

THE STATE OF NEW HAMPSHIRE
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE
DOCKET NO. NDFC 2007-1

ORDER NO. 1

On March 14, 2007, the Nuclear Decommissioning Financing Committee (Committee or NDFC) issued an Order of Notice (OON), establishing April 12, 2007, for the initial pre-hearing conference. Timely notice of the OON was published in The Union Leader and the Portsmouth Herald and posted in Seabrook, New Hampshire. At the request of the Seacoast Anti-Pollution League, a copy of the 2007 Annual Report was also put on file at the Seabrook Public Library. The pre-hearing conference was held at the Public Utilities Commission in Concord 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. Due to extreme inclement weather, the pre-hearing conference was conducted by conference call, with counsel to the NDFC present in the hearing room in Concord.

APPEARANCES

Representatives of the following entities participated in the pre-hearing conference and requested full-party intervenor status: FPL Energy Seabrook LLC (FPLE Seabrook), Managing Agent for Seabrook Nuclear Power Station (Seabrook Station); the Massachusetts Municipal Wholesale Electric Company (MMWEC); the Taunton Municipal Lighting Plan (Taunton), and the Seacoast Anti-Pollution League (SAPL). Hudson Light and Power Department (Hudson), a minority owner of Seabrook Station, was mailed copies of the OON but did not respond to the OON and did not participate in the pre-hearing conference. The Committee grants the requests for intervention of MMWEC, FPLE Seabrook and SAPL as full parties in this docket.

C-10, a non-profit organization headquartered in Massachusetts, made a timely request to intervene as a full party. Through discussion with counsel to the NDFC, C-10 clarified its interest in the docket as wanting to submit written materials to the NDFC concerning the adequacy of the NDFC's decision in NDFC Docket 2006-1 requiring funding of the on-site Independent Spent Fuel Storage Installation (ISFSI) through the year 2101. C-10 agreed to be grouped with other parties holding similar positions, and does not intend to participate in pre-hearing sessions with the parties. The only non-owner party to the docket is SAPL. SAPL's representative was reluctant to be grouped with another party without more information about the positions of the party. FPLE Seabrook, Taunton and MMWEC opposed granting C-10 full party status, arguing that C-10's purported interest is not within the scope of the Committee's responsibilities concerning the costs to decommission the Seabrook Station.

The Committee understands that C-10 believes the materials they would proffer contain information that would assist the NDFC in determining the cost of decommissioning Seabrook Station, including the use and final removal of the ISFSI. The Committee also accepts that C-10 intends to present these written materials as members of the public, and not as representatives of any governmental entity. After reviewing the exchanges between C-10 and counsel, it appears that C-10 understands that the jurisdiction of the NDFC is limited to determining the future cost of decommissioning Seabrook Station and establishing how the Seabrook owners will fund that obligation.

C-10 is granted limited intervenor status, which the organization agreed is appropriate, for the sole purpose of submitting documents related to the costs of the use and final removal of the ISFSI for consideration by the NDFC. To further the

orderly conduct of the hearing, C-10 will provide copies of the materials to the parties on or before July 11, 2007. The documents will be included in the stipulation the parties intend to submit, and identified as materials C-10 asked be included in the record. As part of the stipulation, each party will include a statement of their position on whether each document proffered by C-10 should be admitted into the record, as well as the party's basis for the position taken. These statements and the identifications of documents are to be included in the stipulation as the pre-hearing positions of the parties. To avoid confusion, C-10 is encouraged to attend a pre-hearing conference after submitting their documents in order to discuss them with the parties before positions are reflected in the stipulation.

SCHEDULE

At the prehearing conference, the parties agreed to a procedural schedule for this docket. Through subsequent exchanges, the following schedule was agreed upon, and the Committee adopts it for this docket:

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| 1. Pre-hearing Conference | April 12 |
| 2. Pre-hearing Conference | May 3 |
| 3. Pre-hearing Conference | May 24 |
| 4. Last interrogatories served on FPLE | May 31 |
| 5. Last interrogatories responded to by FPLE | June 7 |
| 6. Intervenor pre-file testimony | June 14 |
| 7. Last interrogatories served on intervenors | June 21 |
| 8. Last interrogatories responded to by intervenors | June 28 |
| 9. Pre-hearing Conference | July 12 |
| 10. Pre-hearing conference | July 26 |
| 11. Stipulation of Issues finalized and filed with NDFC | August 27 |
| 12. Public hearing | Sept 5 |
| 13. Post-hearing briefs | Sept 12 |
| 14. Reply briefs | Sept 17 |

