

THE STATE OF NEW HAMPSHIRE  
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE

NDFC 2002-2

ORDER OF NOTICE

Notice is hereby given that the Nuclear Decommissioning Financing Committee (NDFC or Committee), established pursuant to RSA 162-F:15, shall, in accordance with the provisions of RSA 162-F and RSA 541-A, et seq., and consistent with the NDFC's November 5, 2001, Final Report and Order in NDFC Docket No. 2001-1, open a proceeding to consider the proposed decommissioning funding assurance required from the entity or entities selected by the Public Utilities Commission (Commission) to acquire approximately 88.3% of the Seabrook Station (Buyer). As required by RSA 162-F:21-a, the funding assurance must be approved by the NDFC and in force before a non-utility, as defined by RSA 162-F:14, VIII, may acquire an interest in Seabrook Station. To avoid unnecessary delay in the approval process, the NDFC will open this proceeding and then hold it in abeyance until the Asset Sales Specialist, appointed by the Commission pursuant to RSA 369-B:3,IV(b)(13), identifies the Buyer. By separate notice the NDFC will establish the date for a prehearing conference to be held within 30 days of the selection of the Buyer by the Asset Sales Specialist.

During the proceeding the NDFC will receive testimony and information concerning the availability of decommissioning funding assurances for the Buyer's decommissioning obligation. The proceeding will address any changes to the calculation of the nuclear decommissioning financing fund obligations, the associated schedule of payments into the decommissioning financing fund, and requirements for the Buyer and other owners of the Seabrook Station that result from the transfer of ownership interest in the Seabrook Station and the approval by the NDFC of a decommissioning funding assurance.

The NDFC will determine the sufficiency of proposed decommissioning financial assurance methods offered by the Buyer for its individual ownership interest in Seabrook Station. As part of the proceeding the NDFC will evaluate the financial health of the Buyer and any guarantor, insurer, or other entity responsible for assuring that the

decommissioning obligation of the Buyer will be met. The Buyer will be required to provide the NDFC with sufficient evidence and documentation that establishes reasonable assurance that decommissioning funds will be available when they are needed for the decommissioning process. Such assurances must, as a minimum, satisfy the comparable requirements of the U.S. Nuclear Regulatory Commission, as provided in 10 CFR 50.75(e)(1).

The Buyer will be required to submit its proposal for meeting the funding assurance requirement. The Buyer's filing shall identify the nature, character and amount of a funding assurance the Buyer proposes to provide. Examples of funding assurance mechanisms that are available to the Buyer are provided in RSA 162-F:14, VI. Such a filing shall include documentation of the current financial health of the Buyer and any guarantor, insurer, or other entity responsible for assuring that the decommissioning obligation of the Buyer will be met. Further, the Buyer's submission shall include the filing of written, pre-filed testimony of all witnesses who will support the proposed funding assurance. In the event the Buyer is an electric utility, as defined by RSA 162-F:14, III, certification by the Buyer of that fact shall also be provided at the prehearing conference. The Buyer's filing shall also include its proposed investment elections, consistent with the investment guidelines of the State Treasurer. The investment elections shall detail the proposed use of Qualified and Non-Qualified investments, as controlled by the Internal Revenue Code and related regulations. The Buyer shall also submit a description of the impending transfer of ownership interest in Seabrook Station. This description shall include: the percentage of ownership interest the Buyer will acquire; the expected date of transfer; the expected amount of the RSA 162-F:21-a, I payment to be made on the date of transfer; who is responsible for making the RSA 162-F:21-a payment; the date on which the Buyer proposes a new schedule of payments, if any, become effective for the Buyer; and, the proposed schedule of payment, if any, for the Buyer. The filing date for the Buyer's submission will be determined at the prehearing conference.

No Notice of Intervention or Petition to Intervene will be accepted from any party interested in participating in the proceeding prior to the prehearing conference. At that time, parties will be required to identify their interest in the proceeding, the interest they

represent, and whether they seek to participate as a full party in interest. At the prehearing conference Legal Counsel for the NDFC will act as a Hearing Officer for the purpose of taking appearances from parties interested in participating in the proceeding, establish a list of proposed issues to be addressed in the proceeding, and develop a proposed procedural schedule for the Committee. Thereafter, hearings will be held as established and duly noticed by the NDFC. The prehearing conference and subsequent hearings will be held at the offices of the New Hampshire Public Utilities Commission, 8 Old Suncook Road, Concord, New Hampshire.

North Atlantic Energy Corporation (North Atlantic) shall give notice of this proceeding by causing a copy of this notice to be published at least twice in a newspaper having general circulation in that portion of the State in which operations are conducted and a newspaper having state-wide circulation, the last such publication to be not later than February 15, 2002. North Atlantic shall also post a copy of this notice, including the time and place of hearing, at two appropriate places in Seabrook, New Hampshire. Further, North Atlantic shall notify all parties on the Service List of Docket 2001-1, the Office of Attorney General, the Public Utilities Commission, the United States Nuclear Regulatory Commission, and all Seabrook Station Joint Owners, by sending a copy of the notice to each of them.

Dated this twenty-fourth day of January, 2002.

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Thomas B. Getz  
Chairman