

THE STATE OF NEW HAMPSHIRE
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE
DOCKET NO. NDFC 2002-3

ORDER NO. 1

On September 16, 2002, pursuant to an Order of Notice (OON) issued by the Nuclear Decommissioning Financing Committee (Committee) on August 16, 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, and receiving the views of full parties concerning the issues to be addressed in the docket

APPEARANCES

Representatives of North Atlantic Energy Service Corporation (NAESCO) and FPL Energy Seabrook, LLC (FPLE Seabrook) appeared and requested full-party intervenor status. Counsel for NAESCO represents the United Illuminating Company, Great Bay Power Corporation, New England Power Company, Canal Electric Company, Little Bay Power Corporation, New Hampshire Electric Cooperative, Inc., the Connecticut Light and Power Company, and North Atlantic Energy Corporation. The Seacoast Anti-Pollution League did not appear but requested, through counsel, to intervene.

There is no need to establish a procedural schedule for this proceeding. This docket will be used to receive filings previously identified by the Committee in NDFC Docket 2002-1 and NDFC Docket 2002-2. The schedule of payments for the existing Seabrook owners and for FPLE Seabrook will be adjusted, as required in final orders of those two referenced dockets. There will be no evidence received concerning the

schedule of payments or the projected cost of decommissioning Seabrook Station Accordingly, there will be no need for a hearing in Seabrook, as required by RSA 162-F:21.

The parties will conduct pre-hearing conferences, as provided for under RSA 541-A and RSA 91-A, for the purpose of reaching agreement on recommendations for the Committee. The parties will establish the date and location for each additional settlement meeting, with notice provided to each full member.

ISSUES

In this docket, the Committee will establish filing requirements and procedures for 2003 and, as appropriate, beyond. This docket will also be the forum for confirming that the Seabrook Joint Owners and FPLE Seabrook comply with the requirements established by the Committee in NDFC Docket 2002-1 and NDFC Docket 2002-2.

At the pre-hearing conference, 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.

Filing Requirements

1. Establishment of the decommissioning fund reporting requirement and the filing date for the annual report to be submitted in 2003.
2. Establishment of the information to be included in the RSA 162-F:22 initial submission (the so-called 4-year review) to be filed in 2003.
3. Determination of whether the annual adjustment of the schedule of payments should be on a date other than January 1 of each year.

NDFC Docket 2002-1 Compliance Filing

1. Submission and adjustment of the revised 2003 schedule of payments for the existing Seabrook owners.

NDFC Docket 2002-2 Compliance Filing

1. Submission and adjustment of the revised 2003 schedule of payments for the FPLE Seabrook.

FPLE Seabrook Compliance Filing

1. Confirmation that within five days of its execution by the final necessary approving entity, but in no event less than 30 days prior to the date on which FPLE Seabrook acquires an ownership interest in Seabrook Station, FPLE Seabrook has filed with the Committee an escrow agreement approved by the Commissioner of the Treasury with the Commissioner as escrow agent to hold the \$10 million Top-off until such time as those funds are transferred to the decommissioning fund or returned to the selling joint owners.
2. Confirmation that within five days of its execution by final necessary approving entity, but in no event less than 30 days prior to the date on which FPLE Seabrook acquires an ownership interest in Seabrook Station, FPLE Seabrook has filed with the Committee an escrow agreement approved by the Commissioner of the Treasury with the Commissioner as escrow agent established to retain funds to be deposited pursuant to paragraphs IV G-3 and IV G-4 of Attachment 1 to the NDFC Docket 2002-2 Final Report and Order.
3. Confirmation that within five days of the NRC's approval of the transfer of the Seabrook Station license to FPLE Seabrook, but in no event less than twenty-four hours prior to acquiring an ownership interest in Seabrook Station, FPLE Seabrook has filed with the Committee FPL Group Capital's Support Agreement in the form of Exhibit No. 7 executed by a duly authorized officer of FPL Group Capital.
4. Confirmation that within five days of the NRC's approval of the transfer of the Seabrook Station license to FPLE Seabrook, but in no event less than twenty-four hours prior to the date on which FPLE Seabrook acquires an ownership interest in Seabrook Station, FPLE Seabrook has filed with the Committee FPL Group Capital's Guaranty to the NDFC in the form of NDFC Docket 2002-2 Exhibit No. 9 and executed by a duly authorized officer of FPL Group Capital.
5. Confirmation that before acquiring an interest in Seabrook Station, but no later than ten days after receiving final approval from the NRC and the Internal

Revenue Service and at least 24 hours before acquiring any interest in Seabrook Station, FPLE Seabrook has filed with the Committee an approved amended Master Trust Agreement.

6. Confirmation that before acquiring an interest in Seabrook Station, FPLE Seabrook shall file with the Committee evidence that FPLE Seabrook will have NEIL insurance for Seabrook Station which is effective as of the time of such acquisition.
7. Confirmation that before acquiring any ownership interest in Seabrook Station, FPLE Seabrook has filed with the Committee proof that the estimated Top-off payment has been paid into the decommissioning fund by wire transfer.
8. Confirmation that before acquiring any ownership interest in Seabrook Station, FPLE Seabrook has filed with the Committee proof that the portion of the escrow fund associated with the ownership interest has been paid into the escrow account by wire transfer.

Selling Joint Owners' Compliance Filing

1. Confirmation that the correct Top-off payment, as required by RSA 162-F:21-a, h has been made.
2. Resolution of disputes regarding calculation of the Top-off payment.
3. Authorization of release of funds from the Top-off escrow (NDFC Docket 2002-2 Exhibit No. 25).
4. Determination of the customer contribution (RSA 162-F:21-6) to the decommissioning funds of the New Hampshire Electric Cooperative, Granite State Electric and Public Service Company of New Hampshire.
5. Resolution of any disputes concerning calculation of the customer contribution.

DISCUSSION

The Committee accepts the statement of issues as the scope for this proceeding. This docket will serve as the compliance docket for filings required by previous orders of the Committee.

The filing dates for many of the compliance filings are controlled by when FPLE Seabrook acquires an ownership interest, or the actions of federal agencies. Also, since it

is possible the required compliance filings will be made without challenge, there may not be a need for a public hearing. Accordingly, the Committee will not establish a procedural schedule at this time. The Committee will entertain a request for a public hearing from any party during the pendency of the docket. Of course, the Committee has the authority to require a hearing without any request. Any public hearing will be duly noticed, but not be scheduled at this time.

All parties to NDFC Docket 2002-2 were sent the Order of Notice opening this docket. The three municipal Joint Owners of Seabrook Station, Massachusetts Municipal Wholesale Electric Cooperative (MMWEC), Taunton Municipal Lighting Plant (Taunton), Hudson Light and Power Department (Hudson) (non-selling owners) did not appear at the pre-hearing conference and are not represented by NAESCO. The Committee recognizes their continuing interest in matters concerning the decommissioning fund even without a formal appearance. Accordingly, the non-selling owners will be included on the Service List and recognized as full parties, should they appear at any public hearing.

Based on the foregoing, it is hereby

ORDERED, that the full-party interventions of the parties listed herein are granted; and it is

FURTHER ORDERED, that the non-selling owners will be recognized as full parties should they attend a public hearing; 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, 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 sixth day of November, 2002.

Thomas B. Getz
Chairman