

THE STATE OF NEW HAMPSHIRE
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE
DOCKET NO. NDFC 2002-1

ORDER NO. 1

On February 22, 2002, pursuant to an Order of Notice (OON) issued by the Nuclear Decommissioning Financing Committee (Committee) on January 24, 2002, counsel to the Committee held a prehearing conference at the Public Utilities Commission in Concord. 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: North Atlantic Energy Service Corporation (NAESCO), Seacoast Anti-Pollution League, the Campaign for Ratepayers Rights, the Public Utilities Commission Staff, and Massachusetts Municipal Wholesale Electric Company (MMWEC). The Office of Consumer Advocate had previously requested full party status, but was unable to be represented during the prehearing conference. Counsel for NAESCO stated that NAESCO is representing all Joint Owners other than MMWEC, but requested that each Joint Owner be recognized as having full, individual, standing, in the event any Joint Owner chooses to have separate representation during the proceedings.

SCHEDULE

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

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| 1. North Atlantic to file Annual Decommissioning Update | March 12 |
| 2. North Atlantic to file Supplemental Schedule of Payments | March 19 |
| 3. Pre-hearing Conference | March 19 |
| 4. Last initial interrogatories of North Atlantic to be served | March 19 |
| 5. Pre-hearing Conference | March 26 |
| 6. Last initial interrogatories response from North Atlantic | March 26 |
| 7. Intervenor pre-file testimony | April 3 |
| 8. Last initial interrogatories of intervenors | April 8 |
| 9. Last initial interrogatories response from intervenors | April 15 |
| 10. Pre-hearing Conference | April 22 |
| 11. Stipulation of Issues finalized | April 22 |
| 12. Public hearing | May 7 |
| 13. Post-hearing briefs | May 10 |
| 14. Preliminary Report and Order | May 14 |
| 15. Final hearing (Seabrook public hearing) | June 18 |
| 16. Final Report and Order of Committee | June 20 |

The public hearing will be held at the Public Utilities Commission, 8 Old Suncook Road, 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. The prehearing conferences are intended for settlement purposes, the full parties will establish the date and location for each meeting, with notice provided to each full member.

ISSUES

At the prehearing conference the parties agreed to a procedural schedule for this docket and a scope of issues to be addressed. 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 complete this docket through stipulations, which would be presented to the Committee before the proposed hearing date. In the event a stipulation is presented, a revised procedural schedule will be issued.

The full 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. In particular, the docket will not address the projected cost of decommissioning Seabrook Station, other than the usual annual adjustment for cost escalation.

The issues to be addressed in the Docket are:

1. The fund balance as of 12/31/01, as compared with the projected balance in Attachment 2 to the Final Report and Order in Docket 2001-1, issued November 5, 2001.
2. The revised projected cost of decommissioning. The only factors that will be considered when revising the cost estimate are revisions to the cost escalation, if any.
3. Any adjustments required due to updated cost projections through application of 10 CFR §50.75 or NRC NUREG – 1307, Rev. 9.
4. Identification of the impact of any relevant changes in tax laws.
5. Identification of the impact of any relevant changes in Federal laws.
6. Identification of the impact of any relevant changes in Federal regulatory requirements.

7. The schedule of payments for the current owners, as of 01/01/03, with credit for any RSA 162-F:21-a payment (the so-called "Top-off").
8. The schedule of payments for the current owners, as of 01/01/03, without credit for any RSA 162-F:21-a payment (the so-called "Top-off"), in addition to March 2002 Update.
9. A status report on the auction of certain ownership shares of Seabrook Station, as required by the Final Report and Order in Docket 2001-1.

DISCUSSION

The purpose of this docket is for the Committee to review the fund performance, consider any necessary adjustments, and to set a schedule of payments for the existing owners. In the event any ownership interests in Seabrook Station are sold before the end of 2002, the schedule of payments for the selling owner or owners will not be applicable. For this reason, the Committee welcomes the calculation of the schedule of payments with, and without, the Top-off payment. The schedule of payments for the acquirer of Seabrook Station ownership interests addressed in NDFC Docket 2002-2.

The Committee adopts the statement of issues as the scope for this proceeding, with the following clarifications. The Committee recognizes that the Nuclear Regulatory Commission has not updated the regulations for projecting the cost of radiological decommissioning since it issued NUREG-1307, Rev. 9. In the event NUREG - 1307, Rev. 10 is issued *prior* to the first public hearing, NAESCO will be expected to incorporate any changes and report to the Committee on the impact of those changes. If NRC NUREG - 1307, Rev. 10 is issued *after* the initial public hearing, any changes included in that revision will be considered by the Committee as part of the annual review in 2003. Further,

NAESCO is expected to use the same methodology for cost calculations under NRC NUREG – 1307, Rev. 9 as was accepted by the Committee in the NDFC Docket 2001-1, and in prior dockets.

In adopting these issues as the scope for this docket, the Committee recognizes that the first six items have been the subject of the annual review by this Committee in prior dockets.

The Committee adopts the proposed schedule agreed to by the parties. The Committee grants the requests for intervention of those seeking full party status in this docket, and recognizes the right of any Joint Owner to be represented by the counsel or individual of their choosing, during the duration of the docket. Any Joint Owner that decides to proceed with separate representation is required to notify the full service list prior to attending a pre-hearing conference or hearing before the Committee. Also, any Joint Owner that decides to present testimony or evidence separate from the presentations of NAESCO, will be bound to the procedural schedule for intervenors.

The Pre-hearing Conferences listed on the procedural schedule are for full parties to this docket for settlement discussions and are not to be public meetings or public hearings. On April 22, 2002, 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. This notice is to be served on the full service list on April 22, 2001. Each party is required to submit a prehearing statement by May 1, 2002, identifying which, if any, issues 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 the parties will submit, 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.

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; 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, 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, 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, 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 eighth day of March, 2002.

Thomas B. Getz
Chairman