on the evidence to be presented to the Committee, which will be presented as a stipulation of the parties. Further, the parties agreed to identify before the public hearing issues for which they support a particular finding by the Committee, stipulate the evidence they will offer in support of issues that are uncontested, and to present a written statement of any issue on which there are differing positions.

#### **SCOPE**

The Committee must review the performance of the fund and the adequacy of all funding assurances each year and "may alter the payment schedule, or require a change in any funding assurance to ensure adequate funding by each owner of its decommissioning obligation." RSA 162-F:22, IL As part of this review, the Committee may alter the schedules of payments and any funding assurances. RSA 162-F:22, III.

The parties and NDFC counsel proposed that the following issues comprise the scope of the issues to be addressed by the parties in this proceeding. The Committee members may expand the scope with notice to the parties prior to the public hearing, and may examine any issue, regardless of whether it is identified by this Order or otherwise before either public hearing, as part of the hearing process.

1. Whether the proposed rates of return for fixed income investments for the Decommissioning Trusts are appropriate.
  2. Whether the assumed equity rates of return for the Decommissioning Trusts used in calculating the schedule of payments are appropriate.
  3. Whether a lower assumed rate of inflation as proposed should affect the assumed equity rate of return.
  4. Whether the assumed Opportunistic fund rates of return for the Decommissioning Trusts used in calculating the schedule of payments are appropriate.
  5. Whether the assumed short-term rates of return for cash and cash equivalents for the Funding Assurance Escrow are appropriate.
  6. Whether the proposed rate of inflation is appropriate.
  7. Whether the overall blended rate of return for the Decommissioning Trust Investments is appropriate.
  8. Review the funding assurances and determine whether any changes are appropriate.
  9. Review the status of the Alkali Silica Reaction (ASR) affecting concrete at Seabrook Station and its potential impact on the license renewal application pending before the NRC in terms of schedule and likelihood of approval.
  10. Review the status of the Independent Spent Fuel Storage Installation.
  11. Review of the status of governmental and commercial alternatives to the long term storage at Seabrook Station of Spent Nuclear Fuel (SNF) and Greater Than Class C nuclear waste.
  12. Determine whether NextEra Energy Seabrook, MMWEC, Taunton, and Hudson -should make all or part of their 2017 payments, if required, into the escrow account or into the Trust.
  13. Review the operational performance of Seabrook Station.
  14. Whether the proposed reductions in the financial reporting requirements originally established in 2002 are appropriate
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15. Establish the requirements for the 2017 Seabrook Annual Report.

16. Establish the 2017 schedules of payments.

The issues set forth above will provide for an annual review as required by RSA 162-F:22, II. The issues include those directed by the NDFC to be included in this docket (See NDFC Docket 2015-1\_ Final Report and Order). Accordingly, the proposed list constitutes the scope of the docket.

As part of the stipulation of the parties, the full parties will notify the Committee of the position of each party on each issue. Witnesses that the parties propose to present at the public hearing are to be identified as part of the stipulation. If there are issues for which opposing testimony will be presented at the public hearing, the proponent of that testimony is required to submit a pre-hearing statement when the stipulation is filed with the Committee. These statements are to identify which issues that party will address during the public hearing and identify any evidence to be proffered, along with whether the parties agree to have the proposed evidence admitted into evidence without challenge. The stipulation with supporting affidavits and any other supporting evidence is to be filed with the Committee by the date set forth above. An executed copy of the stipulation is to be presented to the Committee on the date of the first public hearing. Any pre-hearing 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 pre-filed 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 pre-hearing 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 it relies on to support the position advocated.

4. Each filing of pre-filed testimony and pre-hearing statement will be accompanied by a copy of the filing in electronic format and in MS Word format.

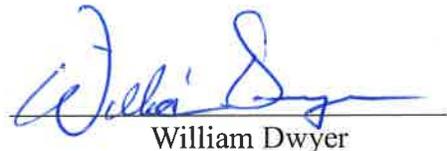
**Based on the foregoing, it is hereby**

**ORDERED**, that the procedural schedule noted above is adopted for the duration of this proceeding, subject to change as may be ordered by the NDFC; and it is

**FURTHER ORDERED**, that the full-party interventions of the parties listed herein are granted; 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 (<http://www.puc.state.nh.us/home/ndfc.htm>).

By order of the Nuclear Decommissioning Financing Committee this the 10<sup>th</sup> day of August, 2016.



William Dwyer

New Hampshire State Treasurer and Chairman