15. Preliminary Report and Order	Oct 12
16. Final hearing (Seabrook public hearing)	Nov 14
17. Final Report and Order of Committee	Nov 28
ORDER Approving 2006 Schedules of Payment	Dec. 28

Discovery will be ongoing. Pre-hearing conferences will begin at 10:00 am at the Public Utilities Commission in Concord, unless otherwise agreed to by the parties. The September 5, 2007 public hearing in Concord will begin at 1:00 p.m. at the offices of the Public Utilities Commission. The November 14, 2007 public hearing in Seabrook will begin at 7:00 p.m at a location to be announced. The Committee will provide as much advance notice as possible if the hearing dates must be changed.

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 expressed a willingness to pursue agreement on the evidence to be presented to the Committee and to stipulate the issues they believe the Committee should consider in this docket. Further, the parties agreed to identify 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. The parties will endeavor to agree on the evidence that would be received by the Committee.

The parties agreed that the issues to be addressed in this docket are limited to the following list.

DECOMMISSIONING COST ANALYSIS

1. Review and approval of the 2007 TLG Decommissioning Cost Analysis (Attachment B to the 2007 Decommissioning Update) including the identification and approval of any changes made by TLG to the assumptions underlying the study.
2. Review the assumptions concerning the cleanup and/or removal of non-radiological hazardous materials from the site.

TECHNICAL INPUTS TO THE DECOMMISSIONING COST ANALYSIS

3. Review FPLE's assumptions for the disposal of decommissioning-related low level radioactive waste including:
 - a.) Plans for LLRW disposal after Seabrook no longer has access to the Barnwell, South Carolina facility.
 - b.) Impact of the FPL/Energy Solutions contract on decommissioning assumptions and costs.
 - c.) Any other changes in LLRW disposal, cost, vendor, or onsite storage and its impact on decommissioning costs.
4. Review FPLE's progress and plans for the long-term storage of spent fuel and greater-than-class C (GTCC) radioactive waste on site and the associated costs assuming removal from the site in 2101.
5. Review FPLE's proposal that the earliest year by which decommissioning may be assumed to begin be changed from 2015 to 2020.

FUNDING SCHEDULE ASSUMPTIONS

6. Determine if the investment guidelines for the period from license expiration until the assumed date by which decommissioning is complete (the "tail" period) should be changed in view of the fact that this period has been significantly lengthened.
7. Review FPLE's proposal that the assumed decommissioning escalation rate be reduced from 4.5% to 3.75% and the TLG study (Attachment C to the 2007 Decommissioning Update) on which it is based.
8. Review the decommissioning fund performance including a comparison of projections versus actual balances and earnings projections.
9. Review FPLE's progress in achieving the milestones proposed in Docket 2006-1 for conversion of investments held in the Trust (see NDFC 2006-1 Final Report & Order at 11).
10. Review FPLE's proposed funding date of 2030.
11. Review and approve a schedule of payments starting January 1, 2008.

FUNDING ASSURANCES

12. Review the financial performance of FPL Group in relation to the decommissioning funding assurances provided by FPL Group and FPL Group Capital.
13. Review the adequacy of the support agreement in accordance with the Final Report & Order of the NDFC in Docket 2002-2 (at 23).

14. Review the current level of funding in the escrow account and how much, if any, should be returned to the owners in view of extension of the license from 2026 to 2030, the likelihood of further extension to 2050 and the current funding level projections.

ISSUES

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, II. As part of this review, the Committee may alter the schedules of payments and any funding assurances. RSA 162-F:22, III.

The parties recommended a scope of issues to be considered in this docket. After consideration of the recommendation, the Committee finds the list to be comprehensive. These issues constitute the scope of the docket and the Committee does not anticipate expanding the scope.

On 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, the proponent of that testimony is required to submit a prehearing statement when the stipulation is filed with the Committee. These statements are to identify which issues, if any, 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. 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 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 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 pre-filed testimony and prehearing 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 Committee; and it is

FURTHER ORDERED, that the full-party and limited 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, 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.

By order of the Nuclear Decommissioning Financing Committee this thirtieth day of May, 2007.

Thomas B. Getz
Chairman