

THE STATE OF NEW HAMPSHIRE  
NUCLEAR DECOMMISSIONING FINANCING COMMITTEE  
DOCKET NO. NDFC 2009-1

ORDER NO. 1

On March 2, 2009, the Nuclear Decommissioning Financing Committee (Committee or NDFC) issued an Order of Notice (OON), establishing April 28, 2009, for the initial pre-hearing conference in this proceeding. Timely notice of the OON was published in *The Union Leader*, and the *Hampton Union*, and posted in Seabrook, New Hampshire.<sup>1</sup> 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.

**APPEARANCES**

NextEra Energy Seabrook LLC (NextEra),<sup>2</sup> Managing Agent for Seabrook Nuclear Power Station (Seabrook Station), Taunton Municipal Lighting Plant (Taunton), the Hudson Light and Power Department (Hudson), and the Massachusetts Municipal Wholesale Electric Company (MMWEC) participated in the pre-hearing conference and requested full-party intervenor status. 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.

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<sup>1</sup> A certificate of publication was submitted at the pre-hearing conference on April 28, 2009.

<sup>2</sup> Effective March 16, 2009, FPL Energy Seabrook LLC changed its name to NextEra Energy Seabrook LLC.

## SCHEDULE

At the prehearing conference the parties agreed to the following procedural schedule. The Committee adopts it for this docket, noting that public notice will be given of any changes.

1. Pre-hearing Conference	April 28
2. Pre-hearing Conference (10:30 am)	May 19
3. Last interrogatories served on NextEra	May 26
4. Last interrogatories responded to by NextEra	June 2
5. Pre-hearing Conference (10:00 am)	June 23
6. Intervenor pre-file testimony	June 30
7. Last interrogatories served on intervenors	July 7
8. Last interrogatories responded to by intervenors	July 14
9. Pre-hearing conference (10:00 am)	July 14
10. Pre-hearing conference (10:00 am)	August 4
11. Stipulation of Issues finalized and filed with NDFC	August 18
12. Public hearing	September 15
13. Post-hearing briefs	September 22
14. Reply briefs	September 25
15. Preliminary Report and Order	September 30
16. Final hearing (Seabrook public hearing)	November 3
17. Final Report and Order of Committee	November 10
18. Order Approving 2008 Schedules of Payment	December 30

Discovery will be ongoing. Pre-hearing conferences will be held at the Public Utilities Commission in Concord, unless otherwise agreed to by the parties. The September 25, 2009, Public Hearing in Concord will begin at 1:00 p.m. at the offices of the Public Utilities Commission. The November 13, 2009 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 will provide an agreement on the evidence to be presented to the Committee. 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.

### **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, 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 proposed that the following issues comprise the scope of the issues to be considered in this proceeding.

1. Whether the requested change in the escalation rate from the allowed 4.2% to 3.75% should be granted, and if not, the escalation rate to be used for projected decommissioning cost increases when calculating the 2009 schedules of payments.
2. Whether the inflation rate used in the calculation of the schedules of payment should continue to be 3%.
3. Whether the Seabrook Owners’ request that the investment guidelines for the escrow account be changed to be the same as the investment guidelines for funds held in the Trust should be granted.
4. Whether the investments permitted under the current Investment Guidelines should be used as assumptions when projecting earnings for the schedules of payments.

5. Whether the Committee should continue to rely on historic data regarding assumed performance of investments.
6. Whether the March 2009 settlement between the Seabrook Owners and the U.S. Department of Energy affects the projected cost of decommissioning, and whether any change in the projected cost should be made in this docket.
7. Determination of the assumed equity rates of return for 2010 and each subsequent year.
8. Requirements for the 2010 Seabrook Annual Report.
9. Whether NextEra Energy Seabrook, MMWEC, Taunton, and Hudson should make their 2010 payments into the escrow account or into the Trust.
10. The additional safeguards that will be employed by the Managing Agent to ensure the accuracy of the schedules of payments.
11. Review of the most recently available information on long-term storage of spent nuclear fuel and GTCC radioactive waste, including the impact of the budget cuts on the Yucca Mountain Project on the long-term storage of Seabrook's spent fuel and decommissioning costs and the actions of the Seabrook Owners to identify an alternative to disposal site.
12. Review of the financial performance of FPL Group in relation to the decommissioning funding assurance provided by FPL Group and FPL Group Capital.
13. Review of the adequacy of the funding assurance obligations of each Seabrook owner.
14. Establish the 2010 schedules of payments.

The issues set forth in the list will provide for a comprehensive review as required by RSA 162F:22. The issues include those directed by the NDFC to be included in this docket (See NDFC Docket 2008-1 Final Report and Order) and an additional issue concerning requested changes to the assumptions used when calculating the schedules of payments. These issues will be addressed in this docket as part of the Committee's review of the investment performance during the on-going

economic turmoil, and the NDFC's determination of what will be acceptable assumptions for future economic performance. Accordingly, the proposed list constitutes the scope of the docket.

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. Witnesses the parties propose to present at the public hearing are to be identified as part of the pre-hearing 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 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 comprehensive stipulation by the parties, an executed stipulation with supporting affidavits and any other supporting evidence is 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 it relies on 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.

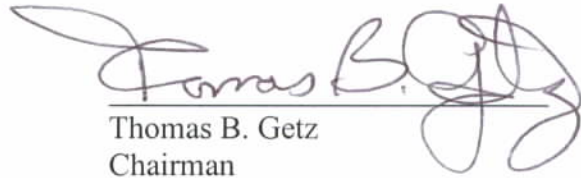
**Based on the foregoing, it is hereby**

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

By order of the Nuclear Decommissioning Financing Committee this fourteenth day of May, 2009.

  
Thomas B. Getz  
Chairman